

the Business Incubator

incubation | acceleration | coworking

Volume 2 Issue 1
June - September 2013

Unlocking Potential

The Last Mile and the power of incubation to transform lives



Social Butterfly Effect

European social innovation and incubation explained

Digital Delivered

An incubator that focuses on digital entrepreneurship

What's in a Name?

The difference and similarities in start-up support programmes

PLUS: A look at the Czech experience, the rise of cultural innovation, the latest network and industry news, columns from industry leaders and incubatee showcase

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BIC

A TYPICAL BUSINESS & INNOVATION CENTER



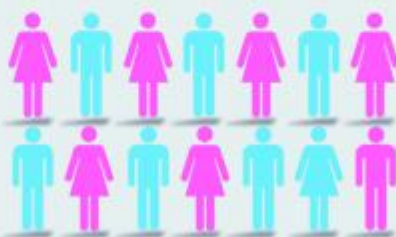
There are around **150 qualified EC-BICs** in **40 countries** contributing to wealth and job creation through the support of innovative start-ups and SMEs. This is the typical BIC.

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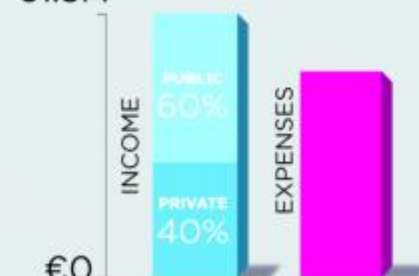


4,700m²

14 STAFF



€1.5M



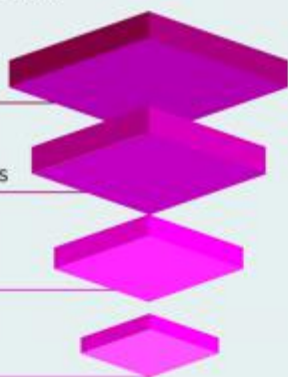
DEAL FLOW

263 enquiries

79 feasibility studies

44 business plans

28 start-ups



NEW JOBS
IN START-UPS

100%



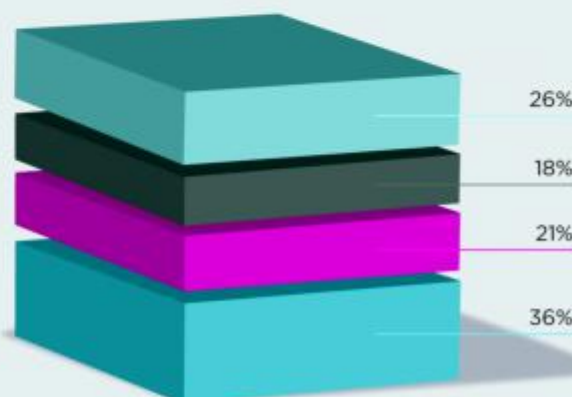
20 companies ready for investment

€1,650,000 INVESTMENT RAISED



SOURCES OF FUNDING

Venture Capital Seed Funding
Business Angels Other



79 SMEs supported



The many facets of innovation

Innovation has never just been about commercialising research and development. And in recent years there has been a growing trend in the areas of digital, cultural and social innovation. Maybe this is a new triple-helix? But certainly, it is a high-potential cross-roads for pragmatic, innovative and creative entrepreneurs.

Digital innovation is perhaps the simplest area to define, and the cheapest and quickest area in which to start a new business. Barriers to entry are typically limited to a mid-range laptop and an internet connection. The 'rest' is found in the brains of the entrepreneur. Digital innovation is not just about apps. Many aspects of life are going / have gone digital, especially in the content arena. But there remain many innovation opportunities in the business models that surround delivery of content. Everyday we hear of new digital innovations that build on and/or replace existing products and services. This trend is only going to continue as young people who have known nothing but a digital world enter the workplace and become entrepreneurs. EBN is currently completing a flagship European project, DIGIBIC, precisely around these subjects, together with twelve BICs, applied innovation institutes and SMEs/start-ups. And a new strategic pilot-scheme is about to start, also coordinated by EBN, with the financial support of the EC (DG Connect), in the area of acceleration of high-growth IT ventures.

