



Scottish Enterprise Our focus on economic transformation





Bayes Centre Innovation Hub, Edinburgh.
World-leading centre of expertise in data science and AI.

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Front cover images from top to bottom:

- Axis-Shield Diagnostics Ltd, Dundee - specialising in the development of proprietary diagnostic testing.
- Beatrice Offshore Wind Farm, Moray Firth. One of Scotland's largest, capable of providing electricity for up to 450,000 homes.
- National Robotarium, Edinburgh. Heriot-Watt University's world-leading research facility for robotics and AI.



Adrian Gillespie

Chief Executive Officer
Scottish Enterprise



CEO's foreword

At Scottish Enterprise, our purpose is to support businesses to innovate and scale to transform the economy. I am excited to outline how we are refocusing Scottish Enterprise to work with businesses and partners across the country to deliver economic transformation.

The next five to ten years will be a defining time for our economy. In the face of global opportunities and challenges, and constrained public finances, it's more important than ever that we focus on where we can make the biggest impact in delivering the ambition set out in the [National Strategy for Economic Transformation \(NSET\)](#). Scottish Enterprise must be laser-focused on the high growth opportunities where Scotland's companies are best placed to compete internationally, as well as strengthening our underlying performance in important areas critical to driving our future competitiveness.

The global shift to net zero is creating opportunities to innovate and gain a competitive advantage in fast-growing international markets. For example, Scotland is well positioned to take a leadership role in sectors like offshore wind and green hydrogen production to accelerate the energy transition and maximise its economic benefits. We are refocusing our resources and ways of working to achieve this.

A collective effort has resulted in great strides being made in recent years to unlock Scotland's full innovation and entrepreneurial potential. Innovation underpins internationally competitive companies and clusters, with clear priorities set out in [Scotland's Innovation Strategy](#). Scottish Enterprise is committed to working with partners in industry, academia and government to fully realise our potential to grow companies and clusters of scale.

Bottom image:

- Beatrice Offshore Wind Farm, Moray Firth – one of Scotland's largest, capable of providing electricity for up to 450,000 homes.



CEO's foreword

Investment is also critical to delivering growth and higher productivity, delivering better wages and a more resilient economy. Scotland is in the top-performing nations in attracting global companies to invest here, and we now have a highly developed early-stage investment market supporting young companies.

However more needs to be done to grow levels of business investment more widely if we are to compete with the highest performing nations. Scottish Enterprise has an important role to play, alongside our partners, to support the companies we work with to invest for the future and to attract new sources of international investment.

Our commitment to the principles of net zero and fair work is unchanged and underpins everything we do. However to focus on three Missions – energy transition, scaling innovation and attracting investment – Scottish Enterprise needs to change. To do so, we are refocusing our leadership, our people, our support to companies and our international networks to ensure we are fully focused on these transformational opportunities that can deliver a more successful, greener and fairer Scotland.



Images from top to bottom:

- National Manufacturing Institute Scotland (NMIS) – led by University of Strathclyde and a catalyst for the Advanced Manufacturing Innovation District, supported by Scottish Enterprise and a wide range of public sector partners.
- Barclays Glasgow Campus. Scottish Enterprise provided a broad range of support and advice to bring to life a 500,000 sq. ft. site which will house Barclays' Technology, Operations and Functions Teams and approx 5,000 employees on campus.

Introduction

Images from top to bottom:

- Glasgow City Innovation District – a world class environment developed by Scottish Enterprise, Glasgow City Council and partners. It combines academic excellence, industry and entrepreneurs to drive innovation and growth.
- Whittaker Engineering, Aberdeen. Design, manufacture and installation of components for offshore, subsea and renewables industries. Longstanding relationship with over 25 years of engagement with Scottish Enterprise and Scottish Development International to support company growth ambitions.



Scottish Enterprise is Scotland's national economic development agency and has been enabling Scotland's economy to grow for over 30 years. We have achieved a great deal in that time, helping to secure record levels of investment to Scotland, building world-class facilities and shaping new market opportunities in areas such as data science and space. We have played a catalytic role in growing Scotland's risk capital market to the point where only the 'golden triangle' of London, the southeast and east of England performs better. We have supported entrepreneurs and businesses to grow and expand into international markets and encouraged more companies to invest in their most important asset, their people.

The economy has evolved considerably over those years - facing challenges and an accelerated pace of change. Organisations are adapting to climate change, the rising cost of doing business and significant skills shortages. Meanwhile, emerging technologies with disruptive potential - such as artificial intelligence - and growing inequalities in society require businesses to think, prepare and act differently.

Scottish Enterprise has sought out opportunities across innovation, investment and internationalisation over many years drawing on the deep expertise and extensive networks of our people and partners. Despite successes, we know there are areas which, if addressed, could lead to a stronger and better economy. Where performance has notably improved - for example in OECD rankings on R&D performance, and risk capital activity within the UK - it is a result of sustained focus and strong partnerships with the private sector, demonstrating that when we invest jointly at scale, we get results.

We need to do more of this, to respond to the accelerating pace of change, and the multiple

challenges facing the global economy, at a time when public sector resources are squeezed. Scottish Enterprise is becoming ever more sharply focused on those areas that will drive an improvement in Scotland's economic performance and contribute to the ambitions of the [National Strategy for Economic Transformation \(NSET\)](#). By concentrating our effort, we will play to our strengths and be increasingly agile in identifying and delivering on transformational projects for the Scottish economy.

This document sets out how Scottish Enterprise will focus on transformative opportunities that will create high-value jobs, boost productivity and create wealth for Scotland's businesses and people.

This is the start of a new, refreshed approach for Scottish Enterprise. Making sure we are in the best shape possible to support Scotland's future economy.

