

# Mini- evaluation of the Nordic Scalers programme

Final report



Nordic  
Innovation

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# 1. Introduction

## 1.1. Background and objective

Nordic Scalpers is a pilot programme initiated and funded by Nordic Innovation. The goal of the programme is to help the most promising Nordic scale-ups by providing access to mentoring and networks. The programme was part of Nordic Innovation's Entrepreneurship and Financing programme, a former flagship programme in the Nordic co-operation programme for Business and Innovation Policy. The current four-year programme period runs from 2018–2021.

The objective of this *Mini-evaluation of the Nordic Scalpers Programme* is to evaluate the relevance, appropriateness and Nordic added value of the programme's two pilot years (2017–2019). The main goal is to identify key lessons and recommendations for the future development of the programme. As the evaluation takes place early in the programme life, impacts are not the focus of the evaluation.

The evaluation aims to provide answers to the following questions:

1. How *appropriate* the Nordic Scalpers and its related activities have been?
2. How *relevant* the Nordic Scalpers and its related activities have been?
3. How well the Nordic Scalpers has met the perceived gap in the Nordic market?
4. How appropriate the business model of the programme has been?
5. How well the programme content has met the needs of Nordic scale-up companies?
6. What has been the Nordic added value?
7. What are the major lessons learnt?
8. How well the programme has achieved its goals – taken into account that most goals are longer term and cannot be achieved solely by one programme?
9. What are the most important lessons learnt and recommendations for Nordic Innovation and the Nordic region as a whole?

### Defining scale-ups

**Scale-ups** are typically understood as companies with high growth ambitions and potential for scalable business. In contrast to start-ups, a scale-up has already validated its product in the market and has proven its sustainability ('product/market fit'). This general definition is also the starting point in this report.

For statistical purposes, scale-ups are typically defined according to the OECD and Eurostat definition of **high-growth firms (HGFs)**, according to which a scale-up is a company with an average annualized turnover growth of at least 20% in the past 3 years with at least 10 employees in the beginning of the period.<sup>1</sup> This definition has been further refined for example in the recent studies on Nordic scaleups, commissioned by Nordic Innovation.<sup>2</sup> For more discussion on the definitions, see also the literature review (Appendix 1).

The eligibility criteria for companies participating the Nordic Scalpers programme has been described in Chapter 3.

<sup>1</sup> OECD (2007) Eurostat-OECD Manual on Business Demography Statistics. European Communities/OECD.

<sup>2</sup> See: Nordic Innovation (2019a) Scale-ups in the Nordics – Statistical Portrait 2008 – 2016. Nordic Innovation. [LINK](#); and Nordic Innovation (2019b) Scale-ups in the Nordics 2017. Nordic Innovation. [LINK](#)

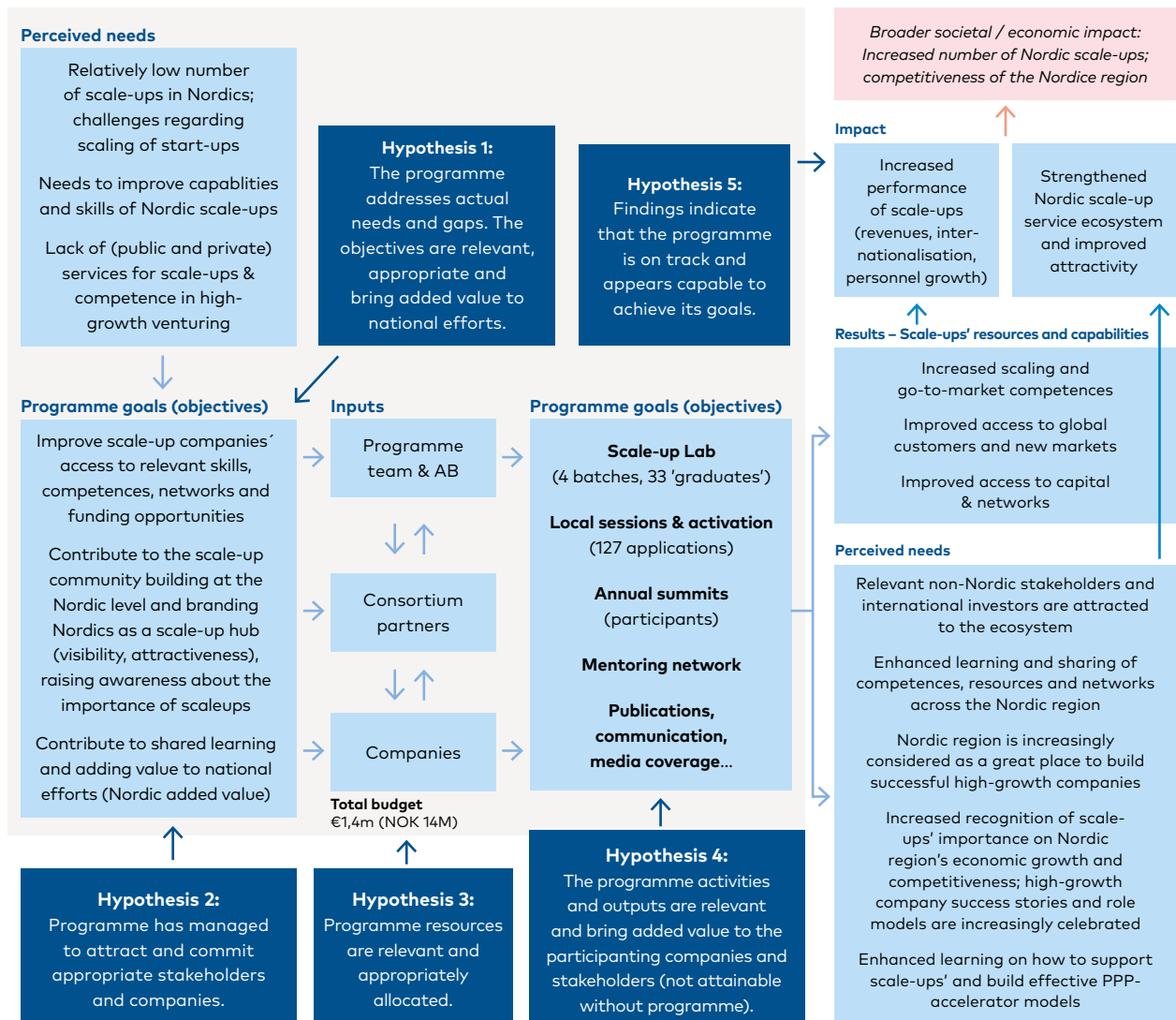
## 1.2. Evaluation approach and framework

Our approach to the evaluation is based on **theory-based evaluation** with the focus on assessing the **relevance** of the Nordic Scalpers programme. Relevance is here defined in accordance with the OECD/DAC definition as *the extent to which the programme is suited to the priorities and policies of the target group, and whether the objectives and/or design of the intervention are still appropriate given changed circumstances*.<sup>3</sup> The approach is especially used to evaluate how the impacts are (or will potentially be) achieved, and what lessons can be learned to improve the impact of the programme.

In the first phase of the evaluation, **an impact model for the Nordic Scalpers programme** was constructed based on the assessment of programme documents and background materials. The model, presented in Figure 1, was then validated with the programme experts.

**Figure 1. Impact model for the Nordic Scalpers programme.**

*Relevance = The extent to which the programme activity is suited to the priorities of the beneficiaries.*



<sup>3</sup> OECD (2002) *Glossary of Key Terms in Evaluation and Results Based Management*. OECD.

Building on the model, five hypotheses were formulated to guide the assessment of the programme and its relevance. The hypotheses and the means of verification are presented in Table 1.

**Table 1. Evaluation hypotheses and means of verification.**

Hypotheses (regarding relevance)	Means of verification
H1: The programme addresses actual needs and gaps. The objectives are relevant, appropriate and bring added value to national efforts.	Analysis of background documents and literature; validation with stakeholders and companies
H2: Programme has managed to attract and commit appropriate stakeholders and companies.	Analysis of programme data and company profiles; validation with interviews
H3: Programme resources are relevant and appropriately allocated.	Analysis of programme data and metrics; validation with interviews
H4: The programme activities and outputs are relevant and bring added value to the participating companies and stakeholders (not attainable without programme).	Analysis of previous feedback surveys; validation with interviews and company cases
H5: The programme is on track and appears capable to achieve its goals.	Analysis of programme data and metrics; validation with interviews and company cases

### 1.3. Methods and data sources

The evaluation was based on various different methods and data sources, described below. Methodological triangulation was used to validate the findings.

**Analysis of programme documents and data.** As part of the evaluation, the key programme documents (e.g. background reports, programme descriptions) were analysed, especially to assess the objectives, rationale and activities of the programme. Profiles of the applicant and participant companies were analysed to assess, what kind of companies the programme has targeted. In addition, previous programme feedback surveys and monitoring data were assessed to gather additional data on companies' and stakeholders' feedback.

**Literature review and international benchmarking.** As part of the evaluation, a literature review on the performance of programmes similar to the Nordic Scalers programme was conducted by The Evidence Network Inc., a Canadian company specialised in assessing business support programmes. The objective of the review is to assist Nordic Innovation in contextualising the performance of the Nordic Scalers by describing the characteristics and impacts of other scale-up programmes, and by providing insights, lessons learned, and benchmarks against which the Nordic Scalers programme can be compared. The review includes more than 100 papers and documents derived from the academic literature and grey literature (e.g. white papers, working papers, reports) on the prevalence, characteristics, and

determinants of HGFs, a discussion on different methodologies to assess programme performance, and implications on best practices in terms of strategies, interventions, and government policies to support and promote HGFs. The review also considered 19 scale-up programmes from Canada, the US, Europe, UK, Singapore, Denmark, Sweden, and India and Southeast Asia. The review is published as a separate Appendix. Main findings of the review are summarised in Chapter 2.

**Company interviews.** As part of the evaluation 16 of the total of 33 participating companies were interviewed. The focus of the interviews was among other things to gauge the motivation for the companies to apply for the Nordic Scalars, companies satisfaction for the programme, the relevance of the programme for the participants, the results they have had or are expecting from their participation, and on the improvements that they suggest. The interviewed companies represented all the five countries and four batches. The interviews were conducted during the September of 2019.

**Stakeholder interviews.** To assess the views of key programme stakeholders, 11 interviews were conducted. The interviewees included consortium partners and Advisory Board members. List of interviews is provided as an appendix.

In addition, the evaluation team also participated to an international **Scale-up Workshop**, organised by Nordic Innovation on 16th October 2019 at 10:00–17:00 (NH Hotel Carrefour de L'Europe, Brussels). The goal of the workshop was to share learnings on scale-ups among key European stakeholders. Based on invitation, the workshop gathered together around 45 actors who run scale-up programmes, collect data or carry out research on scale-ups. The workshop discussions were used internally to reflect the preliminary findings of the evaluation.



# 2.

**What do we know  
on scale-ups and  
scale-up support  
programmes?**



This chapter briefly describes the main findings from the literature review, conducted by The Evidence Network. The full review is published as a separate appendix to the main report. *For literature references, see original the literature review in Appendix 1.*

## **Prevalence of scale-ups**

Scale-ups (or commonly HGFs in the literature, see definitions on p.2) are rare, but they contribute disproportionately to the bulk of net new job creation. High-growth firms are associated with wealth creation, job creation, role models inspiring peer companies, regional innovation outcomes, and regional economic development. Despite these positive socio-economic outcomes, high growth is difficult to achieve and sustain. A significant share of HGFs grow rapidly only for a short period of time. Past theoretical work has highlighted the problems of 'Penrose effects' as the growth process itself may cause dynamic issues that will slow subsequent growth.

