



British
Embassy
Israel



UK ISRAEL TECH HUB

THE HUB IN 2020

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Israel's unparalleled creative energy coupled with the UK's business and industrial leadership make for a perfect match. When two innovation powerhouses come together, their ecosystems do more than just complement each other - they have the potential to transform industries and improve the broader economy.

At the core of this pairing are innovation partnerships between Israel's startups and Britain's leading household names. The UK Israel Tech Hub (The Hub) has spent the last eight years serving British companies on their innovation needs and has a proven track record in bringing Israeli expertise to well established brands across all areas of British industry.

Building upon this work, the Hub is now establishing a physical home for Israeli innovation, located in the heart of the London tech cluster. The new initiative, dubbed as the **UK Landing pad**, will stand as a focal point for the Hub's proven activities, in its quest to facilitate innovation partnerships between broader elements of the UK and Israel's respective tech ecosystems.

The UK Landing Pad will substantially raise the visibility and reach of the Hub's innovative commercial diplomacy work to both British and Israeli stakeholders. Furthermore, through alignment with the British Embassy's broader prosperity work, the Landing Pad will allow for improved cross-governmental collaboration, enhancing the UK Government's strong commitment to catalyze UK-Israel ties on the tech and entrepreneurial front.

NEIL WIGAN, OBE

HM Ambassador to Israel



In 2013, the Hub took a bold step to open a UK office, with an intention to dive into the heart of the needs of the UK businesses it aims to serve. This created a robust on-the-ground lead generation arm for the Hub's work, served as an essential educational piece for UK companies in their early days of innovation partnerships, as well as allowed to host more activities and delegations of Israeli technologies in the UK. This was an innovative approach for the Embassy's commercial diplomacy work – and evidently proved its weight with a constantly growing stream of UK companies looking to Israel as a new partner on their innovation journey.

In 2020 The Hub is taking its next step by establishing a Landing Pad in the UK. Operating on an annual partnership basis, the UK Landing Pad will be supported by high profile stakeholders, representing the core elements required to promote a shared UK-Israel ecosystem. Members will include high-profile corporates, investors and service providers, alongside some of the UK's most influential public sector organizations. The immediate objective being to facilitate tech access to its partners - investment deals, trials, pilots and integrations.

We are hopeful that this new initiative will allow the Hub to better serve the UK economy by creating further UK-Israel partnerships and a stronger network for the already flourishing UK - Israel Tech Ecosystem.

AYELET MAVOR,

Director UK Israel Tech Hub

SETTING THE SCENE

THE UK & ISRAEL - TWO INNOVATION POWERHOUSES

The UK and Israel are each home to world-class innovation ecosystems. Both nations have a strong tradition of interdisciplinary collaboration in science, security and culture. With the UK's capital and market influence, long standing scientific tradition and Israel's proven talent in technology and entrepreneurship, each nations' strengths seem to highly complement the other, laying the foundation for a powerful partnership.

Israel
2nd

IN R&D EXPENDITURE
PER CAPITA



4 out of 10

EUROPEAN UNICORNS
CREATED IN THE UK

Israel's Unparalleled Creative Energy

World-renowned as the "Start-Up Nation" with the most start-ups per capita in the world, Israel is considered a global hub of innovation. Boasting over 7,000 startups and 350 multinational corporations R&D centers, Israel is ranked second in the world in R&D expenditure per capita, also, boasting the highest percentage of scientists per capita. Israel's tech and innovation strength are clearly demonstrated in sectors such as cyber-security, where it currently commands 8% of the global market share, with related deep-tech oriented sectors such as industry 4.0 nearing 10% in global market dominance.

The UK's Corporate & Industrial Might

Forty per cent of the world's top companies with a regional or global HQ in Europe are situated in London. In the traditional finance industry, London is a dominating force, competing only with New York for the world's finance capital. The Oxford-to-Cambridge "Brain belt" represents the UK's might in deep scientific research and innovation, while the UK's heartland and Northern power house are home to world class industrial operations in automotive, defense and other high value manufacturing. Inline with the country's corporate and industrial virtues, the UK has established itself as the startup hub of Europe, with a tech ecosystem that brought in £6.3 billion in funding during 2018. Accordingly, 4 out of 10 of Europe's tech unicorns (\$1bn valued businesses) have been created in the UK.

