

UNIVERSITY OF
EXETER



CHO'S

CLOTHING & LIFESTYLE

**THE EXETER
ENTREPRENEUR**

POWERED BY SETSQUARED EXETER

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Cover photo of Kalkidan Legesse, owner of Exeter's sustainable fashion store Sancho's. Read more about her entrepreneurial journey on page 27.

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INTRODUCTION

The University of Exeter is proud of its vibrant, innovative and entrepreneurial community.

When embedded within our research, teaching, professional services and the wider community, entrepreneurship and innovation have the potential to deliver meaningful and positive impact as we collectively strive to address some of the biggest challenges of our time.

This first edition of *The Exeter Entrepreneur* seeks to shine a spotlight on our increasingly entrepreneurial community and provide practical guidance and support to those looking to make a positive change through innovation and entrepreneurship.

We hope this resource will become a valuable guide as you embark on new and exciting journeys as we all work together for a brighter future.

OUR RESEARCH AND INNOVATION

Together we will work
for a brighter future.

Our dynamic and innovative research culture will foster new discoveries, inspire creativity and bring people together to solve the challenges of today and tomorrow.

[› Download Exeter's Strategy 2030](#)

HOW TO USE THIS GUIDE

The Exeter Entrepreneur has three distinct parts so that you can access the information that's most relevant to you and for the stage of your journey:

PART ONE: THE BIGGER PICTURE

In this section, we deal with the fundamentals and overarching topics that will set up any new startup project on strong foundations. We introduce tried and tested methodologies, tools and approaches that can be utilised throughout your journey, from initial idea to successful launch and beyond.

PART TWO: INCUBATION AND ACCELERATION

Part two is all about the support and resources available to you through SETsquared Exeter. We have a wide range of programmes and opportunities available for students, researchers, staff and businesses that incubate and accelerate new ideas, entrepreneurial skills, new venture creation and innovation. For researchers and staff, we also provide an overview of our approach to commercialisation, share some top tips, and outline the typical steps taken when creating a university spinout company.

To make navigation easier, each section of part two is colour coded: **gold** for students, **blue** for researchers and staff, and **red** for businesses.

PART THREE: LAUNCHING YOUR BUSINESS

For those that have chosen to set up a new limited company to take your innovative solution to the world, this section provides expert guidance from several professional business advisory firms on some of the fundamental topics that new startup founders will need to get up to speed on.

ACCESSIBILITY

We have tried to make *The Exeter Entrepreneur* as reader friendly as possible.

For your ease, you can download this handbook as a PDF, so you are able to read it offline and edit features to your needs.

Changing the page colour

Reading black-on-white is not for everyone. If you would prefer to change the page or text colour, open your downloaded PDF via Adobe Reader DC. From here, select 'Edit > Preferences > Accessibility.' Here you are able to select your preferred background and text colour. Click 'Okay' at the bottom and you are ready to go.

Read aloud

If you would rather listen to *The Exeter Entrepreneur*, simply open your downloaded version in Adobe Reader DC, select 'View > Read Out Loud' and select either 'Read this page only' or 'Read to end of document.'

ABOUT SETSQUARED

SETsquared is a unique enterprise partnership and a dynamic collaboration between the six leading research-led UK universities of Bath, Bristol, Cardiff, Exeter, Southampton and Surrey. As a partner, SETsquared Exeter is a core pillar of the university's entrepreneurial and innovation ecosystem, delivering a range of programmes to support students, researchers, staff and business.

Since launching in 2002, the SETsquared Partnership has supported over 5,000 entrepreneurs helping them raise £2.72bn investment to create 20,000 jobs. Its mission includes maximising the social, environmental and economic impact potential of its students, researchers, staff and regional business by delivering world-class incubation and acceleration support.

In 2019 SETsquared was ranked as the Global Number 1 University Incubator for the third time and continues to be at the forefront of University entrepreneurship and innovation.

In 2020, despite the global pandemic, SETsquared hit a new record with investment from private and public sources across the year, totalling £616m, representing a 40% increase.

SETSQUARED EXETER

For our community, SETsquared Exeter brings together an ecosystem of support and expertise to deliver joined-up, specialist and inclusive support across our entire University. SETsquared Exeter has three key entry points aimed at providing the very best tailored support:

1. Student Startups
2. Research and Staff Commercialisation
3. Business Incubation, Acceleration and Scale Up





F O R U M

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PART ONE
THE BIGGER PICTURE

WHAT DO WE MEAN BY ENTREPRENEURSHIP?

There are many interpretations of entrepreneurship and what it means to be an entrepreneur.

Traditional definitions tend to focus on setting up a business by taking on financial risk in the hope of profit. However, more progressive interpretations focus on “value-creation” and “mission”, allowing for a much wider and inclusive set of objectives, motivations and outcomes.

At Exeter, we start by supporting those within our community who want to positively impact the world by drawing upon their knowledge, expertise, innovation and leadership. We are doing this by building a world-leading entrepreneurial and innovation ecosystem that:

1. Builds the necessary entrepreneurial skills and mindset capable of leading, overcoming challenges and seizing opportunities.

2. Delivers access to unique and transformative opportunities such as investors, collaborative partners, mentors, funding and programmes that turn innovative ideas and research into impactful outcomes.

3. Builds a critical mass of entrepreneurial activity, intellectual capital and opportunity.

The Exeter Entrepreneur provides valuable tools, frameworks and resources that will aid anybody embarking on a new initiative with solutions to address identified challenges.

We also signpost the support on offer for those embarking on a new venture or innovation project. This may be through forming a student startup, social enterprise, charity or commercialising your research by setting up a spinout company or working with industry.



TILTING THE BALANCE IN YOUR FAVOUR

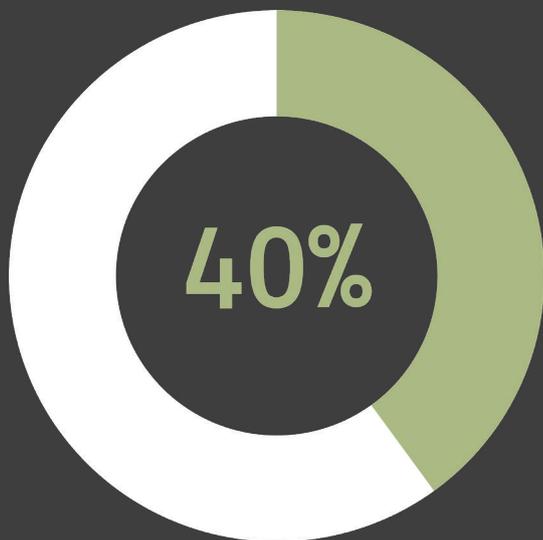
Innovation and entrepreneurship is an inherently risky and uncertain business. You have to tread new ground to try to tackle challenges by doing something that hasn't been done before.

20% of businesses in the UK fail in the first year, with a further 60% going bust within the first three years. However, plenty do make it and some go on to be highly successful.

Yearly Gov.uk statistics show that between 500,000 and 700,000 new startup businesses are launched in the UK every year.

Here at the University of Exeter, our wide range of services give our entrepreneurial community the best possible chance to beat the odds and tilt the balance in their favour.

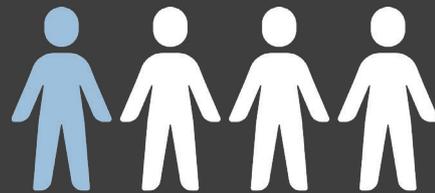
THE MOST COMMON REASONS STARTUP COMPANIES FAIL:



42% of startup businesses fail because there's no market need for their services or products.



29% failed because they ran out of cash.



23% failed because they didn't have the right team.



19% were outcompeted.



18% failed because of pricing and cost issues.



14% failed because of poor marketing.



14% failed because they ignored customers.



17% failed because of a poor product offering.

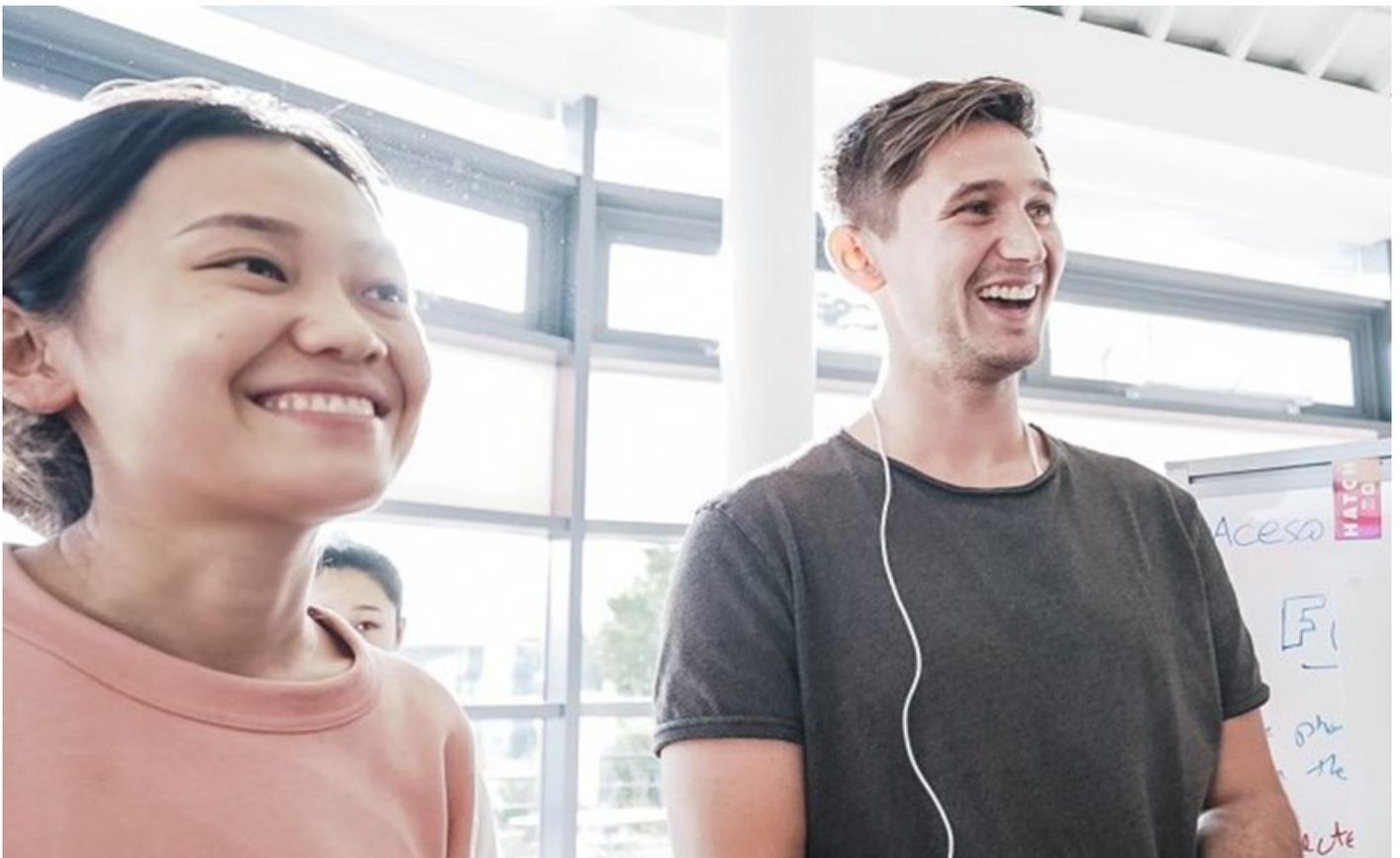


14% failed because they lacked a business model.

Survey by *CBI Insights* amongst employees and founders from 101 startups, analysing the reasons why those companies failed.

TOP TIPS

1. Successful startups tend to be built by small teams rather than lone innovators, so try to identify co-founders who will participate.
2. Consider the role you will play within the venture. It is beneficial to have a blend of expertise in the core team to deliver both the commercial and technical aspects of the business.
3. Be 'market-led' in your approach to commercialisation. Consider what problems you are solving and for whom – designing solutions for which there is a recognised need.
4. Developing a spin-out or startup is challenging, requiring enthusiasm and commitment, but ultimately can be very rewarding and benefit your future research and career aspirations.
5. Whatever stage your project or new venture is at, if you haven't already, get in touch with one of the SETsquared Exeter teams, we are here to help.



AN INNOVATION FRAMEWORK

INNOVATION MYTHS

In 1928, Alexander Fleming observed that a strange mould had contaminated his Petri dishes, destroying the bacteria he was trying to grow. As an inquisitive scientist, Fleming decided to study the mould and became known as penicillin's discoverer.

Fleming's story perpetuates the myth that innovation happens through a singular "eureka" moment, a single person epiphany – job done! Unfortunately, that's not really how things work. It's wasn't true in Fleming's case and is unlikely to be that way for you either.

The reality is that innovation is never a single event. It is a process of ongoing exploration, creating, testing and learning, which is why penicillium didn't

become commercially available until 1945 and the resulting drug? A different strain of the mould that Fleming first discovered.

From the mid-20th century onwards, designers, innovators, inventors and businesses began seriously thinking about the process of innovation and about what can be done to speed up and optimise outcomes. Many valuable models, tools and methodologies have since been developed that can radically improve the process of developing new products, services, projects and launching new ventures.



SETsquared Exeter and the wider SETsquared Partnership have demonstrated the value of embedding some of the most current and proven approaches within our programmes, such as using business models canvas tools, lean startup methodologies, and design thinking.

This, coupled with establishing a vibrant innovation ecosystem that creates connections between entrepreneurs, funders, customers, investors and opportunities, provides a powerful framework for success.

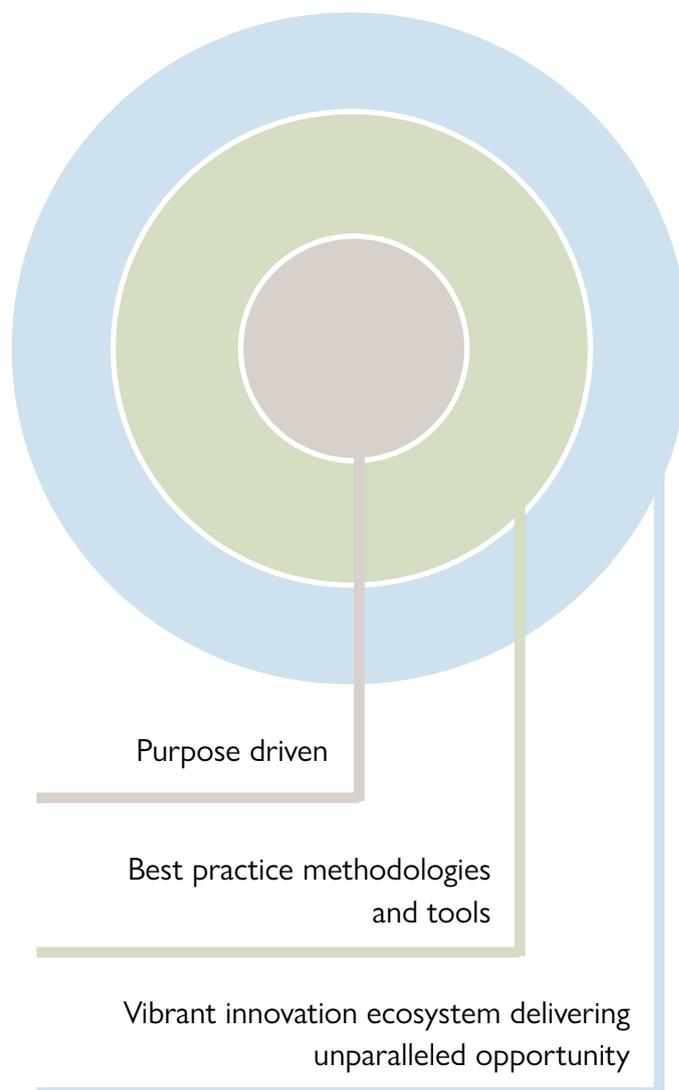
PURPOSE DRIVEN

As the University and the wider world evolve to address some of the biggest challenges of our time relating to climate change, biodiversity, health and social justice, so must the approaches we adopt to transform our research and education into world-leading solutions. This includes placing purpose at the heart of our activity and ensuring that we properly consider the environmental, societal and economic impact of the things we seek to create.

This guide will introduce some key approaches that form an innovation framework intended to provide some practical guidance through what is often a complex and uncertain journey. The framework aligns with and provides support in securing the funding usually required to take an idea through to a successful launch. We also include a reading list for those that want to explore the subject in more detail or may have more specialist approaches they would like to consider.

Remember, innovation is about being curious and asking why. Never be afraid to challenge how something is being done now, or to do something that is not being done.

The 3 core elements of SETsquared Exeter's approach to Innovation:



DESIGN THINKING

Design Thinking is a creative approach to problem-solving that originally was and still widely places the question of “human need” at its centre to ensure that solutions are developed that people will love.

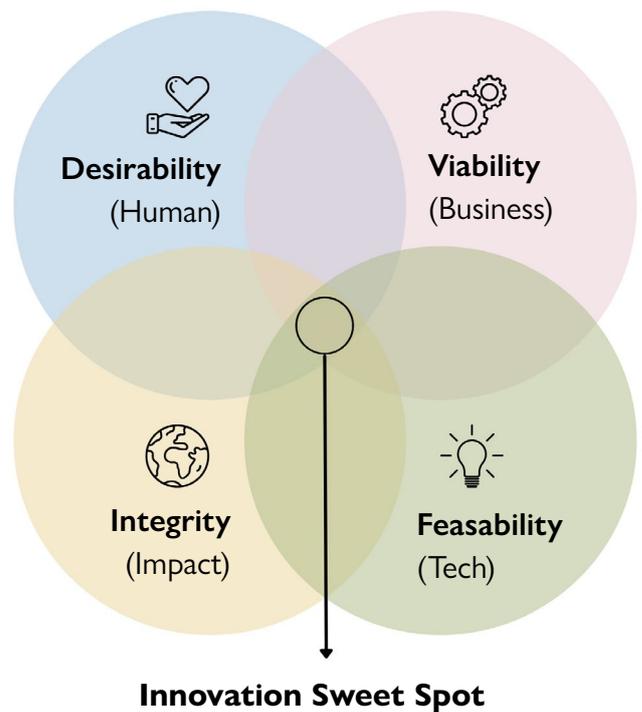
Using an iterative and staged process, Design Thinking seeks to understand what is “Desirable” from a human perspective as well as what is technologically “Feasible” and economically “Viable”. An updated view of this model is one that also puts environmental and social impact at the heart of consideration by introducing a fourth distinct dimension; “Integrity.”

Brainstorming in its traditional sense is not always the best way to develop ideas. Usually, ideas come to us when we give our minds space – while taking a walk in nature for example, rather than within a high-intensity groupthink environment with limited time.

To overcome this challenge, Design Thinking advocates that bringing the right people together in the right environment and using the right tools radically improves such initiatives’ outcomes. This is done by guiding participants through pathways for inspiration, problem definition, idea generation, prototyping and testing.

As globally recognised leaders in the field and as the UK Government advisor on design since 1994, we thoroughly recommend utilising *The Design Council’s* free online resources. We would recommend their 2021 “Systemic Design Framework” publication for innovators looking to take a best practice design approach to achieving sustainability and climate impact.

