

Join us in Cheltenham

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Preamble

In December 2021 a delegation of 15 founders and stakeholders from Cheltenham's innovation ecosystem travelled to [Slush](#) in Helsinki, a leading startup event in Europe.

The goal of the trip was simple – discover why the Helsinki startup scene is blossoming and what factors make it succeed, then take that knowledge and feed the Cheltenham startup scene so it can flourish.

And to further this goal, we (the organisers) developed a program to not only provide the delegation with deeper insights into the local ecosystem but also to facilitate open dialogue amongst ourselves.

Together, we visited [Maria O1](#) and heard from the local team about their efforts to transform an abandoned hospital into one of Europe's largest startup campuses. We toured the new [Oodi Library](#) with the founding architect from ALA to hear about how public space can be carefully crafted to inspire future technologists and creatives from all backgrounds – a breathtaking concept, open to everyone. We convened with key UK and Finnish delegates at the [British Ambassador's](#) residence, where we discussed how to encourage cross-border collaboration and cultural differences between the two nations

And we even had a bit of fun ourselves too; we organised a networking event post-Slush for European founders dubbed 'the afterslush', in

partnership with the London Mayor's London & Partners.

But perhaps most notably, together as a group, we hosted the inaugural 'chltnhm_dialogues'.

Here, in an intimate setting, we shared viewpoints on the strengths and challenges of Cheltenham's innovation economy and paired this with conversations from visiting key influencers from the Finnish and European technology industry.

Enclosed in this document you will find our thoughts, learnings, experiences and opinions from both the dialogues and the trip. They are not static, but rather rapidly evolving. They are not siloed, but rather collaborative and shared across all involved.

As many of us living and working in Cheltenham recognise, the opportunity we have is massive. Outside London, Gloucestershire has the largest number of cyber firms in the country.¹ It's now time to continue the momentum and foster the conditions for high-growth, product-led startups from the region to thrive. This will be a collective effort.

We hope these opinions will be helpful in shaping the future of an evolving innovation cluster that we all are a part of. This trip was our first trip – a test. There will be more.

¹ Gloucestershire Cyber and Digital Sector Impact Study, Hatch Regeneris (2020)

TL;DR: Our Findings – Abridged

If there is no reason for international founders to come to you, create one. No renowned conference? No major investors yet in town? Gather together and create an enticing reason.

The formula of startups + corporates + academia + government = success is outdated. This is far too simplistic of a viewpoint. The reality is much more nuanced.

Startup communities are built by entrepreneurs. Other stakeholders can feed in, but it is the entrepreneurs and founders who must lead.

Innovation hubs must build their own authentic brand narratives. It's not about the next Silicon Valley, Berlin, London, or even Shenzhen – hubs must design & communicate their unique narrative to the world.

Entrepreneurs look to success stories and local champions. Mentors, advice, success stories, and an openness and cultural acceptance of failure are the fuel that enables startup scenes to thrive. Champions are great but we accept everyone has their own path.

Early-stage usually means chaos, and more importantly – embracing the chaos, taking risks and having fun. Starting things can sometimes be messy, and it's no different with an evolving innovation hub. The ability to embrace chaos is essential to get things up and running; and we mustn't forget to have fun whilst doing it.

Below, you will find a more detailed analysis of the above and a set of recommendations with a Cheltenham context.

Creating Cheltenham's Next Gravitational Pull

We need to be louder and state the case for the global technology industry to convene in Cheltenham.

This will likely occur in the format of an event or a short-term offering to attract entrepreneurs, operators, and key corporate managers to Cheltenham for a set amount of time.

But this need not be done from scratch – Cheltenham already hosts existing assets that draw national and international stakeholders to town, such as The Cheltenham Festival or the Cheltenham Literature, Music, Jazz & Science Festivals, in addition to a long list of global tech giants that have a presence in the town and the wider region.

Helsinki has Slush, Lisbon has Web Summit, Austin has SXSW. The list goes on.

These events aren't just for show either. Since Web Summit relocated to Lisbon, it is estimated to have generated €115 million in revenue for the state, €252 million in value-added tax, and created 6,895 jobs.²

We can build our own offering and create a gravitational pull to Cheltenham. The ecosystem, the town, and its residents all stand to benefit.

Voitto Kangas

Entrepreneur

“The first Slush was 200 people. And it was all Finns. The focus of the following years was to bring as much investment capital here once a year, because at that time it wasn’t here locally.”

Moving Beyond The Helix

Academic literature analysing models of innovation tends to focus on what is referred to as the triple, or even quadruple, helix – a framework detailing the interactions between academia, government, industry (and society) and how it can foster innovation, company formation, and economic growth.

