



2023: THE FUTURE OF LONDON TECH

TECH LONDON ADVOCATES
FIFTH ANNIVERSARY



TECH
LONDON
ADVOCATES



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INTRODUCTION

It's time to reflect on what we've all achieved

London's tech industry is booming. The sector's relentless pursuit of innovation has seen new industries emerge and old ones transform. The founders and funders behind the capital's tech companies have driven growth, created jobs and helped to create billion-dollar valuations.

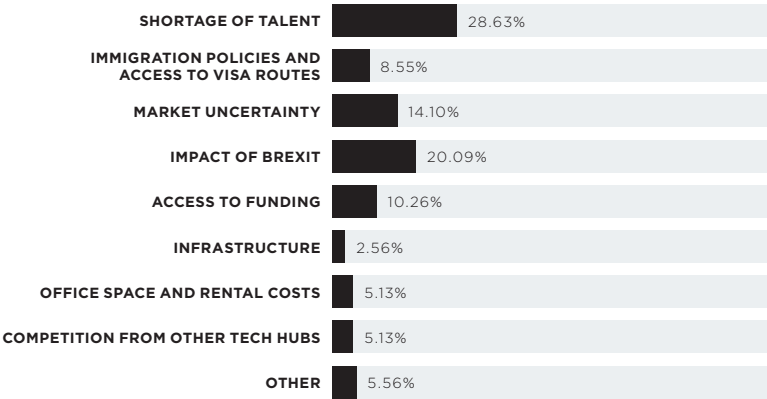
As Tech London Advocates reaches its 5th anniversary, it's time to reflect on what we've all achieved, where the industry's strengths lie, its challenges and what the future holds. With the help of our Advocates, we're looking to the next five years to see what specialisms will drive growth. We're also thinking about the kind of future we want for London tech and how we can make it happen.

Over the past couple of months, we've gathered some of London's leading technologists, entrepreneurs, connectors and investors and asked for help in answering some of these key questions. We've also surveyed the wider Advocate community – giving us a clear picture of how the industry feels as we enter the next chapter...

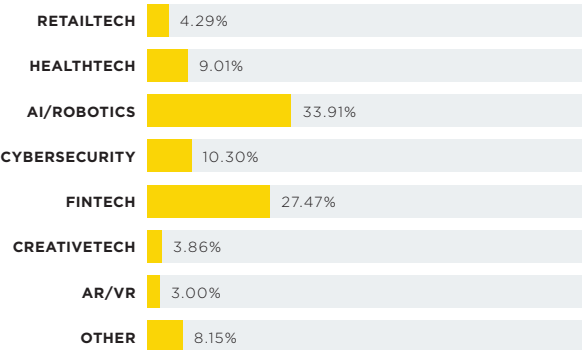
ADVOCATES SURVEY

The following results are from a digital survey of 234 Tech London Advocates, conducted during March 2018.

01 WHAT IS THE SINGLE BIGGEST CHALLENGE FACING LONDON TECH?

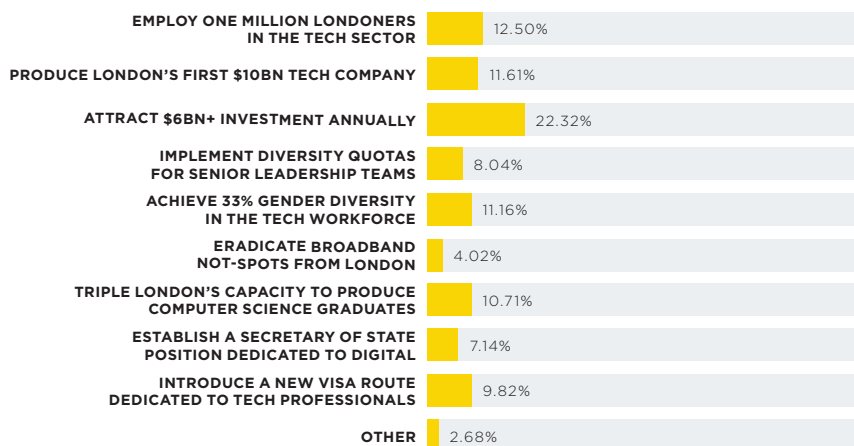


02 WHAT EMERGING TECH SPECIALISM DO YOU THINK WILL DEFINE THE SUCCESS OF LONDON OVER THE NEXT FIVE YEARS?

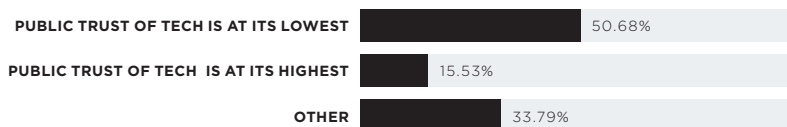




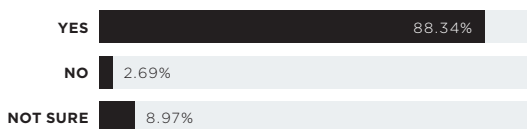
03 WHICH OF THE FOLLOWING OBJECTIVES IS IT MOST IMPORTANT FOR LONDON TECH TO ACHIEVE BY 2023?



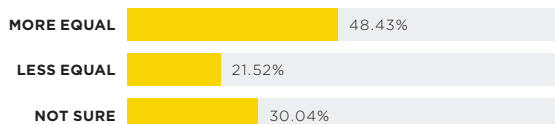
04 FOLLOWING CONCERNS AROUND FAKE NEWS, UBER, COMPETITION FINES ETC, WHICH OF THE FOLLOWING STATEMENTS RELATING TO THE PUBLIC PERCEPTION OF THE TECHNOLOGY INDUSTRY DO YOU THINK IS TRUE?



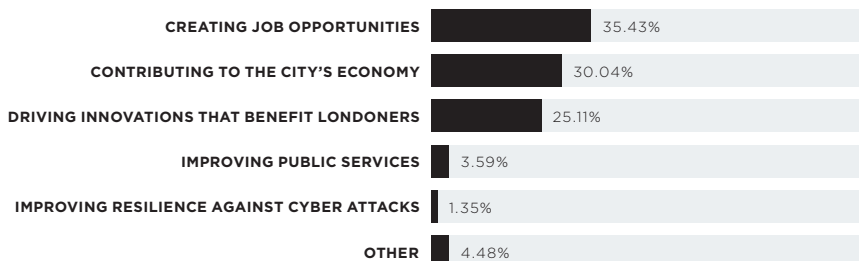
05 DO YOU THINK TECH COMPANIES ARE HAVING A POSITIVE IMPACT ON LONDON SOCIETY AS A WHOLE?