Many studies investigated the driving forces of high growth pointing to a variety of critical factors contributing to the creation of HGFs. To summarise, we identified these driving forces as internal drivers: 1) Firm attributes and strategies, 2) Entrepreneur characteristics, 3) Human resources management, and 4) R&D capabilities; and external drivers: 1) Geographical factors, 2) Venture capital, and 3) Institutions and government regulations.

## **Rationale for supporting HGFs**

There is an emerging consensus across the academic, business, and government sectors that HGFs are worthy of attention. Remaining questions include: what strategies can be effectively employed to increase and promote HGFs, and how can business support ecosystems facilitate the scale-up process?

Some researchers take a pessimistic view on developing public policy to foster HGFs. While HGFs are important for understanding the economy and developing public policy, they are unlikely to be useful vehicles for public policy given the difficulties involved in predicting which firms will grow, the lack of persistence in high growth levels, and the complex and often indirect relationship between firm capability, high growth, and macro-economic performance. Some researchers have stated that HGFs are essentially 'one-hit wonders', and it is doubtful whether policymakers can improve economic outcomes by targeting them. Nonetheless, other researchers have provided some optimistic perspectives that may encourage policymakers to better target and support HGFs.

Some jurisdictions aim to nurture HGFs, in which case greater attention should be given towards developing more effective ways of targeting, supporting, and promoting HGFs. The rationale for this focus within public policy focus primarily owes to HGFs' considerable ability to create new jobs. Targeting HGFs may be riskier than promoting new start-ups, but the reward will be much higher.

It is recognised that getting economic growth and jobs creation from entrepreneurs is not a numbers game, it is about encouraging the formation of high quality, high growth companies. Moreover, according to knowledge spillover theory, knowledge spillovers in specialised, geographically concentrated industries stimulate growth. In the creation of additional HGFs, there will be increased economic activities through role model effects. It is understood that a significant number of firms do not want to scale up until they see their peers scaling up. In addition, HGFs were thought to have a dynamic 'Schumpeterian' effect on economies, by stimulating competition for incumbents leading to market exits, increasing the innovative capacity within industries, and creating new market opportunities for other new entrants as suppliers or competitors.

## Characteristics of successful programmes

Some common characteristics of successful support programmes can be identified based on previous literature. These include:

- **Holistic goal.** Successful intervention programmes are aligned with regional or national goals to facilitate scaling up, innovation, and therefore long-term economic development by focusing greater support on HGFs, young and innovative firms, and those with high-growth potential. It is critical that programmes have a clear goal to build a strong regional and national economy.
- **Timely intervention.** The timing of interventions is a critical consideration. Given that many firms encounter 'trigger points' that instigate a period of organisational change, successful intervention programmes need to be responsive to time-sensitive company needs. Timely intervention is more people intensive, which requires deeper engagement with business advisors and mentors to ensure effective assistance at varying temporal episodes. Therefore, rather than supporting a large number of high potential SMEs, short periods of in-depth engagement with a small number of firms on the cusp of significant growth could be more effective for business support programmes.
- **Multiple Rounds of financing & mix of non-financial and financial support.** The nature of scale-ups requires investors to be willing to make long-term investments. In other words, intervention programmes should provide larger funding rounds, have access to financing resources that are beyond the reach of the company, and make longer-term investments. There is also some evidence that intervention programmes will benefit client firms most when providing nonfinancial and financial support simultaneously.
- **Relational and Peer-Based Support.** According to literature findings, HGFs would benefit from intervention programmes with a stronger focus on 'relational' support, which is through developing companies' external linkages. A valuable way of facilitating this external orientation is through peer-to-peer experiential learning between entrepreneurs, which research has shown to be a highly valued form of support by firms.
- **Appropriate selection criteria.** Historically, intervention has been targeted at SMEs and start-ups without specific emphasis on supporting established firms that have the ambition and potential to scale-up. Programmes should be cautious to this self-selection effect and consider where intervention should be targeted, and whether the support programmes create additional value. Additionally, an issue is that the selection criteria utilised are often heavily skewed towards supporting science-based firms and manufacturing firms, which may preclude HGFs in other sectors from receiving support. Also, the focus on past rates of growth for inclusion in intervention programmes also seems inflexible, particularly given the fact that past growth is rarely a good predictor for future growth.
- **Customisation to participant needs.** In the absence of a well-structured research base and a well-designed policy framework, policy directions might be completely wrong and targeted at the wrong people. Government supported programmes are often isolated initiatives focused within specific industry and innovation segments, disconnected from holistic policy frameworks necessary to facilitate the growth of ventures. Moreover, it is found that very few programmes are specifically customised to the needs of their local entrepreneurial or situational context. As we are gaining a better understanding of the nature of HGFs, intervention programmes will need to evolve accordingly, based on the specific capabilities, needs and preferences of client firms.



# 3.

## Nordic Scalers programme

## Programme goals and objectives

The purpose of the Nordic Scalers programme is to help the *'best-of-the-best'* Nordic companies in the *scale-up phase* to prepare and accelerate their next stages of growth through access to competence building. The main long-term goals of the programme are:

1. test and pilot new tools and services at the Nordic level to improve scale-up companies' access to relevant skills, competences, networks and funding opportunities
2. raise awareness about the importance of scale-ups in the Nordic region
3. contribute to a scale-up community building at the Nordic level
4. contribute to branding Nordics globally as a leading scale-up hub
5. contribute to shared learning among key stakeholders, both public and private.

More specific subgoals have been specified for the five main goals (see Table 2).

**Table 2. Nordic Scalers main goals and subgoals.**

Main goal	Subgoals
<b>1.</b>  Test and pilot new tools and services at the Nordic level to improve high-growth companies' access to high-growth competences, networks and capital	<ul style="list-style-type: none"><li>a) Increase scale-ups' scaling and go-to-market competences</li><li>b) Improve scale-ups' access to global customers and new markets</li><li>c) Improve scale-ups' access to capital</li><li>d) Enhance sharing of competences, resources and networks across the borders in the Nordic region</li></ul>
<b>2-4.</b>  Contribute to the scale-up community building at the Nordic level and branding Nordics as a scale-up hub (visibility, attractiveness), including raising awareness about the importance of scale-ups	<ul style="list-style-type: none"><li>a) Attracting relevant non-Nordic stakeholders to participate in the pilot</li><li>b) Attracting international investors to the pilot</li><li>c) Promoting the Nordic region as a great place to build successful high-growth companies</li><li>d) Celebrating high-growth company success stories and role models</li><li>e) Strengthening Nordic scale-up community building</li></ul>
<b>5.</b>  Contribute to shared learning and adding value to national efforts	<ul style="list-style-type: none"><li>a) Creating enhanced learning among stakeholders, both public and private, on how to build and accelerate high-growth among Nordic scale-ups</li><li>b) Generating an effective cross-Nordic scale-up pilot, also creating a model for others to learn and emulate</li></ul>



## Planning and rationale

Planning of the programme started with a need analysis, based on reports and studies as well as on discussions with Nordic Innovation and relevant stakeholders in the Nordic region in 2016. As part of the preparation phase, Nordic Innovation also commissioned a mapping study on the Nordic internationalisation and scaling programmes in 2016. In addition, statistical analyses of Nordic scale-up companies, commissioned by Nordic Innovation, have been published in 2019.

One of the main rationales behind the Nordic Scalars programme was **the importance of scale-ups for job creation and economic growth**, highlighted by findings in various research and studies assessed as part of preparatory work. This was supported also by a statistical analysis of Nordic scale-ups, commissioned by Nordic Innovation in 2019 (Scale-ups in the Nordics – Statistical Portrait 2008 – 2016). According to the study, the scale-ups constituted 0.19 percent of all enterprises but 5.2 percent of all employment (FTE) in the non-financial business economy in 2016. Scale-ups across the Nordic countries created in total nearly 200,000 jobs in the period 2013–2016.<sup>4</sup>

However, as part of the background analysis it was concluded that, although the Nordic countries are above average when it comes to starting new companies, there are **challenges in scaling up companies in the Nordic countries**. This was supported by the finding that there is relatively low number of high-growth companies (scale-ups) in the Nordics.<sup>5</sup> In addition, as the Global Entrepreneurship Index indicates, Nordic countries perform well in entrepreneurial activity indicators in general, but have challenges when it comes to internationalisation, high-growth and skills.<sup>6</sup> Access to finance, scale-up competence, and international markets as well as fragmented Nordic entrepreneurial ecosystems with e.g. cross-border barriers and plethora of uncoordinated public measures were identified as key barriers in The Nordic Entrepreneurship Check 2016, a report commissioned by Nordic Innovation.<sup>7</sup>

Building on the background analyses it was concluded by Nordic Innovation that **the gaps in the Nordic high-growth entrepreneurship system** were (1) inadequate number of high-growth companies; (2) insufficient experience and competence base in high-growth venturing (both in relation to the companies and in relation to the Nordic community as a whole); and (3) inadequate level of Nordic community building and cross-border links around scale-ups. Furthermore, it was concluded that there is a lack of acceleration support for scale-ups and more mature SMEs with high growth ambitions, and that filling this gap "would most likely have a high impact on the economic growth potential of the Nordic region". Nordic Innovation also envisaged that, "as the relatively large number of private programmes indicates, self-sustainable business models can be developed for acceleration" and that "there seem to be no obvious reasons why similar private acceleration programmes could not be developed for scale-ups and more mature SMEs with high growth ambitions".<sup>8</sup>

Another important aspect of the programme has been the concept **Nordic added value**. Since different Nordic countries have different strengths and weaknesses, sharing experiences, competences, skills and networks across the Nordic borders was assumed to create most added value. Nordic added value was defined by Nordic Innovation as follows:

- Gaining critical mass (volume, higher quality)
- Enhancing peer learning and creating healthy competition between the Nordic scale-ups
- Exploiting Nordic brand value (visibility, attractiveness)
- Sharing competencies, skills & funding possibilities
- Strengthening community building around scale-ups at the Nordic level

<sup>4</sup> Nordic Innovation 2019a, <sup>5</sup> OECD (2016) *Entrepreneurship at a Glance 2016*. OECD Publishing, Paris.

<sup>6</sup> Acs, Z. et al. (2016) *Global Entrepreneurship Index 2016*. The Global Entrepreneurship and Development Institute GEDI.

<sup>7</sup> Technopolis Group (2016a) *Nordic Entrepreneurship Check 2016. Final report*. Nordic Innovation.

<sup>8</sup> Nordic innovation background documents for the Nordic Scalars programme.

## Programme consortium and stakeholders

The programme is implemented as a public-private partnership, initiated and funded by Nordic Innovation. The implementation of the programme was awarded in May 2017 to a **programme consortium** led by Rainmaking Copenhagen (coordinator) with partners in Sweden (Epicenter Stockholm, subsidiary of a private business consulting company Result), Norway (The Angel Challenge), Finland (Maria O1) and Iceland (Icelandic Startups). The roles and division of work between the partners have evolved during the 2-year pilot period as Epicenter Stockholm took the leader role in running the programme from Batch 2 onwards, while Rainmaking Copenhagen kept its role as a consortium coordinator. The main role of consortium partners has been the identification and activation of companies to apply for the programme.

An **Advisory Board** was set up to support the programme. The Advisory Board consist of ten high-level representatives of public sector actors responsible for the Nordic internationalisation or scale-up programmes and policies in their own countries, complemented with private sector representatives (serial entrepreneurs, Nordic VCs, other influencers). The Advisory Board has met twice a year to follow the progress of the programme and to share learnings.

## Focus and eligibility criteria

The selection of the scale-ups for the programme is **based on open competition**. The participants send their applications and the most potential ones with the greatest potential and right fit are interviewed. The Nordic Scalpers consortium has formally been responsible for the selection of the companies for the programme, but the applications have been discussed at the Advisory Board meetings.

