



Market sounding exercise

Scheme title	Co-designing and piloting a new product aimed at entrepreneurs with ideas for socially useful innovations and rapidly scalable business models
Scheme ID	DN475273

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Please respond by
12:00 noon on Monday 18 May
via www.yortender.co.uk

PURPOSE

Leeds City Council on behalf of a team of senior private and public sector stakeholders ([Team Leeds](#)) is looking into the potential procurement of a suitably qualified and experienced organisation or organisations to co-design and pilot a new product for entrepreneurs. The Pilot will run in Leeds and attract entrepreneurs from across the Leeds City Region.

The Product has been developed to outline design stage by senior stakeholders through the Massachusetts Institute of Technology's Regional Entrepreneurship Acceleration Program ([REAP](#)). If tendered following this Market Sounding Exercise (MSE) the Product will be designed in detail in collaboration with the Team Leeds Delivery Group, of which Leeds City Council is a part.

The purpose of this MSE is to:

- i. help define the requirements;
- ii. help provide a better understanding of the feasibility and cost of the requirements;
- iii. understand the best approach to co-design and delivery;
- iv. understand the capacity of the market to deliver and possible risks involved; and
- v. provide the market with an opportunity to ask questions, raise queries and identify any issues to be addressed at an early stage

We are seeking responses from interested parties to key questions in the context of the information provided in this MSE document. These questions are set out in Appendix 1.

Please ensure you complete and return your questionnaire prior to the defined closing date and time.

Your responses will assist us in creating a procurement process which is well-framed, focused, feasible and likely to be of interest to the market. This process focuses on the market as a whole, rather than on the merits of individual organisations.

INTRODUCTION

This document provides information about the piloting in Leeds of a new product aimed at entrepreneurs from the Leeds City Region. The Product provides support for ideation/early stage ventures focusing on entrepreneurs with ideas for socially useful innovations and rapidly scalable business models. It will help refine and validate entrepreneurs' ideas into ventures ready for customers and investment. It is intended to run in cohorts lasting 3-6 months covering fundamental business support topics, attracting a diverse base of entrepreneurs.

This Product forms part of a wider REAP initiative initially focused on Leeds but to be rolled out across the Leeds City Region.

In May 2018 Team Leeds successfully bid for a place on a prestigious leadership programme run by MIT. The two-year REAP programme admits eight regions annually

from around the world and enables them to develop an evidenced-based strategy to accelerate development of the ecosystem that innovation-driven enterprises need to thrive – REAP focuses on entrepreneurs and enterprises with global ambition and rapidly scalable business models. These businesses are currently a very small but important segment of the SME base as they yield a disproportionate economic impact including a multiplier effect on jobs in the wider SME base. The MIT REAP multi-stakeholder model teaches that through a focused approach to developing innovation-driven entrepreneurial ecosystems, regions can gain comparative advantage and achieve increased economic growth.

Team Leeds team includes leaders from the University of Leeds and Nexus, KPMG, Arup, Leeds City Council, the Leeds City Region Enterprise Partnership (LEP) and West Yorkshire Combined Authority, Leeds Academic Health Partnership, Leeds Teaching Hospital Trust and entrepreneurs Adam Beaumont, David Aspin and Ben Ziff.

The Team has used the MIT REAP methodology to map the current ecosystem in Leeds, engage with a broad range of stakeholders and, based on these findings, **develop a strategy that defines two critical success factors for accelerating ecosystem development.**

- These two priorities, termed by MIT REAP ‘Must Win Battles’ (MWBs), are:
1. *“inspiring entrepreneurs to solve the big challenges facing our world today”*
 2. *“supporting more entrepreneurs from varied backgrounds to turn their ideas into innovation-driven businesses that investors want to back”*

Successfully addressing them is central to Team Leeds achieving their REAP vision to *“become the world’s best ecosystem for entrepreneurs with socially useful innovations to start and scale a business”*.

The REAP Delivery Group has created a scalable delivery model for the purpose – the Product. The model has three inter-connected components each of which is crucial to ensuring that the two priorities are successfully addressed (Figure 1).

