



## **Business Plan 2004-2005**

### **1.0 Background**

The UKSPA Business Plan is set within the context of the rapidly changing economic and political environment that Science Parks operate within today. In recent months the DTI Innovation Review and the Lambert review of University – Business links have detailed the issues we must become engaged with as an Association over the next few years.

Additionally, the research undertaken by UKPSA during 2002-2003, and the feedback from members has now given us the information to create our strategic goals and vision for the next five years.

More recently, press reports strongly point to an increase in investment from the government to fund science and technology, research, and the commercialisation processes with the aim to increase innovation, and product and service development in the UK.

As an Association with its roots in technology transfer, representing over 2000 technology based firms, the time is right for the Association to continue stepping forwards.

### **2.0 This year's business plan in context**

First and foremost we should remember that at our core we are an Association of science parks, and that our core function must be to increase the relevance of our activities to support existing members, and to actively seek new members to the Association. In recent years we have been successful in attracting new members, but have experienced some membership churn as some members have not rejoined the Association. The last year has been no exception to this pattern.

Having reached the stage where the research has been widely disseminated to the membership, and discussed in depth at the members' meeting in Coventry, we must now capitalise upon the captured data to create a framework for future development of the Association. This will ensure continued development of the Association through the provision of more membership benefits.

### **3.0 The business plan framework - Four strategic pillars**

- UKSPA Branding
- Delivery of quality services to tenants and science parks
- Measuring and analysing innovation performance in the UK
- Engaging UKSPA in the skills development agenda

The four above issues are inextricably linked, and should form the core of our business strategy for the next three years. Taken together, they address all of the issues raised by members in the Coventry workshops.

#### **3.1 Repositioning the UKSPA Brand**

The use of the term “science park” is used widely and interchanged with other terminology surrounding incubators, technology parks, and research parks and so on. There is the perception that science parks are property-based initiatives, and the business support and technology transfer elements have become eclipsed over the last decade as property developers have used the “science park” brand to develop high quality real estate to attract tenants, often at the expense of traditional science park values.

The UKSPA brand is well known and has an inherent value, so must be treated with care. The UKSPA brand must not be confused with perceptions of what a science park is, or what a science park does. But, the time is right to begin the process of repositioning the brand of the Association to ensure that the science park brand is revalued over the next three years, and does not continue to be devalued as the research report suggests. This will mean entering into a period of change whereby the science park brand value is strengthened through associating UKSPA not solely with Science Park and property initiatives, but also with the quality of support services delivered either directly or indirectly through the science park management team.

Over the course of time the belief is that the strategy of associating the UKSPA brand with the delivery of quality business support services and initiatives that support the growth of tenants, will attract the solely property based science parks to become members of the Association –in order to benefit from service development and delivery (they don’t want to be left behind again). Indeed, there are early signs that property developers and investors are beginning to show more interest in the Association, and we should capitalise upon this interest, and the property recommendations arising from the research in the next year.

Additionally, we believe that if this branding step-change can be achieved, then the government might be convinced to invest in helping the Association manage

this change. It is very clear that the government (on a regional and national level) wishes to associate itself with organisations engaged in building UK innovation capacity, and has the need itself to work with organisations close to their customers, as the Business Links and other such agencies have failed to do this to any great effect in the past.

### **3.2 Delivery of quality business support services**

Many science parks within the Association are already delivering quality business support services to tenants they know, and have communication with, on a daily basis. Others deliver common office support facilities, and still others offer no services recognised as actively supporting the growth of technology, or knowledge based firms. This is to a great extent borne out by the research results. Whilst the Association could point out that this is only tenants' "perception", and that in reality much information is given to tenants regarding business support services, there remains a considerable amount of work to change both the reality and the perception.

As well as the different service levels on science parks, there is also significant variation in the age of the science park, its development background, its partners, and the sub-regional economic context at a local and regional level. Parks might argue that business support services are not their problem, and that the local agencies are best placed to manage these initiatives. If this is the case, then the research shows us that there is still a role for UKSPA to help promote existing initiatives to the parks or directly to the tenants.