Culture is at the heart of our attitude to life and is a catalyst for economic development. In order to respond to the fast pace of growth in our globalised world, culture needs to bring together the spirit of creativity and the innovation of science in order to be transformed into fresh business ideas and new ways of thinking. In order to address these

important issues, we need to consider the intersection between culture/creativity and technological innovation. What do the products, services and business that exist here look like? And is it possible to create sustainable, growth industries from creative ideas? We are now seeing the establishment of cultural incubation programmes whose aim is to bridge these boundaries. EBN is a partner in the Europeana Creative project, supporting and promoting the re-use of cultural resources available via Europeana.

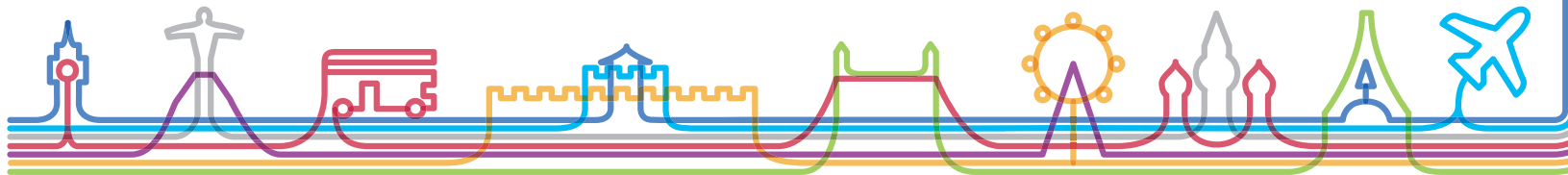
Social innovation is an area where many governments are currently investing much time, and some money. With shrinking public purses across the world, many services are being cut back although the need for those services still remain. Particularly in an economic recession, the opportunity for start-ups can be limited by many factors – market, finance, staff or customer base. By thinking innovatively, business models can be transformed from a traditional profit-only model, to one where success is also measured by a positive social outcome. Doing good can also be 'good business'. EBN is delighted to be starting a new EU-funded FP7 project - the Transnational Network for Social Innovation Incubation - where we, and eight European partners, will explore ways to support social innovations to grow regionally and internationally. What started as a small local social innovation project, could have a pan-European impact, and we want to support this internationalisation.

EBN is delighted to sponsor this anniversary issue of *The Business Incubator* magazine. We believe it makes an important contribution to our industry and helps to share diverse ideas amongst incubation, acceleration and coworking professionals everywhere.

Philippe Vanrie
CEO, EBN

Our partners





Support women entrepreneurs **Make it Global**

We're looking for European partners to create a network to support businesses in London who want to grow internationally



The Make It Global project is a £1.5 million project that aims to support the internationalisation of women-led small and medium enterprises (SMEs) in London.

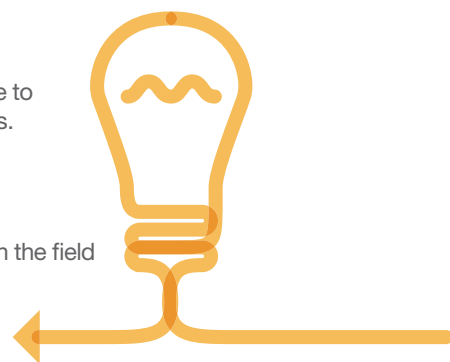
Make It Global is led by the University of East London (UEL) and delivered in partnership with the European Business Network (EBN), Newham College of Further Education and Kingston University, and a network of strategic partners. Recognising the capabilities, opportunities and potential which women-led businesses bring, the project will offer SMEs the opportunity to:

- Contribute to sustainable global growth
- Benefit from a six-stage package of specialist support
- Access transnational business networks
- Access experts within the higher education and further education knowledge base
- Broker entry to new markets.

