Global Cambridge Institute Strategy Plan

1. Executive Summary

Introducing Global Cambridge Institute (GCI), an Think Tank to position Cambridge as global hub for entrepreneurship. GCI will promote Cambridge ecosystem and address challenges with startup retention and inability for companies to scale up. Our plan is:

- Cambridge APPG, under GCI, to seek support from government on investment and tax friendly policies. GCI and companies to research and create policy.
- Design Investment Zone for physical low-cost, tax and investment friendly territory of operation.
- Facilitate investment flows, startup growth, and ecosystem development

2. Introduction

Despite world-class research in AI, biotech, quantum, and clean tech, commercialization and policy pipelines remain fragmented, with comparatively low scale-up capacity and company retention, limiting Cambridge's global impact.

Our vision is a Global Cambridge for an Entrepreneurial Global Britain.

Our mission is to address limitations and position Cambridge as global hub for deep tech entrepreneurship, investment, and policy innovation.

Problem statement

Although Cambridge—often nicknamed the "Silicon Fen"—is home to world-leading research and a thriving startup scene, many of these promising startups struggle to scale up locally. As a result, they frequently relocate to places like Silicon Valley and other global entrepreneurship hubs to achieve the growth and investment they need, ultimately limiting Britin's ability to retain and benefit from its own technological innovation.

We've identified and currently researching following issues: (expanded with data later in Constraints section)Scale-up gap: High start-up density; low conversion to large, independent firms.

- Financing shortages: Abundant seed; thin local Series B+ capital pushes firms to London/overseas.
- Leadership talent gaps: Deep technical talent but limited experienced commercial and operational leadership.
- Facilities cost/shortage: Expensive, scarce labs and offices fragment teams and slow growth.

- Institutional extraction: Value and control of Cambridge-born IP often flow to external owners and markets.
- Ecosystem erosion: As ventures leave or get acquired, knowledge, capital, and talent flywheels weaken.
- Place constraints: Housing, transport congestion, and limited civic infrastructure increase frictions just as growth accelerates.

Solution framework. We're designing Cambridge Investment Zone (CIZ) to address most of mentioned issues. CIZ would be owned by government, operated by GCI, and creates a closed loop from invention to scale by combining:
(expanded later in The Cambridge Investment Zone section)

- Policy and culture: Evidence-led design of Freezone/CIZ rules; support to the Cambridge APPG; place-sensitive growth that protects Cambridge's character.
- Investment insight: Global syndication and investor engagement; practical tax and capital-markets guidance.
- Incentive stack: Clear, milestone-linked instruments (e.g., reduced corporation tax within the zone, business-rates/fees concessions, credits for net new jobs, local supplier spend, translational trials, exports).
- Selection and stewardship: Curated membership (deep tech/biotech/AI/advanced manufacturing/climate-tech) with renewal based on ecosystem contribution, not vanity metrics.
- Regulation and compliance: A single front door to government and local bodies; continuous audit and community engagement.
- Scaling and market enablement: Shared services (legal, accounting, payroll, CROs), clinical/regulatory navigation, and BD support to accelerate Series B+ readiness.
- Public dashboards: Firm portals and zone-level KPIs with external assurance for transparency and accountability.

The operating model to run this will be formed of:

- A government management contract with outcomes bonuses indexed to retention, jobs, R&D, exports, and net fiscal uplift
- Complemented by membership fees, advisory and executive education, marketplace margins, grants/sponsorships, and data products.

This design mirrors Cambridge's collegiate model, creating a "new college" for firms, embedding companies in the city's networks while delivering measurable impacts to Cambridge and the UK.

In summary Cambridge stands at an inflection point: unmatched at invention, under-powered at retention. CIZ covers the gap preserving what makes Cambridge great. With a unique incentive structure and hands-on scaling services, forming a true community, it will keep IP, talent, and ownership rooted in Cambridge while supporting the whole of the UK.