There is also the opportunity for UKSPA to become engaged in the promotion or delivery of existing government funded business support services. Indeed, this was mentioned by Lord Sainsbury, and would be a very useful tool for UKSPA to lever funds from government to deliver a national business support programme. Members were interested in establishing a Technical Support Network as a result of the members meeting at Culham, but initial enthusiasm waned over the winter period as resources required to professionally manage this initiative were not available. The access to finance initiative that arose from the Pentlands meeting may suffer the same fate.

Running in parallel with developing the delivery of quality business support programmes is the potential for UKSPA to use critical mass to manage group purchasing initiatives – of value both to science parks and to tenants. Several group purchasing initiatives developed as UKSPA services to members and tenants could be accessed via the UKSPA website. It should be noted that these services are entirely optional and not meant to be competitive with other initiatives being managed through parks themselves.

### **3.3 Standards programme**

Assuming the above is accepted, the business strategy should also take into account the need to define standards of service delivery to tenants. This standard should not be a barrier for members to jump in order to receive accreditation as in other initiatives, but should be designed to actively engage with those parks aspiring to improve services and therefore growth of tenants on their parks.

At this stage, it is believed that the government might be interested in supporting the development of this type of programme as an extension of work identified from the research programme.

The outline programme will be:

- Define services required by tenants
- Audit what currently exists on each science park (either directly or indirectly)
- Science Parks self-assess against framework
- UKSPA role to help secure resources / funding to improve service delivery

It should be recognised that some parks already deliver quality business support services and are well integrated into local and regional partnerships responsible for delivering business support services. Two spin-offs might be that Parks delivering quality services to tenants could partner other less advanced parks to support their development in this area, and secondly that services being delivered to tenants by the science park could be delivered to other firms not based on science parks.

Again, the government may be interested in supporting both the standards assessment programme, and / or development of business service infrastructure on / around science parks where none currently exists. This would be seen as a project that could build on the quality bench-marking programme completed by UKBI during 2003.

### **3.4 Data capture and analysis – Regional Innovation Indicators**

The current SBS agreement determines that UKSPA must use government funding to carry out research. One of our key assets is the data we hold on science park growth and development over the last 20 years, and strong advice from Angle Technology upon completion of the research programme, was that we should at all costs maintain the existing data collection as it provides a valuable historical perspective that exists nowhere else in the world.

We have been investigating the options available to us to ensure we maintain existing levels of data collection, and improve upon the data sets we collect, and analyse. The current data provides some interesting information on the profile of tenants, but it is becoming clear that the RDAs and national government might

support a significant research project entailing collection and analysis of more extensive data on the performance of tenants on science parks.

We intend to develop this research project further over the next year, with the intention of finding a way to support science parks to collect this data from tenants. The following are a few examples of the type of data that government would be interested in UKSPA collecting:

- employee and job growth
- turnover and revenue
- access to finance

Future Measures of innovation and technology commercialisation performance for New Technology Based Firms should include:

- New products launched
- New services launched
- Patent applications
- Relative proportion of Qualified Scientists and Engineers (QSEs)
- Relative intensity of investment in R&D as a proportion of turnover

The project would potentially have benefits to national, regional and local government, as well as science park management and their tenants.

### **3.5 Engaging UKSPA in the skills development agenda**

Research shows that there is a need to increase the number of people with skills in science, technology, engineering and entrepreneurialism. This is a workforce development issues and a widening participation issue.

Science parks in the UK have a high density of well qualified scientists and engineers, who potentially have much to offer budding scientists and entrepreneurs of the future. UKSPA is ideally placed to manage a national programme engaging science parks, schools, FE establishments and Universities with the objective of raising awareness, sharing experiences, and encouraging more young people to study science and business. We recognise that currently this is a key national debate, and recommend that UKSPA secures funding from the DfES to manage a national programme of out-of-school-hours science projects to raise aspirations and awareness of the career prospects in the science and technology sector.