In the last five years we have,



supported projects that are expected to deliver

£2.3 billion

of investment in innovation and R&D



supported businesses with export projects which could generate

£8 billion


in additional export sales



supported projects that are expected to deliver

£2.5 billion

of capital investment



created or safeguarded

75,000 jobs

raising an additional **£900 million of income tax**



maintained Scotland's position as the

most popular UK location

outside London **for inward investment** and grown our attractiveness to investors over that period



generated

£600 million

of income

The need for change

Images from top to bottom:

- Anousheh Ansari, CEO of XPRIZE Foundation, the world's leader in designing and operating incentive competitions to solve humanity's grand challenges. At the National Robotarium, Heriot-Watt University, Edinburgh.
- Mackies, Aberdeenshire. Well known ice cream and chocolate manufacturers, supplied by their own dairy farm, have been considering how to reduce their carbon footprint with support from Scottish Enterprise. They have also received advice in relation to international market opportunities and workplace innovation.





Compack Cartons, Livingston. Scottish Enterprise grant support will enable company which designs and manufactures high quality packaging from 100% recyclable materials to expand operations, workforce and invest in low carbon manufacturing.

Market opportunities and challenges

Building on the ambition in NSET, we have used Scottish Enterprise's horizon scanning, global insights and foresighting activities to identify the emerging market opportunities driving transformational change.

Scotland's competitiveness relies not only on its ability to respond to current challenges, but on its strategic preparedness in addressing longer-term societal shifts and disruptive events.

By helping businesses adapt to immediate pressures – including skill shortages, high energy and input costs – we are also supporting them to address longer-term opportunities. Investing in modern capital equipment and technologies not only releases employees from lower-value tasks, but provides the foundation for future innovation, productivity growth and higher-value jobs. The connections between today's pressures and the fundamental drivers of change are summarised overleaf:

Immediate pressures	Fundamental drivers of change
Emissions reduction and climate change adaptation	<ul style="list-style-type: none">• Net zero transition (an environmental and economic imperative driving comparative advantage and economic transformation; EU's role as leading global regulator)• Climate change adaptation and increased economic resilience
Weak domestic and global economic growth	<ul style="list-style-type: none">• Growing global population and incomes (global market growth)• Increased urbanisation (global market opportunities)
High energy / input costs and interest rates	<ul style="list-style-type: none">• Net zero transition (increased carbon/resource productivity, reduced demand, nature-positive solutions, shift to renewables and negative emissions technologies e.g. carbon capture, utilisation and storage)• Increased global competition for energy, raw materials and natural resources (greater food/energy security amid growing protectionism)
Worker shortage and recruitment difficulties	<ul style="list-style-type: none">• Drive to increase productivity (via skills development, management capabilities, capital investment, digital and tech adoption and healthy workplaces)• Demographic shifts (ageing UK/EU populations, a shrinking Scottish population after 2033, talent attraction to Scotland)
Public spending constraint	<ul style="list-style-type: none">• Requirement to repay UK debt (via economic growth, higher taxes and shrinking/more efficient public spending)
Declining standard of living and growing income inequalities	<ul style="list-style-type: none">• Strong Scottish policy commitment to a fairer Scotland and just, net zero transition• Increased adoption of responsible business practices (business purpose)



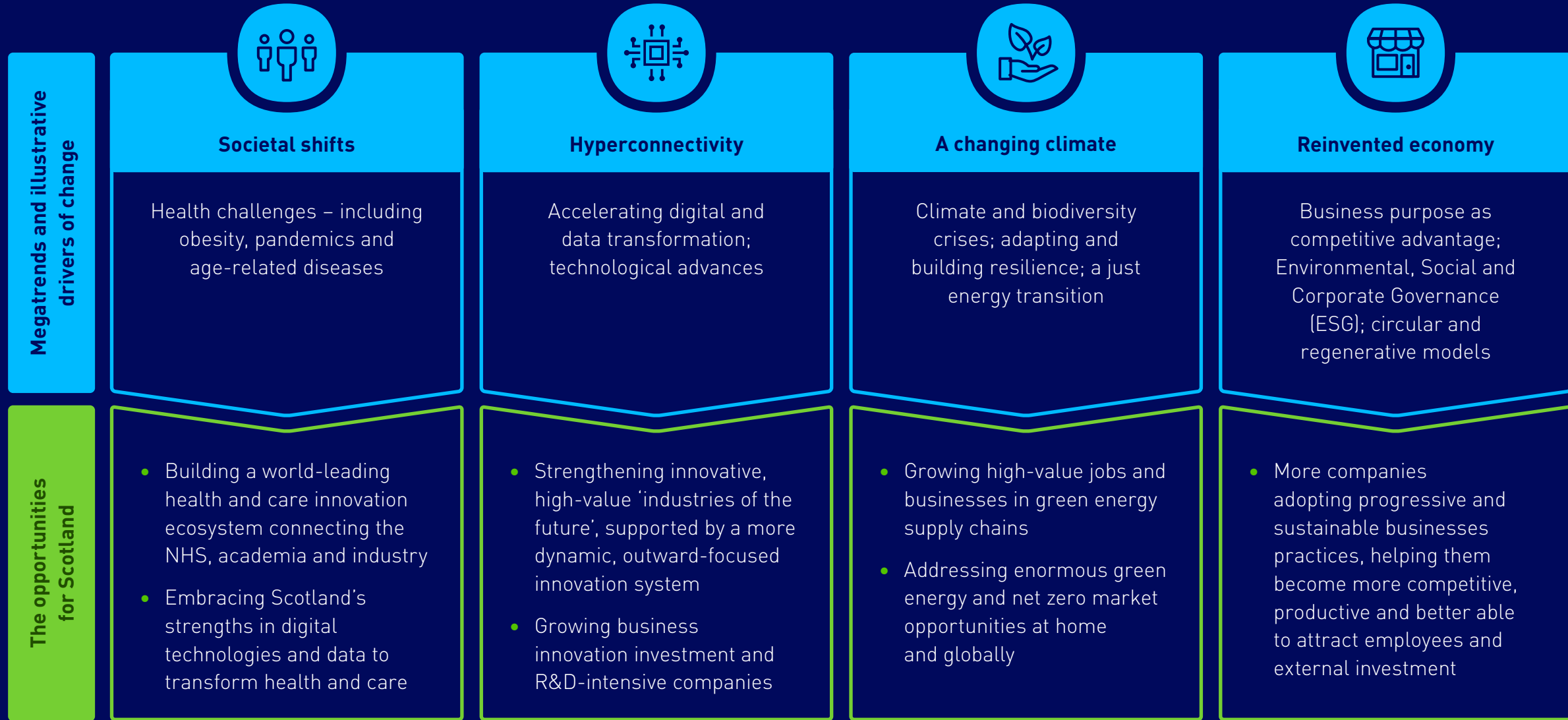
AAC Clyde Space, Glasgow. Scottish Enterprise supported development of next generation of nano and small satellites.