An important characteristic of the programme is its **focus only on the companies in the scale-up phase**. To be eligible for the programme, the companies need to meet the following **criteria** (at minimum):

- revenue generation in the preceding 3 years,
- annual revenue at minimum of EUR 2 million,
- personnel of at least 10, and
- annual growth in employment or revenues of at least 20% in the past 3 years.

In addition, the companies should have a business model with 'a disruptive nature'. Other factors such as motivation, ambition, team and the matching of company needs with the programme content are also taken into account and assessed through interviews.

## Programme content and activities

During the first phase of the programme (2017–2019) **four batches** were completed as follows:

- Batch 1: 7th of December 2017 – 31st of May 2018
- Batch 2: 18th of April 2018 – 20th of June 2018
- Batch 3: 11th of October – 12th of December 2018
- Batch 4: 4th of April – 4th of June 2019



**The programme content has evolved during the programme.** Batch 1 ran for six months with a focus on US markets. Based on the feedback and experiences from Batch 1, the programme was significantly re-modelled from Batch 2 onwards.

The core element of the programme (from Batch 2 onwards) was **the Scale-Up Lab** to provide hands-on and customised support for the participating companies. The Lab consists of ten modules of which half takes place physically to ensure sharing and peer-to-peer learning. Half of the modules are tailor-made to meet the individual needs of participating companies. Each company has a dedicated mentor, who the companies meet during the modules. During the last weeks in the lab the participating companies draft their 100/200 days follow up plans and present their progress in the Lab after 100/200 working days. The Lab aims to provide the following value proposition for the companies:

- **People and networks:** 1:1 matching with experienced entrepreneurs; access and interaction with networks and experienced serial entrepreneurs or experts
- **Tools and methodology:** customised working and methods to fit each scale up, inspiring and actionable models
- **Peer groups:** Peer-2-peer matching of scale-ups, joint problem solving and experience sharing

Another important element of the programme are **the local sessions and meetings**, which are especially used to activate companies to apply for the programme, and also to network the different companies and stakeholders. The sessions are organised by the consortium partners in respective countries. The number and nature of the local sessions has varied across different countries and batches.

The programme has also organised two **scale-up summits** in 2018 and 2019. The summits have presented the participating companies and aimed to bring together different stakeholders, also outside the Nordic countries. One objective of the summits was to raise the awareness regarding the importance of scale-ups for the Nordic economies.

## Participants and applications

In total, **33 companies** have participated the Nordic Scalars programme. Ten (10) of the companies have been from Sweden, seven (7) from Finland, six (6) from Iceland and (5) from both Denmark and Norway. The first batch had seven (7) participants, the second batch six (6), the third and fourth both ten (10) participants.

As for applications, in total of **103 applications** were submitted to the programme. Most applications (32) came from Swedish companies and least from Norwegian companies (only 11 applications). Of all official applications, **32 percent were successful**.

**Table 3. Number of participants and applications per country and per batch.**

### Participants

Country	Batch 1	Batch 2	Batch 3	Batch 4	Total
Denmark	3	1	1	0	5
Sweden	0	1	5	4	10
Norway	1	1	0	3	5
Finland	2	2	2	1	7
Iceland	1	1	2	2	6
<b>Total</b>	7	6	10	10	33

### Applications

Country	Batch 1	Batch 2	Batch 3	Batch 4	Total
Denmark	7	3	5	0	15
Sweden	2	6	14	10	32
Norway	2	2	0	7	11
Finland	10	3	7	3	23
Iceland	8	3	6	5	22
<b>Total</b>	29	17	32	25	103

### Budget and financing

The budget for the pilot phase (2017–2019) was NOK 14.0 million (approximately EUR 1.4 million). The average costs for each batch (excluding preparation period) has been NOK 3.0 million. More than 80 percent of costs resulted from the fees for consortium partners running the programme, and less than 20 percent from other expenses. The costs of the pilot phase have been entirely covered by Nordic Innovation.

The participation has been **free of charge for the participating companies** (except for the travel expenses).

**Table 4. Programme budget (1000 NOK). Source: Nordic Innovation.**

	Preparation period	Batch 1	Batch 2	Batch 3	Batch 4	Total
Consortium partner fees	1 722	2 559	2 837	2 191	2 267	11 575
Other expenses	265	591	523	523	523	2 425
<b>Total budget</b>	<b>1 987</b>	<b>3 149</b>	<b>3 359</b>	<b>2 714</b>	<b>2 789</b>	<b>14 000</b>
Share of total budget / batch	14 %	22 %	24 %	19 %	20 %	100 %

# 4.

## Evaluation findings

This chapter describes the main findings of the evaluation, structured into three sub-sections: (1) the programme relevance; (2) programme content and implementation; and (3) impact on companies and broader ecosystem.

## 4.1. Programme relevance

### 4.1.1. Programme rationale and relevance for scale-ups

According to the findings from the literature review and interviews, the objectives of the Nordic Scalers programme are relevant, and the programme has addressed the right issues.

Although there has been some debate on whether supporting the 'best of the best' companies is a feasible policy, the prevailing consensus is that it **makes sense for the public sector to provide support for scale-ups**, and that more attention should be given to promoting high-growth firms (in addition to supporting start-ups). This is based on the findings that a small number of rapidly growing firms create disproportionately large share of new jobs, and that, although the risks of targeting scale-ups may be higher than in promoting start-ups, the rewards are likely to be higher as well. Moreover, scale-ups can have a dynamic 'Schumpeterian' effect on economies by increasing the innovative capacity within industries and creating new market opportunities for other companies – although these spillover effects are relatively little explored.<sup>9</sup>

Findings from the literature and interviews also support the analysis by Nordic Innovation that **the scale-up phase is a specific challenge for Nordic countries**. Both stakeholders and companies agreed that it is important to pay more attention to the scale-up phase, and that Nordic Scalers has therefore addressed an important bottleneck in the Nordic entrepreneurial ecosystem. There was a clear consensus among the stakeholders that Nordic countries (on average) are strong in the 'start-up phase' but not so strong in the 'scale-up phase'. The underlying reasons for this are not possible to fully address here, but interviewees highlighted especially general cultural factors (lack of 'scale-up mindset' in the Nordics), access to talent, lack of scale-up phase financing, and the small size of domestic markets. On the other hand, it was seen that small domestic markets force companies to 'go global' at earlier stage. It was also emphasised that there are significant differences between the Nordic countries. For example, the scale-up ecosystem in Sweden is more developed than in Norway or Iceland. Many interviewees also highlighted that, despite some common challenges in the Nordics, on the company level the challenges are more or less the same for all scale-ups regardless of their region.

**"Culture beyond the start-ups is lacking [in the Nordics].  
No expertise, no networks, no positive examples...  
There are successes, but they are few."**

(participating company)

**"Sure, there are common challenges. If you compare to U.S,  
how companies are scaling and there is a lot of financing for scale-ups.  
In the Nordics growth happens more conservatively and comfortably."**

(participating company)

<sup>9</sup> See Chapter 2 and literature review in Appendix 1.

Both the literature review and interviews also validated the programme premise that **the support needs of start-ups and scale-ups are very different**, and that programmes should be tailored especially for scale-ups' needs. Nordic Scalers, with its specific focus on scale-ups, was seen as a good example in this regard. Indeed, a key characteristic of Nordic Scalers is its focus on companies in the scale-up phase. This distinguishes it from most other similar type of programmes, which tend to focus more in the earlier phases in start-up development. The positive feedback received from the companies (see 4.2.1) can also be seen as a proof that it is **possible to provide added value for scale-ups through these kinds of programmes**. The unique tailoring of the programme for each participating company was also highlighted, as well as the focus on a more-long term perspective (2–5 years). It was seen that many companies are so engaged with day-to-day operations that simply taking the time with experienced entrepreneurs to reflect the long-term strategy is extremely valuable – especially as many companies have grown rapidly and have not yet established strong support/advisory structures and may lack experience in management.

All in all, **both stakeholder and company interviewees considered the programme as highly relevant and important initiative, and strongly recommended to continue and further develop the programme**. A thorough planning and preparatory phase including discussions with key stakeholders was seen as a good practice, and has helped to align the initiative with existing (national) priorities and initiatives.

**"The main strength of the programme is that it is [designed] by entrepreneurs for entrepreneurs and developed by people who have done it successfully before. [The programme] adopts to the needs of the companies. Individual coaching and peer-learning are very important."**

(programme stakeholder)

**"[The programme is] very tailored for the needs of the companies. Personal coaching. No need for the general frameworks etc. (that were used initially). Need someone to talk to and discuss with."**

(programme stakeholder)

Many stakeholders also emphasised that **the programme had managed to learn and improve during its life-cycle**, especially since Batch 1, when the programme model was refined towards a more tailored company-specific approach from a more generic approach. Although in general, the stakeholders preferred the approach adopted in Batches 2–4, some stakeholders also highlighted that the focus on a specific (US) market in Batch 1 was very good approach as it helped to focus the programme content and build collaboration between the participating companies. Also, company interviewees who participated Batch 1 valued the clear focus on a specific market, which helped to focus the programme and find a common 'red line' between the participants (see also Chapters 4.2 and 4.3).

The programme design is also **well-aligned with the state-of-the-art practices of supporting high-growth firms** (see Chapter 2). High level of selectivity, customisation to company needs, focus on non-financial support (e.g. mentoring, networks) and enhancing of peer-to-peer learning are all key characteristics in Nordic Scalers. Especially the high selectivity (programme targeted only to scale-ups), peer-to-peer learning, customisation and tailoring to company needs were highlighted as important strengths of the

programme by companies (see 4.2.1). Outsourcing the implementation to highly rated specialists and experts was also broadly regarded as the right decision.

Despite the very positive overview, there was some criticism towards the programme that it did not manage to evolve from Batch 2 onwards, and **the programme could have done even more in piloting and testing different types of approaches in different batches**. According to some, this would have generated more lessons and learnings, which would have benefitted the broader ecosystem. There was also some criticism regarding the organisation and implementation of the programme, discussed more in Chapter 4.2.

Finally, it should be recognised that the Nordic Scalars did not provide any support to **the access to financing**. This was a conscious decision by the programme, as the companies did not want to get any help for that (at least from the programme). This view was validated in the company interviews conducted for this evaluation. However, some of the stakeholders highlighted that the programme could have done more to address that. Access to financing is also typically seen as an important characteristic for scale-up support programmes (see Chapter 2).

#### 4.1.2. Nordic added value

One of the tasks for this evaluation was to assess the Nordic added value of the programme, an important aspect behind the programme rationale. In general, the stakeholders agreed that **the Nordic level approach has brought added value to national activities, and that it is very important to enhance the collaboration on Nordic level**. Sharing competencies and skills across the Nordic countries (among the 'support actors') was especially highly valued by the stakeholders, who saw the Nordic Scalars as a good platform for sharing knowledge and experiences on how to design support programmes (see also Chapter 4.3.3).

First, it was seen that **the Nordic approach helps to gain the critical mass** that is needed to run scale-up programmes, given the small number of relevant companies in one country. There was a broad consensus among stakeholders that it would not make sense to run similar programme only in one country as it was assumed that it would be very difficult or impossible to recruit relevant companies to the programme.

**"Makes sense [to have a Nordic programme] – all the countries are too small in themselves, [and there is] too few scale-ups in one country to make a network."**

(participating company)

**"There are common challenges... small domestic markets, the question of language, social aspects, and the fact that it is hard to scale even to the wider Nordic markets."**

(participating company)

**Exploiting Nordic brand value** was also seen relevant by most stakeholders and companies. Many considered the Nordic brand as a valuable asset in, for example, marketing and attracting talent and investors. The Nordic brand was seen to be very respected and highly-valued among potential clients and investors outside the Nordics. Moreover, Nordics are typically considered as one region outside the Nordics and it makes sense to improve the attractiveness of the whole Nordic region. However, it was highlighted, the Nordic brand should be driven by the companies, not owned by the government.

