



LONDON & PARTNERS'

2021/22 Strategy

LONDON
& PARTNERS

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1. Executive summary



Ready to power London's future

This is an important moment for London. We are faced with the social and economic impact of a global pandemic which has hit all of us, but hit the most vulnerable hardest.

For the first time in nearly 50 years we are outside of the European common market, looking to deepen our global trading relationships. And powerful economic and technological change is disrupting our traditional industries.

But London has a history of reinventing itself. Time and again, our city has proven to be a place where innovators from across the world have come together to create and scale change.

We are an important contributor to the economy in the UK and globally. We have a responsibility to our national and international partners to get this right.

This plan will reshape London & Partners to help power London's reinvention.

We will take on a new, explicitly progressive mission which goes beyond pure growth towards growth which is resilient, sustainable and inclusive.

And we will focus on two key areas of the economy. First, the visitor economy which provides 1 in 5 jobs in the city and has been particularly badly affected by the past year. Second, the high growth sectors which are driving job creation, economic efficiency, and solving societal challenges.

We will help these companies to thrive, particularly where we can use our international network and expertise to create opportunities for global growth.

But we will also work with them to encourage sustainable business models and inclusive hiring practices.

And we are custodians of London's global brand. We will continue to grow London's global reputation to support economic growth, and we will help London businesses to understand how best to promote themselves to different global markets.

We are a social enterprise, funded by grants, partnerships and our portfolio of profit-making businesses. This year we will grow our income generating activities to give us funds to reinvest in our work for London.

Since we were founded in 2011, we have helped create nearly 70,000 jobs and £1.5 billion in economic growth.

Our ambition is to increase that impact.

About this document

- This is London & Partners' strategy for 2021/22. It sets out the context in which we are operating, and the choices we have made to maximise our contribution to London's recovery.
- We also published our Business Plan for the year, which sets out the specific activities we will undertake, our budget for the year, and our targets for performance.
- In normal times we would expect to produce a 3 year strategy at this point. However, in order to reflect deep external uncertainty and an expected 1 year funding settlement we have written a strategy which focuses on 2021/22.
- However the organisational changes and strategic choices taken have been made in the context of our longer term thinking and deep analysis of how we believe the operating context is changing. We expect that this strategy will lay the foundations for our future performance.

Our success in numbers

2011-2020

Since we were founded in 2011 we have created significant growth and jobs in London by promoting the city as a place to invest, grow, study and visit.

We have also made an important contribution to London's brand with high impact media and marketing campaigns