THE INNOVATION SWEET SPOT

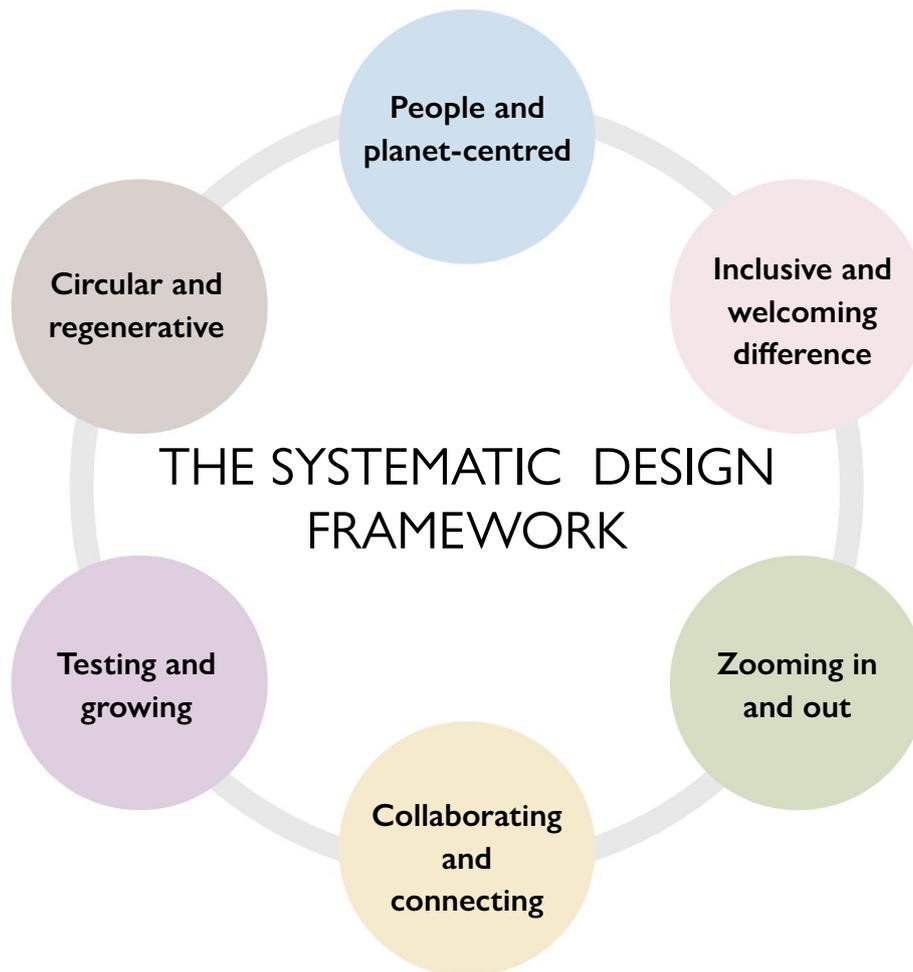


From [Design Council.org.uk](https://www.designcouncil.org.uk)

Check out the Design Council’s Framework for Innovation

[Click Here](#)

Here are the *Design Council's* six key principles they believe should now guide all innovation activity:



From Design Council.org.uk

SIX PRINCIPLES FOR SYSTEMATIC DESIGN

The Design Council's six principles aims to guide activity. They can be used to help people to develop or adapt new design methods and tools from their own practice:

People and planet centred

Focusing on the shared benefits of all living things.

Zooming in and out

From the micro to macro, from root cause to hopeful vision, from the present to the future, from the personal to the wider system.

Testing and growing ideas

Making things to see how they work and help more things emerge.

Inclusive and welcoming difference

Creating safe, share spaces and language to bring in multiple and marginalised perspectives.

Collaborating and connecting

Seeing a project as one element in a wider movement for change.

Circular and regenerative

Focus on existing assets – physical and social – and how we can re-use, nurture and grow these.

CASE STUDY: SYSTEMATIC DESIGN THINKING IN ACTION IN EXETER



WE ARE LIMINAL, ROLAND HARWOOD

The Exeter City Futures project was set up by two local successful tech entrepreneurs who were passionate about sustainability. Exeter is a great place to focus on this issue, with many experts in the area working at the Met Office and the University. However, those on the project were facing all sorts of challenges in local and national government and had to fight a lot of battles. After the project had been going with limited success, We Are Liminal were brought in to deliver innovation and design workshops covering personas, service blueprinting, iterative process and so on. It was messy and they went down some blind alleys, but it opened up new possibilities.

In the end, the design lens was vital. Their insight showed that saying net zero is the right thing is not enough to get people to respond. If, on the other hand, the message paints a vision of a great place to live in, which then leads to net zero, then people will engage. Design thinking was part of coming to this realisation. Exeter City Futures built up momentum in the city, secured engagement from the CEO of Exeter City Council, Karim Hassan, and achieved buy-in and sign up from all the big employers, along with others. This top-down, bottom-up linking with power structures was vital. Through this, Exeter City Futures managed to get all logistics traffic banned in the city centre – a huge achievement.

LEAN STARTUP METHODOLOGY

So, if Design Thinking is about coming up with proposed solutions to clearly defined and well-understood problems, then lean startup is about turning those proposed solutions into business models underpinned by assumptions that can be rapidly tested with real customers to learn and integrate towards product-market fit. This ensures that we develop products and solutions quickly and efficiently that are optimised to satisfy the real needs of your customers.

Remember! The number one reason projects and businesses fail is because there is no need and no demand for the solutions or products being developed. So rather than spend vast amounts of time, resources and money building a solution in isolation from end-users, customers and the market, lean startup favours experimentation over elaborate planning, customer feedback over intuition, and iterative design over traditional “big design up front” development. As with Design Thinking, there is a suite of tools and approaches that help put lean startup into action. Many of which focus on how to create “minimal viable products” (MVPs) that can be used to quickly test, learn and iterate with real end-users and customers.

Another key aspect of the lean startup movement is to challenge the conventional approach that the first thing a new project lead or startup founder must do is to create a lengthy business plan. In the past, such a plan would attempt to detail the size of the opportunity, the problem to be solved, and the solution being provided. It would also include detailed financial forecasts before embarking on lengthy product development and product launch activity. However, this business planning and subsequent product development are likely to fail if it is based purely on desk-based assumptions and done in isolation from real-world customer feedback and deep market exploration.

So rather than undertaking months of planning and research, entrepreneurs adopting lean startup admit to themselves that, on day one, all they have is a series of untested hypotheses. Instead of writing an intricate business plan, project leads and founders summarise their hypotheses in a business model canvas framework. They then test them by engaging with potential users, customers, partners, and other stakeholders. They then take this feedback and update the business canvas as part of a continuous innovation process.



Image of *The Lean Startup*, book by Eric Ries.

BUSINESS MODEL CANVAS

As part of the Lean Startup movement, Business Model Canvas has become a powerful visual template that helps document and communicate the story of your business or project. It is especially impactful when used to explore new business models.

Initially invented by Swiss business theorist and entrepreneur Alex Osterwalder as part of his PhD research in 2005, the approach has been embedded in many successful innovation and entrepreneurial programmes across research, industry and the public sector worldwide.

SETsquared Exeter regularly uses and advocates others to use Osterwalder’s two main tools:

1. Business Model Canvas describes how an organisation creates, delivers and captures value.
2. Value Proposition Canvas – designing, testing, building and managing products and services.

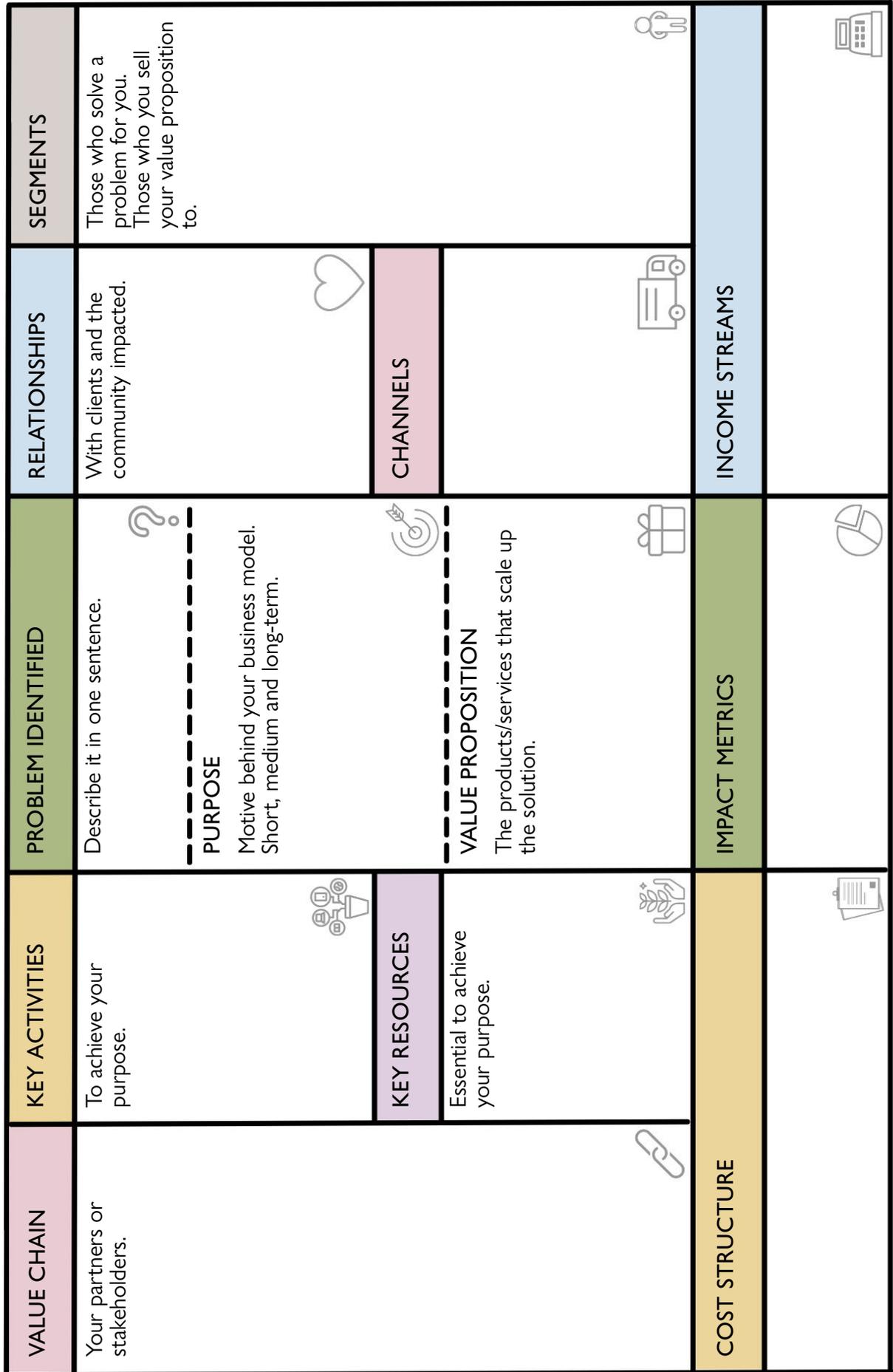
We evolve our approaches to commercialisation, responsible innovation and startup support to create new ventures and solutions capable of thriving in a transforming net zero, environmental gain, and a socially just economy. We also recommend updated versions of the original Osterwalder model that place purpose and impact at their centre, such as the “B” Canvas Business Model.

THE “B” CANVAS BUSINESS MODEL

VALUE CHAIN Your partners or stakeholders.	KEY ACTIVITIES To achieve your purpose.	PROBLEM IDENTIFIED Describe it in one sentence. PURPOSE Motive behind your business model. Short, medium and long-term.	RELATIONSHIPS With clients and the community impacted.	SEGMENTS Those who solve a problem for you. Those who you sell your value proposition to.
	KEY RESOURCES Essential to achieve your purpose.	VALUE PROPOSITION The products/services that scale up the solution.	CHANNELS	
COST STRUCTURE		IMPACT METRICS	INCOME STREAMS	



THE "B" CANVAS BUSINESS MODEL



Adapted from 3Vectors.com and Innodrive.com inspired on Business Model Generation Book

BUSINESS FOR GOOD

RESPONSIBLE INNOVATION

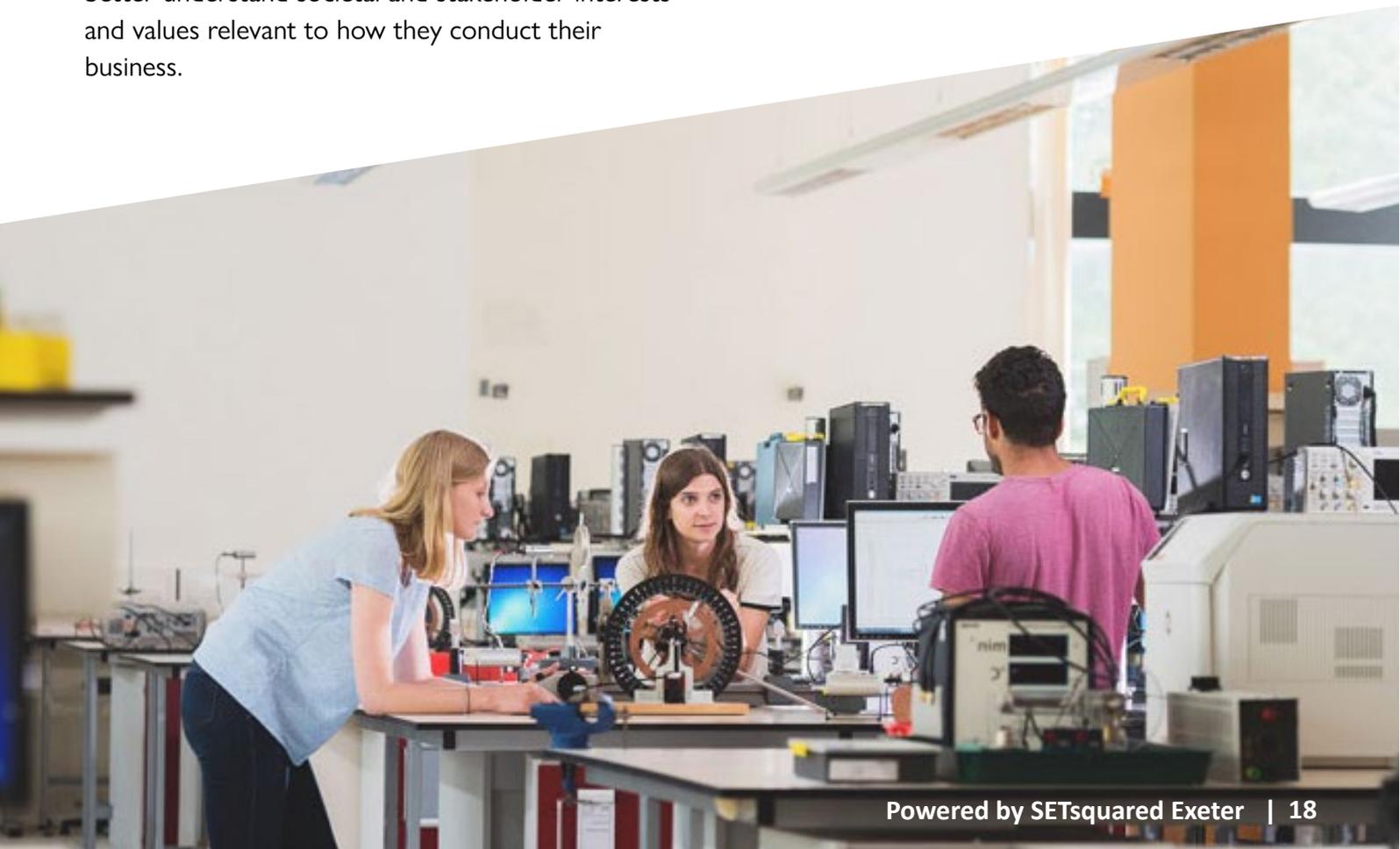
As part of our approach to innovation and entrepreneurship, “responsible innovation” is a process that takes the broader impacts of research and innovation into account. The University commits, in-line with industry best practice and government policy, to promote opportunities for science and business innovation that are socially desirable and undertaken in the public interest.

A company cannot claim to be innovating responsibly if it does not follow the accepted norms of national and international good conduct, often referred to as its “social responsibility.” - *PAS 440:2020 Responsible Innovation Guide, BSI and UKRI.*

The seventeen UN Sustainable Development Goals (SDGs) codify a set of societal aspirations that can be used as a resource for any company that wants to better understand societal and stakeholder interests and values relevant to how they conduct their business.

**Further information
can be found in the BSI
Responsible Innovation
Guide (PAS 440.2020)**

[Click Here](#)



INTELLECTUAL PROPERTY

Intellectual Property (IP) is likely to be a key consideration when developing any commercialisation project, and it's essential to get up to speed on this important area from the outset. If you're a university researcher or staff member, please refer to [page 47](#) of this handbook for guidance and support from the Enterprise and Innovation Commercialisation team.

The following general information on IP has been collated thanks to the contributions from Ben Travers from Stephens Scown LLP.



Ben Travers,
Stephens
Scown LLP.

Intellectual Property (IP) rights are both a shield and a sword to businesses. They can be used to prevent business loss by protecting key assets and can also be used to avoid other companies conducting themselves in a way that can cause loss.

Beyond this intrinsic value to a business, IP rights can be licensed, assigned and otherwise dealt with as if they were physical, tangible items. In that regard, IP rights can also generate income and capital gains for a business. Broadly speaking, IP rights break down into four distinct categories:

- Trade Marks**
which are the names, images and symbols used to denote goods or services
- Copyright**
which protects literary and artistic work
- Design Rights**
which relate to the designs of products, patterns, decoration and layouts
- Patents**
which are sought in relation to a product or process which has been invented.

In relation to each of the above IP rights, careful consideration needs to be given to ensure that your business is, where possible, the owner of those rights. In some circumstances, e.g. copyright (and subsets of copyright such as database rights), you will not be the owner of those rights unless you have conducted a legal assignment.

Alternatively, business can seek to gain the necessary rights to use IP they do not own through a license - refer to [page 97](#).

In other cases, registration is the best or only way to identify your business as the owner of the rights (e.g. designs, patents and trade marks).

Trade Marks

Trade marks are a unique sign identifying a particular source of goods/services (a trader) to a client/consumer. In a legal sense, it is the brand (or brands) of a business.

Trade marks often become the most valuable asset of a business (and the longer that business exists, the more valuable it will become). Trade marks should be protected by filing applications to register them in the UK, EU, or further afield.

Businesses often (mistakenly) assume that because they have a domain name, registered company name, or similar, their name (and brand) is protected – this is not the case. A registered trade mark will usually prevail over all other rights in a brand or name.

Copyright

Copyright is an automatic right – it does not need to be registered and occurs upon creation. So, as soon as pen is put to paper (or finger to key), copyright exists. This means copyright exists in all created works, such as text, music and video (and any combination, e.g. websites). Since the technological revolution of the late 20th Century, copyright has become increasingly important in a new area – software. As an automatically occurring right, careful consideration has to be made as to who owns the copyright (it can be transferred) and how that transfer takes place.

Copyright is everywhere, but to benefit and enforce this right, it is important to manage and control it properly.