The Goliath & Goliath Match

The UK is Israel's largest trading partner in Europe, and the third largest worldwide. Relations between Britain and Israel are stronger than ever, with cooperation in trade and investment between the two countries reaching record levels - Trade between the two surpassed £7 billion in 2018, 15% more than in 2017. Each country can clearly see the potential of the other's comparative advantage. Israeli entrepreneurs look to the UK for their expertise and access to the global market, while the UK turns to Israel for their creative energy and unparalleled entrepreneurship and innovation. But could we be doing more together?

Opportunities for Growth

It is estimated that there are currently 80 Israeli startups active in the UK, out of which 60 are in London. Compared to New York city's 350, some might argue there is still room for growth. Further evidence to this claim can be found in recent capital investment figures - out of the £5.3B invested in Israeli startups in 2018, 5% were of UK origin, with substantially smaller capital markets such as Germany achieving an equivalent share. A similar picture can be found when analysing the split of countries represented in Israeli multinational R&D activity - out of Israel's 350 multinational R&D centres, less than 20 are operated by UK based corporations, with a far smaller number taking advantage of Israeli government incubator programmes and MNC focused initiatives.

Potential for expansion can be found on the reverse side too. Israel's bulging venture capital investment market represents great, sometimes vital opportunities for UK based startups. With over 10,000 startups forming in the UK each year, further exposure to strategic funding pools is a vital part in the healthy development of the UK tech ecosystem - A strengthening of ties on this front can serve as important fuel to the further development of the UK innovation ecosystem.

active Israeli startups:

80

IN THE UK

350

IN NEW YORK CITY

Innovation is More than New Products

According to McKinsey, more than 70% of corporate leaders thought of innovation as a top-three business priority. However, innovation is not only about building new products, it's also about finding the right business partnerships, and even more crucially, maintaining them over time. Business units often find managing initial relations with startups to be challenging. This can be due to the built-in cultural differences that can arise between a corporate and a startup or simply due to the sheer number of opportunities being put forward, exceeding capacity of business's daily bandwidth.

Structured market acceleration programmes are key for closing these gaps - The Hub serves as a bridge-builder between highly influential elements of the UK economy and world class Israeli innovation. The Hub not only makes these bespoke connections, but nurtures them over time, to catalyze innovation.



THE WORK OF THE HUB

The Hub has spent the last 8 years with a razor-sharp focus on serving British companies and organisations on their innovation needs. Facilitating innovation partnerships with Israel's globally leading technologies has proven to increase productivity for big firms and has shown brilliant spill-over effects to the broader economy, for example: when the NHS improves early detection of disease in the population by using advanced big data capacities, when citizens' online privacy is nurtured by implementing more secure cyber solutions or when education has further reach thanks to remote classroom technologies.

The Hub has an unparalleled track record in supporting the innovation journey of the largest names across all areas of British industry, and scouting for ground breaking Israeli technologies that can push their business further. From banks to retailers, insurers, health providers, telecoms, energy and transport companies, the Hub has worked with household brands such as RBS, BP, Centrica, HSBC, Dyson, Aviva, BT, Admiral, NHS, Astrazeneca, Arup, JLR, TFL and many more.

Throughout the years, Hub initiatives have led to over 200 tech partnerships in deals worth an estimated £100 Million, adding a potential £1 Billion economic impact to the broader UK economy. These new partnerships mean the UK is now a major destination for Israeli innovation, and Israeli innovation is now part of many areas of life in the UK.

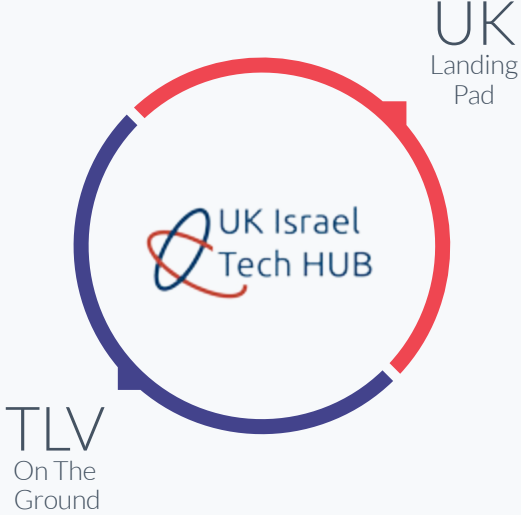
And now, the Hub is expanding its efforts by establishing a home for Israeli innovation, located in the heart of the London tech cluster. The UK Landing Pad will stand as a focal point for the Hub's proven activities, providing a physical framework for the acceleration of further tech ties between UK and Israeli tech proponents. The new UK Landing Pad initiative will allow us to expand the Hub's reach towards important elements of the UK innovation ecosystem, namely investors, as well as a broad range of innovation delivery partners situated on the ground.