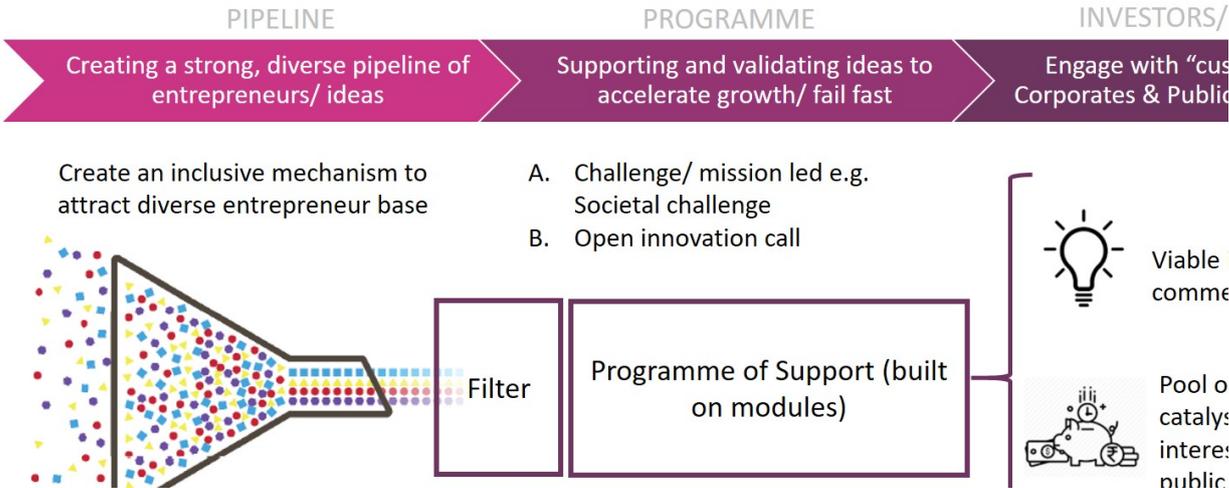


Figure 1: Delivery Model

Pipeline: Fundamental to any self-sustaining innovation ecosystem is making sure there is a strong pipeline of people with great ideas. Mechanisms to find those people

and empower them to explore whether their ideas are viable and help turn them into compelling businesses are vital to keeping that pipeline topped up. Within the context of inclusive growth, a key objective is that this pipeline is diverse and reflective of our community by socio-economic background, sex, ethnicity and age. There is also, given the MIT REAP methodology, a specific focus on nurturing enterprises with global ambition, rapidly scalable models, and external investment.

Define: Key to attracting a strong pipeline of entrepreneurs and enabling effective filtering of those ideas is the definition of criteria/challenges that channels the funnel into a Programme of Support.

Filter: An important finding from our mapping of the current ecosystem is that there are limited effective filters for sorting through good ideas. This can often be an undervalued form of support in an innovation ecosystem; ensuring that good ideas get the support they need to be effectively validated and weaker ideas are encouraged to fail fast or adapt without draining on the existing support pool. The filtering process needs to think about volumes and ensuring a robust framework; how will ideas be filtered and what would the user journey look like for the entrepreneurs and assessors including platforms and timelines? Given our objectives on diversity, we need to ensure that the filtering process is fair and still supportive so that we don't discourage future ideas.

Programme of Support: Ecosystem mapping identified a lack of dedicated support programmes providing ideation stage businesses with fundamental business content including refining ideas, revenue and business models, branding, product development, market planning, scaling, and leadership.

Outputs: In order to ensure that the Product is effective we need to ensure that we choose ideas that stand the best chance of gaining customers and investors.

This MSE is concerned with the co-design and piloting of the Product in Leeds. Piloting will encompass the recruitment of a diverse cohort of ideation/early stage businesses and help for them to refine and validate their ideas into ventures that are ready for customers and investment. It is aimed at entrepreneurs and start-ups with socially useful ideas and rapidly scalable business models. If the Pilot is successful, the aim is recurring annual delivery across the Leeds City Region.

For context, in response to the COVID-19 crisis and the anticipated economic impact, we are bringing forward a short-term intervention in the form of an 'Ideas Lab'. This intervention aims to inspire entrepreneurship as a response to higher levels of potential unemployment, furloughing or deferred graduate placements. The series will address the needs of potential entrepreneurs, helping individuals develop an 'entrepreneurial mind set' and delivering key insights into idea development, customer identification and market validation. Presenting the opportunity to pump prime applications for the Pilot, it is planned for the Lab to take place during summer/autumn 2020.