Responding to a dynamic, global landscape

The 2020s are bringing complex, fast-paced and volatile change. We are a smaller world, connected as never before. Innovation and economic shocks spread quickly, and change is often disruptive and unpredictable. In addition, there are deeper forces that are almost imperceptibly driving transformative change over the longer term.

Looking at the [key megatrends](#) that drive longer-term change in more depth, we have identified a range of distinctive opportunities, also reflected in the Scottish Government's Innovation Strategy, for Scottish businesses to grow and become more competitive.

These longer-term drivers of change have informed our focus.





Responding to a shift in the role of business

The roles of business and investment markets are also starting to see changes. Many businesses now understand the benefits of delivering positive impacts for people and planet – as well as generating greater prosperity.

Scotland can't have a thriving and prosperous economy if we don't collectively act to address climate change, if we ignore widening inequalities that prevent individuals from accessing opportunities, or we fail to fully motivate and engage employers and employees. These are structural issues holding back Scotland's development.

There are sound business reasons why these issues are becoming increasingly important to competitiveness. Adopting innovative and progressive practices directly improves bottom-line results. They boost business productivity and innovation, help attract customers, employees and investment – and help businesses address new market opportunities.

More businesses are adopting climate-positive supply chain commitments, sustainable procurement practices and inclusive business models – helping to achieve better performance for their customers, employees, investors and local communities.



Images from top to bottom:

- Celebrating the launch of the Scottish Space Sustainability Roadmap to reduce the sector's environmental impact, including an innovation challenge, by Scottish Enterprise and partners, to fund innovative solutions using space data to aid Scotland's transition to net zero.
- Scottish Enterprise's Unlocking Ambition delegates – Community Showcase Conference.

We believe the priorities set out in this document best address the trends and opportunities facing Scotland. These priorities have led us to create our “missions”, which will help future-proof Scotland’s economy by confronting changing societal, environmental and technological opportunities and threats, helping to create and shape markets. By focusing our energies and resources, we can be even more effective in delivering in a time of public-sector reform.



Focus on the right opportunities

Scotland needs to focus on the economic opportunities that will drive change and longer-term transformation. We are well placed to help do that. Scottish Enterprise has a clear purpose and can draw on its experience, networks and know-how to play a unique, national role as part of the business support ecosystem.



Work more efficiently and effectively

If we are to see a transformation in Scotland’s economic fortunes, bold action is needed. Given pressures on public finances, Scottish Enterprise can’t continue to deliver the same activities in the same way to the same breadth of customers. Instead, we will focus on activities and businesses likely to have the most impact on shaping Scotland’s future economy.



Putting words into action

To address climate change, significant progress in becoming a net zero economy needs to happen during the 2020s. To increase living standards and help deliver a fairer economy, we need to collectively make significant progress in reducing inequalities. Scottish Enterprise is committed to bold action to help Scotland meet its net zero goals, and thrive in ways that are fair across sectors, places and for Scotland’s people.

Scottish Enterprise is bringing a sharper focus

Scottish Enterprise will focus its efforts on delivering clear, impactful services to businesses, investors, partners and stakeholders, that will help to deliver change in Scotland's economic performance through:

- opportunities that will deliver transformation in Scotland's economy, now and in the future
- focusing on areas where Scottish Enterprise can make a significant difference, using our expertise and resources most effectively
- applying our strengths and connections to best benefit Scotland's economy and businesses

The Queens Quay Heat Pump, Clydebank. Largest project of its kind in the UK to demonstrate viability of large-scale heat pump projects, taking heat from the River Clyde to heat local homes and businesses.

Our ambition

Images from top to bottom:

- [Medicen Devise, Midlothian](#). Supported by Scottish Enterprise to undertake research and experimental development on biotechnology.
- [Hywind Scotland at Buchan Deep](#), the world's first floating offshore wind farm.





Investment

Scotland needs to increase levels of business capital investment to see improvements in OECD rankings and needs +25% or 160 more high growth businesses to match the best performing UK regions.



International

As well as attracting more international investment, **Scotland needs to grow exports to 25% of GDP** to meet Scottish Government targets as laid out in “A Trading Nation” – this means £5.6 billion more exports.



Innovation

Scotland needs more investment in business innovation and R&D to match the best-performing OECD economies. This means +22% or 2,500 more businesses innovating and +5% or £354 million more R&D investment per year.

Our ambition is to drive up levels of innovation, internationalisation and investment in Scotland's economy

Economic analysis, including our own ([Scotland's economic performance](#)) has highlighted the nature and the scale of the economic challenges we face. We understand that Scotland needs more businesses with growth potential, and ambitions to export and innovate. There also needs to be a keen focus on attracting people and talent.

Ensuring Scotland builds on this and strengthens its global reputation will help to achieve long-term economic success. At Scottish Enterprise, we are applying our strong track record and experience to tackle these issues, adopting a concerted focus to improve Scotland's performance in innovation, internationalisation and investment, areas which have proven difficult to move for decades. This is illustrated overleaf.



Innovation

Businesses that innovate are more competitive and are three times more likely to successfully internationalise. Innovation also attracts research, talent and investment, driving Scotland's productivity growth and boosting our global reputation.