Ultimately, the UK Landing Pad will raise the visibility of the Hub's innovative commercial diplomacy work to both British and Israeli stakeholders and will further express the UK Government's strong commitment to catalyze UK-Israel ties on the tech and entrepreneurial front.

MOVING FORWARD

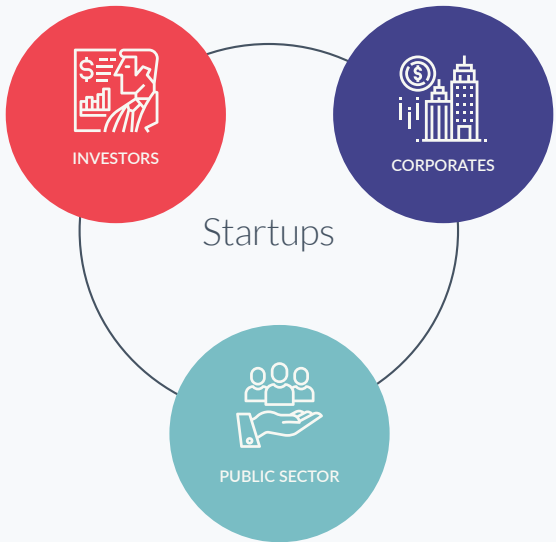
THE UK LANDING PAD

The Hub's successful model is based on an established Tel Aviv team of experienced sector focused Innovation managers, community engagement managers and dedicated local market project coordinators. The UK Landing Pad initiative will expand the existing team we currently have in the UK to include business navigators, alongside community engagement and on-site project coordinators. Both teams will work in tandem, with scouting and research efforts commanded in Tel Aviv, manifesting in the UK, via a series of dedicated programmes that will run through the new UK Landing Pad setup.



A MULTI-STAKEHOLDER APPROACH

The Hub's planned activities will interact with three core stakeholder segments we believe are most relevant for the development of innovation partnerships, representing the core elements required to promote a shared UK-Israel ecosystem. Operating on an **annual partnership basis**, partners from each of these segments will stand as front and centre stakeholders of the Hub's planned activities, receiving access to cutting-edge solutions, concepts and opportunities for collaboration centered around open innovation.



Corporates

Spanning across industries including health, energy, telecommunications, banking and insurance, the UK Landing Pad will ramp up the Hub's existing offering to the UK's leading corporate players and household names. Corporate partners will benefit from the Hub's on-the-ground Tel Aviv scouting services, as well as dedicated sector specific 12-week long programs providing a steady-stream of innovation and opportunities for increased friction with the Israeli tech ecosystem.

Investors

Capital plays a crucial role in any innovation ecosystem. We believe this is especially true when attempting to form ties between parallel ecosystems. Accordingly, the Hub will engage established investors from both sides of the UK-Israel equation. Investor partners will benefit from improved positioning in their parallel markets alongside front line deal-flow, produced through the Hub's core programmes, as well as, the potential for UK-IL co-investing opportunities and best practice sharing.

Public sector

As a UK Government initiative, the Hub will strive to engage all government departments relevant to the mission of tech and innovation. The UK Landing Pad has garnered the support of strong existing networks residing in the bilateral scientific partnership activity of the Science & Innovation Network (SIN), supported by the Department for Business, Energy & Industrial Strategy (BEIS), and the dedicated inward investment efforts of the embassy's Department of International Trade (DIT). The Hub's fresh cross-government approach will help consolidate the British Embassy's positioning in front of the Israeli tech ecosystem. Specifically, the UK landing pad setup will closely align with DIT strategies designed to promote the setting up of innovative Israeli tech operations in the UK, while also aligning with BEIS, and UK Research and Innovation (UKRI) strategies designed to promote UK innovation and entrepreneurship via the promotion of meaningful ties with the Israeli tech ecosystem.