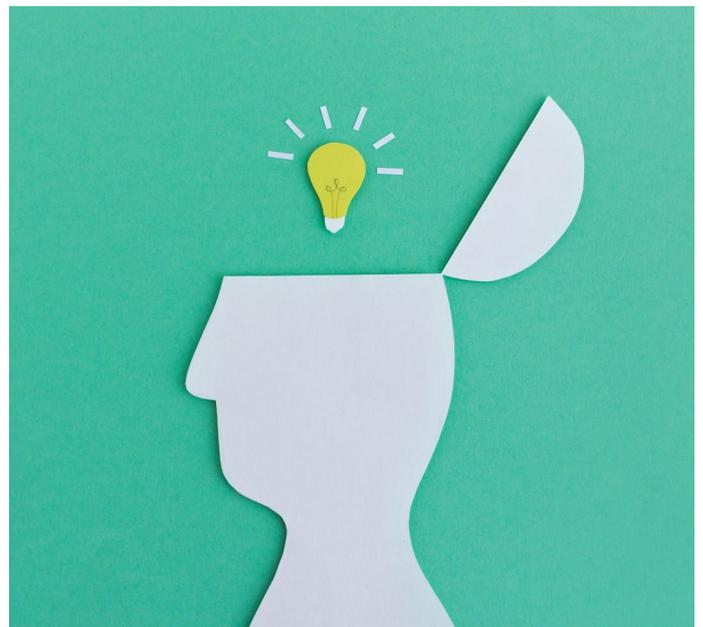
Design Rights

Design Rights protect the aesthetic appearance of a physical product – if someone is manufacturing something, design rights will be involved. A registered design can protect both the physical appearance of an item and/or the surface decoration (e.g. a wallpaper print). A design registration must be sought within one year of a product being brought to market.

Patents

A patent is a protection afforded to inventions. There are stringent patent requirements, but generally speaking, if a product or method is new, it is potentially protectable by a patent. Any disclosure of an idea or invention prevents a patent being granted - if in doubt, take early advice before you publish, present, or discuss your invention publicly.

Patents do not apply to software in the UK, but a patent may still offer protection for an invention implemented by software. We highly recommend seeking expert patent attorney advice when considering the patentability of your invention.



KNOW-HOW: TRADE SECRETS AND CONFIDENTIAL INFORMATION

Sometimes know-how can be as valuable or more valuable than formal intellectual property rights. Know-how is practical secret knowledge on how to accomplish something. It can take the form of unpatented inventions, formulae, designs, drawings, procedures and methods that, when accompanied with skills and experience, can bring about the manufacture, sale, or use of an object that brings about value. Know-how can be traded directly in the same way as IP through licensing and assignment. Know-how should be safeguarded as a trade secret and managed as confidential information through contractual agreements, such as non-disclosure agreements, employment contracts and collaboration agreements.

IP IN YOUR BUSINESS

Without being able to prove ownership of an IP right, there is no value in that right to your business. Any business seeking investment will be subject to due diligence investigations. Often, key IP rights form the bulk of a business' perceived value (e.g. trade marks for brand protection). If a business is not capable of proving ownership of those assets then the perceived value of the business will be greatly reduced and investors will either be reluctant to invest or greatly reduce their offering.

The registration of IP rights works on a first come, first served basis. This means that it is best to obtain registration as soon as possible. Registration, for the most part, is obtained on a jurisdiction by jurisdiction basis.

It is really important that your commercial terms deal with your IP position, especially if you are in the software or online space.

The infringement of another's IP rights can lead to destruction/offering up of offending goods/services, injunctions being sought against your business and court action resulting in damages and costs. To that end, businesses should be certain that they either own or have permission to use IP (called a license).

The University has its own in-house IP team. For advice about IP, contact the Innovation, Impact and Business division. For guidance in the first instance see [page 47](#). When considering registration of any IP rights, legal advice and assistance should be sought before proceeding.

The Research Commercialisation Team can also signpost you to funding available at the time of writing, to assist in the formation and execution of an IP strategy.

**The UK Intellectual
Property Office can
provide more information
on IP business guidance**

[Click Here](#)

ENTREPRENEURSHIP IN ACTION

CASE STUDY #1

BAZOO

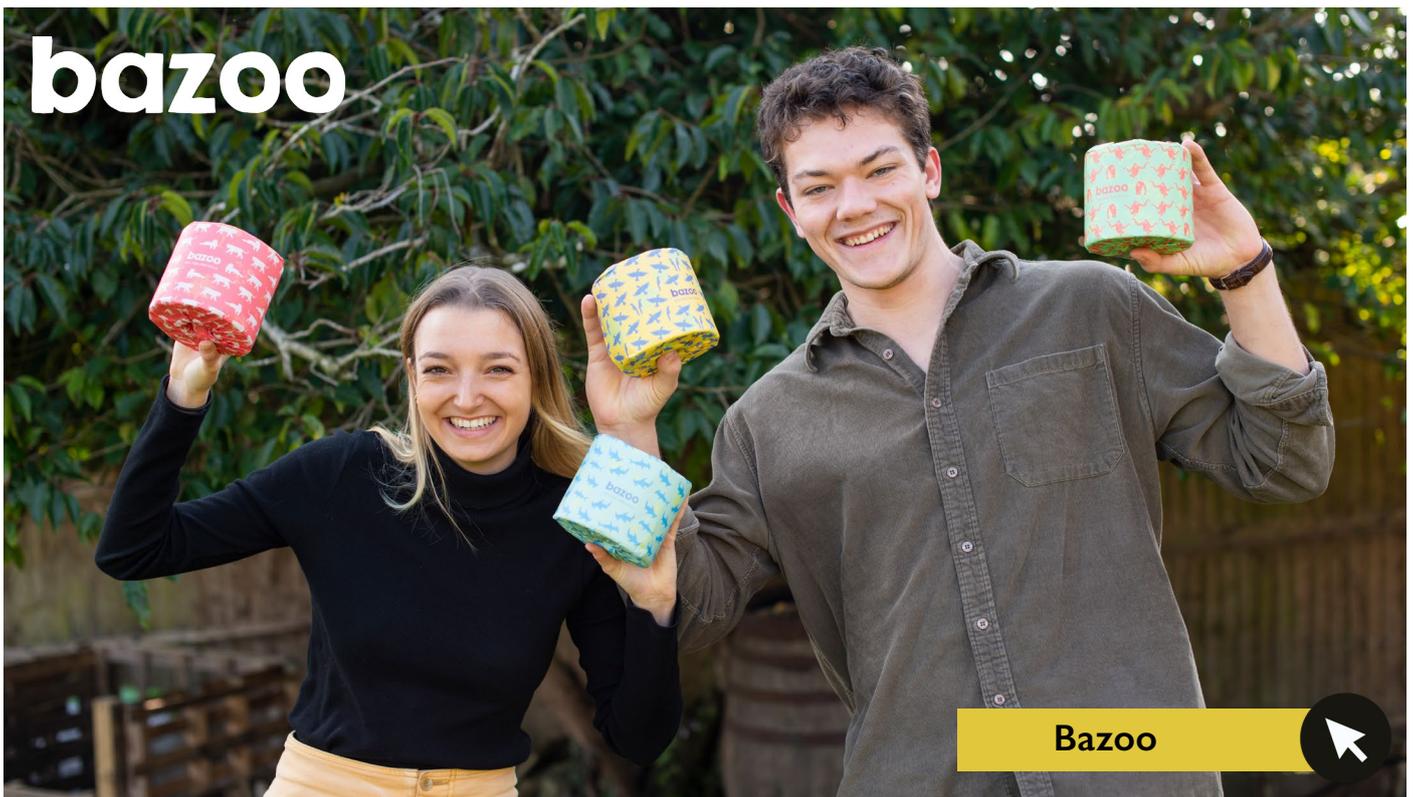
Bazoo is an online e-commerce brand selling tree-free loo rolls made from FSC certified sustainable bamboo, shipped in 100% recycled, plastic-free packaging.

Co-founders Sanmarie Grobler (BA Liberal Arts) and Tom Trow (BSC Business Economics) launched the business with support and grant funding from the University of Exeter's Student Start-up programme, part of SETsquared Exeter.

The company is committed to upholding the highest environmental standards, offsetting 200% of their carbon emissions, meaning they offset more carbon than they emit and every purchase contributes to physically removing emissions from the environment.

They further bolster their environmental credentials by partnering with UK-based sustainability charities, donating 10% of company profits to the Rainforest Trust UK and Just One Ocean.

Bazoo strives to raise awareness around environmental issues while offering a sustainable, convenient alternative to a common consumer staple and, in doing so, revolutionise consumer habits around toilet paper.



ENTREPRENEURSHIP IN ACTION

CASE STUDY #2

UP.CO

The Up.co began life as Charged UP, emerging from the University of Exeter's Student Start-up programme, part of the university business incubator SETsquared Exeter.

CEO Hugo Tilmouth and his co-founder met on the Renewable Energy Engineering MEng degree programme on the Penryn campus. They went on to establish a network of mobile power banks within hospitality venues to increase footfall, dwell time and improve the customer experience.

Charged Up was the UK's first mobile phone charging network of its kind, growing to 1000 stations across the UK, and has received much acclaim with the co-founders named in the Forbes 30 under 30 and the business dubbed the "Boris Bike of Phone Charging" by the BBC.

Following the start of the Covid-19 pandemic, the company pivoted and created CleanedUp; utilising their existing contacts in hospitality, they rolled out a network of hand sanitiser dispensers to increase confidence for customers visiting venues. Continuing to seek ways to support the hospitality industry, they created ServedUp, an order-to-table system to speed up customer service, boost customer satisfaction and increase revenue. Following their success, ChargedUp rebranded as TheUp.co to unify ChargedUp, CleanedUp and ServedUp under one parent company.



ENTREPRENEURSHIP IN ACTION

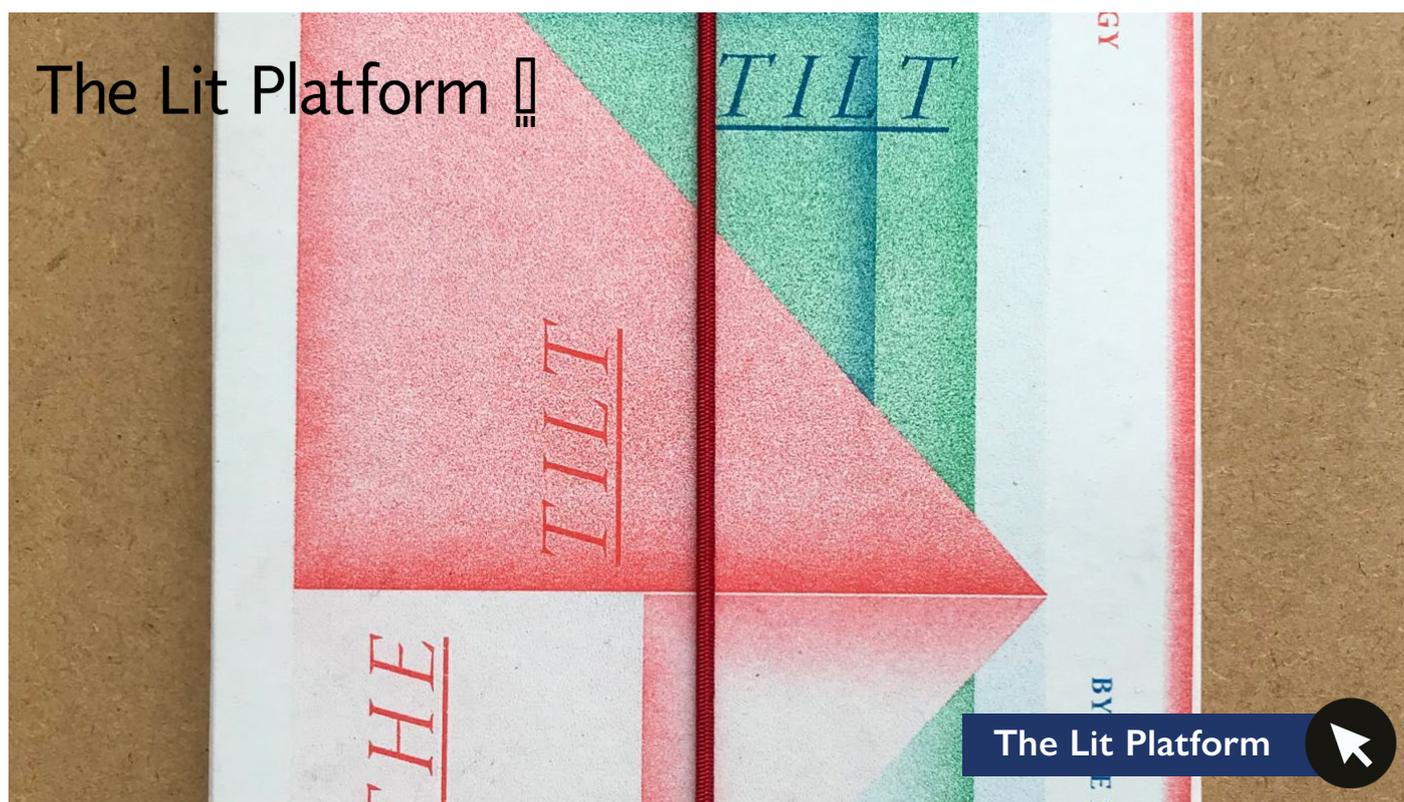
CASE STUDY #3

THE LIT PLATFORM

Anna Kiernan is an author, Director of the MA Creativity: Innovation & Business Strategy programme at the University of Exeter and publisher at digital publishing agency, The Literary Platform. Anna built upon her background at trade publishers Simon & Schuster and Andre Deutsch and her experience at Arts Council England to take over The Literary Platform in 2019.

The platform has been recognised in the prestigious Fortune 50 Index of the UK's fastest-growing female-led small businesses (2015); it was listed as one of the 'most innovative and influential' businesses in the creative industries by the Guardian in the h.Club100 list; and the founders were acknowledged in the British Council Top Ten list of Creative Economy Entrepreneurs (2013).

The Literary Platform delivers publishing initiatives to champion underrepresented writers and bring together the rich mix of voices, practices and spaces that make up the contemporary publishing industry.



ENTREPRENEURSHIP IN ACTION

CASE STUDY #4

QUANTERRA

Quanterra Systems Ltd provides a robust and affordable measurement of whole ecosystem flows, notably carbon dioxide and water. These are important for enabling high integrity carbon markets and can provide valuable insights that support the improvement of land management practices.

Quanterra System's journey started when Dr Tim Clement and Dr Tim Hill were working on developing economical ways of measuring carbon flows. One of their research papers, in Global Change Biology, attracted the attention of a large corporate interested in understanding whether there are more affordable, timely and reliable ways of monitoring soil carbon.

They worked together, undertaking a research project exploring this further. As part of this project, it became clear that they would need to form a company to implement their solution at scale. This was the point at which they contacted the Innovation, Impact and Business (IIB) team.

The IIB team recommended the ICURe programme as a good way to explore options associated with commercialisation and validate their ideas in the marketplace.

Dr Beccy Mitchell, co-founder of Quanterra Systems, said: "The ICURe programme helped us decide on our business model and target markets, as well as helping to identify what further developments would be needed to make our approach commercially viable."

Quanterra is currently in the process of finalising seed funding and has secured an Innovate UK grant that has allowed them to employ their first members of staff. They're focussing on continuing to develop their service and business proposition whilst also working on improving the logistics associated with deploying their services overseas.



ENTREPRENEURSHIP IN ACTION

CASE STUDY #5

SENISCA

SENISCA has developed new approaches to reverse cellular senescence, which occurs when a cell is in a cell-cycle arrest and can no longer multiply. They realised that they can turn back the ageing clock in old cells through RNA splicing.

In 2020, the SENISCA company was founded by the expert co-founder team, Chief Scientific Officer Professor Lorna Harries, Chief Technical Officer Dr Ben Lee and Chief Executive Officer Kirsty Semple.

Tori Hammond, IIB lead, worked alongside the team to help patent their product, gather investment and get the spin-out company incorporated. She introduced them to SETsquared Exeter, the three times number one global university incubator, where they took part in the Scale-up programme.

Earlier this year, they successfully secured a huge £1.3M from private investors, placing them securely as front-runners in the development of medicine that targets the causes and effects of ageing.

In November 2019, SENISCA also went on to apply to the SETsquared Innovation to Commercialisation of University Research (ICURE) Programme. Funded by Innovate UK, ICURE trains, funds and supports teams led by university early-career researchers (ECRs). Through this programme, SENISCA determined which market they should target to utilise their research, science and technology.



ENTREPRENEURSHIP IN ACTION

CASE STUDY #6

SANCHO'S

Kalkidan Legesse is a social entrepreneur building environmentally sound and socially inclusive businesses. While studying for her degree in Politics, Philosophy & Economics, Kalkidan received support and grant funding from the Student Start-up programme to start sustainable clothing marketplace Sancho's.

Sancho's started life as a pop-up selling fairtrade and ethical goods. The business now stocks an array of sustainable, stylish collections retailing from its own bricks and mortar location in Exeter and an online store. Ethics and environmentally sound practices are at the heart of the business. All garments conform to strict and verified sustainable credentials and are made by workers who are paid and treated fairly.

The business reached the finals of the National Santander Entrepreneurship Awards, one of the UK's largest and most prestigious student and graduate startup competitions. Since graduating, Kalkidan has gone on to complete the Exeter MBA, has been recognised in the Drapers 30 under 30, and was named as one of Santander Breakthrough's Inspiring Women of Colour.

In an industry sector that has traditionally been notorious for its poor environmental record and treatment of, its predominantly women of colour,

garment makers, Sancho's commitment to diversity, sustainability and community earned the business the High Street Shop of 2020 in the Holly & Co Independent awards. Sancho's won plaudits from judges, including NotOnTheHighStreet co-founder Holly Tucker MBE and Lush co-founder Mark Constantine OBE, who described the business as "a beacon of light".

Kalkidan has quickly established herself as a pioneer of innovation in her field, disrupting the status quo and setting the bar for ethical and sustainable fashion. She has experimented with transparent pricing and 'pay what you can afford' models for her product ranges and works to educate consumers about the whole lifecycle of the clothes they wear.

She is currently building a new business with the support of the SETSquared Exeter Business Acceleration team. Owni is a platform that allows brands to offer circular services and customers to extend the useful life of their garments by reselling, repairing or donating items.

In addition to running Sancho's, Kalkidan advocates for anti-racist strategy and intersectional environmentalism through writing, social media and interactive study.



READING LIST AND TOOL BOX

Many useful models, resources and tools are available, including some created by our own leaders in entrepreneurship and innovation. Below are some of our key recommendations for tools and further reading:

TEXTS

[The Radical Innovation Playbook](#): A Practical Guide for Harnessing New, Novel or Game-Changing Breakthroughs, by Olga Kokshagina and Dr Allen Alexander (University of Exeter).

[The Lean Startup](#): How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses, by Eric Ries.

[Blitzscaling](#): The Lightning-Fast Path to Building Massively Valuable Companies, by Reid Hoffman and Chris Yeh.

[Speed & Scale](#): An Action Plan for Solving Our Climate Crisis Now, by John Doerr.

[Strategyzer Series Books](#), available on strategyzer.com.

WEBSITES

[Building the Future Economy](#): Plan for Action for UK Business Innovation, by UKRI.

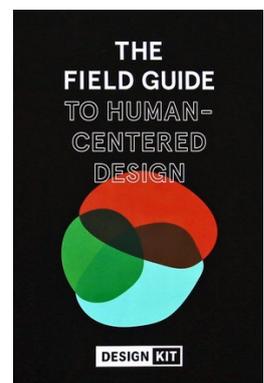
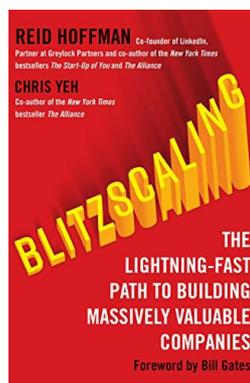
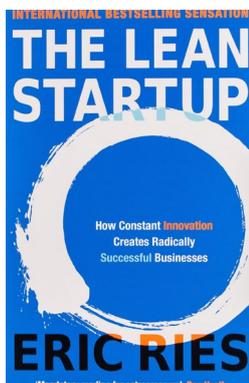
[Beyond Net Zero](#): A Systemic Design Approach, by Design Council.