06 DO YOU THINK TECH COMPANIES IN LONDON ARE HELPING TO MAKE SOCIETY MORE EQUAL OR LESS EQUAL?

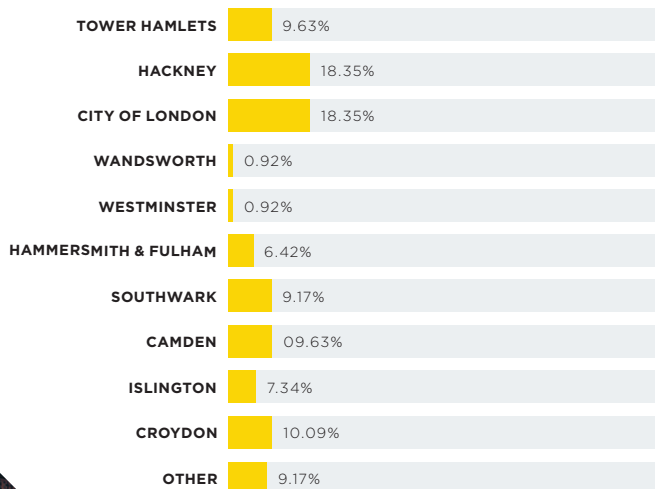



07 WHICH OF THE FOLLOWING IS THE MOST IMPORTANT WAY THE TECH SECTOR CAN BENEFIT LONDON?





08 WHICH OF THE FOLLOWING LONDON BOROUGHES WILL SEE THE FASTEST INCREASE OF TECH COMPANIES BY 2023?





“It is astonishing to consider
just how much London’s tech
companies have achieved over
the past five years.”

FIVE YEARS IN LONDON TECH

The story of Tech London Advocates

When Tech London Advocates was founded in 2013, I had just celebrated my 50th birthday and decided I wanted London to become a globally significant tech hub by the time I reached 60. Five years later and (just!) over halfway to that milestone, this ambition is becoming a reality.

It is astonishing to consider just how much London's tech companies have achieved over the past five years. I have spoken at tech events in Bangalore, Shanghai, San Francisco, Stockholm, New York and Singapore and the same question comes up every time – how has London created a vibrant tech community so quickly?

Considering that in 2013 journalists were asking me if London would ever be home to a successful tech exit, or whether London would ever see a billion-dollar tech start-up, it is easy to see why they ask.



The UK now has 22 of Europe's 57 tech unicorns, the vast majority of which are based in the capital. Nearly £3 billion was invested into London's tech companies in 2017, which now employ more than 300,000 people in the capital.

From Budget speeches to the way we pay for the Tube, tech has become an integral part of the city's economy, infrastructure and society. This is the story of the role Tech London Advocates has played as part of this remarkable growth trajectory.



THE ORIGIN STORY

In 2013, a collection of tech entrepreneurs huddled around Old Street roundabout were starting to attract investment, headlines and talent. As the likes of UNRULY, Funding Circle and Shazam started to command serious VC rounds, it was clear London's tech start-ups meant business and had serious ambitions to scale.

There was a critical mass of all the constituent parts required to create tech success. We had inspiring entrepreneurs with a clear vision for the future of London tech. We had policymakers in government such as Steve Hilton, Rohan Silva and Eric Van der Kleij creating the right conditions and environment. We also had venture capital investors from Europe and the US looking to London for growth, a financial regulator supportive of tech and a banking industry whose crisis had led to the departure of some of its youngest and most talented staff looking for their next challenge.

However, this was new territory and there were some serious issues that London tech needed to overcome. But when I looked across the tech landscape or opened the newspapers, I couldn't see the voice of the private sector. At the time, David Cameron, George Osborne and Boris Johnson were all beating the drum for London tech, but there was no group of independent-minded private sector leaders rallying the community. So, it is

with this backdrop that I decided to create and launch Tech London Advocates.

From previous roles in my career, I spent time working in Silicon Valley and learning valuable lessons from the Bay Area. I usually speak of Sequoia Capital, one of the most high profile venture firms in Silicon Valley. They will almost always give an entrepreneur 30 minutes of their time. They would rarely invest, but they would always end the meeting by making a series of introductions to connections who might be better placed to support the company. They have a 'pay-it-forward' culture and belief that the success of any individual start-up benefits the entire community.

A year or so before I launched TLA, I had also just come out of a period working at Skype. I had seen the power of network effects as that company grew an incredible customer base through word of mouth and referrals.



500

IN GROUP
BY 2014

2013

THE
BEGINNING

100+

PEOPLE AT
THE LAUNCH
EVENT

With these principles in mind, I invited a selection of tech leaders, entrepreneurs and investors to come to the launch event at Central Working in Shoreditch. I expected around 30 or 40 people to come, and on the day nearly 100 did. Left with standing room only, I realised our concept was really resonating.

As London's tech sector continued to grow, so did Tech London Advocates. I ask Advocates to do three things – be consistent when messaging about London as a global tech hub (both the good and not good), use Tech London Advocates as a resource for introductions, advice and guidance and introduce new Advocates to the group. By the start of 2014, there were 500 Advocates in the community.



WORKING GROUPS

Soon after the launch, Advocates began to approach me and said they wanted to create sub-committees of like-minded colleagues who would focus on a specific issue or initiative. At this point the Tech London Advocates working groups were born. Now there are 45 – covering everything from women in tech to digital skills and immigration to fintech, datatech, creativetech and retailtech to groups that connect London tech to all parts of the world.