142 million

People inspired through Visit London.com

9.1 million

International Students reached

2,554

Events attracted

67,000

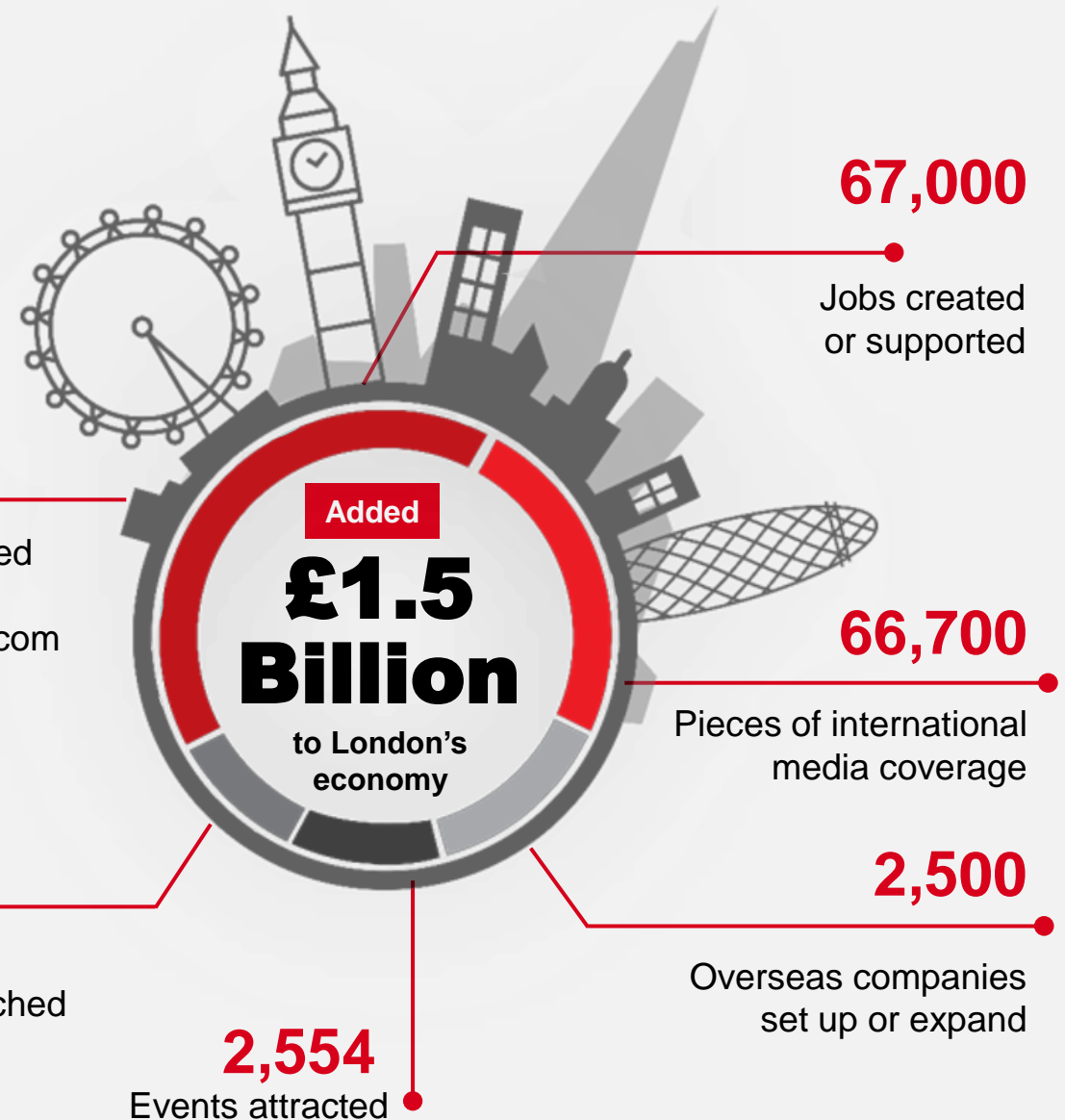
Jobs created or supported

66,700

Pieces of international media coverage

2,500

Overseas companies set up or expand



Context

The Coronavirus pandemic has had a powerful impact on cities like London, with some sectors and some communities disproportionately affected.

Our hospitality, tourism and cultural sectors are suffering acutely from lack of demand; whilst our technology and innovation-driven high growth sectors have proved resilient and continued to grow on a global scale.

The end of the Brexit transition period also brings a need to help businesses manage the immediate challenges, and to continue to evolve our city's markets mix, operating as a close partner to our European peers and a bridge to high value, high growth global markets.

As so many other organisations, the pandemic has also had a direct effect on London & Partners as our income has been significantly reduced. Our first goal is to make the organisation financially sustainable, with a clear growth plan.



**Economic
downturn**



**Recovery timing
uncertain**



**Changing
patterns of
work, travel,
investment**



**Perceptions
of UK are
challenged**



**Mayoral
elections**



**Our financial
situation**

MISSION

**London & Partners' mission is
to create economic growth
that is resilient, sustainable
and inclusive.**

WHO WE ARE

London & Partners is the business growth and destination agency for London.

We are a social enterprise, combining purpose with commercial rigour.

We are funded by grants, partners and our portfolio of venture businesses.

WHAT WE DO

London & Partners connects people and organisations using our unique networks, channels and knowledge of London.



Business Growth

We support high-growth businesses to scale



Destination

We develop London as a destination and attract visitors and events



Brand London

We grow London's global reputation to support economic growth



Partnerships & Ventures

We create partnerships and profit-making ventures to scale our impact

Where we are present

We focus on the markets, sectors and audiences likely to generate most value for London.

Our audiences

London & Partners connects people and organisations using our unique networks, channels and knowledge of London. These are the business leaders, investors and eco systems involved in enabling **businesses in high-growth sectors** to scale. We also work closely with the **visitor economy** to develop London as a destination.

