



# Master of reinvention

Entrepreneur, business leader, government adviser and mentor, Ian Shott has been deeply involved in changing the entrepreneurial landscape of the UK, Maria Burke reports

Ian Shott has something of a reputation for turning around businesses. 'But I've usually done more than that,' he says. 'I've usually injected quite a lot into the technology.'

For example, he took Lonza into large molecules for the first time by acquiring Celltech Biologics. At Chirex, by securing good agreements with Harvard University and Massachusetts Institute of Technology, he took new chiral chemistry into major drug companies. 'When I went into Chirex, they weren't doing any business with nine of the top ten pharma companies. But within two years we had several million-dollar contracts for major drug chiral intermediates, with several new customers in that group.'

Today, his attention is on Arcinova, a loss-making contract research company that he hopes will be profit-making within a year. But he also remains managing partner of Shott Trinova, a specialist investment and advisory firm focused on technology-based SMEs. 'Venture capitalists are people who understand finance, but they don't often understand innovation,' Shott says. 'We understand it, and if we believe in a company, then Shott Trinova will take a stake in it, and provide leadership, advice and resources.'

Shott's career in the chemicals and life sciences industries goes back over 30 years. In 2003, he bought a money-losing fine chemicals manufacturing complex in Wales from Great Lakes Chemical for £1. He sold the re-named, profitable, Excelsyn seven years later for about \$19m. 'At Excelsyn, which was another disaster when I bought it, we got Rothschilds Bank to finance us on working capital because of a deal with GSK based on one bit of technology. A lot of people

would have seen a rubbish bit of technology doing dirty chemistry but it was actually making the starting material for GSK's biggest drug, worth \$7.7bn/year in sales, and we got an exclusive contract with them for five years. That's what leveraged us the financing deal.'

Shott is keen to use his experience to help young talent get on in business. He's been involved in mentoring for over a decade in schemes run by the Regional Development Agency and the Royal Academy of Engineering. 'I grew up in Africa, and came to England with absolutely nothing where I was lucky enough to get accepted in my teens into grammar school in Southampton,' he says. From there, he secured a place at Imperial College, London, where he graduated in chemical engineering, an achievement he describes as the 'pivotal' moment in his career. This provided the entrée into his first professional job with ICI in 1978.

Running through all Shott's roles is the theme of innovation. He has been deeply involved in changing the entrepreneurial landscape of the UK, for example, through his work on the board of the government agency, Innovate UK, and more recently, the Chemistry Growth Partnership (CGP). 'A decade ago, the innovation landscape looked very different,' he recalls. 'Innovation was left to universities and Faraday centres, but now a whole infrastructure is in place to develop exciting research and technology from both academia, and even more importantly, from small and medium enterprises as well.'

For the chemicals industry, the CGP is an important part of this new framework and Shott chairs its innovation group. The CGP's key

aim is to deliver 50% growth in the UK chemical and chemistry-using industries by 2030 by focusing on energy, innovation and supply chains. The CGP provides a network of contacts, knowledge, such as how to apply for funding, and assets, such as help with scale-up costs; presently, it monitors about 500 projects and has been involved in the creation of tens of new companies, many of them spin-outs from universities but also large corporates.

It's also a two-way channel of communication with government, allowing industry to learn about policy, and policymakers to hear, and be guided by, what industry thinks. 'The government found it hard to deal with so many groups and trade associations within a fragmented chemical industry,' Shott says. 'Creating the CGP in 2013 was a game-changer, creating one vision and one voice across the industry to work together with government. It's the first time we could have a grown-up conversation with them.'

With Nick Hurd, minister of state for climate change and industry, joining the CGP as co-chair, Shott is optimistic about government engagement with industry, especially as Hurd has said innovation will be central to government's industrial strategy.

Following Brexit, the CGP is undertaking a series of risk assessment scenarios based on different trade tariffs, ranging from no change to 7.5%. 'One of the big risks to our sector is tariff barriers,' says Shott, 'but the fact that we are having these discussions with a senior minister is reassuring. Brexit will be a big disruption, but we have to react to what happens and make the best of it. We are hoping for a common-sense approach.'