45

WORKING
GROUPS

SARAH LUXFORD
DIRECTOR, NEXEC LEADERS
& CROYDON TECH CITY

@SarahRecruiter

NIKKI WATKINS
CEO,
LEADERSHIP CONSULTING

@TycheLeadership



@LondonAdv

@TLAW

#SheCanDoTech



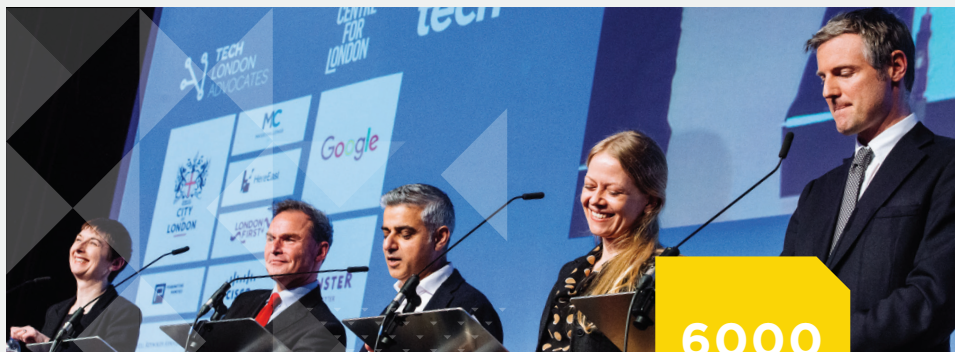


GLOBAL TECH ADVOCATES

In 2015, an Advocate from Denmark, Jeanette Carlsson, sat down with me and discussed how she could recreate the Tech London Advocates model across Scandinavia. I set up a licensing agreement with her (it still costs only £1/year to set up one of the 'sibling' groups) and Tech Nordic Advocates was established.

As Tech London Advocates made its first tentative steps internationally, I created Global Tech Advocates, a parent brand that could accommodate further expansion. Sure enough, Advocates from around the world wanted to bring the brand,

IP and model to their local and regional communities. Alongside Tech Nordic Advocates, we now have Tech North Advocates, Tech Belfast Advocates, Tech Bay Area Advocates, Tech Singapore Advocates, Tech Spain Advocates, Tech Shanghai Advocates and Tech Bogotá Advocates, with Italy, Paris, Scotland, Shenzhen and Tokyo in the planning stages.



6000
ADVOCATES

KEY ACHIEVEMENTS

Despite now having 6,000 Advocates with a presence in some of the largest tech hubs worldwide, Tech London Advocates has always been a grassroots initiative, based on the collaborative and altruistic spirit of Advocates who all come together in a voluntary capacity. My work is all pro bono, and so is that of everyone in the community. What I have seen time and time again is the power that communities from the private sector have to drive change.

There are endless examples of the positive impact a network like Tech London Advocates can make. We took the Migration Advisory Committee around East London in 2015 to meet tech entrepreneurs and hear their stories and frustrations in the search for global talent and, for the first time, four tech jobs joined the Shortage Occupation List a month later and approved by the Government later that year.

In 2016, Tech London Advocates, techUK and the Centre for Entrepreneurs invited the five London Mayoral candidates to join the city's first ever tech hustings at an event we hosted called 'DebateTech'. We made a series of policy recommendations to make London a digital city, including the requirement for a Chief Digital Officer. Now, Theo Blackwell is in post and doing a fantastic job heading a transformative Smart Cities agenda.

Digital skills has been a key campaigning platform for Tech London Advocates and the group has supported the extraordinary organisations teaching digital skills to people in the capital and supporting entrepreneurship – Ada College, Code First: Girls, Founders4Schools, TeenTech, ELATT, JustIT, Apps for Good, to name but a few.



2018 ONWARDS

These are the examples I think of when looking ahead to the rest of 2018 and the next five years of London tech. Brexit has undeniably given tech companies a whole set of unexpected, and often unwanted challenges in a climate of market uncertainty. Tech may no longer be the ‘darling’ of government and tech companies are more likely to be included in speeches and articles about fake news and cyber challenges than rising business stars.

However, London’s tech ecosystem has never been better equipped to handle adversity. We have a track record of success, a strong community of founders, entrepreneurs, corporates, investors, educators and professional services firms who understand the nuances of the technology industry. And, I hope, we have Tech London Advocates offering a campaigning voice, concrete initiatives and useful connections for those that need it.

My ambition is undimmed – by 2023 I think London has every opportunity to maintain its leading position as the European capital of tech and to take its place alongside Silicon Valley in California and the Pearl River Delta in China as one of the defining tech capitals of the digital era.

This report maps out the technologies set to define the success of London tech over the next five years, and the milestones we believe London’s tech sector needs to achieve by 2023 to continue its upward trajectory.

Thank you to everyone who has been a part of Tech London Advocates, and I look forward to welcoming everyone who chooses to join us in the coming years.

As I always say: “We champion, we connect, we support...our journey continues.”

– RUSS SHAW

FOUNDER
TECH LONDON ADVOCATES
& GLOBAL TECH ADVOCATES



Over the last five years, all of the elements required to build a start-up ecosystem have really come together



02

THE NEXT BIG THING

What does the next five years hold for London and which specialisms are we likely to hear more about?

Tech is one of London's greatest news stories. From fintech to AI, healthtech to cybersecurity, the past five years have seen new industries and sectors take hold and flourish, driven by innovation and passionate, talented teams. And the hard work has paid off. Last year venture capital investment into the UK tech sector reached an all-time high, totalling £2.99 billion – almost double the funds of 2016 at £1.63 billion.

“Over the last five years, all of the elements required to build a start-up ecosystem have really come together,” says innovation expert and advisor, Bindi Karia. “From universities to community builders, corporates to investors and property owners – we’ve all been working together creating a perfect storm. Everybody has the same mission, the same passion and we’re heading in the same direction.”



One of London's stand out success stories has been fintech. The sector attracted the lion's share of 2017's bumper investment, benefiting from a record £1.34 billion in total, lead by familiar fintech names TransferWise, Funding Circle and Monzo, netting around £364 million between them.

But what will the next success story be? Will fintech retain its position as the poster boy for London's tech scene, or will we see other specialisms come to the fore? We asked our Advocate community which specialism they think will define the success of London over the next five years.

It seems that while fintech still rides high, with 27% of the vote, AI and robotics have topped it off the top spot, gaining 34% of votes. "AI is everywhere and underpins every sector from SME to government to corporate," says Karia. "It's everywhere and I think London in particular is an absolute leader in that space."