### 4.1.3. Addressing the market gap

One of the questions for the evaluation was to assess how well the programme has met the perceived gap in the Nordic market. The question is very difficult as defining the 'market gap' is far from straightforward, not to mention the role of Nordic Scalars in addressing this 'gap'.

When assessing the market gap, we should first make a distinction between

1. the **needs** for the services provided by the programme, i.e. whether scale-ups in the Nordics would benefit from such services;
2. the actual **demand** for such services, i.e. whether the needs materialise as concrete interest towards the programme; and
3. the gap in the **supply** of such services, i.e. whether there is a lack of such services in the market

As concluded in chapter 4.1.1, findings from the literature review and interviewees imply that there is indeed **a need** for high quality mentoring and peer learning support among the scale-ups, and that the programme therefore addresses real needs. This was supported by both stakeholder and company interviews, and the fact that the programme has clearly managed to add value to the companies and their needs. It can even be argued that companies in general might not be using these kinds of (mentoring) services as much as they probably should. Especially companies who lack experienced management or advisory structures may not be fully aware of all the questions and issues that, for example, an experienced mentor can point out.

Regarding **the demand**, both stakeholder and company interviews imply that scale-up companies on average are not very willing to apply for such programmes and often are very sceptical towards them (see also chapter 4.2.3). Or in other words, the needs for high quality mentoring may not result in actual demand for these services. This may be explained by, for example, high pricing of the services or lack of awareness and knowledge of the available services.

Regarding the gap in **the supply** of similar services, a comprehensive analysis of these programmes has not been possible as part of this evaluation and the analysis relies therefore on available assessments and expert views. As part of the programme preparations, Nordic Innovation commissioned a mapping of existing public and private support programmes for scale-ups. The study concluded that almost all programmes were targeted to start-ups, and there was hardly any acceleration support programmes for scale-ups in the Nordic region. Most of the programmes supporting high-growth entrepreneurship were found to be targeted towards start-ups or more generally to SMEs.<sup>10</sup> The findings of this evaluation support this overview.

According to the stakeholder interviews, the support system in general in the Nordics is very good, and there are a lot of different support programmes and services available (both private and public). However, it was generally seen that none of these programmes are too similar or overlapping with the Nordic Scalars, and that there is room for many different programmes. Companies in general were not, with a couple of exceptions, aware of similar support programmes with a focus specifically on the scale-up phase. Many of the companies had, however, attended programmes or used other kinds of public and private support services in the startup phase.

<sup>10</sup> Technopolis Group (2016b) *Mapping of internationalisation and scaling programmes in the Nordic countries*. Technopolis Group. Not published.



Some of the national level programmes (e.g. Scale-Up Denmark, SEB Scale-up Academy in Sweden, Växzon's Swedish Scale-ups, Innovation Norway Global Entrepreneurship Programme and Growth Collective Finland) were considered as relatively similar, but a closer look at the programmes reveals that despite many similarities they differ quite significantly from Nordic Scalers in terms of their target groups and/or programme content. A broad consensus among the stakeholders was that **Nordic Scalers, with its specific focus on scale-ups and Nordic level collaboration, has supplemented the 'market' and national initiatives.**

The analysis above applies mainly to (public or private) programmes. However, according to the company interviews, many companies compare the programme to company-specific (one-to-one) mentoring and business coaching, not to public or private programmes. Indeed, although Nordic Scalers has some common characteristics with typical accelerator programmes (e.g. a competitive application process, focus on small teams, batches and time-limited support)<sup>11</sup>, it should not be considered as an 'accelerator programme' (or evaluated as such) as it does not provide any seed investment for the companies and it focuses on companies who already have a validated 'product-market-fit' (see Table 5).

**Table 5. Nordic Scalers in comparison to other business support programmes. Adapted from: Halme et al.<sup>12</sup>**

Features (1)	Nordic Scalers	1-to-1 mentoring / consulting	Accelerator	Incubator	Pre-accelerator	Active seed / VC	Co-working space
Open and competitive application process	Yes	No	Yes	Yes/No	Yes/No	No (not open)	No (open for all)
Provision of seed-investment (typically for exchange of equity)	No	No	Yes	No	No	Yes	No
Focus on small teams (not individual founders)	Yes	Yes/No	Yes	Yes	Yes/No	Yes	Yes/No
Intensive mentoring	Yes	Yes	Yes	Yes	Yes	Yes/No	No
Fixed duration (time-limited programmes)	Yes	No	Yes	No	Yes (very short)	No	No
Cohorts or 'batches' & peer learning	Yes	No	Yes	No	Yes/No	No	No
Office space	No	No	Yes	Yes	No	No	Yes

(1) = Based on: Miller & Bound (2011). Startup Factories. Nesta

Thus, if Nordic Scalers is seen as a '1-to-1 mentoring service', it would obviously also broaden the perspective of the 'market' significantly. This will pose questions such as

- What is the added value of the programme in contrast to one-to-one mentoring and coaching?
- What is the actual demand and supply of these (1-to-1 mentoring) services among Nordic scale-ups?
- To what extent should governments support and subsidise the use of these services without distorting the (private) market?

Latter parts of the report provide some inputs to these questions, but the questions will need to be revisited in more detail in the future.

<sup>11</sup> For startup support programmes and their characteristics, see e.g. Miller, P. & Bound, K. (2011) 'The Startup Factories: The rise of accelerator programmes to support new technology ventures'. Nesta.; Clarysse, B., Wright, M., & Hove, J. Van. (2015). A Look Inside Accelerators. Building Businesses. Nesta.; Dee et al. (2015) Startup support programmes: What's the difference? Nesta.

<sup>12</sup> Halme, K. et al. (2018) Startups, Accelerators and Role of Tekes. Evaluation Report. Business Finland 1/2018.

## 4.2. Programme content and implementation

### 4.2.1. General feedback and added value for companies

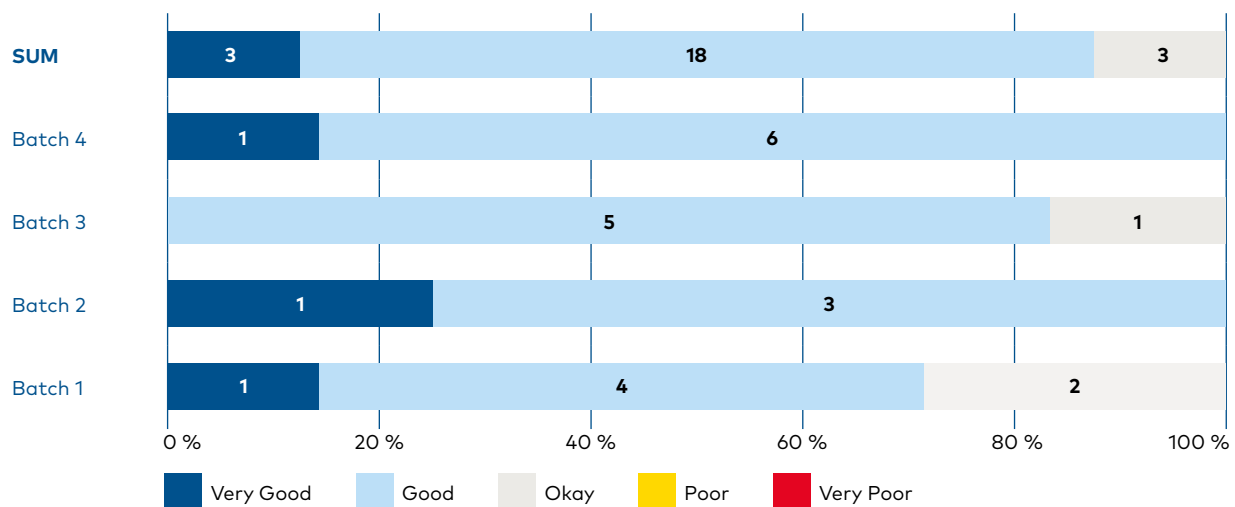
Nordic Innovation has conducted a survey for each batch of participating companies. A total of 24 companies out of 33, from all of the four batches have completed the survey.

All in all, the results from the surveys are very positive and **companies are in general very happy with the programme**. This applies especially for the Batches 2–4, whereas Batch 1 had a more mixed result. As an example of positive feedback:

- 88% of the companies found the overall success of the programme either good or very good, and the rest rated the quality as okay.
- 88% of the participants would likely or very likely recommend the programme for other scale-up companies
- 92% of the companies found the overall quality of the programme leaders either good or very good. 8% found the quality very poor, all of the negative feedback coming from the companies that attended the Batch 1.
- The quality of the third parties involved was rated either good or very good by 96% of the companies.

**Figure 2. How would you rate the overall success of the Nordic Scalars program?**

**Source: Nordic Innovation feedback surveys (N=24). Different scales in Batches 1–2 and 3–4 have been aligned.**



The feedback survey findings were validated by the company interviews conducted as part of this evaluation (n=16). All in all, **findings from company interviews are very much in line with previous feedback surveys** and the quality of the programme, mentors and experts were widely seen as very good by the interviewed companies. It should also be acknowledged that the scale-ups' participating the programme are typically very busy and direct/critical with their feedback. Given this background, the feedback from the companies can be considered even more positive.

The company interviewees were asked to rate the relevance of the programme activities for their companies, especially reflecting the company needs at the time of participation, on a scale from 1 to 5

(1=not relevant at all, 5=very relevant). The average score was 3.9 out of 5 (15 out of 16 companies gave a score). Overall it can be said that the interviewed **companies found the programme relevant**, and none of the interviewed companies gave the programme a score below 3. For the majority of the interviewed companies, their initial expectations were met, but some companies (especially in the Batch 1) criticised the programme as being too focused on establishing a company in the US, and that this focus was in conflict with their expectations on the programme. However, some of the companies saw the focus to US markets as an important strength of the programme.

Especially the founders/entrepreneurs found themselves as being very busy with the daily management and business, and that participating in **the Nordic Scalars forced them to stop, take the time and focus on the scale-up plans and strategies**. Some of the interviewed company representatives (other than founders/entrepreneurs) saw that the programme legitimised their work with the strategy and gave them the opportunity to really focus on business development. The scheduled events, activities and homework created an 'external pressure' that, according to some company interviewees, ensured the participants did not slip back to the routines of daily operations.

**"[It is] important that you step out from your day-to-day business,  
force yourself to think and plan where you want to be in 3 years,  
not next Monday, next month...  
Otherwise you're stuck with the day-to-day things."**

(participating company)

Especially **the company-specific face-to-face mentoring sessions** with the mentors and experts were regarded as extremely useful. The company-specific and tailored mentoring was seen, only with a few exceptions, as the most valuable part of the programme. Group sessions, company presentations and more theoretical parts on business management were commonly seen as too general and less relevant. In addition, although seeing the programme as beneficial overall, some companies with a more specific product or customer portfolio felt that they got reasonably little help from the experts beyond the general scale-up mentoring.

**The practical information** on entering and scaling to new markets was also seen valuable for improving the company strategy and scaling plan. This was especially the case in the Batch 1 which focused on the US markets. Companies appreciated the practical information on e.g. visas, taxation and everything related in opening an office in US. Many companies felt that meeting experts, such as consultants, accountants and lawyers located in US was beneficial as well. Also, the focus on US markets made some companies realise that their product or service was not ready, and they had to go 'back to the drawing board'.