### **4.0 Business Plan –research recommendations**

The six recommendations from the research form the backbone of the strategy, and were captured in the presentation given to Lord Sainsbury. The key issues addressed in the presentation were:

- Contribute to UK innovation capacity through the development of SPARTA (Science Parks Tenant Association)

- Define and apply Quality Standards for tenant services
- Increase membership from 70% to 100%
- Increase tenant population from 2000 to 3000
- Develop and integrate the UKSPA portal with others
- Supply Government with meaningful data analysing innovation performance
- Become self-funding

These bullet points are a useful starting point to develop the key deliverables for the Association to address for this financial year, and also for dissemination to members and other organisations interested in UKSPA.

## **5.0 Core Deliverables**

### **5.1 Plan and deliver SPARTA**

The research concluded that the majority of tenants feel that a Science Park location could provide them more benefits in relation to:

- access to new markets, technological development, research linkages and capital networks/finance
- competitors located off Science Parks
- access to technology transfer opportunities
- business networks, distribution channels, supply chains and On-park business interactions

We believe that UKSPA is now ideally placed to begin the development of a business-to-business virtual network that could have a broad purpose and objectives.

Business Support Services that UKSPA is currently involved in developing – such as the technical support network, and the access to finance project fall within the scope of SPARTA objectives.

Initial discussions with Unilever and GSK seem to indicate that far more could be done in the field of Corporate Venturing, to engage small technology based firms to commercialise IP that currently exists in larger corporates. The main objective would be to exploit the IP, increase new product development, and therefore build innovation capacity.

### **5.2 Representation / Lobbying / Consultation**

Our aim is to respond to consultations in order to represent the needs of the science park movement, which are now clearly articulated through the research results. UKSPA responded to two consultations during the last year, with very little positive response forthcoming from the membership. This could be for a

variety of reasons, but we believe it is important to keep this function high on the agenda.

The United Kingdom Knowledge Organisation (UKKO) has been established this year with UKSPA as a founding member. It is anticipated that this group will respond to key consultations in the future, and to become a recognised body rather than the informal grouping it is today.

### **5.3 Members' Meetings x3**

Over the last year we have strived to make members' meetings more interactive, and to create a positive learning experiences for the most mature parks, and park managers. The research gave us an ideal opportunity to raise the profile of members' meetings in this way, but we should be aware that it will not always be possible to develop an event such as at Coventry in January 2004, simply because we will not always have such rich and relevant material available.

The meetings planned for the next year are:

**5.31 May 2004 – Tamar.** Themed "Science Parks at the centre of their Community". We also plan to have the UKPSA inaugural awards – a small ceremony to celebrate our 20<sup>th</sup> Anniversary, and the success of science parks over the last 20 years.

**5.32 September 2004** – Bergamo, Italy. For some time we have been lobbied from various quarters regarding our interaction with international science parks. We intend to hold this meeting in conjunction with IASP, and to have an international dimension to the meeting.

**5.33 January 2005** – Belfast. Northern Ireland Science Park. No theme as yet.

**5.34 May 2005** – Cardiff. Linking with the 50<sup>th</sup> Anniversary celebrations of Cardiff City.

**5.35 September 2005** – To be arranged

### **5.4 Annual Conference**

The success of the 2003 conference was largely due to having the research results to disseminate to a wide audience. Currently there are no topics that necessarily warrant UKSPA developing a national conference for, but will be kept under review if a topic of sufficient importance arises.

## **5.5 UKSPA Seminars**

The Laboratories of the Future seminar proved that it is worthwhile UKSPA working with other organisations to deliver seminars with content relevant to tenants or science park managers. It is the intention to work with existing providers to deliver at least one seminar during the year.

## **5.6 Science Park Manager Training / CPD**

The Leadership Programme delivered through Profit Through People has now finished. Two “pilot” programmes, whilst a useful foray into providing a CPD programme for managers, did not entirely hit the mark. Feedback on content and relevance from delegates indicates that the same programme would not be worth repeating.