Reflecting on the future of fintech, our roundtable participants highlighted blockchain and cryptocurrency as some of the areas to watch.

"In terms of job creation, the token economy and crypto industry will be important. I think the sooner we embrace it, make it safer and develop best practise, the better for London," said Eric Van der Kleij, chief executive of the Centre for Digital Revolution.

“AI is everywhere and underpins every sector from SME to government to corporate”

“Blockchain and Crypto play so well to London and the UK’s strengths in supporting sustainable innovation, and with other countries either banning or unsure about initial coin offerings (ICOs) and we’re in a fantastic position to make the most of this opportunity.”

Our Advocates also shone a spotlight on cybersecurity (10%). The sector has certainly matured over the past five years as our reliance on the internet and interconnected devices has rocketed, leading to an increased requirement for robust protection. The global cybersecurity market is projected to reach \$165.2 billion by 2023 and London is increasingly positioning itself as a leader.

Healthtech followed cybersecurity, with 9% of respondents suggesting it would be the next stand-out tech sector.

No one can really say what the future holds, but looking at the technology sectors gaining momentum across London, the next five years look to be even more successful than the last.



GAVIN POOLE

CEO, HereEast



As I see it, there are three emerging technologies starting to dominate the mainstream. Firstly, augmented reality (AR), rather than virtual reality, is the technology which is beginning to cut across many sectors; from retail and health to entertainment and sports. Visibly, it looks mainly consumer-focused in terms of how it will aid us in seeing and experiencing the world, but the opportunity it presents across many sectors will be phenomenal.

The further rise of AI is another technology where we are seeing really efficient production, online and home services. These products are going to be really dominant and we're only at the bottom of the growth curve at the moment. We will see real exponential growth once we have the right trust networks in place with the large tech companies, and people better understand how their data is used and for what benefits.

Blockchain is the third (still) emerging technology which is going on to dominate the scene. At the moment, many people don't understand it and we need to break down the myth that it's all about cryptocurrency. The massive cycles of gains and losses by bitcoin and others are damaging people's understanding and creating barriers to adoption.

We need to start delving beneath the surface and talking about the ability for personal digital identity, the ability for healthcare and insurance institutions to securely use data, and the ability to use cryptotechnology to build SmartCities. At the moment, it's the most secure technology we've got and once people get comfortable with it, it will be a game-changer.



SUE NELSON

CEO & Founder,
Breakthrough Group &
Head of TLA FoodTech



At last there's recognition that the term "FoodTech" does have a definition and that this exciting UK sector is full of innovation and ground-breaking products and services. It embraces food analytics, 'free from' production, food logistics, food packaging, food rescue, agri and taste science.

According to CB Insights, \$4.8 billion was invested in foodtech last year. But it's not just investors that think this emerging sector is significant. Foodtech has to be far more important than most of the other 'techs' such as fintech, edtech, proptech and retailtech, because the future of food is critical to the future of mankind.

We simply can't go on using more resources to feed our meat habit. Nor can we continue to increase the carbon load that generates. We can't go on wasting half the food we produce. We can't keep watching our children get fatter with each generation. The global issues around food are only going to get more complex.

Foodtech advances are increasing efficiency in the production of healthy and authentic food. It's reducing and redistributing food waste and creating and finding alternative food sources to traditional livestock. It's increasing transparency in the value supply chain and making way for smarter farming methods to increase yield using limited resources. It's reducing time to market, looking at new delivery mechanisms and helping us to be more proficient at cooking and preparing our food.

The proponents of foodtech are attempting to reverse the deeply held belief that we've a right to cheap food. This has led us to the widespread industrialisation of food production to such a point that only the most unethical shortcuts can get to those price points. Artificially cheap food is literally making us sick and fat. A new generation of foodtech innovators don't want us to live like that anymore.

PRIYA GUHA

Ecosystem General
Manager, RocketSpace



Over the past five years, London has further established itself as a leading technology hub that produces world-class companies, with the city offering the best possible infrastructure, talent and investment opportunities needed for companies to scale at pace. Our tech entrepreneurs are globally celebrated for their innovative vision and ambitious spirit, and their ability is evident in the wide-range of exciting tech verticals found here, building on the capital's long-standing industries like fintech and the creative sector and the UK's academic excellence.

Fields like artificial intelligence and machine learning are world-leading, and progress in this area will underpin growth across the whole of the UK economy moving forward.

At RocketSpace we see first-hand the hard work, determination, and commitment from each entrepreneur day in, day out to make their start-up a success. With the nation celebrating our entrepreneurs more and the

government committing greater support in scale ups, I am confident that our thriving ecosystem of disruptors and entrepreneurs will be able to grow as we look ahead to 2023.

I'm also excited to see the progress we will make in ensuring greater diversity and inclusion in the sector, not just because it makes moral sense but because diverse companies bring better returns. It is also vital that society as a whole is part of the technological change that will craft our future.

While the recent focus has been on large companies and cultural changes in their systems, we must ensure that smaller businesses are part of the solution. Growing start-ups and scale-ups are the corporations of tomorrow, and I would like to see as many emerging companies embracing inclusion as core to their success.



BEN BRABYN

Head, Level39



Fintech has been the standout specialism of the past five years and it looks set to continue gaining momentum over the next five. The industry has achieved a lot – technology has made financial services more productive, secure and trusted (affordable, accessible and efficient) than ever before but there is still work to be done and fundamental issues to address.

That said, from my vantage point, 2018, will also be the year when cybersecurity really comes to the fore. We've been incredibly successful in building and nurturing a world-leading fintech sector, but this is inextricably linked to cybersecurity. When you consider that every tech company, and fintech especially, has to get their cybersecurity fundamentals right – we'll definitely see this grow in importance.

Hackers and intruders are completely changing the way that they operate, at a pace that we are struggling to keep up with, and the innovators

are on the front lines, making sure we're protected. London needs this protection more than most. It is the centre for big business and there are trillions of pounds of assets at stake here. Luckily, this is being reflected in the kinds of companies setting up here. Level39 has seen 61% membership increase since the referendum, and the portion of cybersecurity companies has increased more than fintech.