[The Field Guide to Human-Centered Design](#), by IDEO.org.

[Circular Design Resources](#), by Ellen Macarthur Foundation.

[The B Canvas](#): Designing Sustainable Business Models, by INNODRIVEN.

[Managing Innovation](#), by John Bessant.





INCUBATION,
ACCELERATION
AND SCALE UP

The University of Exeter has a vibrant and growing ecosystem of incubation, acceleration and scale up programmes and resources designed to support students, researchers, staff and business. Whether you want to explore a new idea or whether you're looking to scale and grow, SETsquared Exeter is available to help you with every step of your journey. In Part 2, we provide an overview of the support on offer.

PART TWO INCUBATION, ACCELERATION, AND SCALE UP

31 STUDENTS
Guidance for students



45 RESEARCHERS AND STAFF
Guidance for researchers and staff



61 BUSINESS
Guidance for businesses



70 ENTREPRENEURS IN RESIDENCE
Meet the team



72 PROFESSIONAL SERVICE SUPPORT
Partner firms





STUDENT STARTUPS

THE DECK

STUDENT VISAS

CENTRE FOR ENTREPRENEURSHIP

WITH PROFICIENCY IN ENTREPRENEURSHIP

TAUGHT COURSES

STUDENT STARTUP TEAM

STUDENTS INCUBATION, ACCELERATION AND SCALE UP



STUDENT STARTUPS

The Student Startup team focuses on identifying and fostering the startup ambitions of University of Exeter students and graduates across all campuses, faculties and disciplines.

The extracurricular Student Startups programme helps students develop an entrepreneurial mindset and equips them with the practical tools necessary to inspire innovative ideas and create entrepreneurial solutions. Participants will learn to undertake rigorous market validation and develop and launch viable, sustainable new enterprises.

This is done through interactive workshops, 1-2-1 coaching and opportunities for networking and collaboration. There are also pitch events, graduate showcases and opportunities for early-stage entrepreneurs to network with the wider University of Exeter business community.

The goal is to provide inspiration, training, guidance, support and funding opportunities to promote, nurture and enable entrepreneurship during university and post-graduation.

The Student Startups programme is delivered through these elements...

1. PRE-INCUBATOR PROGRAMME

The Student Startups Pre-Incubator Programme is designed to support you in taking those first steps on your entrepreneurial journey. Our 8-week programme includes core foundation workshops, inspirational speaker events and masterclasses. There are also demo events introducing you to the wider Exeter ecosystem. You will have the opportunity to pitch for Market Validation Funding of up to £500 to test the viability of your idea.

2. INCUBATOR PROGRAMME

The Startup Incubator programme is an intensive programme designed to take you from validation to launch and to support you in building a viable and sustainable business. Participants will have access to professional services, skills development masterclasses and 1-1 mentoring from the Startup Team. There will be demo events introducing participants to the wider Exeter ecosystem and the opportunity to pitch for startup funding of up to £3500 to launch and develop new ventures.

3. INSPIRATION EVENTS

The Startup team host regular inspiration events for the University of Exeter community. Guests do not have to be enrolled on one of our programmes to attend. These events are curated to bring together a diverse line-up of entrepreneurs from different sectors and at different stages in their journey. Each event will centre on a specific theme. We will invite guest speakers to give a brief talk about their startup story and then follow up with a moderated panel-style discussion around the theme of that talk.

Previous events include themes such as: 'Starting a business in the South West', 'Business with purpose' and our inaugural 'Dragon Slayer' event, which saw two entrepreneurs from our university business community that had successfully pitched to the TV Dragons, talking about their experience and business journey.

4. SUMMER BOOTCAMP

The Summer Startup Bootcamp is an intensive 3 days, packed with valuable workshops, activities and opportunities for networking and collaboration. We work with you to further explore and develop your entrepreneurial ideas and equip you with the skills and resources required to go from idea to launch and to build a viable and sustainable new business'. There is opportunity to work with other like-minded people, to explore topics such as customer discovery and market validation; to discuss the pros and cons of different business models and to develop valuable pitching and presentation skills. You will end the Bootcamp more confident in being able to articulate your start-up idea to others, equipped with new skills and experience and with a clear plan of next steps on your start-up journey.

For more information on events and workshops

[Click Here](#)

thedeck



THE DECK

Located in the Innovation Centre on the University of Exeter's Streatham Campus, The Deck is a dedicated open-plan space for students to create, collaborate and bring business ideas to life.

You can find desk space to work away on your big idea and meet like-minded people to discuss your startup challenges.

We expect you to have connected with our team and programme of activities in some way before you use The Deck. If you haven't yet, don't worry, there's always time to get involved.

Drop us an email, come to one of our drop-ins or consider enrolling on the Pre-Incubator Programme.

We are currently developing a dedicated startup space at our Cornwall Campus.



For more information contact:
studentstartups@exeter.ac.uk



STUDENT VISAS

The Student Startup team and Commercialisation team can offer advice and assistance to International Students interested in setting up a business in the UK.

Self-employment is not permitted on a Tier 4/Student visa. Students who require a visa to study in the UK are not legally allowed to register a business in the UK or start trading whilst studying on that visa.

Each year the university has a limited number of Startup visa endorsements to award. These are considered on a case-by-case basis against the eligibility criteria set out by the UK Government.

Completion of the Pre-Incubator, Incubator, or the research commercialisation programme is expected for consideration for endorsement but does not guarantee approval.

The latest guidelines are published on the International Student Support page on the University of Exeter website

[Click Here](#)



CENTRE FOR ENTREPRENEURSHIP

As the business world experiences an increase in the scope and pace of change, dealing effectively with uncertainty becomes a must for business survival.

Current themes such as the 4th industrial revolution and the associated 'future of work', coupled with the global environmental and social challenges, require us to engage in new ways of doing business.

Entrepreneurs are the change agents that will explore and create the next economy. The University of Exeter Business School Centre for Entrepreneurship enables entrepreneurs to create this change successfully.

It encompasses the already very successful Student Startup Team and the Business School's Entrepreneurship Faculty. It brings them together to do entrepreneurship and create world-leading thinking that will inform the future of business.

The Centre sits within a wider family of synergistic and reciprocal themes in the forward-facing Business School SITE Department of Science, Innovation, Technology and Entrepreneurship. This strengthens its ability to deliver on its objectives of producing world-class evidence-based research and providing a rounded educational experience.



WITH PROFICIENCY IN ENTREPRENEURSHIP

The Business School's Centre for Entrepreneurship delivers an undergraduate pathway to enable students with the capacity for modularity from across the Streatham campus to work towards gaining a With Proficiency In (WPI) entrepreneurship. By completing 60 credits (four 15 credit modules), in entrepreneurship during their degree, a student can opt into the programme and request that WPI Entrepreneurship be added to their degree title.

The pathway is designed to build the student's entrepreneurial skills, confidence and business understanding, to increase the chances of success in identifying, creating, delivering and capturing value. Currently, there are five modules for selection within the WPI entrepreneurship pathway:

1. Impactful Entrepreneurship

This first-year module is taught in the first term and repeated in the second term. Impactful Entrepreneurship is a first-year elective that introduces students to technology and the circular economy while building creative confidence. In other words, the module seeks to develop student knowledge of innovation within the context of the circular economy and the wider impact of entrepreneurship. By exploring the latest trends in technology and their business relationship, students will build a stronger contextual understanding.

2. Entrepreneurial Value Creation

This is the second module in the WPI entrepreneurship stream and it runs in the first semester for second-year students. The module is designed to introduce students to how individuals behave entrepreneurially to create sustainable value using their available means.

The module's core components (e.g. Sustainable value creation; Effectual entrepreneurship) are delivered online, covering how to explore the feasibility, desirability and viability of entrepreneurial ideas.

We use a practice-based approach to enable students to experience the early stages of an entrepreneurial process by developing their entrepreneurial idea (based on a for-profit or non-profit logic).

3. Think Entrepreneurially

This module is delivered for second-year students and taught in the second semester. The module explores what it means to think like an entrepreneur and how organisations can use entrepreneurial practices to solve problems and create value.

4. Managing Entrepreneurially

The module's core component is delivered online and covers research on how entrepreneurs succeed through entrepreneurial thinking. This is built on in a series of workshops that help students build their entrepreneurial mindset.

This module is designed for third-year students and taught in the first term. The module aims to introduce students to the business fundamentals of entrepreneurship, increasing their ability to manage new venture projects. Further, this module is designed to reduce potential risk in entrepreneurial business endeavours by better understanding business essentials.

5. Business Ignition – from idea to implementation

This is the capstone module of the WPI programme. This third-year module is taught in the second semester. It allows students to develop a real-world business idea and test it. It builds upon and practices the material learnt in previous WPI modules. This is a project-based course where most learning occurs through students acting in real life to launch a semester-long social enterprise to create an impact for a local charity. There are no required lectures or formal essays – student time for this class is dedicated to learning through acting in the real world.



For more information on Proficiency in Entrepreneurship, contact the Business School Centre For Entrepreneurship:
business-school-entrepreneurship@exeter.ac.uk



AND THERE'S PLENTY MORE

Green Consultants

This award-winning programme provides students with additional skills and experience to work in the highly competitive environment and sustainability sector. As well as an interactive programme of learning to train participants as junior consultants, they will gain practical experience working on live business projects with real clients within the University. There will also be an opportunity to apply skills and experience in a relevant placement with an external organisation.

Exeter Entrepreneurs Society

Exeter Entrepreneurs is the University of Exeter's society for business-minded people interested in entrepreneurial skills. Events run by the society allow you to network with top entrepreneurs and employers and develop a startup idea through skills workshops, mentoring, hackathons and pitch events.

IKEEP: Entrepreneurial Skills Training

The Intrapreneurial Knowledge Exchange Enterprise Pathway (IKEEP) Training Programme offers all students (UG and PG) the opportunity to understand entrepreneurial business modelling concepts and teamwork skills. The training has been designed to prepare participants for the IKEEP placements. It provides an excellent foundation for other entrepreneurial activities.

IKEEP: Intrapreneurial Business Placement

Students who have completed the Intrapreneurial Knowledge Exchange Enterprise Pathway (IKEEP) training can apply for selection to form a team of students to undertake an intrapreneurial project placement. Projects are proposed by the host company, offering the opportunity for the student team to bring their expertise and the skills learned in the training programme to address real business challenges.

Natwest's Back Her Business

Natwest has teamed up with Crowdfunder to create a programme for female founders designed to get your ideas off the ground and help start your business. Back Her Business lets you showcase your business ideas and gives everyone the chance to back women-led businesses through crowdfunded donations. Back Her Business also supports you with coaching, mentoring and collaboration.

Enactus Exeter

Enactus is the University of Exeter's Social Enterprise society. Enactus create projects that tackle global issues such as poverty, waste or homelessness. Enactus Local and International projects see a problem, use entrepreneurial action to find a solution and improve the lives of the individuals and communities that we work with. Enactus uses The Deck weekly and has launched numerous sustainable business projects, including Urban Mushroom Co, BioSmart and Oyana Kenya.

RESEARCH Plus

RESEARCH *Plus* offers research students the chance to participate in selected Business School modules to develop their entrepreneurial skills and build their network. Initially, offered as a pilot during 2021/22, participants will be invited to join the MBA module "Starting Successful New Ventures."

Elevate Engineers in Business Competition

Hosted by Student Startups in partnership with Sainsbury Management Fellows, Elevate is a groundbreaking entrepreneurial competition supporting students to develop innovative ideas that benefit the UK's economy and society. Students are invited to pitch a business idea to our expert panel for a share of a £3000 prize, plus the opportunity to pitch at the national Engineers in Business Champions of Champions Final.



Find out more from the Student Startup Team: studentstartups@exeter.ac.uk



TAUGHT COURSES

MEng Electronic Engineering – 2023 entry

Overview:

- Gain technical expertise alongside team-working, management and entrepreneurial skills
- Focus on project-based learning: work on real-world projects with industry partners
- Study engineering at its interface with artificial intelligence and big data
- A collaborative first year lets you explore other core engineering disciplines alongside Electronic Engineering
- Undertake work experience as a summer placement or 'Year in Industry', or spend a semester studying abroad

MEng Engineering and Entrepreneurship – 2023 entry

Overview:

- Pitch for up to £10,000 to start a business as part of your degree
- A pioneering programme, designed to support innovators and entrepreneurs in the fields of mechanical and electronic engineering
- Aimed at aspiring engineers and designers with a flair for business and the uncanny ability to solve complex problems
- Gain technical expertise alongside team-working, management and entrepreneurial skills
- Focus on problem-based learning: work on real-world projects with industry partners

Find out more about the MEng Electronic Engineering course online

[Click Here](#)

Find out more about the MEng Engineering and Entrepreneurship course online

[Click Here](#)

MSc Entrepreneurship and Innovation Management - 2023 entry

Overview:

- Gain transferable and implementable skills to confidently create a new venture
- Develop a startup, launch a digital platform, use innovation as a catalyst for change in a multinational organisation, or create a social enterprise to have maximum positive impact
- Gain both the theoretical understanding of the latest startup and tech thinking, as well as the practical skills to navigate a complex future and lead accelerated business growth
- Craft your business skills to enable you to manage uncertainty and develop robust initiatives
- Learn from professionals and practitioners who have experience across the spectrum of entrepreneurship and innovation

Find out more about the
MSc Entrepreneurship
and Innovation
Management course online

[Click Here](#)

MODULES

Entrepreneurship: New Venture Creation - 15 Masters credits

Overview:

Entrepreneurship: New Venture Creation introduces both the theoretical and practical concepts of entrepreneurship and new venture creation. The module applies various theories and approaches to provide a holistic picture of the entrepreneurial process, as well as the practical aspects of the intellectual, behavioural and emotional demands associated with starting a new business. The module is intended to give a rigorous and honest insight into the realities of entrepreneurial activity and an understanding of the role small and medium sized businesses play in a modern economy. This may be via the creation of a new independent firm or the organisation of a new enterprise within an existing firm.

Find out more about
the Entrepreneurship:
New Venture Creation
Module online

[Click Here](#)

Entrepreneurship and Complete Sustainable Value Creation – 15 Masters credits

Overview:

The module is designed to introduce students to how individuals behave entrepreneurially to create complete sustainable value with their available means. The module's core components (e.g. Complete Sustainable Value Creation framework, Effectual entrepreneurship) are delivered online covering how to assess Social, Environmental, and Economic value creation in entrepreneurial projects. We use case-based approach enabling students to experience the early stages of an entrepreneurial process through the analysis of existing entrepreneurial projects (whether for-profit or non-profit).

Entrepreneurship: Venture Launch – 15 Masters credits

Overview:

This module is set up as an incubator. It is delivered through an intensive applied approach within a dedicated space – The Skydeck in the Innovation Centre. This module centres on the pragmatic application of your entrepreneurial knowledge and skills through a live project that entails the 'virtual' creation of a venture project and as such it gives you the opportunity to practice entrepreneurship. The fluid nature of this module allows academic learning followed by application of new venture processes.

With the growing understanding that entrepreneurship is a 'team sport' you will form a team with other like-minded entrepreneurs to complete a series of sprints and projects, all the while building your own knowledge and honing your understanding of yourself within the entrepreneurial process. In developing your new venture, this module will take you from idea to launch.

Find out more about the MEng Electronic Engineering course online

[Click Here](#)

Find out more about the MEng Engineering and Entrepreneurship course online

[Click Here](#)

STUDENT STARTUP TEAM

As a part of SETsquared Exeter, we have a team of people across all campuses to support you on your journey. Here are some of the key people on the team:



Emily Davies
Student Startup Manager



Joe Pearce
Head of Business Support



Amber Strong
Boyden Programme
Enhancement Manager



Julia Mackay
Student Startup Senior
Administrator (Exeter)



Nicholas Pearson
Student Startup Officer
(Penryn)



Harry Neill
Student Startup Officer
(Exeter)



Contact the Student Startup Team: studentstartups@exeter.ac.uk

IKEEP TEAM



Korneel Verhaeghe
IKEEP Project Manager



Mark Allinson
IKEEP Reporting and
Finance Officer



Contact the IKEEP Team: IKEEP@exeter.ac.uk



RESEARCHERS
AND STAFF

INCUBATION,
ACCELERATION AND SCALE UP

INNOVATION
IMPACT
BUSINESS



IIB AND THE ENTERPRISE AND INNOVATION PROGRAMMES TEAM

A wide range of expertise and support is available for all researchers and staff from the Enterprise and Innovation Programmes Team, which is homed within the University directorate Innovation, Impact and Business (IIB).

Commercialisation Managers, who sit in the The Enterprise and Innovation Programmes Team deliver commercialisation and venture creation support as part of the wider SETsquared Exeter offer. They deliver a range of entrepreneurial programmes designed to incubate and accelerate the impact of new ideas, innovation and ventures being developed by researchers, staff and research students.

The Enterprise and Innovation Commercialisation Team supports researchers on their entrepreneurial journey, from idea to realisation. They can help you find the best options for you and your project.

Intellectual Property (IP) is likely to be a key consideration when developing any commercialisation project; it's essential to get up to speed on this important area from the outset. The University has its own in-house IP team that University staff and research students should contact for guidance in the first instance, please use our secure innovation disclosure form to contact the team, see [page 47](#) for further details. More details on the types of IP and how they may be protected and utilised is given on [page 19](#).

**Read the chapter on
Intellectual Property (IP) on
page 19**



INTELLECTUAL PROPERTY

TOP TIPS

1. **Prior publication or public disclosure** of results can invalidate certain types of IP protection – always check with The Enterprise and Innovation Commercialisation Team first. We can usually arrange protection without delaying your publication, meeting, or conference presentation.

2. **Protecting IP from your research** can be necessary. Even if you don't want to monetise it, you can ensure you are credited as the originator of the work and prevent it from being used in a way you may disapprove of.

3. **University incentives** are made available to reward impact through commercialisation. If the IP you have contributed is commercialised, you are entitled to a revenue share or equity stake – see the University IP policy:

IP Policy



4. **Students** (including research students) generally own any IP they create unless they have signed a contract that specifies otherwise, or have jointly created the IP with University staff or a 3rd party, see the IP policy for further details.

5. **Strengthening research proposals** by considering IP and the impact generated through commercialisation is becoming increasingly important to funders and finding partners.

6. **Let us know** if you have a new idea, invention, or innovation. To do this, you can use the University Innovation Disclosure Portal. A member of the team will then be in contact to provide support and guidance.

Innovation Disclosure



7. **Working with others?** If you're exploring working with others on a collaborative project, or if you're already working with others, get in touch with one of the IIB Teams. They will help determine what agreements may need putting in place to manage and safeguard the parties IP or decide whether you need specialist support from the Enterprise and Innovation Commercialisation Team or Legal Services Team.