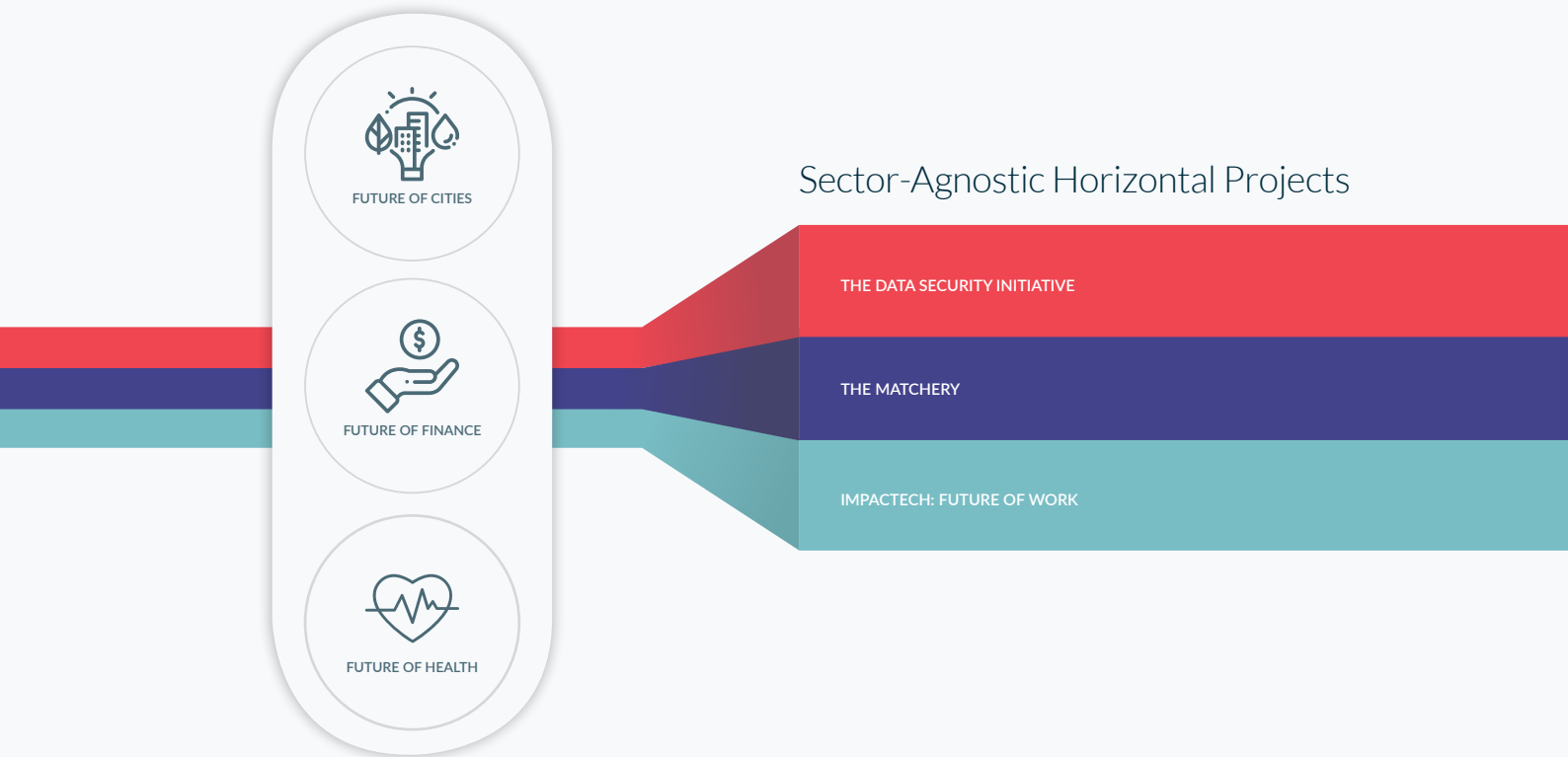
Feeding into DCMS's [International Tech Hub Network](#), the UK Landing Pad will also provide vital support to a new model for the UK economy to engage with international innovators - Further developing the Hub's original initiatives such as the [GoGlobal programme](#), bringing innovators from developing regions such as Africa and India to the UK. Lastly, Hub programs will increasingly strive to form meaningful interactions between innovative tech and further public sector stakeholders in the UK - providing value and disruption for high impact agencies, responsible for the quality of life and livelihood of UK citizens.