One of the advantages cybersecurity firms have is the role that the public-sector plays. Governments from here to Israel are backing cybersecurity innovation – the £1.9billion UK Government commitment to cybersecurity investment (GCHQ-backed cyber innovation centre) is proof of that, and the cyber39 cluster of companies at Level39 is our fastest growing sector.

We have an incredible opportunity to lead on this and it's an opportunity where the public sector can really get involved.

FUTURE PROOFING THE CITY

Christina Huang, Managing Director, Advertising & Media, BT

Using traditional infrastructure to power the smart cities of tomorrow.

Innovation is in the very DNA of London. It's a hotbed of new ideas, talent and diversity. A place where the solutions offered by technology are put to the test, meeting the city's many challenges head on and finding new ways to make living and working in the capital better. For BT, London is not only our home, but the perfect place for us to test our thinking around smart cities and better understand how we can support the communities here.

Our mission as an organisation is to use the power of communication to make a better world. This led us to consider how we can use our huge portfolio of existing assets to improve the way people engage with their cities. We looked at our traditional payphones to see how we could use them to power smart cities.





With this in mind we launched InLinkUK from BT, a partnership between BT, Intersection and Primesight. We're replacing many of our phone boxes across the country with innovative units called InLinks, providing communication hotspots that deliver free, ultrafast Wi-Fi for all, phone charging points, the ability to make free calls to anywhere in the UK and much more. Connecting people in the way they really want to be connected when they're out and about on the street. And all for free – supported by our innovative advertising model.

We've already rolled out well over one hundred InLinks across London and Leeds, and we're adding more at pace, with hundreds more to be installed in the coming months both in London and other cities across the UK. We want to make sure we're catering to as many needs as possible. So as well as services

such as ultrafast Wi-Fi, InLinks even have a charity tile, which gives users direct access to a range of charities – ensuring that those most in need can reach the people who can help them. We'll also be looking to use InLinks to monitor air quality, creating the kinds of insights that can be utilised to improve public health. Looking to the future, even more exciting features will be added that generate real value and innovation to the communities they are in.

The future is an exciting prospect, and in many ways, it's already here. We are firmly on this journey, but we can't do this alone, and that's why we're thrilled to be working with TLA. We're firm believers in the power of collaboration. With London's ecosystem of innovators on our doorstep, we look forward to seeing what lies ahead.



*Numbers as of 4th April 2018

An aerial photograph of London, featuring the River Thames and the Tower Bridge. A large, semi-transparent geometric pattern of overlapping triangles is superimposed over the city. In the top left corner, there is a yellow triangle containing a white icon of a person with arms raised. In the top right corner, there are several parallel yellow diagonal lines. The text "Tech companies don't even come close to reflecting the BME population in London or the users on their platforms" is written in a bold, yellow, sans-serif font, with large quotation marks at the end.

Tech companies don't even
come close to reflecting the
BME population in London or
the users on their platforms



03

LOOKING TO THE FUTURE

Setting the metrics for success in 2023

London's tech sector might be flying in terms of investment and innovation but there are still a number of challenges facing the industry. We can't look to the future without considering these issues and calling for action.

We asked our Advocates what they felt was the single greatest issue facing London tech. A shortage of talent (29%) and the impact of Brexit (20%) were both highlighted as primary concerns, pointing to the ongoing anxiety around the skills gap and the threat Brexit poses on the UK's ability to attract global talent.

This is a key topic for the future, along with the tech industry's continued diversity problem. "In London you've got around 50% BME students in universities but approximately 5% of them actually enter the tech industry," says Mark Martin, UK Black Tech. "As a result tech companies don't even come close to reflecting the BME population in London or the users on their platforms."



Gender imbalance is also a big part of the story. “In the next five years, particularly on the back of the gender payroll report, companies have to act because otherwise, they will see an exit of their female talent which will head to companies where diversity is valued,” says Sarah Luxford, co-founder TLA Women in Tech.

Market uncertainty and access to funding have also been flagged as challenges. London tech has had a bumper year for investment but we’re still a way off from seeing the kinds of investment levels the top tech hubs in the USA enjoy. Despite leading Europe when it comes to unicorns, the city is yet to produce its first \$10billion company.

Profits with purpose emerged as a recurring conversation for businesses of all size and sector in 2017, we’ve also turned our attention to the power that tech companies have to create positive change. The technology industry should be powered by a desire to improve the way we live – it’s about solving challenges and creating products and services which enhance human experiences. But this narrative needs to be nurtured – the industry is not beyond criticism.

Our Advocates have roundly supported the idea that tech companies can have a positive impact on London society as a whole, with 88% agreeing that it can and citing job creation, driving beneficial innovations and contributing to the economy as the biggest benefits the tech sector can have. We look forward to seeing this develop further.



In the next five years,
particularly on the back of
the gender payroll report,
companies have to act because
otherwise, they will see an exit
of their female talent which
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diversity is valued



LONDON 2023: OUR 10 KEY OBJECTIVES

Our 10 key objectives are designed to act as a call-to-action. We want to see the following achieved in the next five years – if we work together, there's no reason we can't turn these hopes into reality.

1. ATTRACT
\$6BN+
INVESTMENT
ANNUALLY

2. PRODUCE
LONDON'S FIRST
\$10BN TECH
COMPANY

3. EMPLOY
**ONE
MILLION**
LONDONERS
IN THE TECH
SECTOR

4. INTRODUCE
A NEW **VISA**
ROUTE
DEDICATED
TO TECH
PROFESSIONALS

5. ACHIEVE
33%
**GENDER
DIVERSITY**
IN THE TECH
WORKFORCE



6. TRIPLE
LONDON'S
CAPACITY
TO PRODUCE
COMPUTER
SCIENCE
GRADUATES

7. COMMIT
1% OF TECH
PROFITS
TO SOCIAL
ENTERPRISES
AND INITIATIVES

8. IMPLEMENT
DIVERSITY
QUOTAS
FOR SENIOR
LEADERSHIP
TEAMS

9. ESTABLISH A
**SECRETARY
OF STATE**
POSITION
DEDICATED TO
DIGITAL

10. ERADICATE
BROADBAND
NOT-SPOTS
FROM LONDON

SHERRY COUTU

Chairman,
Founders4schools
& Scaleup Institute



The next five years needs to be about ensuring that our fast-growth scale-ups and start-ups have the talent that they need to succeed. It's one of the main issues keeping entrepreneurs awake at night. The Scale-up Review found that 93% of Britain's most ambitious companies feel access to talent is either "vital" or "very important" for their continued growth. The skills gap is holding them back and holding the economy back as a result.