Recent meetings with AURIL however on the “Knowledge Training for Knowledge Transfer Practitioners” project have encouraged us to ensure that UKSPA is closely associated with the delivery of this programme for both the CPD elements, and the potential to use science park facilities as the location for programme delivery.

Latest discussions with AURIL have also revealed that there may be the potential to use the UKPSA website as a delivery platform for on-line training.

## **5.7 Best Practice Guides**

We are currently refreshing the existing Best Practice Guides with a view to bulk printing before the end of the financial year, although this is not now looking likely. New ideas for best practice guides have arisen from the Coventry members’ meeting, and we will be investigating the possibility of commissioning at least two more guides during 2004-2005.

## **5.8 Publications**

Work is well underway on the publication of the 2004 – 2005 Directory. There will be a few stylistic modifications to the existing Directory, and special features given that this is our 20<sup>th</sup> Anniversary edition.

An agreement has already been struck to publish three further editions of the UKSPA periodical. Circulation has been increased to 5500 over the last year, and popularity seems to be improving with unsolicited contributions now arriving from a wide audience.

Publications have become an important source of income over the last two years and now generate in excess of £20 000 per year. Other opportunities of this nature should continue to be sought over the next few years.

Consideration should be given to refreshing the Planning, Development, Operation and Management of Science Parks publication ("The Book") during this year, as it is now 5 years old. This activity will need sponsorship and professional editorial support.

## **5.9 Website**

Development of the new UKSPA website will continue over the next year. Having built the site our plan must be to ensure content relevance, site usage and site "stickability". We will ensure the site is up-to-date, and have a target to ensure that no "news" item is more than 4 weeks old.

The job vacancies part of the website remains a development priority, and is currently being populated with current vacancies.

The site might also be used to deliver part of the AURIL CPD programme. This is currently under discussion with AURIL, and the project managers.

The site will host the new statistic collection process, and is intended to be developed to become the host for the national programme described above.

## **5.10 Labspace UK**

The decision to invest in the development of a company with two external partners in order to generate long-term revenues will be tested during 2004-2005. We believe the principle of generating income from commercial revenues should be supported wherever possible.

The service was launched in March 2004 with the objective of offering a free service to UKSPA members for an initial period of up to one year. No further funding requirement is anticipated during the year, although management time will be allocated to board meetings, marketing and awareness raising of the project.

We have built a modest return on investment into the business plan, but until the business begins actively trading we cannot make accurate income projections. The principle agreement is that profit will be reinvested in the company. We have anticipated a small dividend during 2004-2005.

### **5.11 Access to Finance**

A meeting was held in January 2004 that highlighted a potential role for UKSPA in becoming more actively involved in bringing together firms with need to access finance, and the different forms of finance already available. It seems that there is not a funding gap, but more likely an information and awareness gap between those firms needing finance, and those organisations supplying advice on the most appropriate package. Whilst it is entirely feasible for us to create a section on the website dedicated to bringing together the supply and demand sides, we must ensure that we do not replicate what currently exists, and also need to know that companies are either using, or can be driven to use the UKSPA website.

### **5.12 Technical Support Network**

The concept of UKSPA members co-ordinating a technical network to share experiences, resources and facilities for the benefit of tenants was the theme of the meeting at Culham last year. Whilst there seemed to be initial enthusiasm for the concept from park managers, the reality of trying to co-ordinate project meetings was difficult. We would hope that with a little funding to promote and manage professionally we could resurrect the concept during this year.

### **5.13 Salary survey / Job description bank**

A Science Park Manager salary survey was carried out in January 2002. This survey revealed that 97% of Park Managers would welcome a wider survey taking in other science park functions such as science park team managers and administrators, retention staff, security, cleaning etc.

We plan to carry out a more extensive survey between May and August 2004, and to present the results in September.

In the medium term we plan to begin a process of moving to the next stage of collecting job descriptions so that basic job competences can be identified. This data could be useful to science park management if "off the shelf" job descriptions can be accessed through an on-line library.

