

Appendix 2 - Start-up Case Studies

Case Study 1 - Avakino heading for success

Overview

Avakino is a **Manchester-based** headwear manufacturer that's created its own Masumi Headwear range which is specifically designed for people living with hair loss and consists of a range of timeless, elegant and fashionable designs. The business prides itself on providing an alternative to wigs for all occasions, whether that's easy-to-wear everyday pieces, an elegant head scarf for a night at the opera, or a knock-out hat for a wedding.

All products are made from carefully selected natural fibres to provide headwear that is light, cool and effortlessly elegant. From Silky-soft cottons, to delicate bamboo fibres, every piece has been designed with comfort in mind.

Challenge

Little in life happens by chance. Ali had worked in the wig industry for 15 years, most recently at Dimples Wigs, where he designed and developed the unique 'Feather Premier Collection' with the help of hair loss sufferers, nurses and hair replacement specialists.

"I grew so attached at the time," Ali explains. "How couldn't I? Some of the patients seemed so vulnerable and sometimes didn't like wearing wigs because they were itchy or took too much effort – I just wanted to do something; create something better!"

This passion gave birth to his plan to create something chic, fashionable and low-maintenance that people suffering with hair loss would feel good about themselves whilst wearing. But what Ali needed was the support to ensure he would start his business with a solid foundation and the right advisor beside him.

Results

Ali first turned to the Business Growth Hub in 2014 with the product idea that he was eager to bring to market. He began working with Isabelle Farquhar, one of the Hub's specialists, on our start-up programme.

Ali was eager to develop and learn as an entrepreneur. He accessed a whole host of Hub services which helped increase his knowledge around specific aspects of running a business such as market research, taking a product to market, pitching and tendering.

Ali says: "I just soaked up the knowledge. At the end of every event, I took something away from it that has helped me build my business. You know, I had all these ideas...but couldn't always see the bigger picture."

Meanwhile Isabelle introduced the business to the Department for International Trade NW, another part of Manchester Growth Company, who provided tailored support on how to find new markets overseas.

Avakino only started trading in November 2016 and within four months the Masumi range had secured 40 new accounts within the industry, along with distributors in countries such as Denmark, Spain, Sweden, France, Ireland and USA

Case Study 2 - Innovative tech start-up becomes market-ready after securing investment

Ground-breaking platform, **Broadstone**, is a new-to-market, game-changing online recruitment marketplace for both jobseekers and employers in the private security industry. It enables businesses to benefit from a cost-effective, on-demand workforce and compliant vetting, while individuals can gain access to the best security jobs in the UK with ease – promoting jobs which have the benefit of flexible working and better pay rates.

The Challenge

Prior to launching his start-up business, Broadstone Director and Founder Tom Pickersgill worked in the private security industry for three years as a business development manager, where he tapped into unique insights into the industry and his ideas took root.

Tom explains: “The private security industry is a £5bn marketplace, with over 400,000 individuals working in the sector, but it has a high turnover rate which creates a constant recruitment challenge, not to mention issues around vetting. It was clear that the industry needed to embrace technology. We saw the golden opportunity to disrupt the market but just didn’t have the funds available to create an initial MVP (Minimal Viable Product) to showcase to potential investors.”

The Solution

Tom used a loan from the Start-Up Loans Company to develop an MVP to show investors which, ultimately, provided some very strong validation for their model. He then went on to raise a seed round of investment to further develop the platform and release V1 to the wider public and private security industry. Tom approached the Hub for support and was matched with Shiraz Anwar, who is a start-up advisor with specialist creative, digital and tech experience.

Shiraz explains: “From our first meeting, Tom impressed me with his in-depth knowledge and understanding of the game-changing disruptive solution he wanted to bring to market. Our primary focus was getting Tom investment-ready. This involved linking and preparing Tom to pitch to investors; working through the feedback; de-risking the investment through strategically pivoting the original idea; getting SEIS and EIS registered; building IP and high barriers to entry for competitors; and identifying first key hires so when investment came through, they could get off the ground straight away.”

Tom went on to meet a number of investors, both angel and institutional, and quickly found the perfect fit who shared his vision of what the business could grow to be. Broadstone received £200k from Maven Capital, one of the UK’s most active SME investors, appointed to manage £57.5m of Norther Powerhouse Investment Funds which enables dynamic regional businesses with innovative products and access to finance services.

Broadstone has exciting growth plans which they hope will put them at the forefront of change within the industry, improve compliancy and attract people to work in security. The business is currently in the process of extending its team of software developers. They then plan to turn their attention to attracting the right talent to build commercial teams and community managers as they take their platform to market.

By 2020, Broadstone hope to attract over 60,000 individuals by working with some of the UK's leading private security employers on their platform.

The **Manchester-based** start-up is based in the city centre at Bruntwood's NEO Building, a newly-refurbished contemporary co-working space.

Case Study 3 - Perfect timing, as Hub helps Ziferblat to launch

Overview

Ziferblat - which is Russian for clock face – is a new workspace concept that is part office, part café and part event space – and which operates under a pay-per-minute model. Since launching in Moscow in 2011, Ziferblat has grown to 14 branches across Europe, with venues in the UK, Russia, Ukraine, and Slovenia.

The Challenge

Entrepreneur Ben Davies joined a local team who wanted to bring the Ziferblat concept to Manchester and turned to the Business Growth Hub for support.

The Solution

Isabelle Farquhar, Hub start-up growth advisor, helped Ben to research the target market and competitors, while also providing financial and legal guidance and business planning. Ben also attended a number of the Hub's networking events, giving him the opportunity to build relationships with business leaders from across Greater Manchester.

In January 2105, the Edge Street branch of Ziferblat in **Manchester's Northern Quarter** opened and has since achieved turnover of £450,000, while employing 35 people. And now Ben and the team will be working on two new Ziferblat venues in Greater Manchester as part of Ziferblat's ambitious growth strategy, which aims to launch a venue in every major UK city by 2021.

Ben Davies, marketing manager at Ziferblat UK says: "The success of our Edge Street venue reflects the customer appetite for the relaxed, community atmosphere we offer. The support we have received from Business Growth Hub has helped us to develop our growth strategy, expand our network and identify funding opportunities, allowing us to successfully start our business. We are now able to build on that success with new venues across Greater Manchester and the UK."

Isabelle adds: "Ziferblat is an intriguing concept and one that has proven to be very popular on a global scale. It is not always easy to successfully apply a radically new business model to the UK market, but Ben and the team at Ziferblat have done so with great success.

"The business' innovative model puts Ziferblat at the forefront of a new kind of environment, sitting somewhere between an office, home and a café. The business

has found a niche that has proven popular, giving it an entrepreneurial edge and a platform to expand.”