IIB Teams

8. **Keep a record** of the IP you're developing and using within your project – especially if you're working with colleagues, students or external partners. It's best practice to maintain an IP Register to record and manage the IP within a project; it is often a contractual obligation. Trying to figure out the rights of IP at the end of a lengthy project can be difficult if things are not written down. Download an IP register template below:



IP Register

For more information on Intellectual property, please go to page 19





IIB ESSENTIAL SERIES

The IIB Essentials Series provides an opportunity to explore how the Innovation, Impact and Business Team can help you to generate new funding and research opportunities.

Our short sessions distil key information about how you can work effectively with non-academic partners, commercialise your research, generate impact and the support available to do so, covering:

- Engaging with business
- Research collaboration
- Impact
- Consultancy
- IP and Commercialisation
- Regional Funding

INTELLECTUAL PROPERTY AND COMMERCIALISATION SESSION:

Intellectual property (IP) and routes to commercialisation are key considerations when developing partnerships or drafting pathways to impact sections for research grant applications. IP is a valuable business asset and properly protecting the IP is important to monetise it or control its use. This workshop will provide an overview of the main types of intellectual property, ownership of IP, how to secure and protect IP and the typical routes to commercialisation of University IP.

Find out more about the
IIB Essential Series:

[Click Here](#)



For further information,
please contact:
IIBtraining@exeter.ac.uk



“The pace of learning and constructive feedback we have received was absolutely precious. I found the ERP programme extremely valuable, it provides a framework in which Researchers can navigate, explore and expand the impact of our research. I am continuing to work on my idea, using the tools and skills learned in the ERP.”

- **Maria Rosaria Marsico,**
Associate Professor of
Structural Dynamics

ENTREPRENEURIAL RESEARCHER PROGRAMME

Now established as one of the core pillars of the University approach to research commercialisation, the [Entrepreneurial Researcher Programme](#) (ERP) supports researchers to explore different routes for developing a commercial idea and achieving sustainable impact at scale, whether that be through social enterprise, for-profit or not-for-profit spin outs, consultancy or licensing. Based on the highly successful SETsquared ICURE and Entrepreneurs Programme, the ERP is adapted to better support academic-led ventures.

The programme is delivered virtually via four half-day sessions over eight to eight weeks to a small cohort of participants. There are up to 10 - 12 places available for individuals or teams: positions are open to staff from all disciplines and Colleges. Teams can include PhD and MRes students.

Participants will receive dedicated support from external mentors and the University of Exeter's commercialisation staff throughout the programme. Touchpoint sessions and virtual networks will also be available throughout the process for participants to support each other.

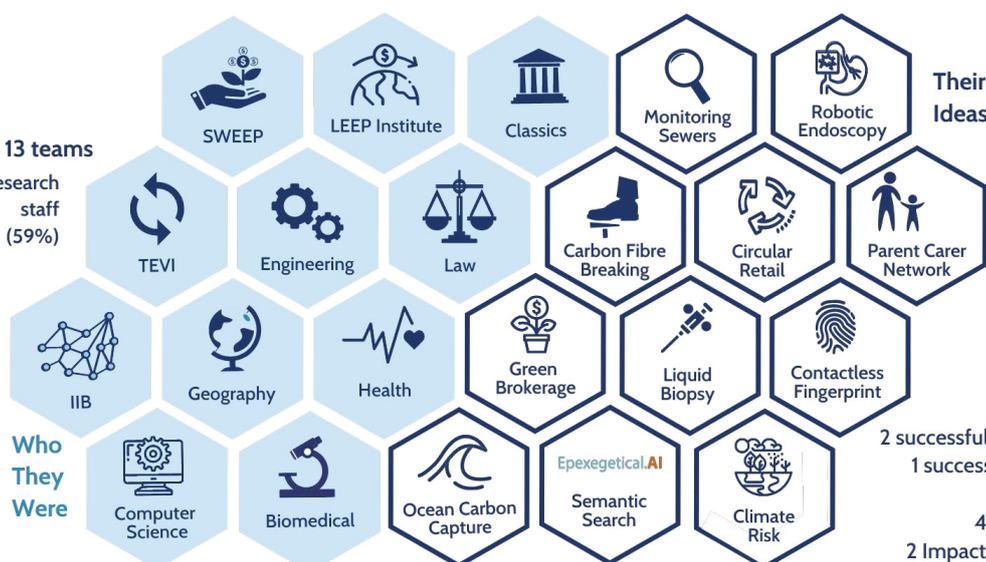
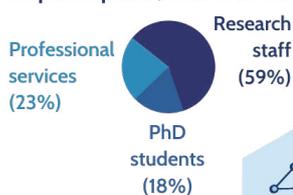
The ERP will provide the opportunity to:

- Develop your entrepreneurial competencies with support from external mentors and UoE's Commercialisation team
- Help you explore how to develop sustainable impact at scale and determine the best options for your idea
- Prepare you for external accelerator and incubator programmes such as ARC and ICURE
- Inform future research design, delivery and impact
- Connect with like-minded colleagues who share similar ambitions
- Engage with external stakeholders to test your idea and better understand their problems
- Access seed funding to develop and support promising commercial opportunities
- Introduce you to SETsquared Exeter's support services: part of the world's #1 University business incubator

THE ERP

Cohort 3 and 4

17 participants, across 13 teams



Their Ideas

Who They Were

ERP So Far:

- 2 successful ICURE applications
- 1 successful ARC application
- 1 pending spin out
- 4 patent applications
- 2 Impact Accelerator Awards

ASPECT NETWORK

FUNDING, TRAINING AND CONNECTIONS

Aspect is a network of almost 30 universities committed to developing entrepreneurship within the social sciences, humanities, and arts (SHAPE) sector. The sector works together to help generate funding, networking and training opportunities between universities to ensure a growing capacity and expertise in SHAPE research commercialisation. Find out more details about ASPECT:

ASPECT



ASPECT supports multiple programmes to help the development of this work. Two key examples are the Aspect Research Commercialisation (ARC) Accelerator and Translational Hub, which runs a Pre-Accelerator training course.

ARC FUNDING

The ARC Accelerator is designed to support entrepreneurship within the social sciences, humanities, and the arts for people and economy (SHAPE) disciplines which are not well served or do not easily fit within existing STEMM focused programmes. It is for people who have already explored their ideas but need guidance to take their project to the next level. This programme helps your project develop a new sustainable solution to ensure impact goals are reached.

The ARC Accelerator is a six-month programme that aims to help build networks, get you in touch with commercial partners and stakeholders and prepare for your venture to fly.

Successful applicants benefit from:

- A virtual training bootcamp spread over three weeks, led by sector experts, to develop key entrepreneurial skills
- Specialised, sector-specific training, access to experts who have been there before, investors and key networks
- Dedicated mentorship support to help validate their idea, develop the business model, and support their pitch for funding or investment
- The chance to pitch for up to £50,000 in prize money at the final showcase event.

ARC is open to SHAPE research staff at ASPECT network members. Applications open in the autumn term each year for the programme, which runs from January to September.

Researchers interested in applying for ARC are encouraged to register for the Translational Hub Pre-Accelerator Programme, a SHAPE-focused version of the ERP programme.



TRANSLATIONAL HUB: PRE-ACCELERATOR

The Translational Hub Pre-Accelerator is a programme supported by ASPECT. It provides training opportunities to get academics to the stage of applying to ARC. It allows researchers to explore transitioning their research into an impact project. Participants are asked to think about the difference between users and customers, how to articulate the key benefits and value of their idea, and to explore potential partnerships and relationships that could help deliver on their ambitions. The Pre-Accelerator will introduce the Idea and Business Model Canvases. This will assist participants in developing a high-level plan for taking their idea to the next level - this could be more research, consultancy, licensing, training provision or forming a venture, including social enterprises or charities.

The SHAPE Pre-Accelerator will provide an opportunity to:

- Develop entrepreneurial competencies
- Connect with like-minded colleagues from other Universities who share similar ambitions
- Inform the focus, design and impact of future research
- Explore routes to achieving impact at scale
- Test ideas and assumptions with external stakeholders to better understand their problems

The programme can help you understand the best way to maximise the impact of your project. This might be consultancy, further research or looking to start a spin-out company. You will receive dedicated 1-to-1 support from our team to help you plan the next steps for your project. We will then help you guide this project into whatever version of the impact works for you.

The programme typically lasts around ten weeks, with five workshops and other online learning elements spread across these weeks to ensure it's manageable around your workload. Pre-accelerator programmes run termly.



For dates and further details,
please email:
IPcommercialisation@exeter.ac.uk



A portrait of Herman Aguirre Jofre, a man with dark hair and a beard, wearing a white button-down shirt. He is standing outdoors with a blurred green background. His arms are crossed.

“I have improved my approach with regard to my own research and gained momentum in writing my PhD thesis. The ERP allowed me to define my value proposition and help transform my research into a business.”

- **Herman Aguirre Jofre,**
Mining Engineer

INNOVATION TO COMMERCIALISATION OF UNIVERSITY RESEARCH (ICURE)

Funded by Innovate UK, Innovation to Commercialisation of University Research (ICURE) is a 3 – 4-month customer discovery programme designed using lean startup methodology.

ICURE trains, funds and supports teams led by university early-career researchers (ECRs). It determines whether there is a market for products or services that utilise their research, science, or technology.

ICURE programmes are delivered on a rolling basis by three partners across the UK. You can apply to any of these programmes, allowing you to pick

one that works for your schedule. Click below to learn more and get in touch with the Enterprise and Innovation Commercialisation team to apply:

-  [SETsquared](#)
-  [Warwick](#)
-  [NxNW](#)




Derive more
IMPACT from your
research activities


Validate the market
for products or
services that utilise
your research


Apply for funding of
up to £30k for
market validation


Engage with at least
100 prospective
customers,
competitors, regulators
and stakeholders


Receive expert
feedback and
guidance at the
end of your ICURE
journey

HOW DOES ICURE WORK?

The ICURE Programme offers research teams with commercially-promising ideas to 'get out of the University' and validate their ideas in the marketplace funded by Innovate UK.

ICURE supports the research team's Entrepreneurial Lead (ECR) to undertake 3 to 4 months of full-time, intensive market assessment to validate the commercial potential of the team's innovation. The programme utilises lean startup methodology and Strategyzer's business model canvas tools to develop a customer discovery journey and test what potential customers think of the research. In addition, the ECR's will receive training and interview practice, carrying out over 100 interviews and acquiring transferrable business and social skills.

Past participants say that having 3 – 4 months of support, dedicated time and funding to spend on customer discovery has dramatically changed their perspective on their innovation.

OPTIONS ROUNDABOUT

At the end of the market validation activity, your team will present your ICURE journey and your identified opportunities to an options roundabout panel that will offer the team feedback and guidance on development pathways.

The options for commercialisation pathways can include: carrying out further public or private sponsored research, exploring licensing opportunities, seeking public or private funding to spin-out, projects that have demonstrated strong market potential by the end of the market validation.

WHO SHOULD APPLY?

The programme is open to research teams from all UK universities and now some PSRE (Public Sector Research Enterprises) with commercially-promising ideas.

There are no restrictions upon which discipline can apply, but your team should consist of the following individuals:

- Early Career Researcher/Entrepreneurial Lead with hands-on knowledge of the technology and research results
- Senior Researcher (Principal Investigator) who is leading the research activity
- Technology Transfer Officer with responsibility for commercialising the research activity
- Business Adviser who is familiar with the research activity and has experience in the commercial marketplace - IIB can help find these roles.

EXECUTIVES INTO BUSINESS (EIB)

The SETsquared Executives into Business programme recruits talented business executives to lead strong and innovative companies spinning out from our partner universities.

University spin-outs, like other high tech start-ups, face numerous challenges. One critical success factor is quality of management, not least because this is crucial in securing further investment. The Executives into Business programme seeks to address this by attracting experienced, talented business executives during the pre-incorporation phase of the spin-out, allowing them to work with the university and academic founders to set up a robust, viable business.

SETsquared partner universities (Bath, Bristol, Cardiff, Exeter, Southampton and Surrey) have a strong innovation pipeline. The business opportunities that arise are not only commercially exciting but have the potential to make a real impact on our society.

WHO SHOULD APPLY?

For Executives

SETsquared are looking for skilled and experienced commercial leaders, from a diverse range of backgrounds, to take a leadership role in helping turn world-class research into successful commercial ventures.

You'll either have been through the spin-out process previously or be very familiar with it; have experience of launching, running and scaling an early stage venture; have contacts and commercial experience in a specialist science or technology-related field; have previously raised investment and/or grant funding.

Remuneration for the role is competitive and is offered against delivery milestones.

For ventures

If you're an academic from a SETsquared partner university and have an opportunity that may benefit from Executives into Business support, contact your university's technology transfer team in the first instance.



For more information, please contact:

Christopher.Hill@setsquared.co.uk

SPIN-OUTS

Once a business case has been developed through engagement with the Enterprise and Innovation team and commercialisation programme, the following steps are typically taken to establish the spinout:

1. Establish Heads of Terms

Once a spinout opportunity has been identified and potentially validated, the University would usually draft a non-legally binding Heads of Terms to inform the overall direction of travel for the spinout project. It ensures that fair and reasonable terms are proposed to benefit all parties and that the proposals align with the University IP Policy.

Usually, these terms seek to address the following:

- Proposed founders – Academic founders, external founders other key team members included in the initial stage of forming the company.
- Proposed Team – Roles of the various founders and other key team members.
- Proposed Shareholdings – Shareholdings pre/post IP license for founders. The University and share option proposals incentivise future team members. The University guidelines outline equity expectations.
- Ongoing working relationship between the spinout, its founders and the University- outline proposed future working arrangements, such as future use of University resources, future IP and academic founder roles and managing conflict of interest.
- Purpose and Corporate Mission – begin to define what the broad aim/vision is for the company. Including broad governance and social and environmental responsibility.

- Introduction to Business Accelerator - take a look at the support SETsquared Exeter could offer you and your spin-out, help is at hand!
- Business Plan – At this stage, a draft of a business plan, financial forecast and pitch deck would be expected to be included in the appendix.
- Legal and financial considerations, who will be responsible for incorporating the company, completing any required Income Tax Earnings and Pensions (ITEPA) section 431 elections and covering costs for legal and financial advice.

These general principles will be non-legally binding. In accordance with the IP policy, the decision to form a spin-out is jointly taken by the Director of IIB and the College PVC, the heads of terms record this decision.

2. Spinout Incorporated

Founders incorporate their spinout and should set up a bank account. The University may consider providing a commercialisation grant to procure professional services, such as accountancy and legal advice, insurance and investment readiness. At this stage, you should consider if you need a ITEPA declaration at this stage.

3. Intellectual Property License (draft)

The University would normally seek to provide the spinout with an exclusive commercial opportunity to exploit research outputs under license. At this stage, we would also consider the following: retaining a license for teaching and research purposes, a failure to exploit clause, assignment triggers, territory and field of use for the license and a detailed schedule of the IP being licensed.

4. Shareholders Agreement (draft)

Once the non-legally binding heads of terms have been established, we begin to draft the shareholder's agreement or provide the founders with Exeter's standard template ready for consideration by the spinouts legal advisers.

5. Execution of Shareholder Agreement and IP License

The University takes its shareholding upon executing the IP license and shareholders agreement.

Alternatively, all key legal agreements and allotment of shares are completed and executed alongside the first round of investment.

The timing of when the academic/research founders take shareholdings and the timing of the IP license is important, as there are tax implications that need to be considered. You also need to consider the need and timing of any ITEPA declarations.

At this stage, it is assumed that the spinout will have the necessary resource to take professional advice. It must rely upon its own professional advisors to act in the company's and founder's best interests.

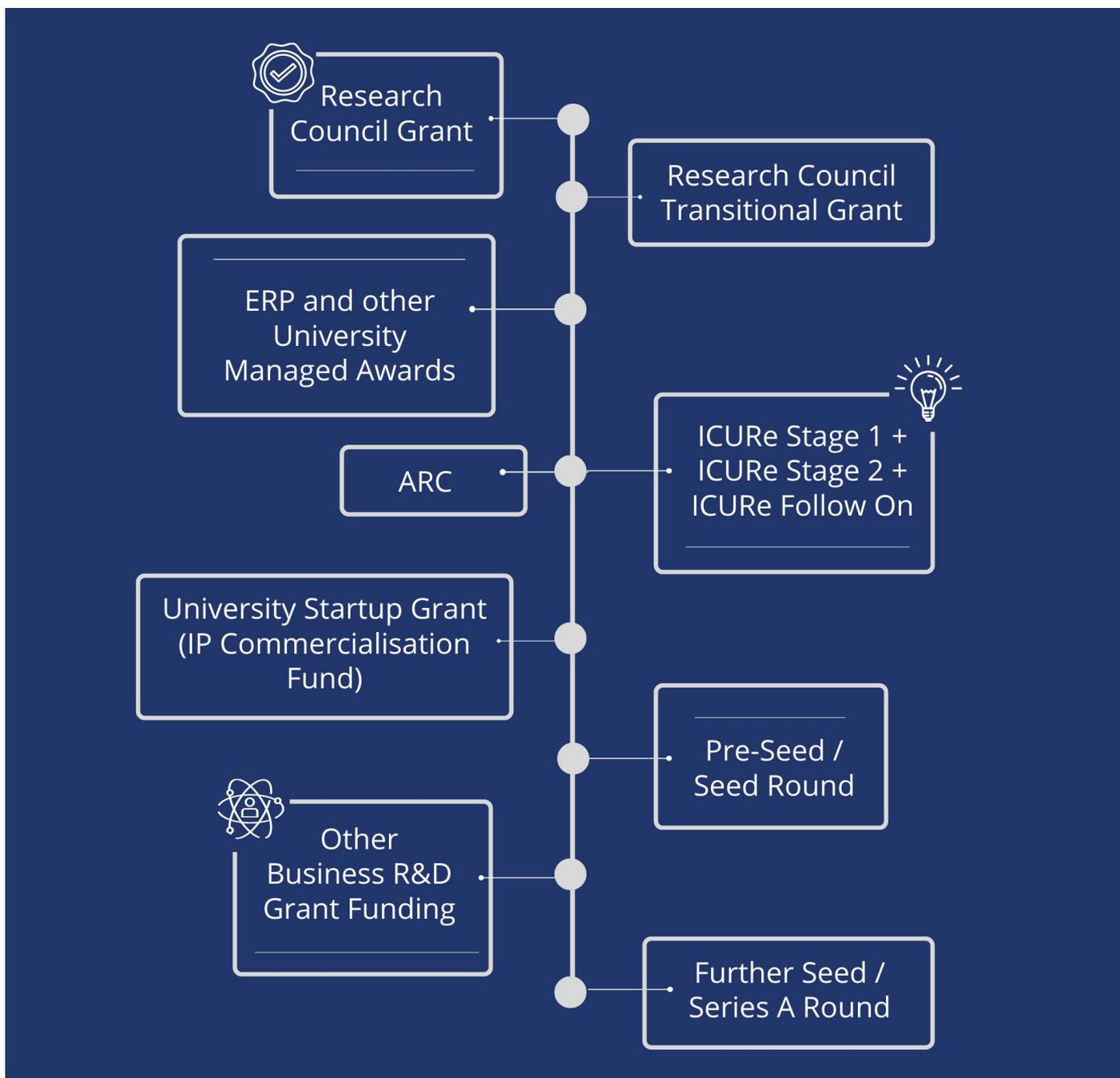
6. Business Incubation and Acceleration

Once the spinout has been formally established, incubation and acceleration support doesn't stop. Most spinouts will maintain a close relationship with the Enterprise and Innovation Programme team, with many spinouts becoming collaborative partners on Research, development and Innovation bids involving the University to secure new streams of funding. Pre-incorporated and incorporated spinouts can also benefit from further business acceleration support delivered through the business-facing SETsquared Exeter team and wider SETsquared Partnership programmes. These include the ScaleUP programme and Executives into Business. Many choose to be located within the region, taking up offices close to Exeter's campus or Exeter Science Park.