Perhaps at a high level this theory remains true, but it has quickly become outdated.

Innovation can come from anywhere. It is fuelled by interactions and is not limited to the aggregation of the stakeholders of a 'helix'.

University dropouts have started unicorns. Global startup hubs have emerged from localities that host almost no industry. What was once the anomaly is becoming the new normal – there's no single framework for innovation.

If there's a takeaway from our time abroad, it's that innovation hubs should not forget to be fun – and dare we say even transgressive. Related to this, they can have a 'higher purpose' such as social value, diversity and inclusion.

What does this mean for Cheltenham? It means we don't need to focus on an outdated framework to enable innovation, but instead on the assets we currently host which make our town unique as well as the connections we foster with like minded innovators across the UK and the globe.

And we need to think about how to leverage these assets.

Bindi Karia

Innovation Expert and Venture Partner Molten Ventures

“Innovation doesn’t have boundaries, it can come from anywhere. All innovation ecosystems have one central feature in common – entrepreneurs, a grassroots community and those that support them.”

Entrepreneurs, It's Your Time to Step Up

Successful startup clusters are built from the bottom-up, not the top-down.

They are created for entrepreneurs, by entrepreneurs, re-investing their time and money to support their peers. This does not mean that other stakeholders do not play a role – quite the contrary in fact, we are a community after all.

Stakeholders within communities can be best categorised as either 'Leaders' or 'Feeders' (thanks [Brad!](#)). Both are essential to the health and growth of a startup community. However, it's time for us to be bold and unleash our entrepreneurial spirit. Startup communities must be driven by the leaders (the founders and entrepreneurs). If not, misaligned incentives and perspectives fall in the way of successful growth.

In the context of Cheltenham, this is an open call to action to local founders, entrepreneurs,

and angel investors. We must work together as a community, take ownership of how we grow and embody the principles on which we want our ecosystem to operate ensuring that entrepreneurial success is within reach of everyone.

We must support our collective drive and determination to succeed, and see the benefits of working collaboratively and sharing both our successes and failures to help, guide, and inspire one another. And we must do this in a way that embraces the value of the various 'Feeders' in our ecosystem, working collaboratively and in unison.

In this sense, our tight-knit community should continue to embrace an open collaborative approach with a 'pay-it-forward' attitude. Those who have succeeded (and failed) must support others, provide mentoring and advice, and re-invest in our local community. If we all sit back and leave it to others, we will fail.

Djordje Rodriguez

Business Development Manager Maria 01

“We all fail. What differentiates successful companies is their ability to learn and grow from their failures while still being able to enjoy themselves and not be consumed by every little detail of those moments.”

Cheltenham's Evolving Narrative

In many ways, we worry too much about what Cheltenham lacks.

We need to talk more about what makes it great.

Cheltenham needs to be bold about its current brand, and in addition, continue to evolve its narrative as a key location for the tech and creative sectors.

Recognised for its heritage, its foundation as a spa town, Regency architecture, and festivals – Cheltenham certainly has a lot going for it already. Add the prominence of GCHQ, the National Cyber Security Centre (and their partners in industry) and it's clear that a strong narrative around cyber technology and the digital industries has already taken shape.

Our unique strengths are rooted in this co-existence of government, corporates, startups, and proximity to significant academic capability.

Now, the question is how can we evolve this?

How can we improve it? How can we shape the brand of our town and take this to the world? How can we unite Cheltenham's digital and tech future with the legacy of its historic past?

It's not about building 'the next Silicon Valley'. Instead, we need to identify what we are becoming, without forgetting what we've been in the past. As time passes, narratives are meant to be built upon. Now it's our time to begin to shape this.

Are we Cheltenham? The Cotswolds? Gloucestershire – the South West? Do we need a brand for our ecosystem that isn't our geographic location?

These are all topics we need to explore head on, as a community.

Richard Yorke

MD Cynam and Chair UKC3

“It’s time for us to stop talking so much about CyNam and our ecosystem in the abstract and instead talk much more about the specific achievements of our startups and entrepreneurs.”

These Are Our Champions, Let's Celebrate Them

There's often a tendency to shy away from celebrating our successes. Locally, we don't want to be too boastful, we don't want to scream and shout. Yet in today's competitive landscape, we must recognise that we aren't just competing locally – but rather globally.

Cheltenham must learn to recognise its fast-growing success stories and celebrate them.

These success stories are the high growth companies that are paving the way for other startups, innovators and entrepreneurs in the region. In this sense, by celebrating successes it's also about recognising the depth of what's coming next.