Drivers of Scotland's economic performance

- We have supported projects by businesses and partners that **expect to deliver £2.3 billion of innovation/R&D investment**
- We are a **core partner and funder** of the new National Manufacturing Institute Scotland, based in Renfrewshire

A five-year track record of successful delivery

- Access to financial assistance, specialist support, and university knowledge and expertise via innovation and research centres

Where we make the difference



International

International success will reinforce Scotland's strong inward investment performance, strengthen supply chains, boost capital expenditure and enhance innovation. It will also increase Scottish exports and build Scotland's position as a magnet for talent.

- We have supported export projects that **could generate up to £8 billion** in export sales
- In 2022, Scotland **secured a record 126 inward investment projects**, a 3.3% increase compared to 2021

- Tailored support for export opportunities and building capacity
- Financial assistance and specialist support to inward investors to develop projects



Investment

Capital investment is a critical driver of business productivity. Scotland has the potential to attract increased levels of capital investment, enabling higher-performing business environments and creating new commercial opportunities which deliver high-quality jobs.

- Over the last 20 years, we have invested £868 million which has **leveraged £2.3 billion of private sector investment**
- We have **supported the development** of Dundee's Michelin Scotland Innovation Parc, Aberdeen's South Harbour, Innovation Districts and other critical infrastructure projects

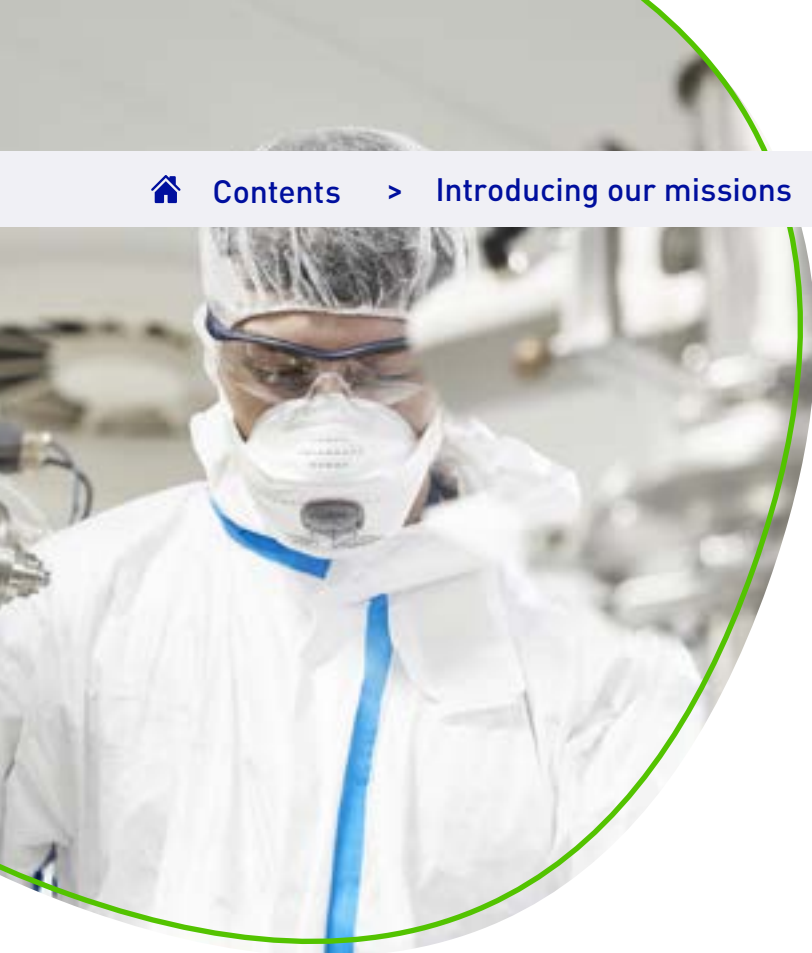
- Increased supply of capital through private investors and specialist business-development support – helping to boost productivity

Introducing our missions

Images from top to bottom:

- Sunamp, East Lothian - designs and manufactures space-saving thermal energy storage solutions. Scottish Enterprise was an early investor and continues to provide international support.
- Hydrasun, Aberdeen. Scottish Enterprise has supported the company's growth from small start up to international innovator.





Missions will enable us to deliver bigger impact, a sustained focus over time and opportunities that will drive up levels of innovation, internationalisation and investment

Building on recent work and collaborating with others, a mission-based approach provides a framework to concentrate our efforts and target support towards those areas and businesses that will realise Scotland's economic potential and address structural weaknesses.

Images from top to bottom:

- Medicines Manufacturing Innovation Centre, Renfrewshire. A collaboration between Scottish Enterprise, University of Strathclyde, CPI and industry partners to address the complex challenges facing pharmaceutical manufacturing.
- Talking Medicines, Glasgow. Artificial Intelligence driven patient intelligence company supported by Scottish Enterprise, both with investment and through programmes such as Unlocking Ambition and Scaling Services.

A mission-based approach:

- **Reflects best practice globally**, where organisations are looking for innovative, new ways to address global challenges and be flexible in response
- Brings sharper focus on preparing for and exploiting **future opportunities** where Scotland can compete, by better targeting our expertise and resources
- Allows Scottish Enterprise to work alongside others to **tackle challenges which impact on society**, where innovative solutions and impactful collaborations will make the difference
- **Gives greater focus** – allowing us to deliver fewer priorities really well
- **Is affordable, adaptable and scalable** within current and future funding constraints





Our focus is on the most transformative economic opportunities where we can make the biggest difference

Having assessed the opportunities that can help drive a step change in Scotland’s economic performance, we will concentrate our expertise on three priority areas. These areas are our ‘missions’.

- **Creating an internationally competitive energy transition industry in Scotland**
- **Scaling the impact of Scotland’s innovation strengths into high-growth industries of the future**
- **Driving capital investment to deliver a step-change in Scotland’s productivity**

We believe by taking this focused approach there exists the potential to unlock billions of pounds of investment in companies, projects and infrastructure – creating well-paid jobs and increasing global exports.

This is a long-term approach. It will require a period of transition, during which we will change the way we work by aligning and reshaping our resources to deliver the mission objectives.