Our geographic footprint

To reach our audiences, we have in-market representation in core markets across the world and continue to monitor post-Brexit opportunities to ensure we are best placed.



2. The thinking behind this strategy



Strategic objectives: Our choices for activity and structure

1 Impact at scale

- Focus business activity in high growth sectors, both UK and international
- Stop activity where our budgets are too small to make a difference
- Build communities at scale

2 More progressive

- Build new products for sustainability and inclusion, focused on our existing audiences
- Move towards targets for quality of growth

3 Ready to grow

- Centralise corporate engagement, business development and account management
- Build an organization ready to grow.

Strategic objectives: Our model for making the strategic choices

We have used this model to help us think about how we create most value for London, and how we develop revenues we can reinvest to grow our impact.

- **Scale and mission:** How much of a difference are we making towards the mission? What's our impact?
- **Growth:** What is the cost of this activity? What are the opportunities to grow revenue or profit?

| | | Cost to deliver | |
|-------------------|------|---|---|
| | | Gross profit | Gross cost |
| Impact on mission | High | Social Enterprise Big impact on mission and breakeven or profitable | Social Impact Big impact on mission but (some) costs covered by grant |
| | Low | Commercial Low impact on mission but generates profit to reinvest in the business | Exit Lower impact on mission and mostly funded by grant |

What we've chosen to exit, and what we will do instead

Exit

**Strategically driven –
stop and exit**

Student promotional campaigns

London & Partners' work on international student recruitment is valued highly.

However, there is a recognition that we cannot have impact at a meaningful scale with the resources we have. There is little appetite for London HEIs to fund activity.

British Council promotes London HEIs and is ready to work more closely together.

Therefore we will no longer undertake direct promotional campaigns for study promotion.

Start

**Strategically driven –
Start and grow**

Graduate employment and commercial introductions

Graduate employment is a priority issue for both home and international students. High-growth businesses typically do not have the infrastructure to run their own graduate schemes.

We will use our unique position with networks across both higher education and high growth businesses to connect students with potential employers.

We will also make commercial connections between universities and these businesses to improve the efficiency of the London innovation ecosystem.

What we've chosen to exit, and what we will do instead

Exit

**Strategically driven –
stop and exit**

Our current Europe focus

As the UK leaves the EU and the transition period ends we have reappraised our Europe strategy. Currently, we operate in France and Germany as two core European markets. We will no longer take a 'core market' approach within Europe and will close our Paris office.

Start

**Strategically driven –
Start and grow**

Europe wide

We will operate a new Europe-wide strategy with a hub office in Germany from which we will seek to access opportunities across the continent, with a particular focus on Northern Europe.

What we've chosen to exit, and what we will do instead

Exit

**Strategically driven –
stop and exit**

Free account management

We currently provide free account management and advisory support for large corporates with a London presence. These relationships have supported previous expansion investments. However, we believe that it is possible to maintain these strategic relationships without providing additional services to companies able to access them through other means.

Start

**Strategically driven –
Start and grow**

Mutually beneficial corporate relationships

Establish a dual focus on commercially sustainable corporate relationships where we develop and deliver commercial services, while also maintaining support for future expansion investment by them as part of our social impact activity.

What we've chosen to pause, or do less of

Pause

**Corona driven –
paused or do less of**

Physical events and trade missions

'Virtual first' remains throughout the first half of the year with hybrid becoming the norm during the second half.

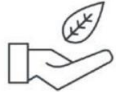
Staff travel

Partly cost driven, we will maintain a far lower travel budget travelling only when vital and we see value in doing so.

Systems

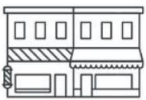
We will not invest in new capital projects. We will continue to maintain our existing portfolio of systems.

Our role in the Mayor of London's recovery missions



Green new deal

We will drive green tourism, encourage sustainability innovators to invest, and help investors to work with sustainable providers when they arrive and help our scale ups to contribute to the net zero goals.



Highstreets for all Building strong communities.

We will work with BIDS, landlords and local communities to help use investment to drive new uses of high streets.