This issue is nothing new, but as we head towards Brexit, we will need to take extra care to ensure that companies have access to the pipeline of talent that they need. There's no one solution is this problem. We should be looking at visas to make sure the best of the world's talent is free to come here. We should also ensure that universities are prepped and have the resources they need to produce more computer science graduates.

But we don't have to stop there. The next generation of talent is key to our future success as Europe's number one tech hub. Young people need our support if they're going to choose technology as their career and get their feet in the door. Work experience is key to this. This is the reason that I set up Workfinder – to connect young people with start-ups and scale-ups and inspire them. It's also why I call on tech companies everywhere to consider offering young people meaningful work placements. It not only gives students a taster of the real world and much needed experience, but gives companies access to the talent of tomorrow.



KATHRYN PARSONS

Founder & Co-CEO,
Decoded



We have never experienced a time of greater speed and impact of technological change. It is highly unlikely that the subject you studied at university, even the way you were taught, has genuinely prepared you for job you are doing today. Let alone the job you should be doing in five years' time.

Forget stocks and shares and the rise of cryptocurrency. The best investment anyone could make ahead of 2023 is in their own personal development. I believe that investing in your own skills is more likely to make you a multi-millionaire than playing the stock market. Not to mention being genuinely more rewarding.

For businesses, upskilling your leadership, your graduate trainees, indeed your entire workforce, is no longer a nice to have but is now a need to have. Learning is now the job.

So what to learn? Creativity, problem solving, code, adaptability, data, communication skills...a combination of digital literacy and skills, of the arts

and sciences. We really are living in a digital renaissance and we all need to be lifelong polymaths.

And how lucky we are to be in London. The crucible of some of the most prestigious global education brands, young and old. Take for example, Intelligence Squared, FutureLearn, Imperial College London, UCL, Century Tech, London Business School, How To Academy, The School of Life, Central Saint Martins – just a handful of brilliant examples.

I started Decoded, a technology education company in East London with a small credit card loan and a huge belief that we could teach anyone Code in a Day. It has since expanded to decode and demystify a panoply of digital dark arts for businesses and governments in over 85 cities worldwide.

London made that possible. I am proud to sit on The Mayor's Business Advisory Board and call this city my home.

NEETA PATEL

CEO, New Entrepreneurs
Foundation



Diversity in tech is a subject that's very close to my heart. There has certainly been an improvement and there are more women in tech these days than there were when I first started out. But there's nowhere near 50%, not even the 30% figure I see quoted frequently.

I think the issues start in schools and universities and we see it getting worse at the junior working levels in corporates, but the problem also exists in the start-up environment, which really needs to be more welcoming to a more diverse workforce.

What is heartening is to see the emergence of more female role models in tech. Thankfully, there are now so many amazing women building fantastic businesses. Booming leaders such as Priya Guha at RocketSpace and Anna Jones and Debbie Wosskow at Allbright, are an inspiration. Sherry Coutu, Sarah Wood (Unruly) and Jess Butcher (Blippar) are also leading the way as inspiring role models for future female tech leaders. This has led to more positive change, and now I hear more angel investors and VCs saying they are going to start looking at having a certain percentage of women-led businesses in

their portfolios. I do hope they will put their money behind this ambition as we also need more female-led businesses to be funded.

Diversity isn't just about gender though. London has one of the most diverse populations in Europe in terms of ethnic backgrounds, but there is currently a sea of white faces in accelerators and incubators. Where are the black entrepreneurs? Where are the Asian women? Where are our aspiring migrant entrepreneurs? We must do better.

Tackling the diversity issue is not something any one organisation, individual, or government can do. We need to join forces to stand up and speak out about it, to make it more attractive for men and white business leaders, to say they too want equality. We've got the skills, we've got the talent, so we need to make sure we create an open and diverse environment where people can flourish, not matter their creed or colour.

As business and technology leaders, we have an incredible opportunity to lead on this and I call upon all leaders in public and the private sector to stand up and make a lasting difference to UK tech.



PHILIPPE CERF

Managing Director,
TMT EMEA, Credit Suisse

Unfortunately, we have seen anecdotal evidence that young people working in London are beginning to ask whether they can be transferred elsewhere. London is a cosmopolitan hub, but Brexit is a challenge to the city's entrepreneurial and multicultural spirit.

Having said that, London remains ambitious and there are plenty of reasons we could see more \$10 billion tech companies emerging and listing in London. There is a question over when this will happen, though. Tech is a fairly young industry and a perception remains within the VC community that it may be better to go public in the US rather than in the UK. There is a strong batch of entrepreneurs here who want to grow and scale their businesses, motivated to create global leaders in their field. There should be a healthy IPO pipeline of UK-based tech businesses in the coming years no matter where the listing location ends up being.



Some may say that the innovation and change the tech industry creates has a positive impact on growth and productivity and hence benefits society as a whole.

It becomes increasingly clear that the tech industry also has a responsibility to help address the collateral damage that the technological revolution has inadvertently produced – job losses or privacy issues for example. The tech industry could contribute more to help solve the challenges in areas like education and data privacy policy.

TONY JAMOUS

President, Nexmo,
the Vonage API Platform



London is a city that has constantly evolved to keep pace with the needs and ambitions of the technology entrepreneur. Fundamentally, the city remains as it has done for centuries: a gateway to the world, providing aspirational companies with access to global talent, capital, and customers.

However, London now is not what it was 10 or even five years ago. A city renowned for its financial and professional services expertise has built a reputation for digital innovation that has inspired an exceptionally agile generation of tech ventures.

As a result, traditional industries have been reinvented and reinvigorated. Nexmo, founded in London in 2010, harnessed London's software expertise, international talent, and global network to transform the way we build communication applications and interact with one another. In five years, Nexmo had reached over 40,000 customers worldwide and worked with the likes of AirBnB, Amazon, and Alibaba.