### **5.14 Property Special Interest Group**

An area of special interest arising from the research was that of property development and property management, and the way in which UKSPA could work with stakeholders in this field in the future.

We propose to establish a Property Special Interest Group this year in order to address the key issues.

### **5.15 Group Purchasing Initiative**

If the concept of establishing SPARTA is accepted, then we have the opportunity to work more closely with UKSPA business affiliates and other organisations who wish to offer quality and reduced price products and services to tenants.

This ability to provide a variety of services for tenants through nationally negotiated agreements was a recommendation from the research, and would provide a “shop window” through which tenants could become more familiar with the UKSPA brand.

Again, we have to be careful not to compete with existing initiatives, have to believe that tenants will use the service, and take time to develop a meaningful offering. The UKSPA website will be used as the primary medium to promote and access this service, and we will be careful not to allow mass-marketing campaigns to tenants promoting their products / services.

### **6.0 Regional dimension**

Contact and communication with RDAs over the last year has been erratic, which seems to be consistent with the experiences of other agencies. We recognise the importance of securing a higher profile for the work of the Association with RDAs, and have successfully secured income on a project basis (for the Labs of the Future seminar, and for the annual conference). Whilst this funding has been useful to stimulate debate and improve relationships on a regional level, our strategic approach should be to engage all RDAs in a national project managed through UKSPA. A national project to collect and analyse data to identify regional innovation indicators will be a priority project.

The research has provided valuable data for regional economic planning purposes and has provided a platform for debate with the RDAs which we intend to exploit over the next year. Several regions have active innovation support networks and are well attended by UKSPA member parks (i.e. the North West). Other regions are less well developed but are emerging as potentially important for new UKSPA membership (i.e. the East Midlands). We will continue to engage with these networks when and wherever possible. Experience of Scottish UKSPA meetings indicates that UKSPA has a role to stimulate new networks, and recently we have been instrumental in establishing the Irish chapter of UKSPA. We also hope to replicate this model into Wales.

## **7.0 International**

The international dimension to UKSPA has largely been left on the back-burner for the last two years as time and effort has been spent developing the Association role on a domestic front.

New business processes have been developed for managing international enquiries and enquiries from trade delegations, inward investment missions etc. Whilst we recognise UKSPA has a potential role in supporting such missions to the UK for inward investment purposes, we have had to take a strictly commercial view, and wherever possible seek to secure funding to support UKSPA salary and travelling costs when becoming involved with any activities with an international dimension.

The 2004 UKSPA members' meeting will be an opportunity for members to network with international science parks, and to manage a joint IASP / UKSPA meeting in Bergamo (Italy) in September 2004.

The recently managed training programme for a delegation of Chinese science park managers proved successful. The programme itself was well received, and indirectly associated with UKSPA, as programme management and delivery was through Nigel Halford and John Allen.

UKSPA has been asked to visit China to help with the process of establishing a Chinese Association of Science Parks in the latter part of 2004. At the time of writing we have also been asked to host a meeting with two first secretaries and the Chinese Minister Counsellor for science and technology from the Chinese Embassy. They would like to open a discussion regarding how to work more closely with UKSPA in the future – which links neatly with the emphasis placed on Sino-UK relationships by Lord Sainsbury.

UKSPA and a UK member park have been asked to present the research results at the AURP conference in San Antonio in September. We are currently working with the Roslin Institute to present a paper.

During 2003 we again supported the Fairfax County competition. Whilst this has been valuable for networking opportunities, the time and effort expended does not justify more than nominal involvement with similar schemes in the future.

## **8.0 Marketing**

The principle objective of any activity to market the Association over the next year will be to increase full and associate membership. A presentation pack will be developed to enable the executive to promote the work of the Association to a variety of audiences. This material could also be used by current members for promotional purposes.

There are many meetings, shows, exhibitions and conferences held throughout the UK, and whilst we cannot possibly be represented at all of them we believe that members attending these meetings might promote UKSPA if given suitable materials.