TYPICAL FUNDING JOURNEY FOR UNIVERSITY OF EXETER SPINOUT

If commercialisation and impact is best served through the creation of a new venture, a spinout will be formed. A Spin-out is the commonly used term for a startup that emerges from a University that exploits IP from University research or technology undertaken at that University. As with all new ventures, all spinouts are different and often present further complexities and challenges due to the interplay of the host organisation, the research funder and any external party that maybe involved. We therefore do not prescribe a one-size fits all in the support that is required for a particular project or the approach to funding. However many of our spinouts tend to follow a similar trajectory with regards to funding as outlined below:



ENTERPRISE AND INNOVATION, RESEARCH COMMERCIALISATION TEAM

As a part of SETsquared Exeter, we have a team of people across all campuses to support you on your journey. Here are some of the key people on the team:



Neil Hayes

Assistant Director Enterprise
and Innovation Programmes



Tori Hammond

Commercialisation Manager



Rachael Baird

Intellectual Property Solicitor,
Legal Services



Jim Williams

Commercialisation Manager



Patrick Frake

Enterprise and Innovation
Programmes Manager



Nicholas Pearson

Startup Officer



Contact the team: ipcommercialisation@exeter.ac.uk

- ENTREPRENEURS WORKOUT
- BUSINESS ACCELERATOR PROGRAMME
- SPACE
- TECHNOLOGY DEVELOPMENT PROGRAMME
- DISCOVERY ROOM SERIES
- SCALE-UP PROGRAMME
- BUSINESS ACCELERATION TEAM

BUSINESS INCUBATION, ACCELERATION AND SCALE UP

ENTREPRENEURS WORKOUT

Take advantage of a fully funded 3-day [Entrepreneurs Workout](#) (EW) designed for founders of early-stage ventures.

Deep dive into your proposed business model, evaluating its strengths and weaknesses and work towards developing a clear and robust plan for progressing your venture. Based on Strategyzer's Business Model Canvas, the Entrepreneurs Workout focuses on testing your assumptions, understanding your customers and constructing a strong business model that will help your business scale over time.

It's an opportunity to put theory into practice by comparing your venture with established business models, while benefitting from learning from other founders starting high-growth ventures. Experienced business experts will provide valuable feedback and insight.

The Innovation Workout is for founders of early-stage ventures and ideas and for best suited for founders in STEM fields.

Why attend?

The Entrepreneurs Workout gives early-stage founders the opportunity to:

- Explore and evaluate early-stage STEM venture concepts with other founders
- Build a detailed picture of your potential customers and value proposition
- Receive valuable feedback to help shape your proposition from experienced facilitators
- Plan the next steps to grow a venture into a scalable start-up

Entrepreneurs Workout Testimonials

"I can only hope that SETsquared Exeter know what a profound impact their Entrepreneurs Workout makes on entrepreneurs. An utterly amazing learning opportunity and experience!"

- Kate Deacon, Mix Clean Green, Workout Participant Q1, 2022

"A chance to really drill down into the value proposition of your start-up and create robust tests to challenge and validate your early-stage hypotheses. Great facilitation by experienced leaders."

- Sophie Bailey, Work Tripp, Workout Participant Q1, 2022



For further information,
please contact:
R.L.M.Mould@exeter.ac.uk

BUSINESS ACCELERATOR PROGRAMME

Turn your tech start-up concept into an investible, scalable venture with the 12-month [Accelerator Programme](#).

Programme members show impressive survival rates, enabling them to prepare for sustainable growth, to secure robust investment opportunities and to create ventures that are built to last. Validate your thinking and develop the skills you need to grow a successful tech start-up with the support of world-leading business acceleration support.

What's included?

The Accelerator Programme is delivered to member companies through an intensive, bespoke package of support. The programme is delivered in two phases and provides access to the following elements:

Phase I

- An Incubation Manager
- A Lead Entrepreneur in Residence
- Business Foundations Series Workshops
- Technology Evaluation Support
- In-residence Professional Services
- Founders' Club Events
- Partner Networks

Phase II

- Coaches and Mentors
- Investor Readiness Training
- Interim Executive Placements
- Business Review Panels
- SETsquared Connect Events

Eligibility criteria

SETsquared Exeter welcomes enquiries from early-stage ventures that can evidence the following characteristics:

- Science, Technology, Engineering, Maths and Medicine (STEMM) focus
- Proprietary technology / IP
- An active R&D programme
- Potential to scale
- Openness to collaboration

Business Accelerator Testimonial

"We lacked a lot of the basics in how to build a business. It opened our eyes to the value of collaboration and saved us a lot of time in being able to get impartial advice from a team of experts."

- James Willmott, Founder and CEO, Maths Kitchen, Programme Member, Cohort 1, 2019



For further information,
please contact:
B.J.Voysey@exeter.ac.uk

SPACE

Space for founders starting a business

We know how important it is to create a professional working environment when starting up a business. At SETsquared Exeter, we create an environment that enables you to achieve your business potential.

Hot-desks and starter offices

Space at the Science Park Centre, at Exeter Science Park, provides you with the freedom to grow and realise your business goals. The Science Park offers a location for your whole business journey from hot-desking space and starter offices to larger offices and even the opportunity to grow into your own building on the Science Park.

The Science Park Centre also provides a central reception, meeting rooms, a café and conference suite.

Starter offices and labs

If your business is still growing you can benefit from the starter offices at the Science Park Centre, at Exeter Science Park. Starter offices and labs accommodate three to four people and are usually taken on the three year lease. Over the three years we would expect your business to develop and grow moving into larger spaces each year.



THE HIVE

The Hive at the Exeter Science Park is the home of SETsquared Exeter and its member businesses.

Comprising of everything needed to start your venture and undertake your journey through the accelerator programme. The Hive enables you to work on your venture, learn from the SETsquared team, collaborate with your stakeholders and socialise with your peers as you look to grow your business.

This dedicated, bespoke resource includes:

- Project working area
- Meeting spaces
- Workshop room
- Event space
- Working desks
- Kitchen and community space



TECHNOLOGY EXPLORATION LAB

The SETsquared [Technology Exploration Lab](#) (TEL) at Exeter Science Park is an innovative development space, providing vital access to emerging technologies for entrepreneurs to innovate to their full potential.

Combining cutting edge technology, expert advice and a wide series of informative and enlightening seminars and workshops, the Exploration Lab is the perfect place to take an idea from concept to reality.

Delivered by SETsquared, the global number one incubator and a wealth of industry and academic expertise through its partners, the lab is the ideal environment to gain the understanding required to harness new and exciting technologies.

At its heart, the Technology Exploration Lab is trying to bridge the gap between ideation and innovation.

Gaps in knowledge and limited access to technology resources, create a barrier to an entrepreneur's ability to explore, test and implement new technological processes or resources. The Lab serves as that vital bridge by providing those resources, complimented by a structured programme of activity.

The Lab comprises of a workspace, equipped with high end computing, AR/VR hardware, large format resin 3D printing, 3D scanning and advanced electronics equipment. Enabling the exploration of new digital and fabrication techniques and processes. The lab is also home to a collaborative project area with interactive display technology.



TECHNOLOGY DEVELOPMENT PROGRAMME

Understand, evaluate and plan your development path through your technology challenges and opportunities in readiness for high growth.

Who is the Technology Development Programme for?

This bespoke support is designed for early stage start-ups preparing themselves to undertake the next phase of their technology product development journey.

Why get involved?

Engagement with the SETsquared Technology Development Programme provides access to:

- A series of workshops and seminars looking at different aspects of technology development designed to share theory and develop best practice
- 1:1 support from the Technology Manager and access to an extensive network of experts to plan and deliver individual and organisational development
- The Technology Founder Readiness Evaluation: A detailed evaluation of members' goal orientated capabilities and requirements for growth
- The Technology Exploration Lab: An innovative development space with emerging technologies for entrepreneurs to innovate quickly and to their full potential

Technology Development Programme Testimonial

"The Technology Development Programme has enabled access to a well-equipped technology laboratory, with 3D printing capabilities and tools, allowing for rapid prototyping and design cycles. This equipment has also allowed the development of bespoke optics mounts, something which Sentinel would have been hard pressed to have gone without."

- Sean Tipper, CTO, Sentinel Photonics



For further information,
please contact:
C.J.Dart@exeter.ac.uk

DISCOVERY ROOM SERIES

The [Discovery Room event series](#) brings together early stage business founders, SMEs, sector experts, researchers and entrepreneurs to examine new technologies across a variety of sectors and themes. They are a showcase occasion for innovative developments and a place to explore opportunities for application.

Whether attending in person or online, these events also provide the opportunity to make valuable connections, developing a network with sector peers, experts and other SMEs, as well as building community knowledge.

What happens?

Discovery Rooms take place in two formats:

1. A shorter networking event with a case study style presentation and the opportunity to explore ideas with expert guest speakers related insights and developments.

2 Longer half day events showcasing new technologies and innovations, hearing from leading researchers, sector experts and investors, interactive sessions and opportunities for making valuable connections.

Who can attend?

Discovery Room events are open to all members of the business community and are free to attend.

They are particularly suited to new and early stage business founders who are interested in building their network as well as in developing an understanding and awareness of new technologies and how they might be adopted.

The events are hybrid, held at locations across Devon and online. These innovation driven events are not to be missed and are easy to access.

Discovery Room Testimonial

“This was the second SETsquared Exeter event I’ve attended. It is always inspiring to be around like-minded people with similar goals. The eye-opening presentations from forward thinking directors helped demonstrate the various benefits of sustainable business planning.”

- Tom Halliday, Quoss Ltd



For further information,
please contact:
F.F.Tanner@exeter.ac.uk

SCALE-UP PROGRAMME

The SETsquared Exeter [Scale-up Programme](#) is designed around the key challenges of securing public grant and private investment for company-led R&D and innovation. SETsquared support and accelerate the growth of your business.

The SETsquared Scale-up membership cohort has collectively secured more than £100m of investment in their innovation and growth since the Programme began in 2018.

Who is the Scale-up Programme for?

The programme is for ambitious SMEs wanting to secure public and private investment for R&D.

Why attend?

The programme is tailored to match your requirements as your business needs them including:

- Reserved places for your leadership team on our Innovation Workout, an intensive short course to help you explore new ideas, models and market opportunities for your business
- Access to our Stimulus Fund to help secure collaborative R&D projects and private investment (Angel & VC) for your business' innovation
- New opportunities to network with like-minded business leaders, prominent researchers and specialist investors and innovators

Entry Requirements

Membership is subject to confirmation from the SETsquared Exeter team and a sign-up fee of £150 will be charged to businesses accepted on to the programme. The programme is delivered via a blend of face-to-face and online activities.

Scaleup Programme Testimonial

"I can't thank you enough for your support. Joining SETsquared is the best thing we ever did or are likely to do. Thanks to you."

- Eugene Bari, Managing Director at Ecomar



For further information,
please contact:
S.B.Thomas@exeter.ac.uk

BUSINESS ACCELERATION TEAM

As a part of SETsquared Exeter, we have a team of people across all campuses to support you on your journey. Here are some of the key people on the team:



Joe Pearce
Head of Business Support



Ben Voysey
Incubation and
Acceleration Manager



Colin Dart
Technology Manager



Francis Tanner
Community Manager



Rowan Mould
Business Support Manager



Sylke Thomas
Innovation Advisor



Anna Davey-Mitchel
Innovation Advisor



Helen Loubser
Senior Administrator



Eña Novakova
Project Support Officer
(ERDF)



Contact the Business Team: SETsquared@exeter.ac.uk

ENTREPRENEURS IN RESIDENCE

Entrepreneurs in residence (EiRs) provide an essential role in supporting and contributing to the University of Exeter innovation ecosystem. They are successful entrepreneurs that have “been there and done that” and are now available to share their knowledge, experience and networks with our emerging entrepreneurs, startups and innovative projects.

SETsquared Exeter has EiRs available to support students, researchers and staff and business communities. Reach out to see how you could benefit from their expertise.

UP CLOSE WITH LUKE LANG – ONE OF OUR MOST RECENT EIR APPOINTMENTS



After 12 years as Co-Founder and CMO of Crowdcube, global leader in equity crowdfunding, Luke has decided to seek pastures new and take on the role of Entrepreneur-in-Residence with the SETsquared Exeter team, based at Exeter Science Park.

Luke set up Crowdcube back in 2010 with co-founder Darren Westlake. Before Crowdcube, crowdfunding was an unknown entity. Luke explained: “There was nothing like it in the UK. The US had Kickstarter, but rewards were offered in return for investment, not part of the business. Crowdcube offered a natural evolution of rewardbased equity, providing the investor with a slice of the company as a shareholder. You didn’t need to be a high-net-worth individual with connections to invest. Every day people were able to contribute.”

Crowdcube were also one of the first to benefit from the provision at SETsquared Exeter, which was established in 2011 at the Innovation Centre on the University of Exeter’s Streatham campus.

“Having the SETsquared team was a vital sounding board for us. In the early days, people were very generous with time and helped us adopt the entrepreneurial mindset to make Crowdcube a success. The team at SETsquared Exeter met our fast growth as we went from occupying two hotdesks to 40+ staff occupying the entire top floor.”

The opportunity to work with SETsquared Exeter came as Luke decided to seek new challenges. “The pieces of the jigsaw just slotted into place”, explained Luke, who is looking forward to the opportunity to work with other businesses starting out. “I want to give these businesses time and a break. I’ve had incredible experiences and learnt a lot. If I can use that to help others, that is fantastic.”

Luke’s new role will see him supporting SETsquared Exeter members, providing impartial advice, support and encouragement as they grow and develop. Luke knows first-hand the highs and lows of startup creation and is keen to use his experience to help others.

MEET OUR EiR TEAM

As a part of SETsquared Exeter, we have a team of people across all campuses to support you on your journey. Here are some of the key people on the team:



Chris Howard
Student Startup EiR
CEO and Co-Founder of The Rattle.



Alex Light
Student Startup EiR
Serial Entrepreneur and Positive Impact Builder.



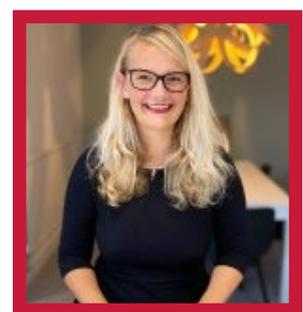
Susannah McClintock
Royal Society EiR
Investor in early stage cleantech businesses.



Nick Russill
Royal Society EiR
Exploration Geologist and Founder of TerraDat.



Steven Senior
Royal Society EiR
Entrepreneur and Leads "Engineering Coming Alive" Programme.



Caitlin Gould
Business Accelerator EiR
Co-Founder of Sophia Health and TECgirls.



Samantha Mickleburgh
Business Accelerator EiR
Experience in large corporate business and launched several startups.



Luke Lang
Business Accelerator EiR
Entrepreneur, Co-Founder and CMO of Crowdcube.



Andrew Southall
Business Accelerator EiR
Specialist in business coaching, commercial R&D, governance and operations management.



Contact the team: SETsquared@exeter.ac.uk

PROFESSIONAL SERVICE SUPPORT

The SETsquared Exeter Accelerator Programme is supported by a dedicated team of trusted regional professional services partners.

The support provided covers all aspects of incorporating and developing an early stage technology venture and is delivered through a programme of structured workshops, informal drop-in surgeries and 1:1 sessions.

Each of our professional services partners has extensive experience of supporting early stage technology ventures and founders embarking on the first step of their entrepreneurial journey.

The support offer forms part of SETsquared Exeter's Business Foundations Series and covers the following areas:

1. Legal (Commercial)
2. Legal (Intellectual Property)
3. Finance and Accounting
4. Insurance and Risk
5. R&D Tax Relief

Our partner firms include:

Michelmores

Michelmores is an award-winning law firm with a specialist Technology & Innovation team, advising clients on all aspects of non-contentious and contentious technology, digital media and communications issues.

Stephen Scown

Stephens Scown is a regional law firm with a dedicated team of IP & IT solicitors providing legal assistance in all matters of intellectual property, including brand protection & infringement.

PKF Francis Clark

PKF Francis Clark is a firm of chartered accountants and business advisers based in the South West with a specialist team advising SMEs throughout all stages of business growth.

James Hallam

James Hallam is a privately-owned independent, insurance broker, with a dedicated SME team specialising in supporting early stage ventures with the development of risk programmes and strategy.

Heydon Innovation

Heydon Innovation is an, experienced and reliable Chartered Tax Adviser that help innovative companies evaluate their R&D activities and claim tax relief.





LAUNCHING YOUR
BUSINESS

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Seed enterprise investment scheme

Enterprise investment scheme

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subscription agreements

Share structures and share
opportunities

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WRITING YOUR BUSINESS PLAN

Writing and implementing a sound business plan is essential for realising any new project, initiative, or startup. A robust business plan can set your business or project up for success or expansion and can help you arrange funding. Its purpose is to establish a clear direction of travel for you and your team.

James Court from Natwest Bank takes us through this important milestone in this section.

The following guide will help you put together your plan and make sure you cover all key areas. As well as helping you have a clear idea of where you want your business to go, your plan will help outline this to potential investors, partners and employees.

You can also use the template provided by The Prince's Trust to put your plan together.



INTRODUCTION

A business plan is a written description of your company, your aspirations and ambitions and the methods by which you can achieve your goals.

By creating a business plan, you gain a better understanding of what you need to do to reach your objectives. The plan forms the foundations of a strategy. It details the resources, abilities and facilities you have at your disposal from day one and outlines what needs improvement, enhancement or development going forward.

The purpose

A comprehensive plan helps you define what your firm looks like now and what you would like it to be in the future. By writing down your offering (be it a product or service) you can establish key targets, such as your audience and how best to engage with customers.

You will also be in a good position to create a timeline based on how, and when, you want your company to grow. This will prepare your business to react to market trends and factors that are out of your control. Most businesses will, at some point, have to compromise or adopt new methods if they are to succeed in the long term.

Your proposition

You believe in your idea and plans, but getting other people to show the same faith, passion and drive can often be a challenge. You are already invested in your concept whereas they are not. By producing a detailed business plan containing facts, figures, statistics and a summary of your skills, you will give potential investors, partners and employees all the information they need to buy in to your proposal.



GETTING STARTED

Once you've decided to write a business plan, the next step is deciding what needs to be included. It's also worth remembering that a plan isn't set in stone – if during the course of writing it you come up against issues you hadn't previously considered, or want to expand sections, you should do so. Your plan should be flexible.

Executive summary

Some people decide to make the executive summary the first thing they write, while others will leave it to the last. Regardless of when you choose to get it down on paper, the content and aim remains the same – to summarise your ambitions and approach in a concise way. This is not always an easy task, but it's a good way to ensure you remain focussed on both the bigger picture and your core ambitions.

Business Summary

In this section you should:

- Describe your business – how you want it to grow, the niche you fill, why you think it can succeed
- Describe the sector it sits in – if the sector is strong, where will you fit? If it's performing poorly how will you buck the trend?

This will help you focus on determining your objectives, but will also give potential investors and employees a more robust understanding of why your business came into being. It will also strengthen your ability to foresee potential obstacles and plan accordingly. The more aware you show yourself to be, the more confident everyone involved will be that your business is able to meet its targets and achieve success.