We are working with Business Incubation Centres internationally through EBN's Soft Landings scheme to facilitate business-to-business networking and to help our businesses reach new international markets.

We want to hear from you if:

- You are able to support a business from London explore your local market
- You support female entrepreneurs and are looking to work with other organisations with an interest in the field
- You support businesses that are looking for businesses in London to collaborate with.



To find out more about the Make It Global project contact and join us:

Website: uel.ac.uk/makeitglobal

Blog: makeitglobal.wordpress.com

E-mail: makeitglobal@uel.ac.uk

Twitter: @UEL_CEW E #UELMakeltGlobal

Tel: +44 (0)20 8223 2348

LinkedIn: UEL Friends of Women's Entrepreneurship



GUEST EDITOR

Philippe Vanrie, CEO, EBN

PUBLISHING TEAM

Publisher

David Tee

david@theIncubatorMagazine.com

Managing Editor

Sangeetha Shinde

sangeetha@theIncubatorMagazine.com

Business Development

Stephen Gardner

stephen@theIncubatorMagazine.com

Content Adviser

Giordano Dichter

giordano.dichter@ebn.eu

Research

Rosario Bisceglia, Bhavna Desai, Ann Gulliver,

Linda Knopp, Prashant Menon

CONTRIBUTORS

Pim de Bokx, Chiara de Caro, Giordano

Dichter, Alexia Hengl, Wolfgang Kniejski,

Marie Longserre, Les Neumann, Louise

Pulford, Chris Redlitz, Madi Sharma, Vittorio

Simoncelli, Bernard Toal, Helena Tovarkova

MORE INFORMATION

Please visit

www.theIncubatorMagazine.com

CONTACTS

Editorial & Media

editor@theIncubatorMagazine.com

Advertising & Sponsorship

sales@theIncubatorMagazine.com

Images

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www.IncubationWorldwide.com

Tel: +44 20 8144 6471



This issue is our anniversary issue. *The Business Incubator* magazine has made it through its first year and while it's been a difficult journey, we have learned one thing for certain. The world of business incubation (and all its other avatars) seems to be filled with people who are in the field to do good in some shape or form. We feel very privileged to have been able to work with, and promote, this global community.

Our special thanks to Philippe Vanrie and the team at EBN, who have sponsored this anniversary issue. Here is an organisation that truly practices what it preaches and our publication has benefited enormously from their support, in ways both tangible and intangible. Our gratitude is also extended to the the Centre of Excellence for Women's Entrepreneurship at the University of East London and its dynamic members who made the supplement on women's incubation and entrepreneurship possible.

Certainly, the power of business incubation and the positive impact it can have on communities continues to amaze. And that's what our lead story (page 34) in this issue reaffirms - business incubators have the ability to transform the lives of long-term prisoners and turn their lives and histories around in the most spectacular and moving ways. Incubation is such a blanket term though, isn't it? New versions of old ideas spring up every day and we look at these trends on page 14. And no matter where we are in the world, the support structures of entrepreneurship are key to economic recovery and growth. Our Spotlight on the Czech Republic is proof of this.

We have our usual round-up of global news, incubatee success stories, and our columnists continue to share their vision with us... but a magazine is more than just its content. It's about the community it represents and over this last year, *The Business Incubator* magazine has tried to be the voice of this dynamic and engaging global community that takes dreams and turns them into businesses.

We have so many people to thank, that it would be impossible to list them all. You know who you are, and you know we are grateful. We look forward to another year of sharing best practices, ideas and stories... and doing our bit to underline the importance of what we all do.