Good work for all

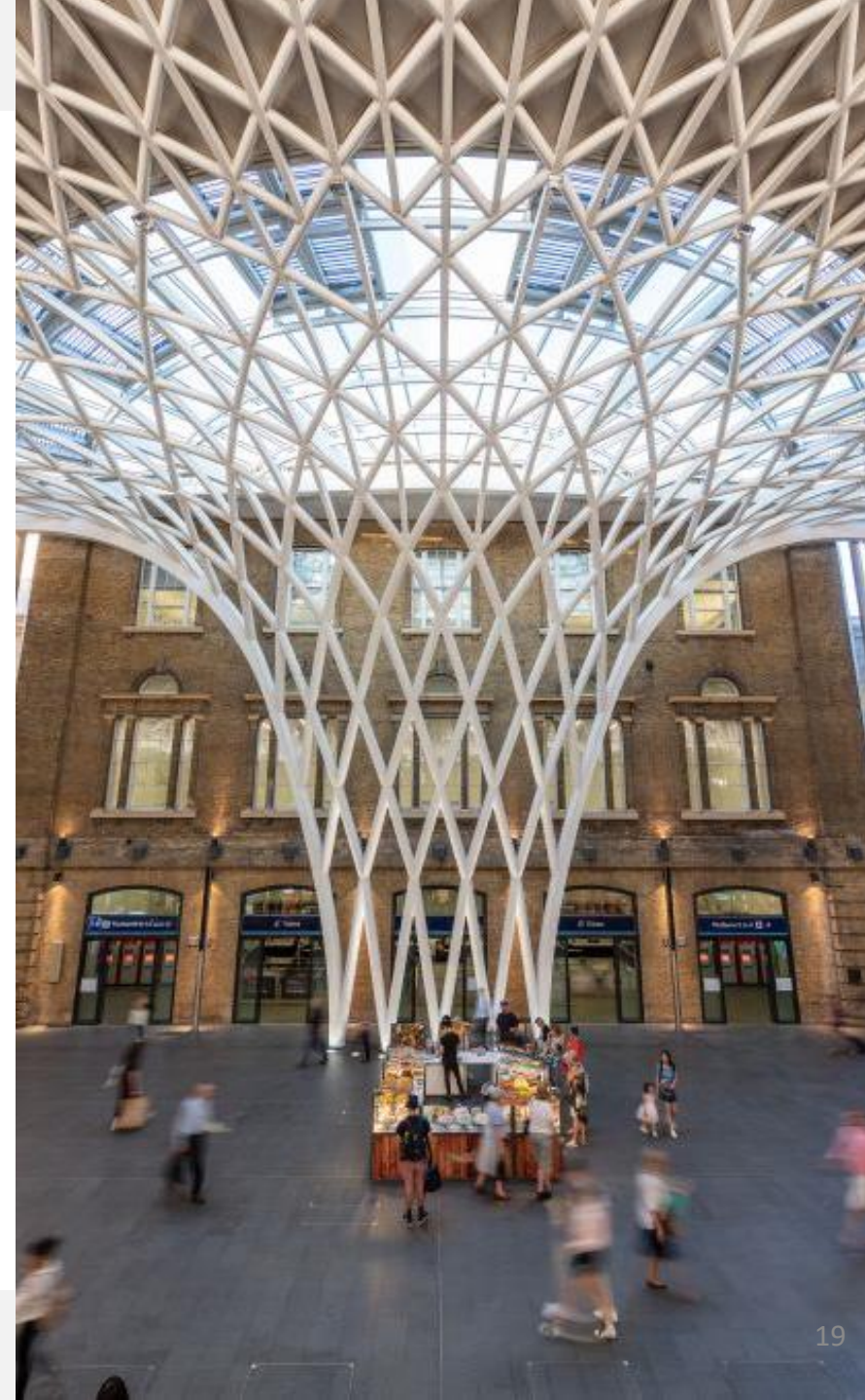
A new deal for young people

We will create jobs that are high quality and long term, and we will work with investors to help them find talent across London.



Mental Health and Wellbeing

We will build on our work over the last strategy to continue to improve our support for the health and wellbeing of our team.