Localities and startup communities are often defined by the key components that sit within. If recognised and acknowledged correctly, our successes can become inspiration for others – they will drive momentum to our town and for those around us.

They can be our champions, and we must celebrate them.

[Anatwine](#), a unique software as a service company that combines state of the art software with unique ecommerce skills. After raising \$12m from Berlin-based e-commerce titan Zalando the firm merged with Tradebyte in 2021.

[Aquilai](#), an anti-phishing provider with machine learning and natural language processing technology that stops all targeted email attacks, including business email compromise (BEC), spear phishing and impersonation attempts. Recently acquired by Egress.

[Deep3](#), a recently acquired startup that provides secure by design application, cloud development, data engineering and digital transformation services to the cyber and national security sectors. Acquired by [CACI](#) in 2019.

[Fasthosts](#), a professional web hosting, servers, and cloud solutions company, powered by UK data centres. In 2006 the business was sold to United Internet for £61 million.

[Immersive Labs](#), cyber workforce optimization experts that equip, exercise, and evidence the human cyber abilities of entire workforces, preparing organisations to counter the latest cyber threats. Recently raised \$70M in Series C funding, led by Insight Partners.

These Are Our Champions, Let's Celebrate Them

[Ripjar](#), a data intelligence company that transforms global institutions' ability to manage strategic risks. The firm raised €31 million in Series B funding from Long Ridge Equity Partners in 2020.

[Secretsales](#), a UK discount fashion and beauty platform that was acquired by Cheltenham-based Lifestyle Retail Group (LRG) in 2020, and has gone on to raise £8.5m Series A led by Perwyn Growth Capital and supported by Beleon Capital.

[SUPERDRY®](#), a UK branded clothing company, founded in Cheltenham, and owner of the Superdry label which floated on the London Stock Exchange in 2010. Superdry products combine vintage Americana styling with Japanese inspired graphics.

[Synalogik](#), a pioneer in data aggregation and automation for discovering hidden risk over multiple disparate data sources. In early 2022 the company raised £3m in a Series A funding round.

[Trust Stamp](#), a global provider of AI-powered identity services for use in multiple sectors including banking and finance, regulatory compliance, government, real estate, communications, and humanitarian services. Over £30M investment raised to date.

And we mustn't forget the various companies moving to town to tap into the talent and community we are becoming increasingly renowned for.

This includes companies from North America such as ORNA and Cylera as well as those coming here through [NCSC for Startups](#), among which heavyweights such as Rebellion Defence and others are rooting themselves here in Cheltenham, and in turn shaping the local scene.

This Is What Chaos Looks Like

As any entrepreneur will tell you, founding a company and getting things off the ground can (and perhaps should) be chaotic. The chaos of the early days of company foundation is often embraced to give entrepreneurs the freedom to take more risks and create something unique.

So if early-stage is messy and chaotic, we shouldn't fight this. We need to embrace it and empower a new form of 'structured chaos'.

This logic applies not just to companies, but to locations as well. They say startup ecosystems aren't built overnight – it takes decades. Well, what they also forget to mention is the various stages communities go through, evolving on their path towards developed clusters.

Here in Cheltenham we already have a great head start, at least compared to many other towns and cities.

We just need to accept that the next few years might be a bit bumpy.

We're going to test quite a few things out. There will be lots of failures. Champions will come and go. And as we mentioned, it's going to be chaotic.

Jouni Lounasmaa

Member of the Board at Maria01

“There’s a simple four step recipe for how to build an ecosystem: 1) dedicate a place for it, 2) invite current and future entrepreneurs, 3) give the control to them, and 4) support with funding.”

So What, What's Next?

Sometimes getting away provides a new perspective on the day-to-day. In this instance, it took the group of us leaving Cheltenham to think about some key challenges we face and what we can begin to build to address them.

You may be thinking, 'well...so what'? Indeed, our thoughts remain static if kept within a simple document.

So we invite you to comment, share – and even dispute them. This is about you, the people. The entrepreneurs, the creatives, the innovators and your thoughts and opinions on what our town and region need to thrive.

Do you agree with us? Then join us and sign this document. Sign it as an individual, as a company, as a group. Have further thoughts, comments, additions? Please share them. Reach out to us at joinus@cynam.org. This is something we hope to build upon in the future.

How can we help one another and support our local businesses? What hurdles do you currently face and how can we jump over them?

What other ecosystems and sectors should our town and region plug into around the country? How about internationally?

It's the start of a conversation, not the end. And we're launching this locally on March 10th here at [CyNam 22.1](#) to discuss what's next.

Join us in Cheltenham.

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Endnote:

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Companies and stakeholders from the region who joined include:



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