Team and Governance

Leadership:

- Founder and Chair: Dr. Khaldon Al Karmadi
- Vice Chair: Mr. Daniel Gerard Knought
- Vice Chair: Dr. Ashraf Zarkan
- Secretary and Director of Operations: Mr. Kart Subramanian
- Head of Innovation: Mr. Georgi Kolev
- Head of Entrepreneurship: Dr. Yaniv Proselkov
- Head of Investment: Ms. Zuzanna Kosobudzka

Advisory Board:

- Dr. Jeremy Sosabowski
- Mr. Prashant Shah
- Dr. Ehab Shanti – Global Reach
- Mr. Maximilian Ge – Entrepreneurship
- Dr. Adam Antonik – Investment Innovation
- Dr. Ahmed M S Khan – Strategy
- Mr. Marco Morgado – Investment
- Mr. Ilker Akansel – Community
- Mr. Tim Pullan – Legal
- Mr. Balbir Singh – Government Policy

3. Constraints of Cambridge

In **Cambridge city**, **~75% of knowledge-intensive (KI) turnover** and **~39–40% of KI employment** are in **foreign-owned** companies (measured on 2016/17 data; published 2025). Across the **Combined Authority**, **59% of KI turnover** is foreign-owned. The **US** is the dominant foreign owner: **33% of KI turnover** vs **26%** from other foreign owners. (Cambridge Ahead)[1]. Cambridge Ahead's methodology also distinguishes **"Cambridge-based"** vs **"Cambridge-active"** firms (the latter are foreign groups with R&D/engineering teams locally but HQ elsewhere). That's the bucket many multinationals fall into. (Cambridge Cluster Map)[2]. Recent inward investment is material at the local scale: in **2023/24** the **Cambridgeshire and Peterborough Combined Authority** supported **26 foreign direct investment projects creating ~1,700 jobs**.

[1] cambridgeahead.co.uk/wp-content/uploads/2025/04/foreign-ownership-and-ownership-changes-in-the-combined-authority.pdf
[2] jbs.cam.ac.uk/wp-content/uploads/2023/04/cbr-2021-release-about-companies-on-the-cambridge-cluster-map-2021.pdf

The following is a list of major foreign incorporated multinationals:

- **Microsoft Research Cambridge** – Microsoft's **first overseas** research lab (announced **1997** with **£50m** initial commitment). Active AI, confidential computing, etc. (Microsoft)[3].
- **Amazon Development Centre, Cambridge** – new site opened **2017**; c. **400 engineers** on **Alexa** and **Prime Air** (The Guardian)[4].
- **Samsung AI Center Cambridge** – active research unit; regular publications and workshops (Samsung Research)[5].
- **Illumina (US)** – **European HQ** at **Granta Park**; longstanding expansion locally (illumina)[6].
- **BioNTech (DE)** – **new Cambridge R&D centre** announced **May 2025** as part of UK expansion (Business Weekly)[7].
- **Cogniss** (Australia) chose Cambridge for its global HQ in 2023 (Combined Authority)[8].

Considering investment, note that of the $2.3B VC investment in Cambridge during 2024, the 2 largest rounds were foreign led:

- **Wayve $1.05bn Series C** led by **SoftBank (JP)** (Reuters)[9].
- **Quantinuum $300m** equity round anchored by **JPMorgan (US)** (Honeywell)[10].

In this way, Cambridge resembles Dubai, a magnet for global talent and capital. However, unlike Dubai, Cambridge is physically constrained, more like London, and faces acute challenges in housing, infrastructure, affordability, and business space.

Congestion and poor road quality across Cambridgeshire reduce both safety and productivity: a county-level economic assessment noted that "transport infrastructure and transport congestion, both on rural and urban roads, cost millions in lost business productivity, reduce road safety, and impact the area's attractiveness as a business locality" (Huntingdonshire Economic Assessment, 2018)[11].