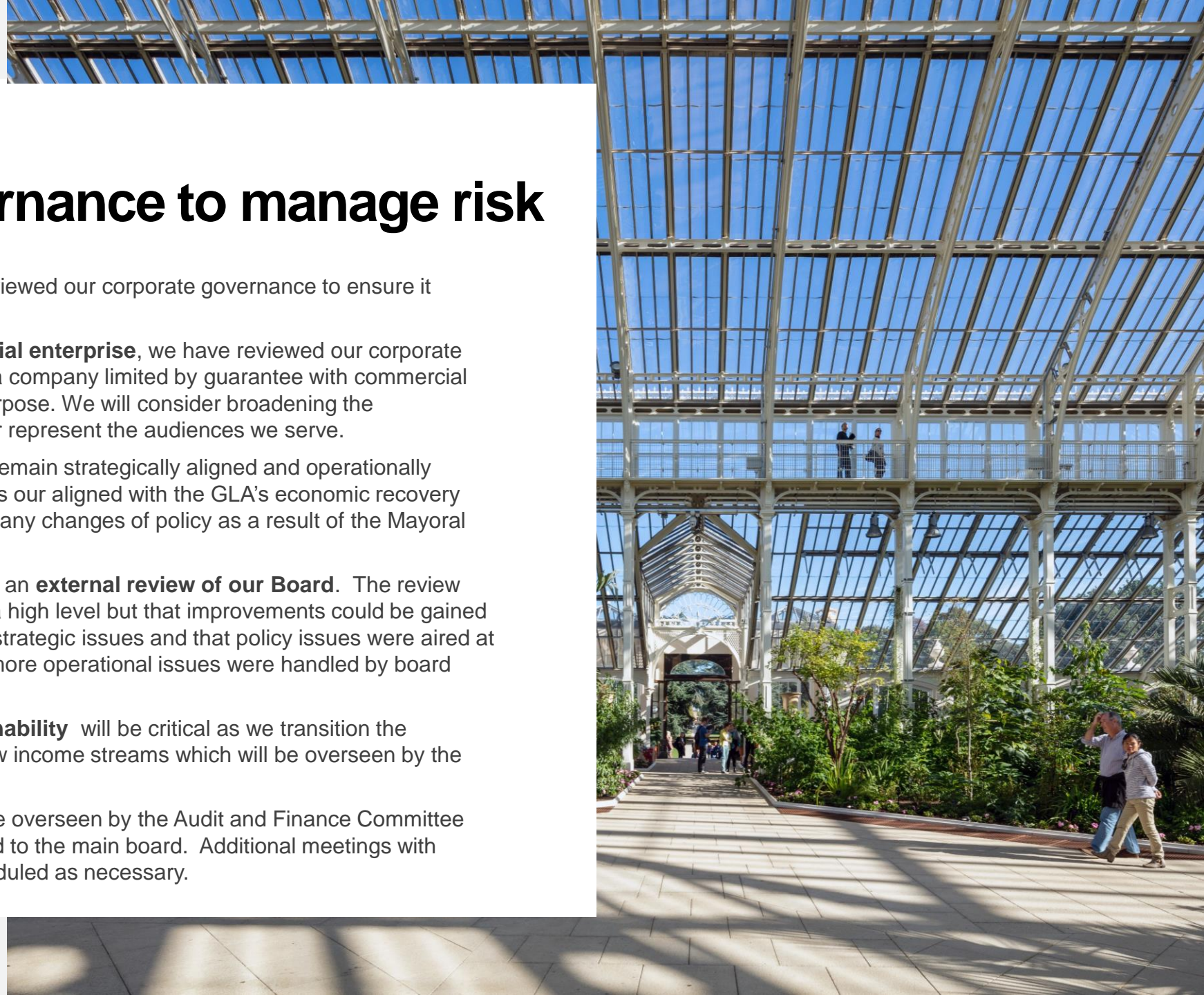
3. Governance



Corporate governance to manage risk

As part of our new strategy we have reviewed our corporate governance to ensure it remains fit-for-purpose.