Vonage – a pioneer of internet-based phone systems founded in the US in 2001 – may not have seemed a likely partner for Nexmo: a business largely associated with consumer telecoms did not appear to have obvious benefits for our rapidly scaling API platform.

Yet, Vonage's \$230m acquisition of Nexmo showed how collaboration between two businesses in adjacent industries could inspire renewal, growth, and innovation. Nexmo provided innovative tools that could be supercharged by Vonage's scale and network, while Vonage future-proofed itself against the slow decline of traditional telecoms.

For today's leaders, our experience demonstrated the need to constantly evaluate the opportunities for acquisition, partnership, and collaboration both inside and outside your own industry.

Tomorrow's leaders will continue to harness London's fundamental strengths as a global gateway, but they will do so through bringing together traditional business models alongside new technologies, inspiring innovation and renewal across every major industry.



KAT HANNA

Insight Associate,
Cushman & Wakefield



When it comes to supporting the capital's tech sector, property is about more than bricks and mortar. Rather, it's about attracting people, and providing an environment where talent can thrive, both inside and outside the office.

Over the past five years, London has demonstrated its ability to accommodate not just the capital's start-up scene, but to attract leading global tech companies. The range of locations and properties available to tech companies in London matches the diversity of its tech ecosystem.

Co-working spaces have mushroomed across the capital – accounting for a fifth of all office space take-up in 2017. Established office locations like the City and Canary Wharf are increasingly attuned to the needs of tech occupiers, in terms of flexibility, digital connectivity, and the dedicated services that can be provided by incubators and accelerators.

London's property offer does not stop at co-working. Over the past five years, several urban campuses have taken shape across London in locations such as Stratford and Kings Cross, providing opportunities for large-scale workplaces, flagship HQs, and entire districts and neighbourhoods that nurture talent, innovation, and inclusion.

Collaboration between start-ups and established industries like finance, creative industries and life sciences means London is no longer home to Tech City – but a city where tech runs through the fabric of the entire built environment.

Looking forward, London needs to balance the demands of major tech occupiers with those of smaller tech companies. The success of London in attracting companies like Facebook, Google, and Amazon lies not just in providing world-class office space, but world-class talent. Supporting this talent means identifying new, lower-cost emerging locations across the capital to accommodate entrepreneurs and start-ups. It means focusing not just on world-beating architecture and office design, but in the spaces between these buildings – where serendipity and collaboration can thrive.



CATHERINE McGUINNESS

Chairman, Policy & Resources
Committee, City of London



The City Corporation is a longstanding supporter of Tech London Advocates, whose aims align closely with ours. Technology is central to the City's success, cementing our position - and that of London and the UK - as a global financial centre. In the Square Mile alone we've seen a 58% boom in tech over the past six years and a blurring of sectoral boundaries, with financial services buying over a fifth of IT services to pioneer sector-leading innovations.

The UK's fintech sector employs over 60,000 people and contributes £7 billion a year to the UK economy. Working with partners across government and business we want to ensure it continues to thrive.

Amidst technological change, we also want to enable businesses in the City, London and the UK to access cyber advice, products, services and skills quickly, efficiently and at low cost to make London synonymous with being cyber secure.

We've been pleased to work closely with TLA on physical infrastructure issues to call for improved connectivity, including through the development of our 'standardised wayleave toolkit', launched in 2016 and now commonly used across the property and telecoms sectors.

We know that skills are central to London's future success. We need to continue to develop a domestic pipeline of talent - including through apprenticeships and other 'non-traditional' pathways - and ensure our migration and visa regime is fit for purpose, enabling businesses to recruit the right people from anywhere in the world and helping the UK to maintain its status as both a global financial and tech hub.

RIOCH EDWARDS -BROWN

Founder, So You Wanna Be In Tech?



Tech is sitting on a ticking time bomb. By the end of 2018 Gen Y will be the most dominant in the workforce. This generation sees no need to invest in 'non-listening' corporate tech verticals that are not designed to invest in them. Then there's Gen Z to consider.

Quotas will not resolve the diversity issue. Connecting with untapped diverse community experts and impact investment is needed. The tech sector will miss out if it doesn't engage now and seed this talent throughout their businesses.

Tech verticals such as blockchain, mobile, social media and entertainment driven by FAANG companies are set to define the success of London tech over the next five years if the industry can get the engagement with Gen Y and Gen Z right. Fintech, for example, is by no means over. With the disruption by cryptocurrencies, Gen Y and Gen Z will ensure that fintech stays firmly in the picture.

Affordable housing is also one of the biggest problems facing the tech industry in terms of infrastructure. Across all sectors, junior staff, apprentices, trainees and low-income start-ups all face longer commutes from the outer suburbs of Greater London unless they happen to have parents with property in inner city London. This is exacerbating the number one problem facing most tech companies – the shortage of skilled labour.

The tech industry must engage now to futureproof the industry and avoid doing a 'Kodak'. The industry is tackling ethnic diversity in isolation and therefore not addressing the skills gap crisis that is unfolding. It is not about tackling issues like race or gender through silos or quotas. Quotas alienate the very people the tech industry seeks to recruit.

SIMON CALVER

Head of Investments,
BGF Ventures

London is at the heart of the UK's thriving tech industry – a healthy ecosystem of talent, diversity and innovation. Last year was a record year for investment into UK tech, with London firms receiving the lion's share of that funding. According to London & Partners, UK firms attracted £2.99 billion in investment in 2017, almost twice the total amount invested in 2016.

This bumper investment news is a great foundation to build on. With new tech specialisms in augmented reality, artificial intelligence and blockchain coming to the fore, there is good reason to believe this growth in funding will continue. At BGF Ventures, we're very much part of this story. It's our mission to support ambitious entrepreneurs across the whole of the UK and we understand the importance of long-term, flexible investments for growing companies.



From this vantage point we see much to be optimistic about. The UK's investment ecosystem is maturing and each year we get closer to producing the kinds of tech giants we see coming out of Silicon Valley. To build great companies needs brilliant ideas, investors in for the long term and an eco-system of role models and support to help founders on their journey. In the next five years we need to continue to focus on making sure our vibrant start-up community has the investment and backing it needs to reach its full potential. If we do this, support them as they grow there's every chance that the UK will soon be home to its first \$10billion tech company.