Sangeetha Shinde

Managing Editor

Our partners



Unlocking Potential

The inspiring story of a pioneering business incubation programme running out of a maximum security prison in the United States that offers incubatees the chance of a new beginning

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All about the necessity to increase private sector involvement in incubation programmes



theFeature

**What's in a Name?**

With many variants on the same theme, we explore the differences and similarities between incubation, acceleration, coworking and virtual incubation

**Digital Delivered**

A digital incubator outlines its methodologies and explains the tools and resources it has developed and acquired to deliver a sound digital-support strategy

**Social Butterfly Effect**

A look at the social innovation and incubation activities taking place across Europe, together with some specific examples of projects and programmes under way

**The Entrepreneurship of Culture**

A description of a unique cultural incubator located in a UNESCO World Heritage site, that is becoming a hub for creative innovation in the region

theInterview

**Making an Impact**

Presenting the European launch of an exciting new entrepreneurship award targeting businesses started by those aged 35 and under

theExperience

**Globalising Innovation**

The challenges thrown up by globalisation and the need to use 'soft landing' programmes to fully exploit new opportunities

theSpotlight

**Czech Mate**

A journey through the Czech Republic highlighting its innovation heritage and current trends in entrepreneurship and incubation



BULGARIA

Picking up speed

A large open workspace in Sofia, humming with the latest gadgets and a buzz of energy, is home to some of Southeast Europe's brightest entrepreneurial talent. "The Roof," as it is known, is the collaborative office space utilised by 32 business start-ups funded by the accelerator programme, Eleven. Eleven takes its name from eleven kilometres per second - the speed that is required for an object to escape the earth's orbit. Dilyan Dimitrov, a co-founder of Eleven, said the venture intends to help entrepreneurs escape the region and achieve global exposure. It is funded under a European Commission initiative that works to improve small- and medium-sized enterprises' access to finance and sustainable growth. The shared workspace allows start-ups to benefit from reduced overhead expenses, professional accounting and other office support, and an environment that allows them to focus on developing their ideas.

The network includes experts from the global IT sector, including Google and Microsoft. Having access to the strong partnerships and the impressive army of mentors has been a major boost. Eleven provides early-stage investment for small and medium enterprises. It will invest up to €50,000 over a six-month acceleration phase, while the financing for the third and final 'seed stage' is €150,000. Eleven becomes a minority shareholder in

each company, getting anywhere between ten percent and 15 percent in the acceleration phase and up to 30 percent equity in companies in which it invests the full €200,000.



AUSTRALIA

New ideas

WeCo, which opened its doors earlier this year, is located in the Sydney suburb of Edgecliff. Founder Joel Hauer describes it as a drop-in coworking space for consultants, freelancers and start-ups. In a bid to honour the concept of collaborative working, WeCo is trialling a new pricing model. Hauer says members' fees will be determined on a case-by-case basis. "We will be sitting down with them, understanding their business - where they see themselves going within the next twelve months or 24 months or whatever it might be," he says.

"Then we'll be giving a free trial to people... over one or a couple of days, just so we can see how much they're able to be open to other people working here."

There's also a WeCo WIP (work-in-progress meeting), which is about discussing the week ahead and if there's any challenges other people have experienced, and lending a helping hand. Hauer says the pricing model will change over time, but is confident it will be successful. WeCo has signed up a number of well-known start-ups and it is confident of continued success.



SOUTH AFRICA

Fast-tracking

The Founder Institute is an early-stage start-up accelerator and global launch network with a part-time four-month programme. The idea is that entrepreneurs can launch their dream company with training, feedback, and support from experienced start-up CEOs, while not being required to quit their day job. The Founder Institute touts its Graduate Liquidity Pool which ropes in graduates and mentors to share in the equity upside of each class. Since being founded by serial entrepreneur, Adeo Ressi, in 2009, the Founder Institute has helped launch over 800 companies across 42 cities and five continents; by this measure it claims to be the world's largest start-up accelerator.

The programme is open to anybody that is passionate about building a technology company; if they have an idea, a full-time job or are unemployed, experienced in business or straight out of school. With sufficient interest shown, the Founder Institute plans to launch in Cape Town shortly.