Images from top to bottom:

- Scottish Edge 2023 – long running funding competition aimed at identifying and supporting Scotland’s innovative, high growth potential entrepreneurial talent. Supported by the Royal Bank of Scotland, The Hunter Foundation, Scottish Government, Scottish Enterprise and other private sector donors.
- Skills Academy and Innovation Lab, Dundee’s Michelin Scotland Innovation Parc - supported by Scottish Enterprise.

Create an internationally competitive energy transition industry in Scotland

The opportunity

The transition from oil and gas to green energy offers significant business and economic opportunities for Scotland. The future of offshore wind, the developing green hydrogen industry and the need to decarbonise homes and industry bring game-changing, wide-reaching and sustainable economic benefits over the next 10 years. Growth in these areas could double the number of companies operating across energy sectors – bringing 40,000 new jobs and an additional £1.5 billion of exports annually.

Mission objective

We're focused on accelerating technology innovation, supply chain capability and investment in manufacturing and key infrastructure, such as at ports and harbours.

By working with large energy developers and ambitious companies in this sector we understand ongoing

demands and requirements. Collaboration means we can effectively tackle the barriers and challenges of growing at scale.

We will continue to partner directly with the energy supply chain, encouraging businesses to support a managed and fair energy transition across Scotland. We will take advantage of Scotland's expertise from the fossil-fuel industry and make the most of our partnerships with key Scottish organisations.

We will facilitate the infrastructure to support the Scottish export of hydrogen to help deliver the Scottish Government's ambition of becoming a leading producer and exporter of hydrogen to the UK and EU.

We will continue to target and stimulate inward investment to strengthen supply chains, attracting increased international capital to Scotland to help ensure these industries thrive in the coming decades.

Areas of focus

Driving innovation

New technologies, products and innovative processes, including those enabled by automation, are needed to ensure the successful development of green energy industries. We will work to stimulate academic and business research, as well as spin-outs in the energy sectors. We will do more to co-fund early-stage growth companies and target, encourage and broker investment opportunities in energy-related R&D.

We recognise Scotland's long record of innovation in subsea and offshore expertise – and will build on this track record to strengthen and develop new solutions.

Attracting capital investment

We will encourage and attract investment into energy projects and companies. We will partner with property developers to improve business infrastructure targeted at manufacturing companies already located in Scotland, or those considering Scotland as a base. We will also stimulate new development activity by de-risking private sector investment.

Strengthening the supply chain

We will do more to work towards strengthening the capacity and capability of Scotland's renewable energy supply chain companies, helping them to be ready to win new contracts and create job opportunities.

We will raise awareness of the opportunities and support supply chain companies' diversification, investment in capital equipment, innovation and international trade. We will collaborate with trade and other bodies across Scotland to achieve this, helping to ensure the skills needed by these companies are developed and are available.

Attracting inward investment

We will attract inward investment to strengthen energy supply chains in Scotland. We will do this in a targeted and collaborative way, working with industry and public sector partners to ensure we maximise the economic benefit brought by these investors.

Investing in infrastructure

We are focused on supporting investment at Scotland's ports and harbours. Enabling improvements in large-scale manufacturing infrastructure will help increase capabilities for offshore wind supply chain manufacturing, and realise hydrogen production and export opportunities.

Supporting energy companies

Scotland is fortunate to have large and strategically important energy companies on its doorstep. We recognise their contribution to the economy and will work with them to facilitate investment in Scotland. We will target our support towards companies of all sizes and types operating within green energy industries – stimulating innovation and increased international trade.

We will connect businesses and investors with Scotland's renowned energy skillset

Scaling the impact of Scotland's innovation strengths into high-growth industries of the future

The opportunity

Doubling the number of scale-up businesses in Scotland over the next 10 years would add 675 new scale-ups into Scotland's economy, creating 75,000 new jobs and an additional £14 billion in turnover. There is a sizeable opportunity in Scotland to support that ambition by working with companies to innovate through business investment into research and development, and greater commercialisation of Scotland's world-leading higher education research.

This mission will focus on industries where companies can compete and lead in new international markets, initially targeting space, quantum photonics and semiconductor technologies, industrial biotechnology, life sciences (human health), and fintech. As well as targeting companies, this mission seeks to ensure the environment is right for companies to scale, by considering needs such as infrastructure, access to

finance, and international networks and partnerships to help access key markets, talent and investment. Enabling advanced manufacturing, and digital and data capabilities will be key in achieving this. These sectors are aligned with the [Scottish Government's Innovation Strategy](#) and [Inward Investment Plan](#) – market opportunities in which Scotland has, or can build, international competitive advantage to grow new businesses and industries.

Mission objective

By focusing on industries where Scotland has global competitive strength, and maximising opportunities from our existing strategic innovation assets, we will increase the number of companies scaling up, creating high value jobs and competing globally. This will help strengthen Scotland's position as a place for fast-growing industries and global clusters to achieve scale – attracting investment and talent to create new job opportunities.

Scaling innovation

Areas of focus

Supporting entrepreneurship

Our specialist advice, support and funds are targeted at companies in future growth industries, helping to attract international entrepreneurs and high-growth businesses looking for the right place to scale. We will also collaborate with businesses and other stakeholders in Scotland, the UK and overseas to coordinate engagements and maximise scale-up opportunities.

Innovation funding and investment

We will deliver an innovation and funding programme that targets investment and financial support at companies in Scotland's future industries. We will also better connect businesses to international market opportunities and supply chains, working with partners in the innovation ecosystem.

Supporting innovation districts

Scotland's established and emerging innovation districts present an opportunity to cluster all the critical ingredients to stimulate more scaling businesses. Working with universities and local partners, we will help to shape the overall direction and facilitate a coordinated approach across Scotland's Innovation Districts – with targeted growth funds and business support programmes to deliver a connected innovation system for businesses and industry.

Developing clusters

We will build on our approach to work with the Scottish Government and partners to co-develop a new national approach to cluster development and support. This approach will help clusters to interact with other areas of innovation, spark new ideas and create a more cohesive and collaborative nationwide innovation proposition.