**"[Most valuable was] getting external views and discussing  
some of the key challenges one-on-one with the mentors."**

(participating company)

Many companies regarded **the peer learning** as beneficial. Although, all the companies are experts in their own business and the situations of the companies were different, many companies found it surprising how similar the challenges essentially were. However, in several interviews at least some reference was made to the fact that **some of the participant companies had very little in common with each other**. This affected the networking between the participant companies somewhat negatively. Therefore, it was suggested that the programme might benefit from **a more careful matching of the participant companies** by finding similar backgrounds or similar fields of business and perhaps having **more specialised batches** for different types of companies. Also some stakeholders stated that the programme could have done more to build communities and strengthen peer-to-peer networks of the companies.

Many companies pointed out **the need for some kind of follow-up process and additional coaching** to help ensuring that companies are in track with the plans they prepared in the programme, and in adjusting to the rapidly changing situations. This kind of follow-up mentoring would clearly be valuable for many companies, and many companies saw that they would be happy to pay for the follow-up mentoring. Some kind of follow-up would also be beneficial in monitoring the impact of the programme

**"[We] would have benefitted of having an assigned coach to the company for 1–2 years after the programme. Everything changes rapidly but there is no coach to tackle it with after the programme."**

(participating company)

**The practical arrangements** of the programme were generally seen as very good, but also some suggestions on improvements were made. Most common suggestion concerned the use of remote access to the meetings in the form of e.g. online-meetings, as many companies found it difficult to be able to attend all the activities in person. Some companies pointed out the importance of preparing properly and doing the homework between the scheduled programme sessions.

To sum up, according to the company interviews, **the main strengths** of the programme are:

- A very professional and high-quality team of mentors and coaches
- A well organised and planned programme, with a down-to-earth approach
- Concrete advice from people who have relevant and personal experience in scaling a business up
- Networking with companies in similar position
- Networking with the wider community especially in Stockholm (Batches 2–4)

**Programme weaknesses** according the interviewees included e.g.

- A (too) heterogenous group of participants and focus around digital B2B and B2C businesses (for some companies)
- The practical challenges in getting all the attending persons from the company team to Stockholm/Copenhagen for the meetings
- The lack of follow-up mentoring

Many stakeholders were well familiar with the company feedback and referred to the surveys and face-to-face feedback in their arguments. There were, however, some additional views from stakeholders. First, some argued that the programme should ensure that the companies' key personnel (especially their CEOs) are committed to the programme and participate all the meetings. Apparently, this was not the case with all the companies, affecting the impact of the programme on the companies. Another criticism was that the 10-week period was considered as too short and too tight for the companies as some of them did not have the time to fully commit to the programme and its requirements.

#### 4.2.2. Selection criteria and programme focus

As discussed in Chapter 4.1.1, an important characteristic of the programme is its **focus on the companies in the scale-up phase**. In practice, to be eligible for the programme, the companies need to meet the following criteria (at minimum):

- revenue generation in the preceding 3 years,
- annual revenue at minimum of EUR 2 million,
- personnel of at least 10, and
- annual growth of at least 20% in the past 3 years.

In addition, the companies should have a business model with 'a disruptive nature'. Other factors such as motivation, ambition, team and the matching of company needs with the programme content are also taken into account and assessed through interviews.

An analysis of the characteristics of application and participant profiles shows that, with a couple of exceptions (especially in Batch 1), all the participating companies match the criteria above (for some companies no up-to-date financial data was available). In other words, **the eligibility criteria have been effectively put into practice and the programme has managed to attract relevant companies (meeting the criteria) to the programme**. Moreover, the analysis also shows that not all applications have matched the requested criteria. This implies that there have been difficulties to attract enough companies meeting the criteria and/or the criteria has not been clearly communicated. Both findings were validated by the stakeholder interviews (see 4.2.3).

All stakeholders agreed that **maintaining strict criteria has been very important** in order to target the programme to the scale-ups. Maintaining the clear focus exclusively on scale-ups was highlighted as one of the key lessons and strengths of the programme. According to interviews, initially (for Batch 1) the criteria were not sufficiently clear and there was some confusion among the stakeholders on the target group of the programme. As a result, Batch 1 included some companies that did not meet the scale-up criteria. This was, however, addressed for the following batches.

Despite the consensus on the importance of maintaining high eligibility criteria, **the exact implementation of the criteria divided opinions among stakeholders** and there are some different views regarding what the exact criteria should be – especially regarding the minimum annual revenue criteria of 2 million Euros. Some see that it is important to be very strict with the 'technical' revenue criteria as it is the best evidence that the company has a proven business model and is in the scale-up phase. However, some argue that the 'technical' revenue criteria will exclude some potential participants who have already a proven business model and are ready to scale internationally.

The third view was that, in addition to the strict eligibility criteria, there should be **more clearly defined qualitative criteria** for those companies meeting the initial criteria. Especially the importance of carefully **assessing the entrepreneurs/teams** (by experienced entrepreneurs) was highlighted.

**"Having strict selection criteria is very important to be able to focus the programme. But the implementation [of these criteria] is a challenge."**

(programme stakeholder)

**"It is very important to stick with the criteria and focus on scale-up phase. This has been the key strength of the programme. After some problems in the beginning, the programme managed to develop and find its place."**

(programme stakeholder)

**"I have disagreed with criteria for scale-ups. Revenue criteria is not that important. Only product/market fit is important. There could have been more very interesting scale-ups who did not fit the criteria."**

(programme stakeholder)

**"The revenue criteria are definitely valid and important in order to be able to focus on product/market fit companies. But after that there should be more qualitative criteria concerning the entrepreneur."**

(programme stakeholder)

Apart of the actual criteria, it was seen that there was **not enough time, resources and information available** to discuss the company selection and that there should be more emphasis on that in the future. Especially the lack of information about the applicants (including timely financial information), was mentioned as a challenge in selecting the companies. There were also calls for more scrutiny regarding the commitment of the companies to ensure that they are fully committed to the programme and able to invest sufficient time and resources in the participation.

There were also some different opinions regarding **the thematic/strategic focus of the programme**. First, some argued that the programme would benefit from a clearer focus on specific sectors/verticals and/or target markets (as in Batch 1). This view was also shared by many interviewed companies (see 4.2.1). The main argument here was that the group of companies was too heterogeneous, and a more specific focus would concretise the programme and enhance the peer learning among the participants.

The stakeholder views on **whether the programme should focus only on tech scale-ups or include scale-ups from other ('less scalable') sectors** also differed. Some stakeholders argued that the programme should focus exclusively on tech scale-ups that have the best potential in scaling to global markets. However, some argued the opposite and highlighted that there are also many very profitable and potential scale-ups also in other sectors (e.g. retail) and that the programme should especially target

these companies, that typically are excluded from such programmes which tend to focus on tech companies. The fact that many scale-ups (depending on definitions) operate in other than tech sectors (see Chapter 2), would support the broader approach and not to focus only on tech companies.

**“Big challenge is that companies who are interested in these programmes are software or hardware firms, who are often already part of the ecosystem. Other companies that are not so scalable but very good businesses do not have similar networks. How do you build a programme that suits these traditional businesses?”**

(programme stakeholder)

The third aspect was that, according to some stakeholders, the programme should be better aligned with strategic national priorities in the Nordic countries, focusing on some key priority sectors/ecosystems. This would better align the programme with national efforts and policies, which would be especially important if national agencies will cover part of the programme costs in the future.

#### 4.2.3. Recruitment and visibility

**The difficulties in recruiting the right companies** was identified as the main challenge of the programme by stakeholders. The challenge is also evident when assessing the programme data and documents: The number of applications from most countries was relatively modest and, according to interviews, did not meet the initial expectations. As shown above, the assessment of applications also confirms that for each batch there were many applications from companies that did not meet the eligibility criteria. The reasons behind the difficulties in recruitment are various and are elaborated more in the following.

First, **the overall target population is very small**. The criteria and the programme focus (as discussed above) significantly affect the target population, but the number of scale-ups in the Nordics is nevertheless very limited. An additional challenge is that the timing of the programme in relation to the scale-ups' rapidly evolving situations can be very difficult and the 'window for opportunity' for the scale-ups to benefit and be applicable for the programme is very narrow. This further reduces the number of potential companies to apply for the programme.

Second, **attracting scale-ups to business support programmes is always difficult**. The challenge of recruiting companies applies more or less to all business support programmes, but especially for new programmes without a strong brand or track record. In most Nordic countries there are many programmes available and it is very difficult to differentiate and prove the added value to companies. Furthermore, compared to start-ups that are typically more accustomed to applying to different accelerator and support programmes, scale-ups (whose key persons are typically more experienced) are much less likely to apply for such programmes and are more sceptical regarding the potential gains from such programmes. Compared to many accelerator programmes (with the bait of VC investments), the added value of mentoring programmes is more difficult to communicate.



Third, given the above, some stakeholders considered it **'unfair' to attract many companies to apply to the programme**, if the chances of getting accepted to the programme are slim. Therefore, it was seen as a better approach to focus on smaller number of companies with the most potential instead of maximising the number of applicants.

Fourth, due to the reasons discussed above, general marketing campaigns to attract the companies probably would not work. Indeed, according to the stakeholder interviews, social media channels or local 'activation events' did not yield desired results. Instead, **recruiting and activating of companies needs to be based on one-to-one discussions, personal networks and contacts**. According to evaluation findings, participating companies were mostly approached directly (by consortium members, Advisory Board members or 'alumni companies') and only few were aware of the programme before getting contacted.

Another challenge is that there are also no up-to-date registers or databases available in all countries, which makes it difficult to identify companies that meet the criteria. Therefore, the potential candidates need to be identified manually. In other words, **recruiting companies to the programme is very resource-intensive** and, as highlighted by many stakeholders, would need more resources and building stronger contacts to the local scale-up ecosystem. Some stakeholders saw that local **consortium partners, who are responsible for the company recruitment, operate mostly in the start-up ecosystem** and therefore lacked necessary networks to scale-ups.

Finally, it should be noted that despite many difficulties, the programme has managed to attract very prominent companies for all batches. This alone can be seen as an achievement especially given the pilot nature of the programme with no previous track record or brand to build on.

#### 4.2.4. Business model and self-sustainability

Designing and piloting an effective scale-up programme model for others to emulate was one of the objectives of the programme and, as discussed in Chapter 3, Nordic Innovation also envisaged that, self-sustainable business models for supporting scale-ups can be developed.

The (potential) self-sustainability of the programme is very difficult to assess, given that the programme pilot phase has been fully funded by the Nordic Innovation, and there is yet no information available on how a privately funded programme would have worked. However, some general issues and questions regarding the programme model and future funding options can be highlighted.

**"Continuing Nordic Scalers is definitely a good thing, but the funding set-up should be considered."**

(programme stakeholder)

Although both stakeholders and companies agreed that there is clearly a need for similar programme in the future, some issues regarding the programme funding model and set-up were identified. First, there is the question of **whether the programme should be publicly funded in the first place**. As discussed in 4.1, there is relatively broad consensus that it makes sense for public sector to provide incentives for companies to utilise this kind of (mentoring) programmes. Many stakeholders also agreed that, at

least currently, monetising these kinds of programmes is very difficult and recruiting scaleups even for free programmes can be very difficult. Therefore, public support can be useful to strengthen the market for such services as well as to provide quality assurance and some initial 'stimulation money' for private programmes.

However, it was also emphasised that there are a lot of private market competencies (business experts and mentors) available, and it is **important to make sure not to disturb the private market** (see 4.1.3). According to the stakeholders, this has not yet been an issue due to the small volume of the programme, but it might become an issue if the programme is scaled considerably in the future. Furthermore, specific attention should also be paid to make sure not to support the business and competence of only the few consortium partners but instead to **promote healthy competition between service providers and ensure that learnings are spread across the broader ecosystem**.