Product summary

This can be included in the executive or business summary, but if you want to go into more detail, it's worth giving your product or service a section of its own. Describe your offering in a way that is both engaging and thorough. Outline what makes it different from similar offerings and discuss the reasons (based on research) that you are confident you will succeed.

AIMS, OBJECTIVES AND AUDIENCE

Your plan must do more than just state the purpose of your business, it should detail what you hope to achieve, how you are going to reach your goals and the audience you are focussing on. It's also worth giving this information in a short, snappy way – the use of bullet points is a good way of displaying information and will help people reading the plan.

Aims and objectives

You should cover:

- Where do you want your idea to go and how are you going to get there?
- In a year's time what shape will your business be in?
- Will you have secured investment, or hired additional members of staff?
- Will you be able to cope if you fail to hit projected financial targets?

It's absolutely vital that all of these factors are thoroughly assessed prior to launching or expanding a business. Research carried out by the Chartered Management Institute (CMI) has discovered that over half (54%) of all UK businesses that fail within the first three years of operation do so because of poor management.

By listing your key aims and objectives, you not only focus on how your targets can be reached, but you will be able to better understand whether they are realistic. Sometimes goals will have to be revised once they've been studied in more detail, but this is much better than striving for unrealistic results.



Audience

You must know your audience and have an understanding of why they are your core demographic and how you are going to engage them. Your plan should outline marketing methods, strategies and channels, and should note what information your audience will find relevant. The more intelligence potential investors can get from reading the plan, the better. This will show that you've thought long and hard about both your concept and the processes that will ensure its success.

While your business plan should be written first to provide you with a base on which to build your venture or expand your business, it should also appeal to potential investors, employees and partners. Even if you feel something doesn't need to be put on paper because it's at the forefront of your mind, there's a good chance that someone who could significantly shape your business' future will read the document. Produce a plan that not only guides you, but provides assistance to others.



OPERATIONS AND ORGANISATION

It's good to have a solid concept, strong product and ambitious goals, but to grow a successful company; you will also need a detailed understanding of job roles, company structure and the day-to-day running of your operation.

This section of the plan is often the most detailed, there are many considerations that must be taken into account, overlooking just one could be harmful when it comes to launching a company or seeking investment.

We recommend you cover location, suppliers, production, distribution and employees in this section.

Location

- Where will your business be located?
- Why have you decided upon this location and for how long do you expect to be there?
- Are you going to buy a building outright or will you rent?
- Are you considering working virtually?

It may also be worth mentioning the convenience of your location too. Note the nearest train/bus stations, as well as how long it takes to reach major motorways and airports.

Suppliers

- How have you chosen your suppliers and what will they bring to the overall operation?
- Are they the only choice?
- Are you tied into a long-term contract, or could you switch suppliers should a better deal come to light?
- What are the contract terms?

When discussing suppliers, you must show that all necessary bridges have been crossed, all considerations have been taken into account and all transactions can be justified, both in terms of finance and necessity.

Production

This section will include suppliers, but its main purpose is to highlight the overall production process:

- Will anything be outsourced?
- Is there potential for delays or technical hitches?
- Have you fully considered how many units you wish to produce?
- Are all suppliers in a position to provide what you want?

Getting all of this information may require some additional legwork on your part, but it's essential that all sections of the production line have been investigated.

Distribution

- How will you distribute your products and where will they be stored?
- Do you have additional warehouse facilities?
- Are you going to be selling the product online or will it be placed on supermarket shelves?

Employees

It is vital that you understand:

- How many employees you need
- What their roles will be
- How you will recruit them
- Where there's room to develop once the company matures

You may have financial constraints such as how much you can offer in terms of wages, but you must also assess the potential number of staff against the number of tasks they can carry out. Consider if some tasks that would traditionally require two people could be merged into one role for example.



FINANCIAL CONSIDERATIONS

All aspects of your business plan are essential in their own right, but it's important to make sure the financial elements are accurate and in order. Money is the lifeblood of any business, without it you cannot operate.

Some entrepreneurs make the mistake of believing that because they are determined to succeed, they will be able to fund business growth by reinvesting the business' profits. However this rarely works. Suppliers need to be paid prior to the customer getting their hands on the goods, meaning you will need some kind of initial investment or loan to cover supply costs.

Consider:

- What kind of financing you need
- How much money you require
- Whether you are willing to give away equity in the business in return for funding
- When you will be able to pay back any loan you take out

When it comes to planning financially, it generally makes sense to be conservative. Plan, research and assess the market, but be realistic. Being overly optimistic will put you on the back foot from day one, while being overly cautious will leave you with less money than you actually need.



What do you need money for?

Figure out what you actually need to finance. It may be that you can carry out some work yourself that you thought you would have to pay for, or you may realise that some costs cannot be justified at such an early stage of your company's life.

How much money do you need?

This may seem obvious, but it's most certainly worth noting. If you've ever watched Dragon's Den, you'll know that nothing turns off an investor faster than a business owner who isn't fully aware of their financial situation. By committing to thorough research, discovering what's essential to the running of the business and being able to justify borrowing requests, you improve your chances of being taken seriously. Lenders or investors will be hesitant to get involved if there are financial holes or things that haven't been accounted for.

Where will funding come from?

Do you want a loan, funding from investors or are you planning to put all the money in yourself? If you are thinking of approaching a bank you must also consider how you want to access the funds, do you want a lump sum or do you want to take money as and when it's needed? Being fully aware of what you need the money for helps a great deal when determining the type of bank loan you need.

Check everything twice

Make your calculations, run the numbers, write everything down and then go through everything thoroughly. When it comes to financial predictions and estimates, precision is crucial.

Speak to an accountant

Discussing your financial plan with an accountant is advisable. They will be able to help you better understand what you need money for and can offer advice on short and long-term projections. They will also be able to assess whether or not your forecasts are realistic. Many accountants specialise in helping small businesses, so approaching one that has experience of this process is often a wise move.

Measuring success and risk

It is important to be able to measure success, to see what is working, what isn't and what can be improved to make sure all activities are carried out effectively going forward.

It is vital that there is a carefully considered plan when it comes to measuring and analysing progress. While it's important to list the targets and goals you wish to achieve and to outline the steps that will be taken to make those ambitions a reality, it is also essential you understand that some goals are easier to achieve than others. Be realistic yet flexible; being able to adapt is essential when navigating those tricky first few months and years of starting or expanding your business.

Risk

No business is guaranteed to succeed. You can have the best concept, the most dedicated staff and huge investment, but if the customer isn't attracted to what you're offering, your business won't succeed. Investors understand that handing any amount of money over to a startup is a risky decision, but it's important to reassure them. Highlight that you are aware of the risks, have plans in place to avoid pitfalls and are willing to change course or adopt different methods should you need to.

The below outlines the different types of risk:

Compliance

If you fall foul of laws and regulations, your business could fail before it has a chance to properly grow. In business, there are numerous legal aspects that must be taken into account and they are not always obvious. If you have ambitions of trading outside the UK, there are even more regulations to be considered.

Financial

The health of your finances will ultimately make or break your business. Outlining this particular risk and detailing how it will be avoided is vital when trying to woo investors. Nearly all businesses will get into debt in their opening years, but it is how that debt is managed that is important. Similarly, you must also state how you will cope should the worst happen. If a large customer decides not to renew their deal, what will you do to ensure survival? If the rent on your office increases, will you be able to cope? If employees ask for a pay rise, will you be able to accommodate their demands? The financial aspects of running a business can be complex and varied, but it pays to prepare for all eventualities.

Reputational

Building customer confidence in your brand and rewarding them with a quality service is an essential ingredient for all businesses. If you get involved in a lawsuit, or accidentally send an email containing sensitive information to the wrong person, your character could be called into question. Because of the power of social media, negativity can spread in a matter of seconds, leaving you with fewer customers and less income. Though it can be difficult to plan ahead for problems, it is worth considering what you would do should such an incident occur.

Operational

Operational risk can come in many forms. It could relate to employee error – such as putting the wrong figure on an invoice – a water leak that damages equipment, or a flu virus that means you are unable to work at full capacity. These risks can generally only be fully assessed once they happen, but having a plan in place means potential issues are covered as far as possible.





GUIDE TO INCORPORATING A COMPANY

Written by Emma Richards from the law firm Knights PLC, this factsheet will take you through the process of setting up a private limited company. There are other types of company but this is the most common form of company for new business startups.

WHAT IS A PRIVATE LIMITED COMPANY?

This type of company has a share capital and each member of the company subscribes for shares. The liability of each member is limited to the amount, if any, unpaid on their shares. The shares are not available for sale to the general public. A company is a separate legal entity from the individuals who own or run it. This provides protection for shareholders as it limits their personal risk.

Incorporation can be completed online using the Companies House Web Incorporation Service, or by completing a paper form called an IN01, which can be downloaded below.

University Researchers intending to incorporate a new spin-out company need to secure approval of the University before proceeding with this step refer to [page 57](#).

Emma Richards,
Knights
PLC.



IN01 Form

[Download a useful guidance leaflet here.](#)



Guidance

This includes information on ways to incorporate a private company, officers of the company and choosing a company name and controls to note.

Web Incorporation Service

This is the quickest and cheapest way to incorporate a company, as well as being a safe and reliable platform.

Important to note – if incorporating a company online you must adopt the model Articles of Association under the Companies Act 2006. These can be amended once the company has been incorporated. The paper IN01 form allows for bespoke Articles to be adopted.

Start the online form:



Register

INFORMATION YOU WILL NEED

1

Name of the new company



2

Address for the registered office



3

Name(s) & addresses(es) of the directors



4

Name(s) of the Shareholder(s)



Fee

The cost is currently £12.00 payable by debit/credit card or PayPal. In comparison, it is currently £40.00 to submit a paper IN01 form.

Application turnaround time

The turnaround is usually within 24 hours; Companies House guidance states they will process all applications within 2 working days.

The online form page by page

1. Company Name and Address

The name of your new company must not be the same as an existing company on the register or contain any 'sensitive words', or those which would make it very similar to an existing name. The form will automatically alert you to this.

The registered office address is the address which will be displayed on the public register and to which all correspondence concerning the company will be sent. This must be in England or Wales.

2. SIC

Companies House requires you to choose a business activity code for your company e.g. manufacture of furniture. There is a dropdown list of business activities to choose from.

3. Officers

Input the details of the directors of the company. Only the month and year of a person's date of birth will be shown on the public record. The director's Service Address is where official correspondence will be sent and is available to the public. The director's Service Address can be the company's registered office address. It is mandatory to give a residential address for each director but this will not be shown on the public record.

4. Capital

The number and nominal value of the shares which the new company will initially have, for example 2 Ordinary Shares of £1.00 each. Companies House gives some basic wording for the rights attaching to the shares, but this can be changed and your solicitor will be able to advise you on this.

5. Subscribers

The first shareholders of the company. Input the name and address (can be the registered office address) of each shareholder and how many shares they will hold. In place of a signature from each subscriber you will need to provide 3 pieces of personal information e.g. mother's maiden name, from the prescribed list.

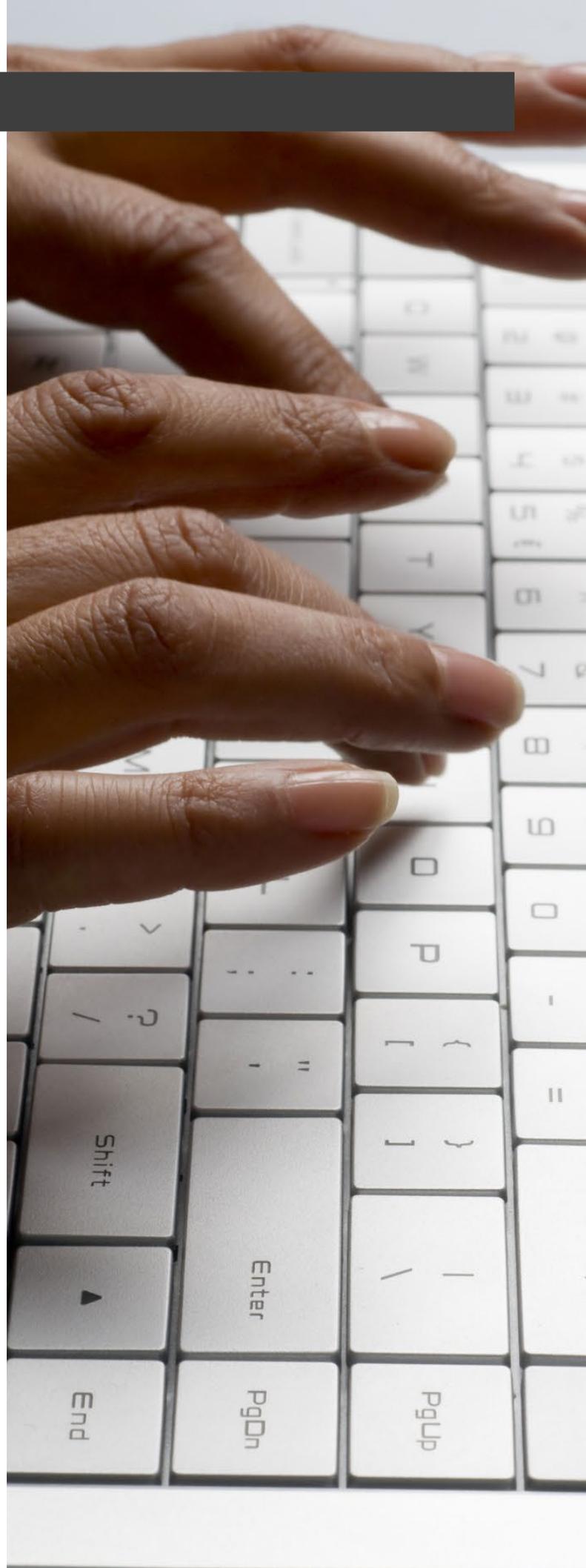
6. PSC

This is a new requirement for private limited companies, introduced on 6 April 2016. PSC stands for Person with Significant Control. Every company is required to keep a register of those people, including legal entities, who have significant control over a company – i.e. a person holding over 25% of the shares in a company.

7. Statement of Compliance

This is required by law to confirm that you have complied with the registration requirements of the Companies Act 2006.

Once all sections of the form have been completed you will be able to review the information before submitting your application and proceeding to the payment screen.



SECURING INVESTMENT

This section, written by Adam Kefford from PKF Francis Clark, will talk you through different types of investment schemes.

SEED ENTERPRISE INVESTMENT SCHEME

The purpose of the Seed Enterprise Investment Scheme (SEIS) is to help certain types of small, start up, higher-risk unquoted trading companies to raise capital. It does so by providing income tax and CGT reliefs for investors in qualifying shares in these companies.

Key features

In 2022, the key features of this relief can be summarised as follows:

- A qualifying investor will be able to invest up to £100,000 into qualifying companies in a tax year
- They will receive income tax relief of up to 50% of the sum invested
- Unused relief in one tax year can be carried back to the preceding tax year if there is unused relief available for that year
- The maximum amount that a company can attract in investment qualifying for SEIS is £150,000 in total. This limit is reduced for any other state aid funding received in the period of 3 years prior to the issue of the SEIS shares

- The company must not have net assets of more than £200,000 before any SEIS investment and no more than 25 employees
- There is a huge amount of anti-avoidance legislation to prevent exploitation for tax avoidance purposes

The Reliefs Available

Income tax relief

- Investors may be given income tax relief at 50% on their investments of up to £100,000 a year as a reduction against the total tax liability for the year
- This relief cannot turn a tax liability into a tax repayment. But, in that situation the individual would be able to carry back the unused relief to the preceding tax year for use if there was any tax unrelieved for that year
- The income tax relief can be withdrawn in certain circumstances e.g. if shares are disposed of within 3 years

Adam Kefford,
PKF Francis
Clark.



CGT exemption

- Where shares are sold more than three years after the date in which they are issued then any resulting gain is free of Capital Gains Tax ('CGT')
- Shares sold within three years would be chargeable to CGT but may qualify for the 10% rate if the conditions of Business Assets Disposal Relief (formerly Entrepreneurs' Relief) are met
- Where a disposal is exempt for gains purposes, this would normally mean that a loss would not be allowable for CGT purposes, but an allowable loss is available under the scheme. Where SEIS income tax relief has been obtained and is not withdrawn then the capital loss is reduced so that the tax relief is not duplicated.
- The allowable loss qualifies for relief against either gains or income. The facility to use a capital loss against income is only available in certain specified circumstances which include a capital loss on SEIS. It can be used in the year of the loss and/or the preceding year to relieve net income and can therefore potentially save tax at the individual's highest rate of tax.



Qualifying companies

The rules are intended to benefit new companies. The basic requirement is that the company must be unquoted. The trade must be a 'new' qualifying trade. This is one not carried out by either the company or any other person for longer than two years at the date the shares are issued. The company must exist wholly for the purpose of carrying out one or more qualifying trades throughout the three year period from the date of issue of the shares. If a company goes into administration or is wound up during this period, this will not prevent the relief being given provided there was a commercial justification for the action.

The other main conditions relating to the company can be summarised as follows:

- The company must have a permanent establishment in the UK
- The company must be effectively solvent at the date of the issue of the shares
- The company may have a qualifying subsidiary
- The company must not be a member of a partnership
- Immediately before the investment, the gross assets of the company plus the value of any related entity (one that holds more than 25% of the capital of voting power in the issuing company) must not exceed £200,000
- There are less than 25 full-time employee equivalents in the company and any related entity
- The company must not have had EIS or Venture Capital Trust (VCT) investment before the SEIS shares are issued

- The company can seek EIS or VCT investment after it has received SEIS investment
- The total amount of investment made under SEIS in the company must not exceed an aggregate of £150,000

Qualifying Trades

The primary requirement is that the company must carry on a genuine new trading venture. There may be a problem if the same activities had been carried on as part of another trade. Basically any trading activity will qualify unless it is an excluded activity within the definitions used for EIS. This means that activities such as property development, retail distribution, hotels, nursing homes and farming will not qualify. The trade must be carried out on a commercial basis.

Who can invest?

The official term is a 'qualifying investor'. The primary requirement is that the investor or someone who is associated with them must not be an employee of the company in which the investment is being made. They can however be a director. They must also ensure that they do not have (directly or indirectly) a substantial interest in the company. This is defined by reference to holding more than 30% of any of the following (in either the company itself or a 51% subsidiary of the company):

- Ordinary shares
- Issued shares
- Voting rights
- Assets in a winding up

Which shares qualify?

The shares must be ordinary shares which have been subscribed in cash and are fully paid up. They must be held for a three year period from the date of issue. The company must have issued the shares for the purpose of raising money to fund qualifying business activity which either involved the carrying on (or preparations to carry on) a new trade. Using the funds to meet the costs of research and development intended to create or benefit a new qualifying trade will also be acceptable. The money must be spent within three years of the date of issue of the shares. The anti-avoidance requirement is that there must be no prearranged exit for the investor involving the purchase of shares or the disposal of assets.

Withdrawal of relief

Relief can be withdrawn if certain events happen within three years on the date on which the shares are issued. The most obvious event is the disposal of shares in that period. There are complex rules that will cause the relief to be withdrawn if the investor receives 'value' from the company during this period.



ENTERPRISE INVESTMENT SCHEME

The purpose of the Enterprise Investment Scheme (EIS) is to help certain types of small higher-risk unquoted trading companies to raise capital. It does so by providing income tax and CGT reliefs for investors in qualifying shares in these companies.