Talent and partnerships

We will develop long-term, strategic relationships with innovation and investment partners. This will be both across the UK and internationally, to co-develop and join up delivery targeted at supporting companies to build the capabilities to scale up and to access new markets. This will maximise resource (talent and investment) into emerging industries, clusters and related businesses.

We will promote the industries of the future to drive Scotland's growth, building on our legacy of innovation

Capital investment to drive productivity

Driving capital investment to deliver a step-change in Scotland's productivity

The opportunity

Capital investment is a key driver in increasing productivity levels and enabling Scotland's business base to be more internationally competitive – with higher levels of exports, more research and development, and greater adoption and use of innovative technologies.

Through this focus we will help Scotland, over a 10 year period, move towards the third quartile of OECD countries for capital investment – equating to more than £3 billion in additional capital investment annually. Achieving this ambition would generate £1.4 billion in wages and £200 million in Scottish income tax each year, whilst also helping companies optimise their operations.

Mission objective

Through our engagement with companies we will help to drive a significant increase in the scale of capital investment to improve productivity.

Increased business productivity creates higher-value jobs, improving standards of living and helping to reduce poverty.

Areas of focus

Providing targeted customer engagement

Our support, including tailored advice and funding through specialist business advisors, will be targeted at businesses that can attract and use capital investment to raise productivity and create well-paid, skilled and rewarding jobs.

Attracting and unlocking capital investment

We will do more to identify and secure funding, grants and investment to support higher-performing businesses. This includes bringing new money into the economy through working with international funders on both business investment and infrastructure proposals. In delivering this, we will work alongside the Scottish Government to drive forward the [recommendations from the First Minister's Investor Panel](#).

Enabling export capacity

We will collaborate with ambitious businesses who want to increase exports and operations in growing global markets. Businesses will be better placed to take advantage of future global opportunities and megatrends by investing in building export capacity and capability.

Accelerating commercial property provision

We will work with private and public-sector partners to overcome constraints to growth, creating a series of game-changing investment propositions and strategic acquisitions. This will help transform key Scottish sites into world-class facilities for business and make companies more internationally competitive.

Demonstrating Best in Class

Through engagement with our global network, we will create opportunities to showcase world-leading solutions and help businesses in Scotland understand how automation, advanced manufacturing and artificial intelligence can support their growth.

Supporting leadership ambition

Through Scottish Enterprise's Leadership Academy, we will support businesses to invest in leadership ambition, risk and change management practices. This will help drive transformational change in workforces through capital investment and business innovation.

We are committed to helping companies grow through funding and support – creating a fairer and greener economy

Scottish Enterprise's purpose: enable businesses to innovate and scale to transform the economy

Driving up levels of:

INNOVATION

INVESTMENT

INTERNATIONALISATION

By focusing on:

ENERGY TRANSITION

CAPITAL INVESTMENT TO DRIVE PRODUCTIVITY

SCALING INNOVATION

Enabling and supporting:

- More resilient, efficient and productive companies delivering growth through increased capital investment across all regions of Scotland
- Scottish companies selling even more competitive goods and services, driving up international sales, high-value jobs, and supply-chain opportunities
- More companies adopting efficient practices and new, innovative technologies which reduce carbon emissions
- More companies confidently investing in automation, equipment and artificial intelligence to drive productivity improvements
- Greater international recognition for Scotland as a destination research and innovation hub
- Increased diversity in entrepreneurship with higher numbers of women and under-represented groups, as well as more businesses benefiting from strengthened leadership and management

Intensive collaboration with industry and business, along with other partners and stakeholders, including:

Scottish Government

Public bodies

Academia & research institutes

Media & influencers

International partners & networks

Over the next five years, the impact of this targeted focus and the outcomes we expect to achieve in 2023/24 could support around 18,000 to 21,500 net additional jobs (including multiplier effects on the economy) and generate £380 million - £455 million in Scottish income tax.

Measuring progress

Images from top to bottom:

- PA Pathway 2 Scale event in West Lothian. This Scottish Enterprise programme provides leadership development, investment readiness, strategic advice, alongside peer support, to help more female-led companies prepare for investment to scale.
- Össur, Livingston. Prosthetic technology specialist that has been supported by Scottish Enterprise since its early days as a spin out. Recent funding awarded to develop new products to add to its range of upper limb solutions; pictured with Mr Richard Lochhead, Minister for Small Business, Innovation, Tourism and Trade.



Performance

Our performance framework helps us to track and monitor not only what we deliver but how we deliver it. Analysis and insights from the framework allow us to better understand what works, and what has the greatest impact on supporting Scotland’s economic development.

In addition to our published measures, we have a number of supporting and tracking measures that help us to monitor the contribution we make to the long-term goals of the NSET, the [Scottish Government’s National Performance Framework](#) and, in turn, the [United Nations Sustainable Development Goals](#). In this way, we can demonstrate the value and return we provide for the public purse.

We also have a programme of [evaluation activity](#) that provides evidence of the wider and longer-term benefits of the support we provide. This evidence

allows us to demonstrate the potential economic return on our investment in terms of, for example, jobs created and safeguarded across Scotland, the wages these bring to Scottish communities, and the Scottish income tax benefits generated.

A refreshed performance framework will be published in April 2024, reflecting anticipated outcomes and milestones associated with our mission-based approach, delivered through annual performance planning.

The ability to deliver on our ambition each year will be dependent on the resources available to us

Measure outcomes

2023-24 Scottish Enterprise outcome measures	Range bottom	Range top
Planned jobs paying at least the Real Living Wage	13,000	15,000
Planned innovation investment	£300 million	£450 million
Planned capital investment	£0.7 billion	£1.0 billion
Planned international exports	£1.4 billion	£2.0 billion
Growth funding raised by business	£320 million	£345 million
Estimated CO2e savings	350,000 tonnes	450,000 tonnes

How we'll work

Bottom image:

- Scottish Development International China roadshow visited three cities in 5 days. It was designed to help companies understand consumer trends and how they can capitalise on the growing demand for Scottish products in China.