**"It makes sense to use government money for supporting scale-ups, but only if the programme can bring real added value."**

(programme stakeholder)

Second, there is a question of whether **participation fees** for the companies should be introduced. Some agreed that this would help to ensure that companies are committed to the programme. However, many were afraid that this would make it even harder to attract companies to the programmes. The latter view gained support from the company interviews. Many of the companies stated that, based on the knowledge and experience they have from the programme, they would be willing to apply for the programme even if it was not free of charge. However, many of the companies were also sceptical if they would have applied, had there been a charge to attend the programme. It was stated that, if the Nordic Scalars were a paid programme, there would be a significant number of other opportunities in the market, even if there are no other programmes like Nordic Scalars in the market. This is because companies would be more careful in paying only for the specific parts of the programme (e.g. 1-to-1 mentoring) they think they need.

**"[These type of programmes] Don't need to be financed by the public sector. Companies shouldn't join because it is free. Need to have at least some kind of fee."**

(programme stakeholder)

**"[Introducing] participation fees would make it nearly impossible to attract companies."**

(programme stakeholder)

The companies were also asked, what they would feel as a reasonable participation fee (if introduced). The majority of the respondents could not or did not want to give an estimate. Among those interviewees who gave an estimate, an average figure was 10 000 Euros. A few companies also pointed out that there already was a cost in participating in the form of travel and accommodation costs and having a number of persons working in the internal project, even though the programme in itself was free of charge. There was also one suggestion from stakeholders that the programme could adopt a 'pay-as-you-wish' approach where companies could decide what they are willing to pay at the end of the programme.

One suggested option was that some parts of the programme could be free of charge, but companies could acquire additional and/or follow-up mentoring themselves. Many also agreed that it is important to have some sort of 'exit plan' and that the programme should not be planned to run 'indefinitely'.

Third, there is the question of **how the (public) funding should be allocated between Nordic Innovation and other actors**. There was relatively broad consensus among stakeholders that Nordic Innovation should not necessarily pay for the (at least the whole) programme in the future, and that national agencies could contribute more to the programme costs. However, as already discussed above, Nordic Innovation was considered as a good platform for sharing experiences and strengthening collaboration between the national actors. Some stakeholders also highlighted that in the future there should be common principles on public funding of the programmes. Otherwise there might be unhealthy competition of the same companies between national programmes and it "might be hard to run a national programme if companies get the same service for free in Nordic Scalers".

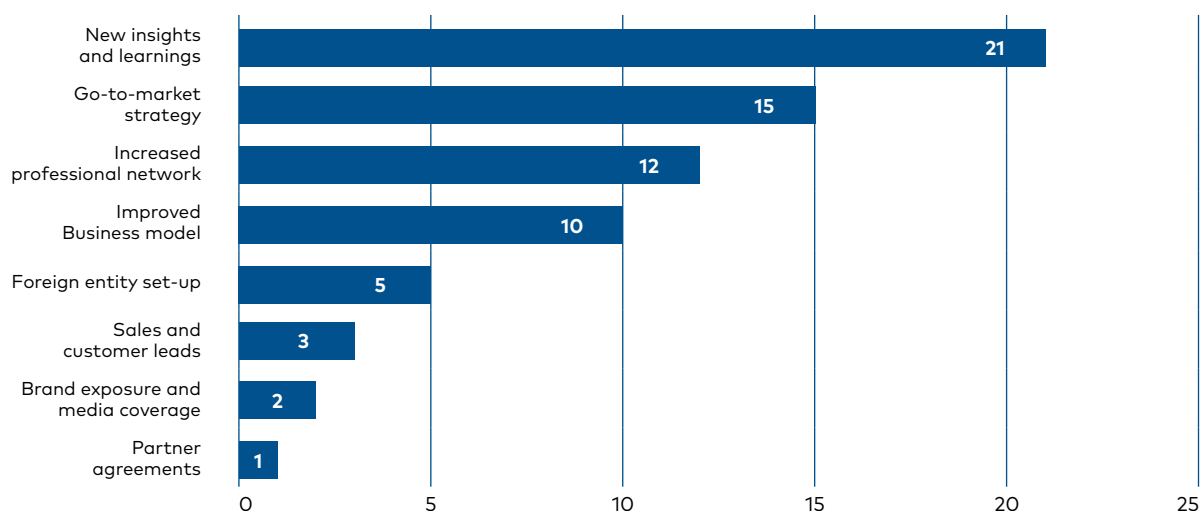
### 4.3. Impact on companies and broader ecosystem

This chapter discusses the impact of Nordic Scalers programme on participating companies and on the development of broader Nordic scale-up ecosystem. It should be noted that impact of the programme has not been at the focus of the evaluation and, given the recency of the programme, it is not possible to fully assess the impact of the programme at this stage. Therefore, the discussion on programme impact is largely initial and focuses on the programme (short-term) impact, based mostly on interviews.

#### 4.3.1. Impact on companies' resources and capabilities

According to the feedback surveys by Nordic Innovation, **80% of the participant companies rated the programme as being either successful or very successful in creating competencies and skills**. The top three kinds of value companies got from the programme are New insights and learning for 88%, Go-to-market strategy for 63% and Increased professional network for 50% of the respondents (see Figure 3).

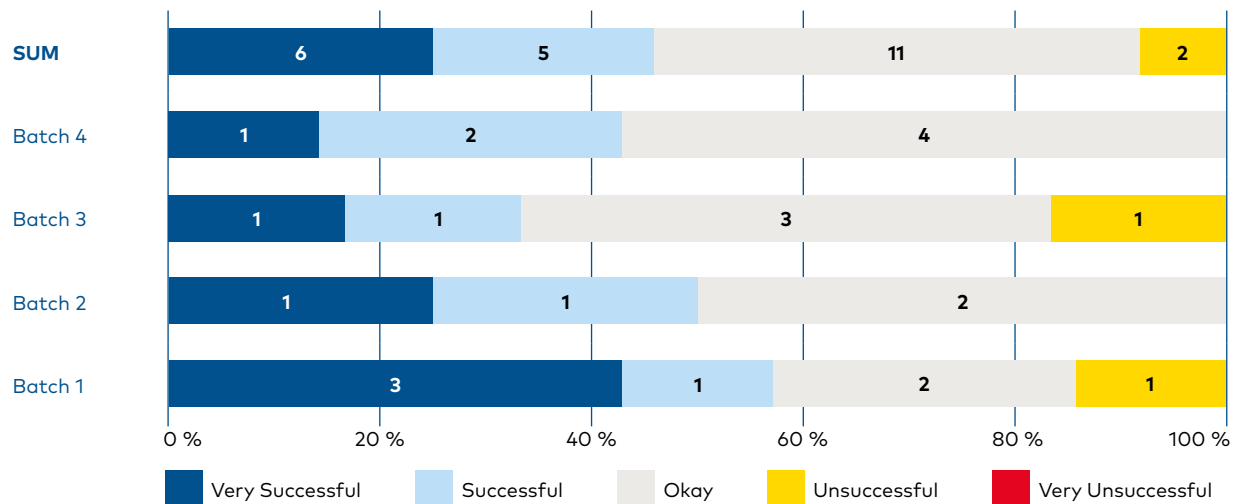
**Figure 3. What kind of value did you gain from participating in the programme? Source: Nordic Innovation feedback surveys (N=24).**



The programme seems to have had some impact in network creation, as 46% of the participants who responded to the surveys saw the programme as being either successful or very successful in **creating networks for the company**. Another 46% saw the impact of the programme in this respect as okay (Figure 4). Also, 70% of the participants found the programme as being successful or very successful in creating **peer-to-peer learning** between the participating companies. Networks and peer-to-peer learning was seen as a positive impact in the interviews as well. (Figure 5)

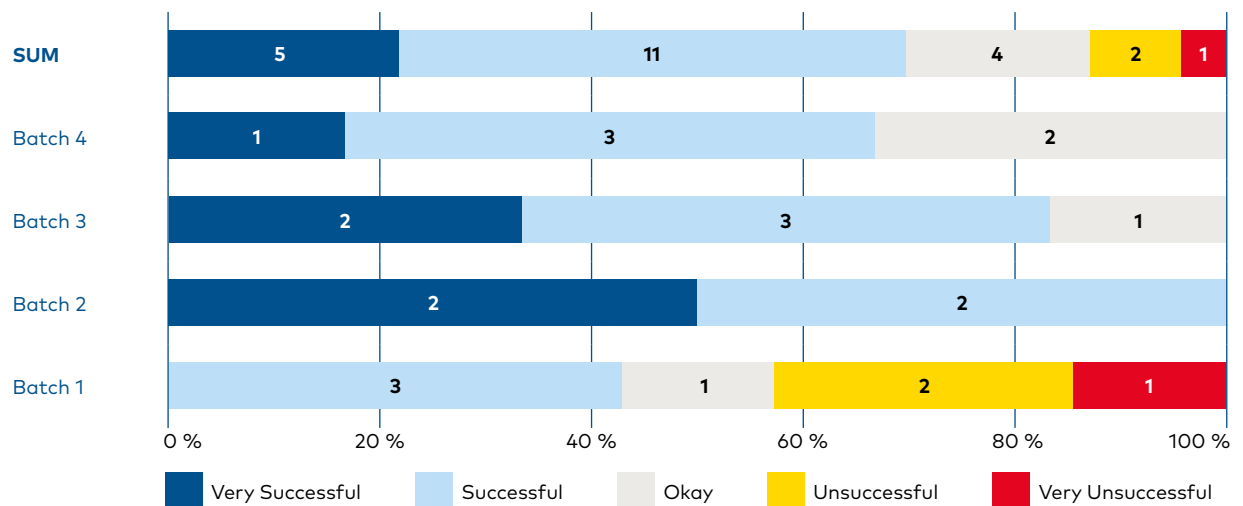
**Figure 4. How successful has the Nordic Scalars program been in creating networks for your company?**

**Source:** Nordic Innovation feedback surveys (N=23). Different scales in Batches 1–2 and 3–4 have been aligned.



**Figure 5. How successful has the program been in creating peer-to-peer learning for your company?**

**Source:** Nordic Innovation feedback surveys (N=23). Different scales in Batches 1–2 and 3–4 have been aligned.



**"[The main value was] networking and learnings from other companies and their experiences."**

(participating company)

**"We got a Nordic network, and the coaches were relevant entrepreneurs that you can be in touch with even after the programme."**

(participating company)

As part of this evaluation, interviewees were asked to rate the impact of the programme, using a scale of 1–5 (1= no impact, 5=very significant impact). The average score on **impact on scaling and go-to-market competences** was 3,8 (N=14), which would translate into a significant impact.

The average score for **the impact on access to global customers and new markets** was 2,7/5 (N=11), which translates to some impact. It should be noted however, that only Batch 1 had a clear focus on entrance to new markets. Getting improved **access to capital** through the programme was in general not relevant for the companies, and it was also not in the focus of the programme. The eligibility criteria of the programme also required the applicants to have sufficient amount of investments before entering the programme, ensuring that funding was not among their priorities at the time of the programme.

Company interviewees were also given the opportunity to mention some other sort of impact that was significant for them. The most common impacts mentioned were **network of participant companies and experts** and **the general learning experience** that the participants got from the programme.