USA

Military Manoeuvres

The University of Central Florida Business Incubation Program (UCFBIP) is the host to the Central Florida pilot programme of the Kauffman FastTrac NewVenture Veteran Entrepreneur course. The programme has been taught on military bases around the country with 300 participants so far. The 30-hour class, which is open to both veterans and active military members, costs \$100 and will teach business and networking skills, give attendees access to their own military business owner advisory board for advice and support, and will connect them to other military business resources in the area. "The Incubation Program is designed to create an

environment for businesses to be successful and to create jobs,” said Gordon Hogan, director of the UCFBIP. “We just want to give veterans the opportunity to make a good decision.” Veterans own nine percent of business in the United States, and are 45 percent more likely to become an entrepreneur compared to people with no active-duty military experience, according to 2011 research from the US Small Business Administration Office of Advocacy. Veterans thrive under pressure, are open to taking risks and can adapt quickly. Civilians rarely experience the level of stress on the job active military members have. But they don't always realise that those skills are what make a great entrepreneur, so that's why the UCFBIP veteran course is important to help them identify their strengths and take the next step.



BANGLADESH

The first

Bizcube, the country's first business incubator, signed a Memorandum of Understanding (MoU) in April with about a dozen promising entrepreneurial teams drawn from World Bank Sanitation Hackathon 2012, Start-Up Weekend Dhaka 2013 and external applicants.

As an incubator centre, Bizcube provides office space, legal advice, business consultancies, and networking opportunities with potential investors for entrepreneurial business development, expansion and synergy partnerships. They have ten clients for incubation at Bizcube who will receive the incubation support for the entire year. “Bizcube is actively considering raising equity investment,” said Minhaz Anwar, founder of the company. “The company is considering keeping a stake of 51-67 per cent of the business by offering the space where Bizcube is currently located.” Bizcube will also provide short-term consultancies for its clients with an estimated target of earning of Tk 20 million a year with the present human resources and support system.



GERMANY

Motoring ahead

While general tech accelerators modelled on the likes of Y Combinator or 500 Start-ups are relatively common, there is an emerging trend in the growth of more specialist programmes focusing on one sector. The announcement of the pairing up of two German industrial giants to fund a new programme in Berlin is proof that it is no longer confined to tech companies.

German industrial giants Bosch and Mercedes Benz have teamed up with an industrial insurance company, HDI Gerling and start-up accelerator Start-up bootcamp to create a new accelerator in Berlin.

The accelerator will fund and support ten start-ups working in connectivity, mobility and big data. In return for the usual place to work and mentors, they will get €15,000 investment. Berlin is an interesting location for the programme. While the city is well established as tech hub for digital start-ups in e-commerce and digital media, it has a less strong reputation for IT and engineering.



MALAYSIA

Rising Star

The Star media group has launched The Star Accelerator Fund to support digital and technology-based entrepreneurs. The RM20mil fund serves as a platform to help individuals and companies develop ideas and commercialise products, with the goal of establishing Malaysia as a ‘game-changer’ in development funding for start-ups. The fund provides financing at pre-seed and seed levels. In both instances, the fund seeks to give financial support in exchange for an equity stake in the business. Each successful applicant will have access to a maximum amount of RM300,000. In addition to the actual monetary value, successful ventures would be sup-

ported by the media exposure provided by The Star media group. In addition, candidates would be able to leverage on the group's network opportunities, financial training and legal advice. The Star Accelerator Fund is open to Malaysians aged 21 and above.



NEW ZEALAND

Social issues

While social innovation is seeing positive growth everywhere in the world, The New Zealand Centre for Social Innovation - established in 2009 to grow the 'business for good' sector in New Zealand - closed down recently as it was lacking investment to grow. Trustee, Faye Langdon says the centre put social entrepreneurship on the map in New Zealand, but its corporate partners wanted measurable results. She said, “We were not prepared to continue if we couldn't scale and get some big projects running where you could actually see some measurable change.” As corporate organisations said, “How much longer do we keep giving money and we don't get matching funding to scale projects?”. Gen-i, Kordia and Vodafone were among those that partnered with the charitable trust.