We will deliver on these missions by bringing sharper focus on preparing for opportunities where Scotland's businesses can compete and lead, adapting and scaling in response to future constraints.

- **We will prioritise innovative solutions:** our focus requires us to develop innovative solutions to support businesses to address challenges such as rising costs, skills gaps, logistics issues and supply chain pressures. By working closely with partners, we can realise opportunities that benefit individual businesses and communities.
- **We are outward-looking:** we form collaborations with global thought leaders, as well as regional, national and international partners to stimulate learning, creativity and innovation in our future support and development activities. We work to strengthen our approach to identifying and engaging with external sources of finance to enable these ambitions.
- **We are focusing on digital solutions:** we know many businesses want online, digital services so we are transforming the pace of our delivery, making it easier and quicker for customers to access support.

- **We will use our networks:** our connections and experience are put to best use when we use them to enable businesses to grow and scale. Collaborating with global networks such as GlobalScots, we will create and share economic intelligence and insights – furthering Scotland's reputation internationally.
- **We will continue to nurture deep, productive and enduring relationships** with companies in key industries in Scotland and globally. We will draw on the strengths of businesses, industry leaders, universities and partner bodies – including the Business Support Partnership, Scottish Government, Highlands and Islands Enterprise, South of Scotland Enterprise, local government (including Business Gateway), Visit Scotland, Creative Scotland, and Skills Development Scotland as well as with the UK Government - to deliver our ambitions.
- **We will collaborate to forge new and evolving partnerships** with other partners and global economic development agencies. Collaboration is key to delivering our missions and NSET priorities.
- **We will champion innovative business models and a focus on wider impacts:** we offer help to

choose and implement the best co-operative business models for organisations and communities and we work with businesses to adopt fair work, sustainability and equalities practices – helping them to improve their positive impacts on people and the planet, while driving up business performance.

This includes:

- offering grant support to businesses and organisations that adopt fair work and net zero practices
- supporting more companies to adopt these practices through our Fair Work Employer Tool, Net Zero Accelerator and Net Zero Academy
- helping all our projects to make a greater contribution to fair work, net zero and equality, diversity and inclusion priorities
- promoting climate change adaptation, biodiversity improvement, a more circular economy and a just transition across our work

More details can be found in our [Net Zero Framework for Action 2023/24](#) and in our [Mainstreaming Report](#).

Making the difference across Scotland

To promote wealth and ensure economic benefits are fairly distributed, we work collaboratively with businesses, innovators and entrepreneurs across Scotland and with Regional Economic Partnerships to develop transformational projects.

This maximises benefits from regional economic assets, and anchors investment, wealth and jobs within local supply chains.

Discover more about our collaborations

CuanTec - Fife

A ground-breaking biotech firm that aims to reduce carbon emissions, plastic pollution, and food waste, whilst contributing to the circular economy.

CuanTec was a recipient of the Net Zero Transition Fund and also received assistance through Scottish Enterprise's Green Jobs Fund.

DSM-Firmenich - Ayrshire

The first large-scale production facility to manufacture dsm-firmenich's new innovative product Bovaer®, a methane reducing feed additive. Bringing this breakthrough technology to Scotland will see an average reduction in 30% of methane produced from cattle, helping the local farming community on lowering its footprint, and thereby delivering a stronger sustainable export product.

Scottish Enterprise provided significant funding towards the construction of the new site and the R&D for the next phase of the project, as part of a longer-term strategic engagement.

Valneva - Livingston

Development of one of the largest and most-advanced vaccine manufacturing sites in the world. Valneva will export life-saving vaccines internationally – including a world-first Chikungunya vaccine, which was developed in Livingston.

Scottish Enterprise has a long-standing relationship with the company, developing a funding package to progress Valneva's research and development portfolio.

Hydrasun - Aberdeen

Global company diversifying from traditional oil and gas into the hydrogen economy. Strong focus on innovation and the transition of the workforce with a market leading open access Hydrogen skills academy.

Scottish Enterprise has supported the company's scale-up as it established itself as an international innovator through a wide package of support from business case research to R&D grants and Green Jobs Fund.

Krucial - Glasgow

Cutting-edge digital solutions provider, using state of the art satellite communication, cellular technology and combining this with the best of Internet of Things to give access to mission-critical data for industries with remote and hard-to-reach assets including aquaculture, energy and utilities.

Scottish Enterprise assisted the company with an integrated package of support, including participation in our High Growth Ventures programme, equity and grant funding through the Early-Stage Growth Challenge Fund. We have also provided international support to help the company to access new markets.



Antibody Analytics - Motherwell

New discovery centre dedicated to the advancement of medical research and drug development, part of a major expansion by health sciences company which will act as a springboard for Antibody Analytics' growth plans. The facility provides essential increased space for ground-breaking work in the field of complex immunology and in the future, will allow them to support drug developers as they advance through clinical trials. The company has already supported several key clinical projects leading to the acceleration of drug development in the field of cancer research and the treatment of conditions such as rheumatoid arthritis.

Scottish Enterprise supported the development of the expanded facility with an RSA award and provided debt funding to support their growth ambitions.

Advanced Manufacturing Innovation District Scotland – Renfrewshire

Scotland's home of manufacturing innovation. Anchor tenants include the University of Strathclyde led, National Manufacturing Institute Scotland (NMIS) and Medicines Manufacturing Innovation Centre (MMIC). An industry-led international centre of manufacturing expertise, where research, companies and the public sector work together to transform skills, productivity and innovation to attract further investment and make Scotland a global leader in advanced manufacturing.

Scottish Enterprise has been involved in the development of Advanced Manufacturing Innovation District Scotland from the outset and has invested significantly across the district. This transformational project provides world class facilities, support and advice for manufacturing companies of all sizes.

Images from top to bottom:

- Aerial view of Advanced Manufacturing Innovation District Scotland, Renfrewshire.
- Antibody Analytics, Motherwell.