**"The programme gave a very well-structured approach to scaling and entering new markets."**

(participating company)

**"[The programme was a] huge learning experience for the persons who attended the programme. The growth in expertise of the personnel was significant."**

(participating company)

To many interviewed companies the programme **helped to improve their strategy and scaling plan**. The programme was seen as an ideal opportunity for the participants to build a scaling plan and expose their plans for critique from the mentors and experts. One of the main practical challenges for scale-ups, according to the interviews, is to identify the right focus areas, stay aware of the challenges and to be able to constantly change plans and re-focus. In this respect, the iterative planning process in the Nordic Scalars, where participants got constantly challenged by external experts, was seen as very fruitful among the companies and improved their scaling plans. Many interviewees emphasised also the importance of the programme in helping the companies to adapt to changes in operating environment. In some cases, significant changes to the scale-up plans and go-to-market strategies were made in the middle of the programme.

**"As a result of the programme we were able to decide to continue developing our ambitious scale-up plan despite the challenges."**

(participating company)

**"[The programme] helped [the company] to get a better understanding and making clearer predictions of the future market opportunities and ways to exploit them."**

(participating company)

**"[The main benefit] was the scaling plan.  
We are still using this methodology in scaling.  
The models built in the programme are still very relevant."**

(participating company)

**"[The programme was] an eyeopener for seeing the potential of US market and its characteristics."**

(participating company)

A couple of companies also highlighted that – thanks to the programme – they could internally agree on the scale up strategy. Number of companies stressed that it is important to **get the management team aligned** on scale-up strategy. In some cases, the programme also helped to communicate the strategy and creating mutual understanding of the goals with the board and investors. One company emphasised, that when company becomes a scale-up, its internal dynamics change and being able to argument the plans internally becomes essential.

**"When a start-up becomes a scale-up,  
the staff might get disconnected from the plans the company has for the future.  
Therefore, it is important that the management can argument  
the plans for the employees as well."**

(participating company)

**"[It is important to get] the management team involved  
and use time in the process – larger companies do this a lot,  
but smaller companies tend to forget the importance of this."**

(participating company)

### 4.3.2. Company cases: examples of impact

#### Case 1: Viabill (Denmark, Batch 1)

Viabill is a Danish company based in Copenhagen, offering online financing services. It focuses especially on providing services for e-commerce stores. The company employs ca. 80 people, and is active in Danish, Norwegian and US markets, with intentions to launch the service in Spain and France as well.

For Viabill the challenge in scaling is that each international market is very different, when it comes to legislation and mentality of the customers, and their readiness to use financing services. Thus, it cannot be assumed that the business model which works in Nordics, would also work as such in other markets. A lot of work must therefore be carried out to understand the characteristics of each market. Another difficulty is that the legislation for consumer payment and financing differs from a country to another, even inside EU. Scaling therefore is first and foremost more than just a technical issue.

Viabill has always had an ambitious internationalization plan, and for them the appeal in the Nordic Scalers was the specific focus on the US market (in Batch 1). The programme seemed to be a good opportunity to get knowledge about the product-market fit in US markets faster and easier than what would have been possible by themselves, and avoid making obvious mistakes in the process. All in all, Viabill was very satisfied with the programme, and found especially the expertise and level of the mentors excellent. Mentors and the programme model kept the company pushing and digging deeper, by asking right questions, giving homework and refining the plans. Also, the educational parts on entering US markets were considered very relevant and provided valuable insights on how to look at the market, product-market fit and the different stages in the scaling process. The trips, however, were for most part less valuable for the company, as they found them to be on a too general level. More concrete help in opening doors and organizing meetings with leading companies in US and facilitating access to customers would have been very beneficial but was not achieved in the programme.

As a result of the programme, Viabill revised their internationalization plan, and increased the priority of US market in their strategy. Eventually the company got successful in US and, as of October 2019, it has 15 employees in the US.

In general, Viabill would encourage other Nordic companies to think bigger, and leave the familiar Nordic markets to pursue scaling internationally. In entering new markets companies should be prepared that nothing will be as expected and refining the plans and strategies is constantly needed.



## Case 2: TrademarkNow (Finland, Batch 2)

TrademarkNow provides an intelligent web-based trademark management platform. The company is located in Helsinki, Finland. TrademarkNow was founded in 2012, after the founder gathered a team with a task to introduce artificial intelligence automation and machine learning in the field of trademark law. The company nowadays has ca. 250 clients, many of which are located in the US.

TrademarkNow decided to apply in Nordic Scalars in a situation where they had a calm phase and therefore had a suitable time to participate the programme. They had a complex and demanding development idea, which they refined in the programme. The company used the mentoring and meetings with experts to get sparring and views from a number of experts. As a result, they got the certainty that the idea has the potential to succeed, and is worth to be refined and piloted in the future.

The company found Nordic Scalars as an extremely well-organized programme, that consisted of well thought out steps, and involved relevant set of external experts and speakers. There were little redundant elements in the programme and the activities were seen as well timed and efficient.

From the perspective of TrademarkNow, they were a bit too mature company to have the maximum benefit from the programme, and that the programme, while very useful, was considered be most effective for a company that is taking its first steps in scaling up. Programme offers a good platform for refining go-to-market plans and working with a scaling strategy. Being a more mature company with more specific needs, the more generic parts of the programme provided less value, but the customizable mentoring proved to be especially valuable for TrademarkNow as well.

Also, the networking with other Nordic scaleups was seen inspiring as they learned that the other scaleups, although with seemingly different businesses, are sharing a number of similar challenges that are somewhat specific to the Nordics, such as lack of aspirations to enter global markets, difficulties in raising capital etc. Therefore, the company found it important to meet other scale up founders and managers and felt that they have a lot to learn from each other. For TrademarkNow the programme created also a network of participant companies that they have kept in touch with even after the programme. The company also found it rather surprising, that many of the companies in Nordic Scalars had a scale-up strategy where they aimed to enter the Nordic market first, and they would encourage Nordic scale ups to strive for international markets (outside Nordics) more actively.

### Case 3: Nordic Unmanned (Norway, Batch 4)

Nordic Unmanned is a Norwegian aviation company working in the field on autonomous aviation and drones. The company was founded in 2014 and employs ca. 25 people as of the fall of 2019. Company is headquartered in Sandnes, Norway.

Nordic Unmanned attended the Batch 4 of the Nordic Scalers programme between April and June of 2019. Nordic Unmanned has been growing rapidly and organically, as the company has won some large contracts, including a large contract from the European Union. The increased revenue and growing operations have put the company in the next level in the scaling process, where a more meticulous and aligned strategy in scaling the business has become a relevant question. This was also Nordic Unmanned's motivation to attend the Nordic Scalers.

Nordic Unmanned covers a large spectrum of operations and services. The product and service portfolio include e.g. unmanned operations, research and development and software development for the unmanned vehicles. The company has a large share of public sector clients and a wide portfolio of services and products, which they felt distinguished them from most other companies that attended the same batch of the programme. This, rather specialized field of business, meant also that the mentors and experts in the programme had no deep understanding on the business of the company, and left the company to think, that they were not in the core target group for the programme.

The company, however, found the programme very relevant and useful, despite the relative lack of deep-down understanding of the Nordic Unmanned's field of business. The added value of the programme largely derived from a good quality process and face-to-face mentoring with the experts. The other sessions, such as more general presentations, were regarded as less valuable. However, meeting other companies in a similar phase from neighboring countries was a good and relevant experience in itself.

Overall, the Nordic Unmanned feels that the programme has had a significant impact on their capabilities in scaling and entering new markets. Impact of the programme was largely the result of high-quality mentoring which helped to improve the scaling strategy of the company. In addition, attending the programme also meant that strategy process was prioritized internally, encouraged the company do their homework and spurred the management in the company to agree and align on the scale-up plan which is still in use in the company.

#### Case 4: Videntifier (Iceland, Batch 4)

Videntifier is an academia-based computerisation company located in Reykjavik, Iceland. The company was founded in 2008, and it provides visual database management services. It has traditionally had majority of its clients among law enforcement and other governmental and intergovernmental agencies such as FBI and Interpol. A few years back, however, the company chose to turn into commercial market as well, with the most potential product-market-fit among the copyright and license owners and management companies. Videntifier's greatest success to this day came in 2018 as they licensed their technology to be used by Facebook and other platforms owned by Facebook.

Videntifier chose to apply for Nordic Scalers as they saw that substantial changes in the regulatory framework were changing the market (e.g. GDPR-regulation in EU). Videntifier saw this as an opportunity to expand their business. The main motivation behind applying for Nordic Scalers, was therefore the question of how the company should position itself in this new regulatory environment and what would be a suitable scale-up strategy for the company in the emerging market.

The programme was very relevant for the company, as it came at a time, where there was a lot of insecurity on which way the markets are heading. Thus, Videntifier had to make decisions on how to proceed, and what opportunities to explore in more detail. However, Videntifier's situation was somewhat unique among the programme participants, and the company felt that the programme was more targeted for B2B- or B2C-businesses, and it did not really focus on Videntifier's specific challenges.

Nevertheless, the company found Nordic Scalers very relevant and useful. Especially the company-specific mentoring was something Videntifier found impactful. Although not having a deep expertise on the relevant market or how the emerging market could be exploited, the mentors were professional and helped the company to point out and revise weaknesses in their plans. The mentoring helped the company to get a better understanding and making clearer predictions on the future market opportunities and ways they could exploit them.

In the end, programme has, according to Videntifier, had a significant impact on the scale-up strategy they have adopted. Without the programme it would not have been possible to take the time to work solely with the strategy. Participating in the programme also legitimized the work internally, and the external pressure created by the programme and its scheduled sessions ensured that the daily operations did not supersede the work with the strategy.

## Case 5: Refunder (Sweden, Batch 4)

Refunder is a cashback company headquartered in Stockholm, Sweden. Cashback is a branch of e-commerce industry, where members get money back from everything they shop online. Refunder was founded and launched in 2014, with an intention to establish the cashback industry in Sweden. Founding partners did have a background in e-commerce, and realized that although being a large business internationally, cashback industry had not yet taken off in Sweden at the time. Refunder realized that in order to scale up, they had to build trust in the service.

Refunder's current markets cover Sweden and Poland, and they have ca. 0,5 million customers/network members in Sweden and 0,1 million in Poland. Company has been growing steadily over the past years. The company employs 10 people at the moment, and the total volume of the refunds for members exceeds 1 billion Swedish kronor (100 million Euros). After launching their product in Poland, Refunder seeks to expand its position. In scaling, the company tries to utilize digitalization, AI and machine learning as much as possible and keep the operative team small and operating costs modest at the same time.

The motivation behind applying to the Nordic Scalars for Refunder was the will to improve and focus on strategy beyond day-to-day operations, which usually take all the available time. Programme was seen as a good opportunity to stop and analyse things in the long turn.

At first, the programme seemed too general for Refunder, but it evolved being more specific and very relevant, and suited the company's needs well. Company aimed specifically for a longer-term strategy on how to scale and develop the value and exit strategy of the company. The programme was seen successful in that it gave the company management the framework in which they could dedicate time for planning. On a practical level, Refunder found it easy to take part to the programme activities, in which their location in Stockholm was an important factor.

According to the company, the quality of the programme and its mentors was very good, and the focus on capabilities on scaling was very relevant. As a suggestion to improve the programme, the company felt, that a series of follow-up meetings with the mentors, to ensure that the plan is being followed and put in use, would be helpful, and would help to enhance the impact of the programme.

The company also felt that the participation in Nordic Scalars was 'an injection of energy'. The fact, that the programme 'forced' the management to get out of the office and meet other scaleups with similar challenges and experts, with deep down experience on scaling, was eye-opening and inspiring. Because peer learning with other companies being an essential part of the programme, Refunder felt that the companies might benefit even more, if participants would be more carefully picked according to their similar backgrounds or similarities in business models.

The main lesson for the company was that it is important to step out from the day-to-day business, and force yourself to think and plan where you want to be in the next couple of years' time as it is very easy to get stuck in the day-to-day operations. All in all, the programme was considered very fruitful, and has shaped the way the company now thinks about their business and its future.