It is also, despite room to grow, a richly developed city. That is, it has a complex web of stakeholders and infrastructural developments within the city, who are vying for ascension

---

[3] microsoft.com/en-us/research/lab/microsoft-research-cambridge/
[4] theguardian.com/technology/2017/nov/11/amazon-uk-development-centre-cambridge-new-offices-alexa-prime-air-drone-deliveries
[5] research.samsung.com/aicenter_cambridge
[6] investor.illumina.com/news/press-release-details/2015/Biomed-Realty-and-Illumina-announce-new-build-to-suit-laboratorybuilding-in-Cambridges-Growing-Life-Science-Cluster/default.aspx
[7] businessweekly.co.uk/posts/cambridge-rd-centre-being-created-by-biontech-in-ps1bn-uk-spree
[8] cambridgeshirepeterborough-ca.gov.uk/news/foreign-investment-creates-over-1700-jobs/
[9] reuters.com/business/finance/softbank-leads-1-billion-funding-uk-self-driving-startup-wayve-2024-05-06/
[10] honeywell.com/us/en/press/2024/01/honeywell-announces-the-closing-of-300-million-equity-investment-round-for-quantinuum-at-5-billion-pre-money-valuation
[11] huntingdonshire.gov.uk/media/3041/econ04-cambridgeshire-economic-assessment-place-profile.pdf

within its ecosystem. There are no glaring gaps in its economy or structure that, if filled, would not have the potential to disrupt some other key element of the city.

Cambridge, paradoxically, thrives because of its decentralisation and its competitive, flexible, and opportunity-driven culture. The varied remits and obligations of each funding body, research group, private enterprise, and colleges mean that many groups are unwilling to support a given potentially valuable venture, for example. Often, interdisciplinarity is a huge restrictor in academia – consider rejection from the EPSRC for a lack of scientific remit and the ESRC for lack of socially scientific focus of a research study into population wellbeing using any sort of novel computational model, which could have major policy implications. There exist only a limited number of interdisciplinarian funding bodies and institutions that engage with Cambridge, such as the Leverhulme trust. For departments, many are outlined in the Interdisciplinary research centre list (https://www.cam.ac.uk/research/research-at-cambridge/interdisciplinary-research-centres)[12], who are in turn defined according to the strategic research initiative (University of Cambridge)[13].

However, these are interdisciplinary research departments, and, for example, miss cross-scientific and business driven departments, such as the Institute for Manufacturing, or the Centre for Alternative Finance in the Judge Business School. These groups are rare examples of people who are selected to develop joint technical and business acumen. It is highly likely one would fall into any other group, and then the lack of formal separation across multiple types of organisation is valuable. It allows free access by investors to laboratory environment when invited by lab members. Most importantly, it allows for dynamicity and fluid engagement with the city as it develops.

Cambridge's ecosystem is fast evolving, where its employment base grew by 26% between 2011 and 2021 – about double the UK average (CPIER)[14] – while venture funding surged nearly fivefold in under a decade (Cambridge Judge Business School[15], Tech.eu[16]).

This is placing Cambridge under some exceptional pressures, which it may struggle to overcome. We summarise its problems as

- **The Scale-up Gap:** Cambridge is exceptional at producing early-stage companies, but few transition into large, independent firms. High start-up density contrasts with a very low conversion to scale-up status, reflecting structural barriers once companies leave the seed stage.
- **Financing Shortages:** Despite abundant seed and angel investment, there is a chronic shortage of later-stage capital locally. Many firms seeking Series B and beyond must relocate to London or overseas, where ticket sizes are larger and compliance support more accessible.