Intelligent Growth Solutions - Edinburgh and Invergowrie

Vertical farming technology specialist that has developed innovative growth towers to global clients that maximise the efficiency and sustainability of growing produce, as well as minimising wastage.

Scottish Enterprise has supported the company at various stages of its growth, providing funding, advice and research services both at home and in export markets to identify new opportunities. This support has ranged from enabling R&D projects which include the expansion of the company's Crop Research Centre to guidance on trademark protection, a particularly important factor considering IGS's innovative and unique design features.

ONE BioHub - Aberdeen

A game-changing facility for the North East, providing a full range of support for innovative life sciences companies to develop and grow. ONE BioHub will provide start-up, spin-out and scaling life sciences businesses that are tackling modern health challenges with incubator laboratories and offices, commercialisation and growth programmes – as well as access to mentors, expert networks and investors.

Alongside Scottish and UK governments, public and private partners, Scottish Enterprise has co-funded the transformational project which will bring together innovators, entrepreneurs and businesses in one place.



Images from top to bottom:

- Intelligent Growth Solutions, Edinburgh and Invergowrie.
- Edinburgh BioQuarter. A leading centre of excellence for health and life sciences research and development, developed over a decade by Scottish Enterprise, NHS Lothian and the University of Edinburgh.



Smart Green Shipping - Dumfries

An award-winning systems-design house developing technically and commercially viable, digitally enabled wind-powered solutions. Leading global shipping's green transition through a unique industry collaboration to reduce greenhouse gas emissions and fuel costs through deploying high-tech wings, FastRigs, on existing vessels and new builds.

Smart Green Shipping received grant from Scottish Enterprise towards a research and development project, match funded by the private sector. Scottish Enterprise also participated in a subsequent investment round, alongside partners, to support the company's growth and to expedite a demonstrator showcasing the technology.

Sumitomo Electric Industries - Nigg

A world-leading Japanese company investing in Scotland to establish a facility to supply subsea cables for offshore wind farms and interconnectors essential for the transfer of green electricity into the UK, which will drive growth in the offshore wind sector.

Scottish Development International's team based in Japan developed a relationship with Sumitomo Electric Industries over a significant period of time, working alongside Highlands and Islands Enterprise, to secure this investment in Scotland. This is a transformational, strategic investment bringing global manufacturing capacity of high voltage direct current cables to the UK for the first time.

Images from top to bottom:

- The new Aberdeen South Harbour, the largest marine infrastructure project in Trust Port history. Supported by Scottish Enterprise, this port expansion is able to accommodate the larger vessels being used by offshore wind, hydrogen, and decommissioning, as well as the growing cruise industry.
- Seagreen offshore wind farm. Scotland's largest wind farm, able to provide power to up to 1.6 million homes, with the deepest fixed bottom foundations in the world.



Verlume - Aberdeen

A leader in underwater intelligent energy management and storage technologies, Verlume facilitates the integration of renewable generation in the offshore energy sector. With an increasing headcount and rapid sales growth in 2023, Verlume is active in several markets including offshore wind, subsea monitoring, and subsea decarbonisation.

Verlume is also working closely with Mocean Energy, another Scottish Enterprise supported company within the Renewables for Subsea Power (RSP) project. RSP is enabling decarbonisation and decreasing reliance on traditional power sources within offshore operations, by proving that a subsea battery storage system from Verlume can reliably power subsea equipment through being recharged by Mocean Energy's wave energy device.

Over the last 10 years, Scottish Enterprise has invested in Verlume alongside private sector partners to support their ambitions and capitalise

on opportunities within the energy transition and grow the business at pace. Through our international division, we have also supported Verlume in exploring international markets and export opportunities for their intelligent energy management and energy storage technologies.

Energy Transition Zone - Aberdeen

Spearheading North East Scotland's energy transition ambition and the development of Scotland's first Energy Incubator and Scale Up Hub. The hub will be the focal point of an Innovation Campus, one of five specialist campuses being developed across the Energy Transition Zone which will become the largest dedicated energy transition complex in Scotland.

Scottish Enterprise has supported ETZ since its inception and this latest round of funding, along with industry partners, enables the construction of the facility that will offer manufacturing and technology expertise to companies operating in the energy transition sector.

Images from top to bottom:

- Verlume, Aberdeen. Halo underwater battery system.
- Energy Transition Zone (ETZ), Aberdeen.

Our part in delivering the Scottish Government's ambitions

Images from top to bottom:

- Scottish Parliament, Edinburgh.
- Scottish Enterprise CEO Adrian Gillespie and Cabinet Secretary Neil Gray visit Allied Vehicles, Glasgow.



Scottish Enterprise is focusing on those areas where we can make the biggest contribution to the ambition set out in the NSET and the Scottish Government's priorities around equality, opportunity and community. Our mission-based focus will help to improve Scotland's innovation and export performance, driving increased productivity, competitiveness and greater levels of investment and internationalisation – helping to create better quality jobs that pay higher wages.

We will do this in a way that benefits everyone, working closely with Regional Economic Partnerships to ensure that our investment and efforts help to transform and benefit regional economies and communities in line with Community Wealth Building principles.

Our ambition is aligned with the Scottish Government's public sector reform agenda. Like our partners, we must become more efficient and effective in delivery.

Moving to a mission-based approach is one of many ways Scottish Enterprise is achieving this. The shift in focus will require close working with Scottish Government and partners to consider how to optimise overall economic development support in Scotland, as part of the public sector reform agenda.

In parallel, we will consider joint ways of working to ensure that there is clear delineation in terms of what each delivers – reducing instances of duplication or inefficiencies, making the business-support landscape less cluttered and simpler for customers to navigate.

As our ambition progresses, there will be a continued need to balance changes to finances and resources in the short and long term

Working collaboratively, we are leading on a major transformation workstream which will help public-sector partners to operate in a data-driven environment with more effective use of technology – enabling an enhanced customer experience.

We understand there will be challenges but we remain committed to driving forward our priorities and mission-based approach towards a thriving economic landscape.

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