### 4.3.3. Broader impact on Nordic ecosystem

Besides supporting the participating companies, the programme has aimed to (1) contribute to shared learning among key stakeholders, (2) contribute to a scale-up community building at the Nordic level, and (3) raise awareness about the importance of scale-ups in the Nordic region.

Regarding the first of these aims, all stakeholders agreed that Nordic Scalers has had **a positive impact on shared learning among the key stakeholders**. Many identified important learnings and impact on their networks through Nordic Scalers. In general, it was seen that although there had already been some collaboration between Nordic actors, **Nordic Scalers has helped to bring focus and regularity to the collaboration**. Nordic Scalers was seen as very helpful and good platform for building collaboration and networks across the different 'support actors'. Several consortium partners also referred to concrete impact on their knowledge on how to design support programmes for scale-ups.

**"Just by putting together a consortium [the programme] has already created a lot of learning."**

(AB member)

**"We have learned tremendously. Changed everything according to the best practices learned from Nordic Scalers."**

(Consortium partner)

However, it seems that learnings have mostly remained within the Advisory Board and consortium partners, and there were doubts as to whether the programme has managed to have any broader impact on the ecosystem. In fact, some stakeholders were quite critical of the programme in this respect and saw that thus far **the programme has mainly benefited the consortium members, not the broader Nordic ecosystem**, and that this should be improved in the future.

Nordic Scalers was also seen to have some, although limited, **impact on raising the awareness about the importance of scale-ups** in the Nordics. Overall the majority of the stakeholders saw that there has been an increased attention to scale-ups in Nordic countries. Although it was highlighted that Nordic Scalers is too small to have significant impact, it was seen that it has helped to build policy level dialogue between countries on scale-ups and has reinforced the focus on scale-ups on the national policy agendas. Especially having representatives from national agencies in the Advisory Board was seen as highly beneficial. Also, the role of additional activities by Nordic Innovation (e.g. work on scale-up statistics) was emphasised.

According to the Nordic Innovation feedback surveys, **83% of the company respondents rated Nordic Scalers either successful or very successful in building the Nordic scale-up community**. The views on the programme's impact on the international awareness of the Nordic scale-up community are positive as well, as 61% of the participant companies saw the programme contribution in branding the Nordics as a scale-up hub as successful or very successful, and 33% saw the contribution as being okay.

The findings from stakeholder interviews were more critical. According to stakeholder interviews, the collaboration between Nordic scale-ups is currently very limited, even at the national level. However, given that the scope of Nordic Scalers is quite limited, many stakeholders were sceptical about the potential impact of Nordic Scalers on strengthening the scale-up communities. Yet, many also saw that the programme **should have done more to build communities and networks between the companies** and that this part of the programme was not sufficiently addressed. According to one stakeholder representative, the programme should also articulate more clearly what is the particular challenge it is solving (and why), and better formulate **bold missions statements** (e.g. "Finding the next Nordic unicorn") to inspire other actors in the ecosystem.

**"It is very important to better coordinate and find the strengths  
between the Nordic countries.  
Nordic Scalers has had an important role in bringing together different actors."**

(programme stakeholder)

**"For scale-ups there is no 'Nordic ecosystem'.  
– Even locally the scale-up ecosystem between scale-ups does not exist.  
There is very little collaboration between the companies."**

(programme stakeholder)



# 5.

## Conclusions and recommendations



## 5.1. Evaluation conclusions

### Nordic Scalers addresses relevant challenges and needs

According to the findings of the evaluation, **the focus on scale-ups is highly relevant objective**. First, there is a relatively broad consensus among researchers, that supporting scale-ups is valid policy goal due to the scale-ups' positive direct and indirect impacts on the economy. Second, both research findings and interviews support the assumption that the scale-up phase is a particular challenge in the Nordic countries and the number of scale-ups is relatively low in the Nordics. Therefore, it is justified to pay specific attention on scale-ups.

**The programme is also well designed to address scale-ups' needs.** One of the key strengths of the programme is its exclusive on scale-ups. The positive feedback from the companies and stakeholders suggests that the programme has recognised and addressed the specific needs of the scale-ups, and these needs are properly addressed in the programme design. The programme design is also **well-aligned with the state-of-the art practices**, identified in the literature review: Especially the high level of selectivity, company-specific customisation and tailoring, peer-based learning and focus on relational and non-financial support are all important elements of the programme. After consulting the companies, the programme decided not to provide any support for access to financing. Based on evaluation findings, this decision seems justified. However, given the importance on access to financing, it is probably worth considering it again when further developing the programme in the future.

The evaluation findings suggest that there has been **a clear added value from Nordic collaboration**. There is a broad consensus that the Nordic level programme has helped to gain a critical mass for running the programme, and that it would not probably make sense to run similar domestic programmes (especially with similar focus and eligibility criteria). Nordic Scalers is seen to complement national initiatives and there are no major overlaps with existing programmes, which had been comprehensively mapped in programme planning. Nordic level collaboration with stakeholders has also been highly valuable and Nordic Scalers is seen as good platform for sharing experiences and lessons. The Nordic brand is also seen as a useful asset, although it was emphasised that it needs to be driven 'bottom-up' by companies.

### Nordic Scalers has brought added value to companies – but there is also room for improvement

The feedback from the companies is very positive, and **the companies have clearly benefitted from the programme**. Company-specific high-quality mentoring is seen as the key added value by companies. Also, the programme model has helped the companies to focus on their strategies and ensure that 'things get done'.

Peer-learning and discussions with like-minded companies are also highly valued by companies – but there were also views that **the programme could have done more to build networks and communities between the companies**. Heterogeneity of the participants was seen to have weakened peer-learning and community building and there were some calls for more clear focus on company selection (e.g. on target markets, tech and non-tech companies, selected verticals). This might have helped to enhance the peer-learning and community-building aspects of the programme.

In addition, according to many companies, more focus on **'follow-up mentoring'** would have help to ensure impact of the programme.

## On track for long-term impact

The more long-term impact of the programme cannot yet be assessed, and is out of the evaluation scope, but so far there **is encouraging evidence that the programme has managed to have a positive impact on the companies**, especially through improvements to companies' strategies and go-to-market plans. There is also some evidence on the impact to companies' networks and contacts in the target markets, but less evidence on any impact on community/ecosystem building between the participants.

Evaluation findings also suggest that the programme has had an impact on **shared learnings among the key stakeholders, and in raising awareness of scale-ups importance on national level**. However, it seems that the impact has been limited to the programme stakeholders, and more attention on disseminating the lessons and experiences is needed in the future. In general, Nordic Innovation and Nordic Scalers is seen as a good platform for building Nordic level collaboration.

## Recruitment and company selection critical success factors

**High selectivity and focus exclusively on scale-ups is an important strength of the programme.**

Maintaining high eligibility criteria has helped the programme to focus exclusively on scale-ups, and differentiate the programme from other initiatives. However, there are also valid arguments that too narrow 'technical' and 'backward-looking' eligibility criteria may exclude potential scale-ups from the programme. Research literature also highlights the challenge of identifying future successes based on past performance. Given these findings as well as the difficulties in attracting the companies, an approach with more flexible eligibility criteria combined with more clearly defined qualitative criteria to assess the teams and entrepreneurs, could be an option in the future.

The evaluation findings also suggest that there should be **additional emphasis on the assessment of the applications and selection process**. Especially development of more robust qualitative criteria, getting more information about the applicants and more thorough assessment of the applicant teams by experienced entrepreneurs were highlighted.

**The difficulties in recruiting the right companies** was identified as the main challenge, and several lessons regarding recruitment are highlighted in the report. In general, the recruitment of companies and strengthening the Nordic Scalers brand is something that needs further attention in the future.

## Difficult to turn Nordic Scalers into a sustainable business model

Based on the evaluation findings and stakeholder views, **'monetising' the programme is likely to be very difficult**, at least in the current market situation. Some sort of public support to stimulate the market is therefore probably needed in the future, especially given that the programme has relatively short track record and it is not broadly known among the scale-ups.

Findings suggest that majority of the companies would be happy to pay for the value they got from the programme – but would probably not have applied to an unknown programme if it would not have been free of charge. If the programme would be 'market-priced', many companies would possibly prefer buying

one-to-one mentoring from the private markets. Therefore, introducing **participation fees** would probably make it even more difficult to attract companies (especially given the lack of brand and visibility), although it might help to ensure commitment of the companies who participate the programme.

If the business model of the programme will be refined in the future, it is especially important to avoid focusing on only few programme partners, and instead aim to **support and stimulate the development of broader 'service ecosystem'**.

## 5.2. Recommendations and future considerations

1. **Mind the 'market gap'** – the programme should ensure that the programme supports and stimulates the development of the broader 'support ecosystem'.
2. **Maintain the high quality of services and mentoring**, exclusively tailored for the scale-ups.
3. **Continue iterative development and experimentation** to further improve the programme, for example by considering different approaches to help support access to financing (e.g. through networks with later-stage equity investors).
4. **Further develop the peer learning** elements of the programme (e.g. introducing different focus groups for batches, strengthening of alumni networks).
5. **Develop more clearly defined set of qualitative criteria** to assess the teams and entrepreneurs (possibly with more flexible eligibility criteria). Further **strengthen the selection process**, paying attention to the importance of experienced entrepreneurs in the process.
6. **Elaborate an 'exit plan'** for Nordic Innovation's role in supporting scale-ups – a programme financed entirely by Nordic Innovation is probably not a feasible and sustainable model.
7. **Invest more on company recruitment and building the programme brand** to ensure a sustainable 'pipeline' for the programme. Stronger collaboration and networks with national and local startup programmes and setting up a shared database of Nordic scale-ups could be among the first steps.
8. **Strengthen the links to other scale-up programmes** internationally for benchmarking good practices and lessons as well as building broader 'support ecosystem'.
9. Continue to **share lessons** and building collaboration among the Nordic scale-up actors and policy-makers.
10. Continue **the work with scale-up research and scale-up policies** to strengthen the knowledge base and address other bottlenecks in the Nordic scale-up ecosystem (e.g. regulation).

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*For literature review references, see the separate document.*

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## Appendices

### Appendix 1. Literature review

Literature review is published as a separate appendix, available for download at <https://www.nordicinnovation.org/publications>. See: The Evidence Network (2019) Characteristics of Scalars and the Impact of Scale-up Support Organizations.

### Appendix 2. List of interviews

#### Stakeholder interviews:

Adrian McDonald	<i>Result (Epicenter)</i>
Eirik Nerdalm,	<i>Angel Challenge</i>
Huld Magnúsdóttir	<i>NSA Ventures</i>
Ingi Björn Sigurðsson	<i>Icelandic Startups</i>
Jakob Kistorp	<i>Rainmaking</i>
Kirill Kovalev	<i>Maria 01</i>
Lars-Michaël Paqvalén	<i>Trä Group / serial entrepreneur</i>
Marie Wall	<i>Ministry of Enterprise</i>
Marjo Ilmari	<i>Business Finland</i>
Pål Thorvik Næss	<i>Innovation Norway</i>
Simon Rahlf Hauptmann	<i>Danish Business Authority</i>

#### Company interviews:

Batch	Company name	Country
1	Singa	FIN
1	Dental media	DNK
1	Yogaia	FIN
1	ViaBill	DNK
1	Secomea	DNK
2	Naava	FIN
2	Miradore	FIN
2	Codeable	DNK
3	Happy Helper	DNK
3	Star Stable	SWE
3	TrademarkNow	FIN
4	Documaster	NOR
4	Kognity	SWE
4	Refunder	SWE
4	Nordic Unmanned	NOR
4	Videntifier	ISL