MECHANISM & ACTIVITY

The Hub continues to be committed to keep its finger on the pulse of innovation and continually assesses its focus as the ecosystem changes. In the coming year, the Hub will operate through the lens of three forward-thinking vertical Innovation streams: the Future of Health, the Future of Cities and the Future of Finance while implementing and promoting a series of sector-agnostic Horizontal projects, starting with the Data Security Initiative, The Matchery and ImpactTech: Future of Work.

Innovation Streams



Innovation Streams

The selected verticals for year 1 of the UK Landing Pad's operations, are innovation streams that build upon the hub's intensive work and established networks across sectors including Digital health, Smart Cities, Mobility, Fintech and Insurtech. Accordingly, the presented streams align closely with the UK government's **Industrial Strategy**, effectively touching upon all four **Grand Challenges** - Artificial Intelligence and Data, Ageing Societies, Clean Growth and Future of Mobility.



Future of Health - With a patient base of 60 million, the NHS is the world's largest healthcare provider, and has repeatedly declared its intentions to find the best and the brightest healthtech solutions from around the world. Private healthcare providers and insurance companies are working relentlessly to compliment the NHS's offering and make the UK's healthcare system patient-centric and fortified for an ageing population and a diverse demographic base. Israel's genuine abundance of healthtech companies offers fantastic partnership opportunities in three specific expertise areas: Firstly, Israel has 100% electronic medical records and more than 25 years of experience in implementing healthcare IT solutions. Secondly, matching the global demand, Israel has a supply of technologies in areas such as AI and ML, diagnostics, and computer vision in medical imaging (e.g. digital pathology, radiology), etc. Combining these areas of excellence means that new insights can be drawn from healthcare big data, moving us closer and closer to the reality of a future of personalised medicine.



Future of Cities - The smart city revolution is finally on our doorstep and Israeli tech is providing the building blocks fueling a market many believe is on the brink. Core components required to realize smart city use cases, such as autonomous ride services, decentralized energy markets or home automation services, are rapidly surfacing in Israel's thriving innovation ecosystem. Strong technological capabilities in artificial intelligence, computer vision and network visualization techniques are being utilized to achieve a new urban paradigm – a connected, inter-operable and, most crucially, sustainable city. The Hub's future city activities are designed to align closely with the UK's Industrial Strategy and include a focus on three core industrial sectors that represent the blood, heart and nervous system of the modern city: Energy, Telecommunications and Transport. Coupling Israel's strong technological attributes with the UK's global leadership in these core sectors, through companies like BP, Centrica, BT and others, represents an outstanding opportunity for entrepreneurs and innovators from Israel and the UK alike.



Future of Finance - The UK's fintech sphere is highly active and developed. With an ever-increasing interest around personalisation and customer experience (digital only and seamless), the UK's financial sector is currently energised by the cumulative effect of digital connectivity, customer demands and high street banks drive to enhance their brand. Banks such as RBS Barclays and HSBC, have led the way in recent years, massively raising the profile of the UK financial sector in Israel. Undoubtedly, the UK remains an extremely attractive destination for startups serving classic fintech solutions. A further extension of these trends can be found under the now widely used term Insurtech - Insurance companies and their digital competitors are creating a fast-moving digital landscape in the UK, with appetite growing rapidly towards 2020. The insurance industry is in the midst of unprecedented change - changing customer dynamics, rapidly evolving technologies, and the growing ability to distinguish customers at granular levels are shifting the foundation of how insurance services are developed, priced, and offered. Israeli Insurtech continued to develop in 2019, comprising 8% of global private industry-related investments, as it leverages its big data capabilities, acquired from the military defense systems, to develop complex algorithms.

Innovation Stream elements

Each of our stream-focused initiatives will include two main elements:

1. **Sector spotlight programmes:** Three core programmes, each running under one of three mentioned vertical streams. The programmes will engage interested Hub partners with mutual or complimenting sector interests - including high profile UK stakeholders: corporations, investors, and public sector organizations.

Initiating in Tel Aviv, through a process of extensive scouting and community outreach, the UK Landing Pad will then host Israeli startups looking to make their first steps of business development in the UK, via dedicated programmes that are designed to engage the Hub's partner organizations, supporting the immersion of Israeli startups into the UK ecosystem.