The centre had also established a school for social entrepreneurs. Langdon says the New Zealand social enterprise scene remains fragmented, with many smaller initiatives happening. Langdon says people interested in social entrepreneurship could contact Wellington coworking space, Enspiral or Auckland counterpart, The Kitchen. Langdon, executive director of the New Zealand Global Women Trust, is also focusing on a major social innovation project - Global Women is leading the establishment of Diverse NZ Inc, which has 40 corporate partners aiming to achieve best practice around diversity. The project will offer toolkits and mentor companies and entrepreneurs to harness the power of diverse leadership teams. to foster a positive innovation eco-system.



NAMIBIA

Model for success

A business development organisation from Sweden will soon set up an entrepreneurship incubator model in Windhoek that will enable entrepreneurs to kick-start their businesses and turn their scalable business ideas into international players.

The Global Business Labs (GBL) is an international organisation which designed and ran a business incubator model at the renowned Stockholm School of Economics for ten years and has nurtured companies that are now valued above N\$1 billion 2013. According to Johan Sjöstrand, an intern at Global Business Labs Namibia, the organisation is targeting young, gifted entrepreneurs who will get free office space, a world-class network and free support from top management consultants and law firms.

Young motivated entrepreneurs are invited to present their business plans. Feedback is provided and the best ones get to pitch their idea to a selection committee consisting of successful Namibian businessmen. Successful applicants become a part of the global business labs network and are provided with free office space and internet amongst other things.

Global Business Labs is funded by the Swedish aid organisation SIDA. Sjöstrand explained that the entrepreneurs get to stay in the laboratory for eight months during which they normally grow quite quickly. Sjöstrand also told The Economist that the model will work in Namibia because of the similarities in business studies taught in both Sweden and Namibia.

"Business students in Sweden and Namibia are taught more or less exactly the same things so we can't see any reason why a model that works so well for Swedish business students wouldn't work in Namibia as well," Sjöstrand emphasised.



ITALY

High achievement

A new start-up accelerator has come to Trento, an Italian city located in the lovely Adige River valley in Trentino-Alto Adige. In this beautiful setting, TechPeaks will soon kick off the inaugural programme of its 'people accelerator'.

Created by the Trento RISE Association, in partnership with Trentino Sviluppo, TechPeaks aims to lure cutting-edge tech companies to Trento in an effort to affirm the Trentino province as a 'leading smart territory in the global arena of frontline innovation'.

Ultimately, the organisations' goal is to select and start up an initial 30 ICT business projects, followed by more programmes to eventually reach 'at least' one hundred projects. TechPeaks has €13 million (roughly \$16.7 million) to spend, and has partnered with other European accelerators and a number of universities to try and build a solid tech ecosystem in the Italian Alps. TechPeaks says it is set up and funded for the next four years. What is unique about the accelerator is that both individuals and teams can apply, even if they come with nothing but a toothbrush and an idea.

The accelerator offers selected participants six months of free food, housing and office space in Trentino, visa support, pocket money, access to 40 mentors from all over the world, connections to the local tech university and research centres and its own international network, as well as its partnering start-up accelerators and other investors.



INDIA

Speeding up

The IIM-A-based Centre for Innovation, Incubation and Entrepreneurship (CIIE) and Village Capital announced

the 16 ventures it has selected to participate in its "Technology for Impact Accelerator" programme for businesses creating social impact. The accelerator programme focuses on for-profit, commercially scalable Indian start-ups that display a high level of social value in their tech-driven or tech-enabled offerings. The accelerator will focus on technology ventures operating in the mobile/ICT, health, agri-business, education, sustainability and livelihood solutions sectors. The first of the three four-day sessions at the IIM-A campus saw 300 organisations applying for the programme. CIIE has invested in more than 80 start-ups, which have had over a 90 per cent survival rate, reached out to over 30,000 start-ups and budding entrepreneurs and has mentored 2,000-plus start-ups. Village Capital, founded in 2009, provides opportunity to high-impact start-ups. To date, it has served over 250 entrepreneurs from 30 countries through 17 cohorts in the US, UK, Brazil and India, and recently expanded their reach to include China and Kenya. The Technology for Impact Accelerator with CIIE will be the first sector-focused programme for Village Capital in India.