Key features

- The key features of this relief can be summarised as follows:
- A qualifying investor will be able to invest up to £1 million into qualifying companies in a tax year
- They will receive income tax relief of up to 30% of the sum invested
- Unused relief in one tax year can be carried back to the preceding tax year if there is unused relief available for that year
- The maximum amount that a company can attract in investment qualifying for EIS is £5 million in total in any 12 month period
- The company/group cannot have gross assets exceeding £15 million immediately before any share issue and £16 million immediately after that issue and no more than 250 employees.

The Reliefs Available

Income tax relief

- Investors may be given income tax relief at 30% on their investments of up to £1 million a year
- The income tax relief is withdrawn if the shares are disposed of within three years

CGT exemption

- Gains on the disposal of EIS shares are exempt unless the income tax relief is withdrawn
- The Capital Gains Tax ('CGT') exemption may be restricted if an investor does not get full income tax relief on the subscription for EIS shares
- Losses on the disposal of EIS shares are allowable. The amount of the capital loss is restricted by the amount of the EIS income tax relief still attributable to the shares disposed of
- A capital loss arising on the disposal of EIS shares can be set against income
- Shares sold within three years would be chargeable to CGT but may qualify for the 10% rate if the conditions for Business Assets Disposal Relief (formerly Entrepreneurs' Relief) are met

CGT deferral

- Gains arising on disposals of any assets can be deferred against subscriptions for shares in any EIS company
- Shares do not have to have income tax relief attributable to them in order to qualify for deferral relief
- The gain will become chargeable in the tax year when the subscription shares are disposed of
- There is no upper limit on the amount of deferral relief available to an individual although there is a limit on investment in a single company or group of companies

Qualifying Companies

Companies must meet certain conditions for any of the reliefs to be available for the investor.

- The company must be unquoted when the shares are issued and there must be no arrangement in existence at that time for it to cease to be unquoted
- All the shares comprised in the issue must be issued to raise money for the purpose of a qualifying business activity
- The money raised by the share issue must be wholly employed within a specified period by the company
- The company or group must have fewer than 250 full time employees
- The amount of capital raised from these venture capital schemes in any 12 month period is limited to £5 million. This limit is reduced for any other state aid funding received in the same 12 month period prior to the issue of the EIS shares

Qualifying Trades

Most trading activity will qualify unless it is an excluded activity. The main excluded activities are:

- Dealing in land, in commodities or futures or in shares, securities or other financial instruments
- Financial activities
- Dealing in goods other than in an ordinary trade of retail or wholesale distribution
- Leasing or letting assets on hire

- Receiving royalties or license fees, other than, in certain cases, such payments arising from film production, or from research and development
- Providing legal or accountancy services
- Property development
- Farming or market gardening
- Holding, managing, or occupying woodlands
- Operating or managing hotels, guest houses or hostels
- Operating or managing nursing homes or residential care homes
- Ship building
- Coal and steel production.

Time period in which the money is invested

The money raised by the issue of the shares, and of all other shares of the same class issued on the same day, must be used within 2 years from the issue of the shares. If the activity consists of preparing to carry on a trade, 2 years from the issue of the shares or, if later, 2 years from when the company begins to carry on the trade.

How to Qualify for Income Tax Relief

Eligibility for income tax relief is restricted to companies with which the investor is not 'connected' at any time during a period beginning two years before the issue of the shares and ending three years after that date, or three years from the commencement of the trade if later.

The investor can be connected with a company in two ways:

- By virtue of the size of the investor's stake in the company, or
- By virtue of a working relationship between the investor and the company.

In both cases the position of the investor's 'associates' is also taken into account.

Size of stake

The investor will be connected with the company at any time when they control directly or indirectly possess, or are entitled to acquire, more than 30% of the ordinary share capital of the company.

Working relationship

The investor must never previously have been connected with the company and must not become connected with it in any other way. Also, they must never have been involved in carrying on the whole or any part of the trade or business carried on by the company.

The investor will be connected with the company if they have been an employee or a paid director of the company. There is an exception to this rule if they become a paid director of the company after they were issued with the shares.

Withdrawal of relief

The EIS is subject to a number of rules which are designed to ensure that investors are not able to obtain the full benefit of EIS reliefs if they receive value from the company during a specified period. If relief has already been given, it may be withdrawn.

Examples of the circumstances in which an investor would be treated as receiving value from the company are where the company:

- Buys any of its shares or securities which belong to them
- Makes a payment to them for giving up the right to payment of a debt (other than an ordinary trade debt)
- Repays a debt owed to them that was incurred before they subscribed for the shares

- Provides them with certain benefits or facilities
- Waives any liability of theirs or an associate's to the company
- Undertakes to discharge, any such liability to a third party
- Lends them money which has not been repaid before the shares are issued

Receipts of 'insignificant' value will not cause the withdrawal of relief.

Relief would also be withdrawn if the shares are sold within 3 years of the issue (or 3 years of the date trade commenced if later), the investor becomes connected to the company, or if the company loses its qualifying status.





INVESTMENT AGREEMENTS AND SUBSCRIPTION AGREEMENTS

This section on investment agreements and subscription agreements is written by Emma Richards from Knights PLC.

Where investment is obtained, the company, founders and new investors will enter into an investment agreement.

This agreement will set out the terms of the investment including the amount to be invested and the shares that are being issued to the investors. It will also set out the contractual relationship and roles of each party.

Sometimes the terms seen in an investment agreement are put into the same document as those usually seen in a shareholders' agreement and the merged document is referred to as a subscription and shareholders' agreement.

The terms of an investment agreement will be bespoke to the relevant circumstances. However, typical key provisions include:

Conditions

There will often be several 'conditions precedent' in an investment agreement. These are conditions that need to be met for the investment to take place. Typically, these may include things such as the passing of resolutions to allot the investors shares, due diligence being completed or new employment contracts or consultancy agreements being signed.

Warranties

Often investors require the company, its founders and/or directors (warrantors) to give them warranties. Warranties are promises or assurances about the company, its finances, its assets, contracts etc. The scope and extent of the warranties will depend on the nature of the investment. Investors use warranties to obtain as much information as possible about the company before making their investment. By asking warrantors to make a promise that, for example the company is not involved in litigation, the investors are protected and have a right of recourse if it is later found that there is litigation and this causes a loss. Warrantors can protect themselves by disclosing to investors all issues that make the warranties untrue, this is usually done in a disclosure letter. Generally, warrantors will look to limit their liability under the warranties by including for example financial caps and time limits.

These may for example provide that a warranty claim can only be brought within 12 months of investment or that the liability of the warrantor is limited up to value of investment funds received (in the case of a company) or a multiple of salary (in the case of a founder).

Representation

Some investors are keen to ensure that they have the right to appoint a voting director onto the board of directors, others prefer to appoint an observer to attend but not vote at board meetings. Sometimes instead of board representation an investment agreement may include 'rights of veto' allowing investors to veto key decisions whether they are on the board of directors or not.

Restrictive Covenants

Investors will often look for restrictive covenants from founders and other shareholders. These covenants will most likely cover the poaching of staff and customers and prohibit the founders/ shareholders from operating in competing businesses. It is likely that these restrictive covenants may overlap or duplicate covenants that are in any founder employment contracts.

Information Rights

Investors will often require an information clause that ensures their right to be given financial information about the company in a timely manner. This may for example include management accounts and cash flow statements forecasts.



SHARE STRUCTURES AND SHARE OPTIONS

This section has been created by Emma Richards from Knights PLC.

The share capital of a company can be made up of different types of shares i.e. more than one 'class' of shares. The most common types of shares are ordinary shares, preference shares and deferred shares.

All shares are of one class or type if the rights attached to them are the same in all respects. The rights attaching to each class of share in a company are set out in a company's articles of association and certain rights may also be in a separate contract such as a shareholders' agreement. Below sets out the general principles as to share rights on the most common types of share:

Ordinary Shares

Ordinary shares are the most common share class and usually carry rights to dividends, capital and the right to vote. Where a company has only one class of shares, these will usually be called ordinary shares. The ordinary shares and the rights attaching to them form the basis for the rights of any other classes of shares in a company. Companies may have several classes of ordinary shares, for example, A Ordinary Shares and B Ordinary Shares, which may each constitute a separate class with rights that differ slightly to the other.

Preference Shares

Generally, preference shares rank ahead of other shares either with regards to dividends (income) or with regards to capital distributions (such as on company wind up) or sometimes for both.

For example, preference shares may carry a right to a fixed level of interest and this will get paid before any dividends on other shares or a right to get paid back first if there is a low company exit price.

The specific name given to preference shares under a company's articles will often reflect the rights attaching to those shares. For example a 4% preference share would likely receive a 4% fixed dividend, a convertible preference share may be convertible into ordinary shares and a redeemable preference share will be redeemable (swapped for cash).

Investors may wish to subscribe to preference shares as (because of the rights attaching to them) they are a generally less risky form of investment. Conversely preference shares can be found to have limited voting rights and perhaps participate less than other shares in the success or growth of a company.

Deferred Shares

Deferred Shares carry no rights to dividends either for a set period or until certain conditions are met, for example, a certain level of profitability is achieved. Deferred shares will therefore often rank in priority lower to ordinary shares.

Enterprise Investment Scheme and Seed Enterprise Investment Scheme

It is important to note that to the extent that individuals invest in a company under the tax advantageous EIS or SEIS, the shares issued to the investor must be ordinary shares which must not be redeemable or carry preferential rights to assets on a winding up or to dividends that depend to any extent on a decision of the company, a shareholder or any other person or where the right to receive dividends is cumulative (that is, where a dividend which has become payable is not in fact paid, the company is obliged to pay it at a later time).

Share Options

A share option is the right to acquire shares in a company at a pre-set price, known as the exercise price. Share options are often given to employees to incentivise and retain them. For example, an employee may be granted an option to buy 1000 shares at a price of £1 per share at a point in the future (on a sale, on the 2-year anniversary of employment or on the company achieving a certain level of turnover or profitability). Usually (although not always) the exercise price is the market value of the shares at the time the option is granted. The terms of a share option are usually set out in an option contract or in share scheme rules. There are different types of share option plan and arrangements, some are tax advantaged (i.e. they qualify for beneficial tax treatment) and some are not. The most common type of share option scheme used is tax advantaged Enterprise Management Incentive (EMI) options.

The latest information on Enterprise Management Incentive options can be found here:

[Click Here](#)

SHARES

LICENSE AND INVESTMENT AGREEMENTS

The below has been written by Ben Travers from Stephens Scown LLP.

Before reading this section, it is recommended you read the chapter on Intellectual Property (IP) on page 19



Where ownership of IP rights cannot be obtained, businesses may wish to seek permission from the rights owner to use the rights in question. That permission is called a “License”. Likewise, where a business is the owner of IP which others may wish to use or seek commercial benefit from, it may consider licensing those rights out. Licenses which are granted to multiple parties to carry on the same business are called franchises.



Licenses can take many forms and the most suitable form depends on the rights you wish to grant or gain, which will vary in commercial value.

Exclusive, non-exclusive or sole rights in a defined territory are generally understood in the UK and EU to mean the following:

- **Exclusive rights** prevent the owner from himself selling in the licensed territory and prevents the owner from appointing other agents, distributors or licensees there. The owner may, however (subject to possible competition law concerns), reserve certain rights to himself, such as the right to continue to supply certain identified customers or classes of customers in the territory without involving the agent.
- **Non-exclusive** rights leave the owner free to appoint other licensors and resellers and themselves actively to seek sales in the territory at the same level of customers as the agent.
- **Sole** rights prevent the owner from appointing another agent for the territory and (depending on the drafting) other distributors and other types of resellers, but will not prevent the principal himself actively seeking sales in the territory at the level of customers (wholesaler/retailer/end-user) at which the agent is operating.

Franchise

The most common licensing model is franchise. Franchising of a business is the process of packaging the elements of a business which can be recreated by anyone and controlled by a franchisor and charging a fee for others to run parts of a business. Many of the most successful fast food outlets are franchises (e.g. McDonalds) as they lend themselves to the model – the equipment (which can include buildings) are built or bought to the specifications of the franchisor, the foods provided from franchisor approved suppliers (or direct from the franchisor) and the know-how, copyright and trade marks are licensed to the franchisee to operate the business within a certain area (usually geographical, but the division of a marketplace is only limited to practicalities and imagination).

When entering into a formal franchise agreement with another party the following issues need to be considered when negotiating the terms of the franchise agreement:

1. Application of the franchise agreement
2. Quality control
3. Marketing, advertising and promotion
4. Liability, indemnity and insurance
5. Franchisee obligations
6. Provisions for sub-licensing
7. Duration and termination

Agency

Agency is not always considered a form of license, but it has elements of control that are synonymous with franchising and usually involves allowing another to represent your brand(s) and thus includes cross over with trade mark rights. There are various terms used to define the particular type of agent, with the two main 'types' being: sales agents and marketing agents.

It pays to explicitly outline in the agreement exactly what rights the licensor is to have (including if there is a mechanism whereby exclusive rights are reduced to non-exclusive if a certain number of sales cannot be met). Certainty in drafting helps to avoid disputes later in the relationship or on its termination.

As a licensor acts on behalf of their licensee, they are generally not party to the contract between the owner and the owner's customer and will not have rights or obligations under it. However, it should be borne in mind that the licensor's acts are treated as those of his licensee for the most part, and licensors enjoy a broad range of rights, which are arguably stronger than those of an employee of the business.



Distributorship

A distributor is an individual (in the legal sense) who purchases stock from you in order to sell on to others. That means that you should have contracts in place with distributors to manage the relationship in commercial sense as well as including provisions governing quality, quantity and IP control provisions.

Other Types of License

A license is a permission to use IP. For example, licenses can be granted to individuals to make use of IP overseas or in other geographical areas where there may be a benefit to such presence but do not have the resources to maintain a presence. Often such a license will be described as a franchise. In addition, where software or software as a service is offered, the individuals who wish to use the software will need to take a license from the owner (sometimes called an End User License Agreement or EULA) – these are the terms which are shrink-wrapped to software (e.g. when you download an update to your smartphone or download a software product and must scroll through a contract and agree to its terms before proceeding to use the software).

Practical Considerations

When you use a third party's rights, you should ensure you have the third party's permission to use the same to avoid facing infringement action. Such permission should ideally be in an express written license but may also be implied.

Using third party IP under an implied license

There are significant risks in relying on an implied license to use a third party's IP. An implied license can arise, for example, where you contract a third party to create IP on your behalf but you do not expressly agree that you will own the IP they create and you do not set out the express license terms on which you can use the same.

In these circumstances, it would be up to the courts to decide key terms, including the license terms (i.e. the terms on which you can use the relevant materials). To avoid this, we recommend that you always deal with this issue in a written agreement with the other side. If you do not, the sorts of issues a court may decide include:

- The purposes for which you or they can use the IP
- Any royalty (typically a percentage of revenue) you or they need to pay (in addition to any upfront fees you may have paid);
- The territories in which you or they can use the IP
- The period during which you or they can use the IP
- Whether a third party can use the IP
- Whether a third party can permit others to use the IP
- Whether you or they can sell your license or grant further licenses; and
- Whether you or they can permit others to resell/license the IP

In the absence of any agreement to the contrary with a third party, these are the types of issues a court would decide in respect of IP created. It is possible that a court could decide these issues in a manner unfavourable to you. For this reason, it is usually prudent to avoid implied licenses by having a formal agreement in place.

GLOSSARY

Agency	Allowing another to represent your brand(s) and thus includes cross over with trade mark rights.
Articles of Association	A company document which sets out their basic management and administrative structure.
Audit	An official inspection of an organisation's accounts.
B-Corps	Businesses that give as much consideration to their social and environmental impact as they do to their financial returns.
Business Lease	A legally binding contract between the legal owner of a property and an occupier.
Capital	The number and nominal value of the shares which the company initially have.
Capital Gains Tax	A tax on the profit made from selling certain types of assets.
Companies House	A government section within the Department for Business, Skills and Innovation which deals with the regulation and incorporation of limited liability partnerships and limited companies in the UK.
Compliance Statement	A document which confirms that a business is compliant to rules and regulations set by the government.
Copyright	A legal right that protects the use of your work once your idea has been created.
Corporation Tax	A tax that limited companies need to pay on their profits.
Deferred Shares	Shares that carry no rights to dividends either for a set period or until certain conditions are met.
Design Rights	Protection over the aesthetic appearance of a physical product.
Design Thinking	A process for solving problems by prioritising the consumer's needs above all else.
Distributorship	An individual (in the legal sense) who purchases stock from you in order to sell on to others.
EIS	The Enterprise Investment Scheme helps higher-risk small to medium-sized trading companies raise capital through stakeholder tax relief.
Empathise	To understand and share another person's experiences and emotions.
Employment law	A contract of service between an employer and employee.
Entrepreneurship	The activity of setting up a business or businesses, taking on financial risks in the hope of profit.
Equity	The ownership of an asset without any debt involved.

Executive Summary	An overview of your business report or proposal.
Factoring	Finance against invoices that your customers are yet to pay.
Flexible Working	Working arrangements which allow employees to vary the amount, timing, or location of their work.
Franchise	A business that gives the right to another person or business to sell goods or services using its name.
HP	Hire Purchase is used to finance the purchase of equipment.
HRExpress	A scheme which gives employers access to specialised HR advice and support.
Ideate	To form an idea of; imagine or conceive.
Incorporation	The legal process by which a business entity is formed.
Innovation	The creation, development and implementation of a new product, process or service, with the aim of improving efficiency, effectiveness or competitive advantage.
Investment Agreement	An agreement between a company, shareholders and investors outlining their contractual relationship.
IP	Intellectual property refers to creations of the mind, such as inventions, stories or designs.
Joint Venture	A commercial enterprise undertaken jointly by two or more parties which otherwise retain their distinct identities.
Leasing	A method of financing equipment you don't need to own.
License	Permission from the rights owner to use the rights in question.
Officers	Directors of the Company.
Ordinary Shares	The most common share class which usually carry rights to dividends, capital and the right to vote.
Outsourcing	Obtain goods or services by contract from an outside supplier.
Patent	Protection afforded to inventions.
Payroll Tax	A tax that is based on employees' pay.
Pitch	To present business ideas to another party.
Preference Shares	Preference shares are shares of a company's stock that carries superior rights to ordinary shares.
Private Limited Company (Ltd)	A business entity in private ownership with limited liability.
PSC	Person with significant control.
RD&I	Research, Development and Innovation.

Restrictive Covenants	Any type of agreement in a contract or obligation that restricts founders/ shareholders from operating a competing business and/or poaching staff and customers.
SEIS	The Seed Enterprise Investment Scheme offers higher-risk small, early-stage, trading companies to raise capital through stakeholder tax relief.
Shareholders' Agreement	An agreement between shareholders to regulate the management of the company's business.
SIC	Standard Industrial Classification codes which groups companies by their business activities.
Spinout Company	Moving assests (usually Intellectual property) into a new company which is then run as a separate trading entity.
Start-up Company	A company or project undertaken by an entrepreneur to seek, develop and validate a scalable business model.
Statutory Accounts	Also known as financial statements are accounts prepared at the end of each finacial year.
Subscribers	The first shareholders of the company.
Trademark	A sign identifying product as belonging to a specific company and recognises the company's ownership of the brand.
UKRI	UK Research and Innovation.
VAT	Value Added Tax is a tax you pay when you buy goods or services.
VCT	A Venture Capital Trust is a company whose shares trade on the London stock market and aims to make money by investing in other companies.
Venture Capital	Capital invested in a project in which there is a substantial element of risk.



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