[12] cam.ac.uk/research/research-at-cambridge/interdisciplinary-research-centres
[13] cam.ac.uk/research/research-at-cambridge/strategic-research-initiatives-networks
[14] cpier.org.uk/final-report/
[15] jbs.cam.ac.uk/wp-content/uploads/2023/04/cbr-2-an-economic-census-of-the-cambridgeshire-and-peterborough-region.pdf
[16] tech.eu/2024/10/15/health-tech-and-life-sciences-lead-the-way-for-uk-vc-investment-in-q3/

- **Leadership Talent Gaps:** The talent pool is highly technical but thin in commercial and organisational leadership. Companies struggle to recruit senior executives with sales, market expansion, and operational experience – slowing growth and limiting market reach.
- **Facilities Expense and Shortages:** Office, laboratory, and industrial space in Cambridge is both scarce and among the most expensive in the UK. This inflates growth costs and forces companies to split teams across regions, undermining cohesion and productivity.
- **Institutional Extraction:** Universities, corporates, and external investors often capture disproportionate value from Cambridge-born IP. The result is an "outflow" of ownership and control, where high-value firms and their returns migrate out of the region.
- **Ecosystemic Erosion**: As promising ventures leave or are acquired, the reinforcing cycle of knowledge, capital, and talent weakens. Without interventions, the ecosystem risks hollowing out: a strong start-up engine, but a thinning middle and weak anchors to retain long-term economic value.

Let us deliver some key observations on the Cambridge ecosystem, detailing each issue.

3.1 The Scale-up Gap

Cambridge is ranked the **world's most intensive science and technology cluster** (for the 3rd year running) by the Global Innovation Index 2024[17], with **6,379 PCT patent applications per 1 million inhabitants** and **35,000 scientific articles per 1 million** over the past five years (Cambridge 2024)[18].

This follows with **709 new disclosures** and **469 patent applications** filed, but only **132 commercial disclosures** and **25 companies** were made, yielding only a **~3.5% commercialisation rate** (Cambridge Enterprise 2024)[19].

OECD data[20] shows that **only 2%** of firms in the Cambridgeshire and Peterborough region achieve scale-up status, twice the national average of 1%, yet this translates into a small absolute number, suggesting that many promising startups either relocate or fail to scale locally.

This is actually a systemic problem in the UK - The **OECD ranks the UK 3rd worldwide for startup creation** yet only **13th in scale-up capacity**, exposing a large gap between innovation and sustained growth at scale (Scaleup Annual Review 2024)[21].

---

[17] wipo.int/web-publications/global-innovation-index-2024/en/
[18] cam.ac.uk/news/cambridge-continues-to-be-the-most-intensive-science-and-technological-cluster-in-the-world
[19] http://enterprise.cam.ac.uk/wp-content/uploads/2025/03/Cambridge-Enterprise-Annual-Review-2023-24.pdf
[20] oecd.org/en/publications/local-entrepreneurship-ecosystems-and-emerging-industries_044ffc1d-en.html
[21] scaleupinstitute.org.uk/wp-content/uploads/2024/11/Annual-Review-2024-Highlights.pdf

41% of seed-stage startups progress to Series A (vs **33% London**), while only **~2% of firms** in Cambridgeshire and Peterborough achieve **scale-up status** – consistent with an **outflow pattern** as companies grow (Dealroom)[22].