NICK PAGE

Partner, Industry Leader TMT,
Grant Thornton UK

London is the European capital of technology. Our tech sector is renowned on the world stage, employs over 300,000 people and plays a leading role in the development of new and innovative technologies. It's a huge part of what makes London such a vibrant and prosperous city. But uncertainty lies ahead.

The next five years will see the capital go through a period of change. At this time, we believe it is important to work together to tackle any challenges that arise and make the most of the opportunities that will come our way.

This is why we've recently launched Vibrant Capital, a chance to bring together the activists and architects within in the London debate. By connecting people, starting conversations and encouraging collaboration, we hope to inspire the kind of activism that will ensure London remains one of the best cities in the world to live, work and do business through.

Technology has a huge role to play in this. For example, we recently gathered experts from across the housing

industry to discuss its challenges and it was acknowledged that the industry is ripe for innovation and disruption. Technology could be a fundamental support for new production models which could enable more efficient planning for the future.

We saw a similar story during our trade-focused dinner. User-friendly digital platforms were put forward as a way to ensure best practice is shared between exporters and those with ambitions to go global.

Businesses of all sizes in the technology sector face many of the same challenges. Our recent research looking at the UK's high-growth businesses found that those in the technology, media and telecoms sector listed talent and skills as the biggest barrier to growth (40%), suggesting that this needs to be prioritised.

There is so much tech talent in this city. If we work together and share resources, we can find powerful solutions and help London to retain its position as a vibrant capital.



JEFF TIJSSEN

Head of Consulting,
11:FS



The UK is the leading destination for innovative and ambitious fintech companies looking to scale and grow. In recent years, London has cemented itself as a home for entrepreneurs who are creating the disruptive businesses of the future, reinventing customers' relationship with financial institutions. There is a real excitement and energy amongst the fintech community and a high level of confidence that London remains the place to thrive, and that the UK's vibrant tech ecosystem will support further prosperity. There is a profound sentiment among industry leaders that the years to come will present the opportunity to strengthen the fintech sector and build on the successes to date.

There are several pillars of London's fintech ecosystem which underpin the community and have contributed to record-breaking levels of growth. These include world-leading academic institutions, access to highly skilled talent from the UK and other international markets, a thriving

angel investment and VC sector, as well as the regulatory capacity to be flexible and responsive to the evolving financial services landscape. Progressive regulation has been a key driving force behind the UK's impressive rise to the top, and the FCA has worked to create an open and dynamic framework where new as well as established players can realise the disruptive potential of the fintech space.

In order for London's fintech sector to continue thrive, we need to ensure that regulation in the fintech sector keeps pace with the evolving technology, be able to attract the best talent from across the globe, and make sure that the UK remains competitive post-Brexit. It is vital that the UK continues to lead the way and is not left looking for answers. We have so far proven to be effective but there are regulatory challenges which will need to be met with the same creativity, drive and ambition that has been seen from the outset.



JACQUELINE DE ROJAS CBE

President, techUK

The lifeblood of the UK tech sector is talent, the ecosystem is a collective of the brightest and best from around the world who have contributed to the astonishing feats seen in recent years. Whilst we must recognise and celebrate the achievements of the UK tech sector, progress can only be guaranteed if businesses have access to the skilled individuals who will drive growth in the years to come. Satisfying the rapidly expanding digital skills gap requires immediate action from leaders in both the public and private sectors.

It remains an unpleasant reality that the UK is failing to utilise the skills of almost half the population. There has been progress and there are wonderful initiatives from which

to draw hope, yet the proportion of women working within the tech sector is simply not good enough. By diversifying and increasing participation rates we can tap into a talent pool that will elevate the UK whilst realising the social and culture benefits of a fully inclusive workforce.

Simple steps can be taken to help bring more women into tech and at a much earlier age. Working to remove outdated attitudes towards STEM subjects in the classroom and opening eyes to the great many career paths for women in tech is vital. If we are to truly prosper we have to close the gender gap and faster than we are.



CONCLUSION

London's technology ecosystem has achieved a lot in just five short years. What started out as a collection of unconnected but innovative tech companies, has grown to become a powerful ecosystem, collaborating and driving growth across the sector. The diversity of voices in this report are testament to this, funders, founders and connectors, all working together to ensure that London maintains its well-deserved position as the European capital of tech.

But no ecosystem is perfect. There are still a number of challenges facing London's tech hub and the businesses within it. Access to talent and diversity in the workforce is still a big concern. London's companies are still a long way off attracting the kinds of capital their peers in the Bay Area do. And the reputation of technology firms as purpose-led problem solvers is under attack. There is much to focus on over the next five years but if the last five are anything to go by, we can meet these challenges head on and find creative solutions.

The pace of change within this sector is unlike anything experienced elsewhere. There is so much to look forward to. London's strength in burgeoning, fast-growth industries is one thing. Watching the evolution of the likes of artificial intelligence and cybersecurity, two areas in which the capital has found an advantage, has been exhilarating and we look forward to seeing this develop further in the future.

Our fifth anniversary has given us an opportunity to reach out to and start conversations with some of the leading figures in London tech. This has made one thing very clear, everybody has the same drive and determination to make the most of our opportunities and face down any issues along the way. As long as we work together, we can create the ecosystem that we all want to see. 2023 holds so much promise and we know what we need to do – let's make it happen.



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ABOUT TECH LONDON ADVOCATES

Tech London Advocates is a network of more than 6,000 tech leaders, entrepreneurs and experts in London, across the UK and in over 50 countries worldwide. Proudly independent, private sector-led and not backed by government, we fundamentally believe that London is one of the world's leading tech hubs.

Tech London Advocates champions London as a global tech hub and campaigns to address the challenges facing tech companies in the UK.

The organisation is part of Global Tech Advocates, which has nine networks around the world – Tech London Advocates, Tech Nordic Advocates, Tech North Advocates, Tech Belfast Advocates, Tech Bay Area Advocates, Tech Singapore Advocates, Tech Spain Advocates, Tech Shanghai Advocates and Tech Bogotá Advocates.

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