SCOPE

In a planned ITT, we will seek a Supplier/Suppliers for delivery of all or parts of co-design and piloting. There are various ways of doing this, which is why we are reaching out to the market to get a better idea of how to best deliver this.

Long-term objectives: In the long-term, supporting 30-40 businesses annually (10-20 in each cohort) our aim is to:

- Grow our base of innovation-driven entrepreneurs and businesses
- Develop as an entrepreneurial destination with a good support system
- Enable a more diverse range of entrepreneurs to succeed here
- Incentivise ideas and businesses that are socially useful, commercially viable and ready for investment/customers

The Pilot will be evaluated on its potential to contribute to these long-term objectives.

When an entrepreneur/business has completed the Pilot, we expect them to have covered some fundamental building blocks that equip them to:

- Be 'pitch-ready' with a good, commercially viable idea
- Identify a range of potential customers
- Be in shape for commercial investment (e.g. through shareholder agreements)
- Understand their position in the funding landscape
- Develop a strategy for scaling their idea

Key activities for the Supplier(s) will include, but not necessarily be limited to the following:

Co-designing the content, delivery form and length: For the first phase of this commission, the Supplier(s) will not be required to start from a blank slate. A proposed outline based on a review of best practice will exist and be included in the Invitation to Tender (ITT). On appointment, the Supplier(s) will work collaboratively with the REAP Delivery Group to co-design the programme, bringing to bear knowledge and expertise alongside the best practices and research conducted by the Delivery Group to date.

The work conducted by the Delivery Group suggests that the **Programme of Support** could potentially include some or all of the following modules:

Vision and validation – refining ideas

- Revenue, finance and business models
- Branding and design
- Legal
- Product development
- Market planning
- Hiring and onboarding
- Scaling and growing
- Equity and funding
- Leadership

Co-design needs to take into account how to involve **pre-existing challenges**. Part of the overarching objective is to encourage socially useful ideas in our ecosystem of entrepreneurs. Therefore, it is important to encourage ideas that respond to real challenges facing society. The REAP Delivery Group has undertaken work on collecting relevant challenges from public sector 'owners' that may influence Pilot design. A balance needs to be struck between utilising the challenges and not excluding ideas that may not be captured by them. More information on challenges will be available at tendering stage.

Designing a recruitment and selection methodology to ensure a diverse pipeline of entrepreneurs: Another component of the design is a recruitment and selection methodology that contributes to the overarching aim of achieving a more diverse entrepreneurial ecosystem by ensuring that the Pilot reaches a wide audience. The methodology will be informed by the Delivery Group's research activities and include the following activities:

- An application process that collects the right information and baseline data;
- A recruitment and advertisement process that reaches a wide audience;
- Eligibility criteria, capturing whether the idea is socially useful and commercially viable;
- Selection process – ensuring a diverse cohort

Existing ideas based on best practices for how to filter participants will also be available to review, for example on:

- Method/system for applications
- Timelines and communications plan
- Clear assessment criteria and scoring
- Panel of assessors (including any challenge owners, representatives from REAP Delivery Group, organisation, delivery partners, etc.)
- May include in person/virtual events or mixers

The design phase is expected to take 6-8 weeks.

Delivering the Pilot to 10-20 entrepreneurs/start-ups: This second phase may or may not be carried out by the same Supplier/s undertaking co-design. It involves delivering the Pilot to 10-20 entrepreneurs/start-ups. Modules could be delivered by external suppliers or contributors to the Programme of Support. The Pilot is not expected to exceed a total of 6 months including 4-6 weeks for entrepreneur/start-up recruitment and 3-4 months to deliver the Programme of Support.

Contributing to the overarching evaluation (carried out by an independent body) with data and content from the Pilot: The Supplier(s) designing and delivering the Pilot will be requested to collaborate closely with an independent evaluator requesting data and insight from the process of designing and running the pilot. It provides a chance to learn and develop the programme to better reach its long-term aims. It is likely that these will be requested as progress reports following specific milestones.

We have not yet determined the most appropriate delivery model for this service. The activities outlined above could be procured as one package or as two separate packages. Should the latter be the case, we may procure a provider to design the Pilot and other providers to deliver specific components/modules.