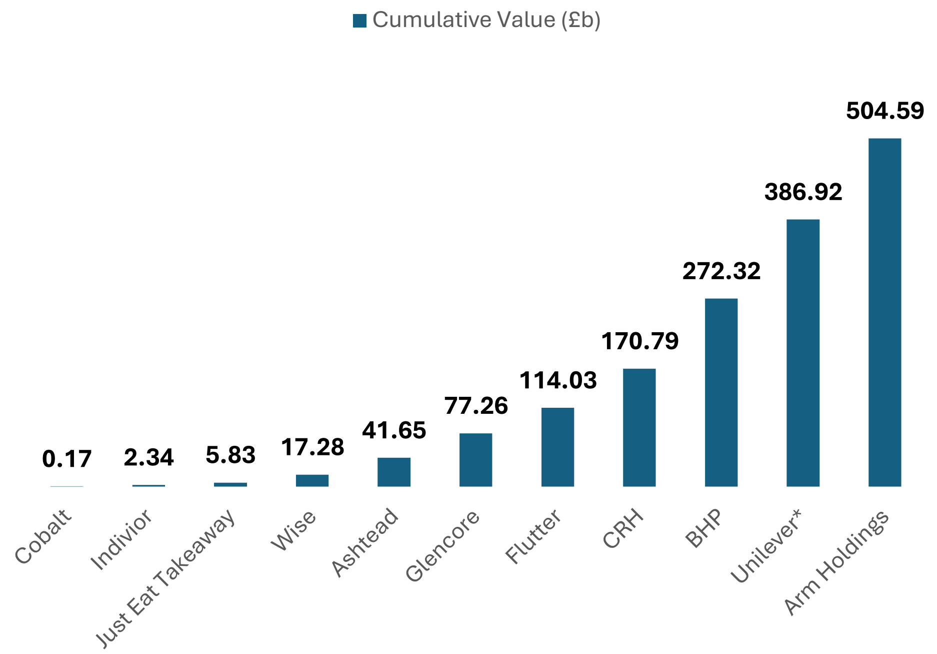
Let us illustrate this with a breakdown of valuations of companies who have chosen to avoid or leave a UK listing:

Company	Reuters-stated action/status	Valuation
Wise	Intends to move primary listing to the U.S.	**£11.45b**
Cobalt	Scrapped London IPO due to demand	**£170.37m**
Indivior	Cancelling LSE secondary listing (keeps Nasdaq primary)	**£2.17b**
BHP	Ended London leg in 2021; Australia is now primary	**£101.53b**
Unilever (ice cream business)	Chose Amsterdam as **primary listing** (secondary: London and NY)	**£114.60b**
Glencore	Considering moving primary listing (NY "top of list")	**£35.61b**
Ashtead	Plans to shift listing to New York	**£24.37b**
Just Eat Takeaway	Delisted from LSE	**£3.49b**
Flutter	Moved primary listing to NYSE (2024)	**£36.77b**
CRH	Switched primary to NYSE (2023)	**£56.76b**
Arm Holdings	Chose Nasdaq for 2023 IPO, despite being Cambridge originated and headquartered in Cambridge	**£117.67b**

Source: Reuters, "UK Market Exodus: Companies that have moved away from a London listing" (Reuters)[23]

[22] dealroom.co/reports/the-rise-of-cambridge-tech
[23] reuters.com/business/retail-consumer/uk-market-exodus-companies-that-have-moved-away-london-listing-2025-06-05/

VALUE LEAVING THE UK



*This refers to Unilever's Ice Cream Business, which generates a turnover of £7.01b

3.2 Financing Shortages

Cambridge delivers exceptional value per VC pound (**$17.7B Enterprise per $1B VC funding** while the UK average is **$5.9B**, London **$5.1B**), implying under-supply of growth capital relative to opportunity.

This is not Cambridge specific (though Cambridge is the premier IP generator for the UK) – UK-wide founder surveys still show **4 in 10** scale-ups don't have the right funding for ambitions, and **geographical imbalances remain** in equity markets (Dealroom[24], British Business Bank[25]).

In 2024, the funding landscape underscored this challenge, as UK tech startups collectively raised £16.2 billion – marking a notable dip to their lowest funding year since 2020 (Dealroom)[26]. In contrast, Silicon Valley startups secured over £65 billion in the same period, significantly widening the transatlantic funding gap. This disparity prompted several promising UK firms, such as ElevenLabs and Cleo, to relocate to Silicon Valley in search of more abundant late-stage capital (TechCrunch)[27]. This trend highlights the urgency of

[24] dealroom.co/uploaded/2025/05/Cambridge-report-2025-2.pdf?x21901=
[25] british-business-bank.co.uk/sites/g/files/sovrnj166/files/2025-02/small-business-finance-market-report-2025.pdf
[26] dealroom.co/uploaded/2025/01/UK-Q4-2024-2025-Innovation-Update-Dealroom-x-HSBC-Innovation-Banking.pdf?x63517=
[27] techcrunch.com/2025/04/13/uk-founders-grow-frustrated-over-dearth-of-funding-the-problem-is-getting-worse/

creating local policy solutions to retain and support scale-ups within the Cambridge ecosystem.