We also hope to invest in simple pop-up banner stands to take to various events.

The UKSPA Website will remain the principle method of marketing the Association. It is therefore important to ensure resources are available to maintain and develop the site to increase usage.

The UKSPA periodical will continue to be our external hard copy publication. Circulation is now 5500, and is a successful in attracting adverts and editorial. More case studies are always useful to include, and we intend to highlight more on-park successful companies this year.

We are frequently asked to give interviews and submit articles for publications such as Property Week, Investment Now, Business 550 etc. These are a useful form of promoting the work of the Association at no cost.

## **9.0 Quality**

A set of draft procedures have been developed over the last year to make internal administration as simple as possible. A new filing system has been purchased to archive old data and to organise a central filing system.

UPS back up for computers has been introduced to minimise disruption due to power spikes on site. Back-up copies of all historic electronic files have been stored on CD-ROM in an off site location. Occasional copies of current electronic files are on CD-Rom and laptop which is never left on site overnight.

We are currently investigating the possibility of networking PCs and laptops to improve file management and storage.

## **10.0 Database**

We have not had a working database and this has proved to be a considerable drain on time when carrying out simple tasks such as mail-merge. We now have a database that has been constructed through the merger of the most recent data held in a number of locations. This data still requires cleaning and deduplicating, but the process is now underway. We have developed a system to categorise data and a user friendly "front-end" has been designed.

The diagram below shows the relationship of the database in the future to the collection of tenant data, science park data, and the creation of innovation indicators on a national and regional basis.

## **11.0 Training & Development**

A small budget for staff training and development has been included in the budget. One course on Successful Marketing of a Trade Association has been identified for Roz Bird. Other courses could include Microsoft Access, other software training and management training opportunities.

## **12.0 Health & Safety**

Garden Cottage is subject to normal health and safety checks and has recently been audited for improvements. There were several minor observations, such as fire extinguisher location, and fire escape access, which have been remedied.

Old furniture from Aston is being replaced with appropriate furniture that meets acceptable office standards.

## **12.1 Finance**

12.1 It is recommended that the policy to maintain reserves of at least £50 000 should be continued to be applied in the 2004/2005 financial year.

12.2 Capital and revenue funding projects outside the business plan should continue to be approved by the Board.

12.2 Monthly management accounts to be provided to the Board and to be a standard agenda item, with significant variances from budget highlighted by CEO.

12.3 On-line banking has been a useful management tool, and is used to maximise the period of time funds reside in an interest bearing deposit account. There is no authority to transfer funds out of UKSPA accounts, or to make on-line payments.

12.4 The 2004/2005 budget is conservative. Projections currently show a £10 000 deficit. Experience shows that additional income streams from project sponsorship and other opportunities arise during the year. These all give the opportunity to off-set costs and to reduce planned deficits.

12.5 The £100 000 SBS grant is guaranteed for 2004-2005. £24 000 has been allocated to support the CEO salary. An 8% management fee has been assumed on the remainder of the grant.

12.6 An increase in SBS funding has been projected, although details will not be clear until the summer.

12.7 Sponsorship funding has remained difficult to maintain or increase. Whilst we had certain project specific successes during the last financial year, core funding from sponsorship is not easy to secure, or to retain.

12.8 Assumptions for each budget line have been included on the budget spreadsheet.

12.9 An asset register has been completed.

### **13.0 Resources**

Core UKSPA resources remain limited to the income from three sources – membership fees, sponsorship, and publications. This amounts to about £140K which includes the £24K contribution from the SBS grant to the CEO salary.

The 2004-2005 budget projection has allowed for the introduction of a part-time administrator, to relieve some of the administrative functions from the CEO and Business Development Manager. This will allow more management time to be allocated to managing the strategic projects outlined in the business plan.

The step-changes described in the business plan are dependent upon us securing more funding from the SBS, and from the RDAs. If this is achieved, for the first time UKSPA will have the opportunity to secure match-funding from Europe.

**A.P.Wright**  
**8<sup>th</sup> March 2004**