As the ambition is for the Product to be delivered annually and on a larger scale over the longer-term, learning and evaluation from the Pilot will inform scaling up and **there will be an opportunity to re-tender for this.**

TENTATIVE DATES AND TENDERING PROCESS

If it is decided this service is required, it is currently anticipated that the procurement process will start at the beginning of August 2020. Co-design (6-8 weeks) would take place during September and October 2020, mobilisation November and December, and delivery of the 6-month Pilot commencing mid-January 2021.

The REAP Delivery Group are exploring the feasibility of an accelerated path for the co-design phase. In this case procurement would commence at the beginning of June with co-design taking place during July and August. In this scenario delivery of the Pilot would still commence mid-January 2021.

These indicative timescales are for information purposes only. Leeds City Council reserve the right to amend these dates at any time, and Potential Supplier/s rely on them entirely at their own risk.

Milestone	Description	Timeframe
1	Completed co-design of the Product	6-8 weeks
2	Delivery of entrepreneur/start-up recruitment	4-6 weeks
3	Delivery of the Pilot	12-16 weeks

Market sounding questionnaire

We would appreciate responses from interested parties to the key questions in the context of the information provided above. These questions are set out in the Appendix 1 document. Additional comments are welcome, although respondents are requested to specifically address the questions rather than attaching extensive technical or promotional

You should complete the Appendix 1 document and return via YORtender by **12 noon on Monday 18 May 2020**. Please keep your answers to a maximum of 750 words each. Please do not send any attachments or additional documents.

Consortia

Leeds City Council welcomes responses from potential consortia i.e. whereby organisations join together in submitting a response to the services outlined in this document.

Compliments and complaints

Any compliments, complaints or feedback regarding this MSE can be made to the procurement lead indicated above.

Open data and freedom of information

The Council is committed to openness and transparency in its activities and its decisions. In addition, we are subject to legislation and guidance relating to information publishing and open data, including the Freedom of Information Act.

Please state in your response any information that you wish to remain confidential and confirm that it fits within a legally recognised exemption. Please also provide contact

details within your response so that should the council need to consult you on any information request we can do this promptly.

You are advised that information which falls into the Council's interpretation of exempted information may still have to be disclosed in some circumstances, for example as a result of an appeal by a member of the public against our initial decision not to reveal information.

Incurred expenses

The Council will not be responsible for, or pay, any costs or losses or expenses which you or others incur during the preparation and submission of your MSE response.

Disclaimer

The publication of this MSE document does not commit the Council to any particular procurement process or to take forward this project in any way.

For the avoidance of doubt, this document is issued for the purpose of conducting an information gathering exercise and does not formally begin the procurement.

Responding to this MSE will not place you in a more favourable position at the tender stage of this or any other project.

Queries

If you have any questions in relation to this MSE these should be submitted via the 'Discussions' facility in YORtender. Where the response to an enquiry does not relate to commercially confidential matters, the Council will copy the response to all organisations who have expressed an interest in this exercise. If you wish to avoid such disclosures, you should clearly mark the enquiry "In confidence" and set out the reasons for the request for non-disclosure. The Council will at its discretion decide whether the enquiry is confidential and, if it does not consider it to be so, you will have the option of withdrawing the enquiry. This does not affect the Council's obligations under the Freedom of Information Act 2000.

If you have any problem submitting your response (Appendix 1) or experience issues with the YORtender system prior to the deadline, or you require further guidance on any of the processes within the YORtender system, please contact the YORtender helpdesk on:

Tel: 0844 543 4579

Email: yorkshiresupport@due-north.com

Appendix 1

Market sounding exercise

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Scheme ID	DN475273

	Name of organisation responding: _____
1a.	Would your organisation be interested in bidding?
1b.	If not, do you know of other organisations that would be able to deliver?
2.	Are the timings for co-design, mobilisation and delivery realistic?
3.	Is it feasible to deliver the Pilot in its entirety (delivery of all modules and coordinating delivery) or would it be more appropriate to procure multiple suppliers to deliver the various modules?
4.	What, if anything, have we missed or overlooked in setting out the requirements? Is what we are asking for clear?
5.	How would you go about ensuring diversity in the application process?
6.	What do you consider to be the key risks or difficulties in co-designing and delivering the Pilot? How would you successfully manage these?
7.	What would it cost to co-design and deliver the Pilot in its entirety?
8.	Please inform us of any confidential and/or additional information that you consider relevant to this MSE response.

Signed	
Name (block capitals)	
Designation	
For and on behalf of	
Registered office address	
Email and website addresses	
Telephone	
Date	