Of the 70 UK-founded, venture backed tech start-ups now headquarters in the USA, almost a fifth were incorporated after 2020 (FT)[28]. This is not surprising, given that ~42% of all UK tech funding; in particular, 58% of late-stage rounds (>$100m) featured US investors (FrazierDeeter)[29]. This may explain, for example, Wise moving its primary listing from a UK stock listing to a USA one (Tech.eu)[30], achieving a dual listing.

3.3 Leadership Talent Gaps

The particular character of those selected to operate in Cambridge is one of technical and scientific excellence, as well as obsession. Admission to the University itself reflects this: entry for subjects such as Mathematics typically requires **A*A*A at A-level plus top grades in STEP 2 and 3**.

This selection process has produced outcomes skewed towards technical achievement: **Cambridge counts around 125 Nobel Prize affiliates** (University of Cambridge), more than any other university in the world, while Oxford, by contrast, has produced **31 UK prime ministers to Cambridge's 14** (University of Oxford)[31], underscoring a comparative tendency for Oxford to dominate political and social leadership, while Cambridge dominates scientific output.

Policymakers have recognised the problem, but if anything is done about it remains to be seen. The **National Infrastructure Commission (2017)** identified poor east–west connectivity as a binding constraint on the UK's "knowledge spine" and recommended dedicated rail and road infrastructure (NIC Oxford–Cambridge Corridor Report)[32]. The proposed Oxford–Cambridge Expressway was cancelled in 2021 (BBC News)[33], but the **East West Rail (EWR)** project remains the centrepiece of strategy. By linking Oxford, Bedford, and Cambridge directly – **bypassing London** – EWR aims to unlock tens of thousands of jobs and generate **£6.7bn annually by 2050** (UK Government)[34]. Independent assessments, including the **National Audit Office (2023)**, stress that such investment is critical not only for housing and business access but also for enabling the flow of innovation across these hubs (NAO Report on EWR)[35].

The availability of London, Zurich, New York, or San Francisco for those with the ability to produce valuable IP, or Oxford for those specialising in social studies or humanities, means

---

[28] ft.com/content/10466229-1e25-4e1d-aa03-52b329f84753
[29] frazierdeeter.co.uk/insights/article/is-the-us-the-next-logical-step-or-a-leap-too-far/
[30] tech.eu/2025/06/05/global-scale-means-us-liquidity-for-uk-startups-as-wise-switches-main-listing-to-us/
[31] ox.ac.uk/about/oxford-people/british-prime-ministers
[32] assets.publishing.service.gov.uk/media/5a80ad5640f0b62302694e18/Cambridge-Milton_Keynes-Oxford_interim_report.pdf
[33] bbc.co.uk/news/uk-england-56443084
[34] gov.uk/government/news/east-west-rail-to-boost-oxford-cambridge-region-by-billions
[35] nao.org.uk/reports/investigation-into-the-east-west-rail-project-oxford-cambridge/

that occupants of Cambridge have a particularly weak talent pool to promote effective social organisation.

While technical talent is deep, employers highlight **shortages in management and entrepreneurial skills** in life sciences and digital, plus difficulty attracting/retaining experienced commercial hires; UK skills-shortage vacancies rose to **27%** in 2024 (from **22%** in 2017), with big jumps in ICT ([36]cambridgeshirechamber.co.uk, Gov.uk)[37].

Jo Taylor, Chair of the BVCA's Technology Committee, criticizes the rushed nature of some university spin-outs – often spun out as projects rather than fully-fledged businesses. She argues that "more work, funded by grant rather than equity, should go into researching an idea's commercial potential before forming a company around it." She claims that, "some of these [university companies] are spun out as projects, rather than proper businesses" Science Business[38].