Applications will be open year-round, producing a steady pipeline feeding into cohorts typically running twice a year. Cohorts will typically run for a period of 12 weeks and will include up to six Israeli startups. Each cohort will include a core segment designed to host Israeli startups on the ground in the UK for an accumulated minimum of four weeks. Further programme duration in Israel will be managed via a structured week-by-week schedule, built in partnership with participating partners and stakeholders from the UK and Israel.

Ultimately, the programme is designed to serve as an accelerator into the UK ecosystem for innovative Israeli startups. The structured schedule will engage participating hub partners, providing a steady stream of top-tier Israeli innovation, and most crucially assisting participating partners in managing the first steps of their engagement with the selected startups.

2. **Stream-based Community engagement activities:** The Hub will engage with the broader UK and Israeli ecosystems via hosting multiple stream-focused community events throughout the year - sector spotlight programmes will be accompanied by showcase events, alongside stream-based meetup series and bespoke Hub partner events.

3

SECTOR
SPOTLIGHTS

6

IL STARTUPS

12

WEEKS

Sector-Agnostic Horizontal Projects

THE DATA SECURITY INITIATIVE

THE MATCHERY

IMPACTECH: FUTURE OF WORK

Beyond stream-focused initiatives the Hub will promote a number of horizontal, sector agnostic projects designed to cater to a broader scope of UK government tech and innovation initiatives. As a part of this approach, the Hub will collaborate with leading market facilitators, arms length organisations, and strategic government authorities from the UK and Israel. Activities under this premise will be comprised of a number of main programs (*see below*), that will be accompanied by delegations, workshops, hackathons and dedicated events. During the first year of operation, these will include, but not limited to:

The Data Security Initiative - In light of the succession of consumer data breaches that have occurred over the past year in the UK, the Initiative will aim to provide UK stakeholders access to the most cutting-edge concepts and technologies in consumer data-related cybersecurity. Designed to engage UK and Israeli government defence stakeholders, the initiative will place priority on immediate and tangible measures, urgently needed to allow the continued development of the UK's digital economy.

The Matchery - The UK and Israel's tech scenes inherently complete each other. This is especially true when examining the split of startups existing in each market - 80% B2C market facing solutions in the UK, vs Israel's 80% B2B enterprise-oriented market. In light of these numbers, the Hub will promote a first-of-its-kind programme designed to foster connections between deep-tech Israeli startups and market disruptive UK SME's. The programme will build upon the UK's expertise in building highly successful market disruptive tech unicorns, coupled with Israel's deep-tech, yet often enterprise focused solutions.

ImpactTech: Future of Work - Harnessing UK and Israeli tech and innovation in order to solve some of the most pressing societal challenges, the programme will touch upon topics including digital inclusion and accessibility. It will explore how technology and innovation can be used as a tool for inclusion vs. exclusion, interfacing with [DCMS initiatives](#) on digital skills, inclusion and AI - the first iteration of this programme will place emphasis on the impact of tech on the **Future of Work** and will involve a dedicated task-force designed to engage hub partners from all mentioned stakeholder segments.

CONCLUSION

Tech partnerships between the UK and Israel are a synergistic match that has the potential to boost Britain's economy by billions of pounds, while also serving to the economic and market aims of Israeli startups. It's what we, at the Hub, like to call, **a classic win-win partnership**.

As put forward in this document, the Hub is expanding its efforts in 2020. The UK Landing Pad will bring Israel's creative energy to a few hundred square feet in central London, in which UK stakeholders can benefit from a year-round pipeline of innovation. Continuing the success of the Hub, this strategic pillar will help increase and strengthen UK-Israel innovation partnerships.

The described efforts stand in line with the British Embassy's one-team prosperity approach - to provide a comprehensive helping hand for Israeli stakeholders looking to partner with the UK, as well as with the UK Government's wider efforts to promote cross-departmental initiatives, designed to provide a progressive commercial diplomacy strategy.

In continuation to the plans presented in this document, the Hub will be working intensively, maintaining contact with our closest partners, in order to bring the proposed **Hub in 2020** plan to realisation, with the aim of initiating our physical space in the UK, resulting activity and programmes by April 2020. If you are not already in contact with us and would like to hear more, we encourage you to reach out to: info@ukisraelhub.com.

JOIN US IN DRIVING INNOVATION FORWARD!

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