- As we re-position ourselves as a **social enterprise**, we have reviewed our corporate structure and determined that being a company limited by guarantee with commercial subsidiaries continues to be fit for purpose. We will consider broadening the membership of the company to better represent the audiences we serve.
- **GLA and Mayoral Alignment** – we remain strategically aligned and operationally independent of the GLA and our plans are aligned with the GLA's economic recovery plans. We will review and respond to any changes of policy as a result of the Mayoral election in May 2021
- We have implemented the findings of an **external review of our Board**. The review identified that the board operates at a high level but that improvements could be gained by giving more time to discussion of strategic issues and that policy issues were aired at an early stage of development, and more operational issues were handled by board committees.
- **Financial management and sustainability** will be critical as we transition the organisation to develop and grow new income streams which will be overseen by the Audit and Finance Committee.
- **Risk Management** will continue to be overseen by the Audit and Finance Committee with significant or new risks escalated to the main board. Additional meetings with committees or the board will be scheduled as necessary.



Operational governance to manage delivery

Planning in uncertain times means we need to remain agile. We will do so by:

- **Regularly reassessing the external context** - the length and depth of the pandemic will influence the shape of recovery – potentially resulting in structural changes for some audiences and sectors.
- **Monitoring trigger points** to determine when to change from the Resilience to Recovery phase which most likely will happen at different points for different markets and audiences.
- **Continued triage** – balancing our ambition to activate against remaining financially and operationally resilient.
- **Setting quarterly milestones for the year** – with flexible activity planning and budget to respond to changing circumstances and opportunities.
- **Executing a rolling plan** with a 12 months outlook, making the best decision for the medium term and not just within year

Our existing governance model and toolset provide the right mechanisms:

- Management Committee remains the senior decision-making group.
- The SLT are at the heart of operational decision making and managing risk.
- Key projects and programmes sponsored and led by SLT with well-established monitoring and escalation routes.
- A corporate score card allowing us to track delivery against agreed outcomes and take necessary actions.
- Systems, such as Salesforce and the Insights Exchange, provide the intelligence to make audience led decisions.





Making L&P financially sustainable

As so many other organisations, our income has been significantly reduced due to the pandemic. Our first goal is to make the organisation financially sustainable, with a clear growth plan.

To impact at scale we will selectively invest to grow income: By reshaping our organisation to those areas with potential to grow, we have created a more stable foundation from which to diversify our income sources. Within this scope we will focus on large opportunities, exiting those where we can't impact at scale and freeing up resource.

Rigorous cost control to live withing our means. We will not fund activity from our reserves. Our reserves should only fund investment in income-generating initiatives. This means we have cut cost in the short run as we wait for our investments to generate return.

Financial modelling & scenarios to inform decision-making: Our commercial decisions are based on rigorous modelling and an understanding of risk. We must counteract our natural optimism bias with conservative outlooks on speed and scale of growth.

Quarterly business planning and financial reviews will see us validate priorities as we progress into an uncertain year. We will need to prioritise hard and revise forecasts as we get more certainty (for example, procurement outcomes, corona driven activation go/no goes).

4. Outcomes





Outcomes

Outcomes aligned to our mission

Our outcomes are externally audited, our methodology is public and amongst the most rigorous in the world. For the year ahead we will report:

1. **GVA:** Demonstrating our economic impact defined as Gross Value Add (GVA) remains our key outcome which we will continue to track and also report job creation numbers.
2. **Income generation** continues to be an essential outcome more so than ever as we need to ensure London & Partners is financially sustainable.

We will also focus on Net Promoter Scores (NPS) as a measure of customer satisfaction – to balance our financial position, outcomes and customer satisfaction properly. Although this won't be a published metric it will be an important management indicator.

During the course of the year, we will start exploring more qualitative metrics to reflect resilience, inclusion and sustainability. This is a journey to identify what to measure, base line it and thereafter set targets for the future.

Exiting leisure and student campaigns means we will no longer measure social media engagements or perception as corporate outcomes. Neither will we track indirect GVA from our student promotion activity.

With such uncertainty we are at this stage providing an indicative range target. We will therefore:

- **As part of our quarterly reviews, we reserve the right to reforecast GVA**
- **Continue to track GVA and customer satisfaction lead indicators** as per the approach taken in 20/21 which allows us to more quickly detect if we are not on track.

THANK YOU

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