3.4 Facilities Expense and Shortages

Despite the immense value of work in Cambridge, lab space is, in many ways, simply unaffordable to the scientists who would best make use of it.

Prime fitted lab space rents at **~£90 psf** (2024–25) and consistently **>£70 psf**, alongside documented **lab shortages (~1.2m sq ft unmet demand, only one-third met by 2025)** (Savills, Iceni)[39].

Prime city-centre office rents around **£63.50 psf** (2024–25).

The median price-to-earnings ratio is **8.8**; average private rent is at **~£1,773/month** (Jul 2025) with rents up **27% over 5 years** – all among the highest outside London. (Cambridge City Council[40], Office for National Statistics[41]).

This reflects pressures usually associated with gentrification: high demand from knowledge-economy workers, who do not expand broader business infrastructure, displaces affordability for others even as public provision lags.

Income levels reinforce these disparities. The average salary in Cambridge is £72,000, with a median of £43,400; in South Cambridgeshire, the average is £54,200 (median £44,500). By contrast, nearby districts such as Fenland and East Cambridgeshire average only £36,000–£39,000, with a median around £31,300 (Plumplot, 2024[42], 2024 ; Cambridgeshire Insight,

[36] cambridgeshirechamber.co.uk/wp-content/uploads/2024/08/LSIP-PLAN-FINAL-FOR-PUBLICATION.pdf
[37] explore-education-statistics.service.gov.uk/find-statistics/employer-skills-survey/2024
[38] sciencebusiness.net/news/74218/Spin-off-poser-for-Cambridge
[39] consultations.greatercambridgeplanning.org/sites/gcp/files/2024-09/EBGCLPGSSSep24v1Sep24.pdf
[40] cambridge.gov.uk/media/sntharxe/housing-key-facts-house-prices.pdf
[41] ons.gov.uk/visualisations/housingpriceslocal/E07000008/" \o "Housing prices in Cambridge
[42] plumplot.co.uk/Cambridgeshire-salary-and-unemployment.html

2024[43]). Thus, while the Cambridge core performs 14-15% above the national average, peripheral districts sit 10% below, creating an uneven regional profile.

Cambridge thus represents both a driver of national innovation and a site of deep structural contradictions. It generates vast intellectual and financial capital yet remains constrained by fragile infrastructure, gentrification pressures, and regional income inequalities. These tensions pose both risks and opportunities: Cambridge's ability to sustain its role as a global innovation hub depends on whether its physical, social, and economic environment can keep pace with the scale of its intellectual output.

3.5 Institutional Extraction

London remains the "one-stop shop" for capital and corporate services – capturing **~63% of UK equity investment value in 2023** and about **49% of deal count** – which pulls high-growth firms toward the capital rather than regional hubs (British Business Bank)[44].

In addition, the UK's tax system acts like a **"hidden shareholder"** taking upside (eg/ capital gains tax) but not allowing companies to do the work of reinvesting visibly where value is created, which nudges ambitious firms to relocate.

There are many instances where formalised pathways to innovation are also very restrictive. Cambridge Enterprise (CE) is a major example. CE is the innovation arm of the university of Cambridge. This is problematic as the University itself is a charity, and thus tax exempt in many regards, such that taxation does not necessarily result in local returns for the city, and thus outsize returns for the country.

While it has comparatively lax terms of investment for most UK universities, it is poor compared to places like MIT or Harvard. The issue is that if IP is developed using University of Cambridge facilities within the remit of their employ with the University, CE will ensure that any business developed from it will need to sign IP licensing revenue sharing agreements, placement of CE selected people onto the board, and the university will hold a large share of equity. Specifically, their ownership structures are as follows (Cambridge University Enterprise)[45]:

3.5.1 Revenue Sharing for Licensing (Registrable IP)

1. Opt-In Model (when researchers choose to work through Cambridge Enterprise):

Net income (i.e., income after costs such as patenting, legal fees, insurance, third-party royalties, etc.) is shared as follows:

[43] cambridgeshireinsight.org.uk/wp-content/uploads/2024/10/1.-State-of-the-Region-Overview.pdf
[44] british-business-bank.co.uk/sites/g/files/sovrnj166/files/2024-10/nations-and-regions-tracker-2024-report.pdf
[45] enterprise.cam.ac.uk/pioneering-research-innovations/develop-a-commercial-opportunity/ip-and-revenue-sharing/

Net Income Tier	Inventor(s)	Department(s)	Cambridge Enterprise
First £100,000	90%	5%	5%
Next £100,000	60%	20%	20%
Income above £200,000	34%	33%	33%

2. Opt-Out Model (when researchers commercialize IP independently and IP ownership is transferred to the researcher):

Net Income Tier	Inventor(s)	Department(s)	University
First £50,000	100%	0%	0%
Above £50,000	85%	7.5%	7.5%

3.5.2 Fast-Track Equity Option for Spin-Outs

For researchers forming a spin-out, Cambridge Enterprise offers an **opt-in fast-track equity model** that determines founding equity stakes based on the type and patent status of the technology:

- **5% equity** – Non-patented *Other Technologies*
- **10% equity** – Patented *Other Technologies* or non-patented *Life Sciences Technologies*
- **15% equity** – Patented *Life Sciences Technologies* or non-patented *Therapeutic Technologies*
- **20% equity** – Patented *Therapeutic Technologies*

These equity stakes are **immediately pre-investment** and **fully dilutable**, forming part of the IP licence consideration. Royalty or other financial terms are negotiated separately (Cambridge University Enterprise)[46]. Again, good terms by many degrees, but still restrictive for scaling. Typically, a business is expected to take the route of corporate acquisition as early as is feasible.

3.6 Ecosystemic Erosion

Cambridge exceptional growth rate is of exceptional importance, as, due to Cambridge's growth relying on international engagement, "ecosystemic richness" is highly fragile within

[46] enterprise.cam.ac.uk/pioneering-research-innovations/develop-a-commercial-opportunity/ip-and-revenue-sharing/fast-track-equity-option/

Cambridge. Here, **"ecosystemic richness"** refers to the **diversity and density of actors, resources, and interactions** within an innovation ecosystem (Moore, 1993[47]; Adner, 2006[48]).

A "rich" ecosystem features **multiple complementary institutions, overlapping networks, and knowledge spillovers**, which increases resilience and capacity for innovation. It contrasts with "thin" ecosystems that lack institutional variety or depth.

There is an ongoing trend of its erosion - the "birth rate" of new companies in Cambridge has **more than halved over the last six years**[49]. Coming plans for yet further expansion[50] in the city centre may further siphon richness, which has been ongoing since 2021, where, while Cambridge enjoys one of the UK's strongest regional entrepreneurship ecosystems, **weaknesses remain**[51] in physical infrastructure, intermediary support services, and talent pipelines – especially outside Cambridge proper, which will become major sources of richness as the city of Cambridge further specialises. Presence of businesses to support and enrich daily living are necessary for healthy, sustainable growth, and if they are eliminated, then this will have detrimental effects on the reasons Cambridge is desirable in the first place.

---

[47] Moore, J.F. (1993) Predators and Prey: A New Ecology of Competition. Harvard Business Review, 71, 75-86
[48] Adner, R. (2006). Match Your Innovation Strategy to Your Innovation Ecosystem. Harvard Business Review, 84, 98-107
[49] greatercambridge.org.uk/news/cambridge-growing-faster-than-national-economy-but-uk-growth-contribution-at-risk-due-to-a-start-up-slow-down-according-to-new-goldstandard-research
[50] committees.parliament.uk/writtenevidence/135474/pdf/
[51] oecd.org/content/dam/oecd/en/publications/reports/2021/02/local-entrepreneurship-ecosystems-and-emerging-industries-case-study-of-cambridgeshire-and-peterborough-united-kingdom_a9608cd0/044ffc1d-en.pdf