MALTA

Island business

The University of Malta Business Incubator is an innovation spin-out and accelerator programme designed to enable university researchers, student entrepreneurs and technology start-ups in Malta create high potential, sustainable businesses - taking them from idea to investment and launch. By providing access to business advisors and mentors, training and education, shared space and facilities, professional assistance, financing and other resources, they seek to close the knowledge and resources gap experienced by new ventures as they embark on their innovative start-up ventures. The business incubation programme aims to deliver a tailored

package of benefits and guidance to entrepreneurs that will allow them to turn their ideas into real businesses.

To be located in the former Computer Sciences Building, in the heart of the University of Malta campus, the University Business Incubator will be a hub for innovation and entrepreneurship, providing office and collaborative space for early-stage technology ventures. The incubator is keen to get mentors, investors and sponsors involved in the evolution of its offerings to entrepreneurs.



UK

A winning idea

New charities and budding entrepreneurs in and around Edinburgh have the chance to win free support and training for a year, thanks to a unique programme designed to kick start social ventures.

Emerging entrepreneurs and start-up and non-profit organisations with innovative ideas can now apply to The Melting Pot to win a package of start-up support on the Social Innovation Incubator Award programme. The SII Award provides a package of start-up support for social entrepreneurs and community activists keen to develop their innovative ventures that deliver on social and environmental goals. Previous winning ideas include a cargo bike service, a hip-hop music centre, computer training for older people and a youth music orchestra project. Ten lucky start-ups will win a package of sponsored support worth £10,000 including office and meeting space, ITC support, training and access to expertise in all areas of social business start-up. Entrepreneurs also benefit from being able to tap into a thriving network of other projects that already make use of the facilities provided by The Melting Pot, Scotland's Centre for Innovation. The Social Innovation Incubation Award programme is run in conjunction with a range of partners and sponsors including The Big Lottery, FirstPort, Social Enterprise Academy, WWF Scotland, Red Lynx and others.



SERBIA

Sowing seeds

Young Serbian entrepreneurs presented their ideas and companies to Europe's largest and most successful seed fund accelerator - Seedcamp - in The Royal Palace in April 2013. Their first visit to Serbia was organised by SEE ICT in partnership with Crown Prince Alexander Foundation for Education. Tech-entrepreneurship is a style of business leadership based on the process of identifying high-potential, technology-intensive business opportunities, investing time and knowledge and managing rapid growth using principled, real-time decision-making skills. One of the goals of the Crown Prince Alexander Foundation for Education is to strengthen entrepreneurial opportunities in Serbia. A very successful Start-up Weekend gathered more than 150 start-up enthusiasts and was focused mainly on attracting new people to become entrepreneurs, "We will not stop until everyone has a job or owns a company in Serbia", said HRH Crown Prince Alexander. SEE ICT is a young, Belgrade-based innovation support non-profit organisation that contributes to the creation and development of a vibrant environment for the growth of start-ups, start-up culture in Serbia and the whole South-East Europe region. It also mentors young Serbian entrepreneurs and invests in about 20 start-ups globally annually.



LITHUANIA

Deal-makers

The Lithuanian accelerator Start-up Highway just announced that they are improving their financial deal by decreasing the equity stake from 10 percent to 7.5 percent, while keeping the investment amount up at €14,000. In addition to the improved terms, they have also announced that as of next batch, they are partnering up with

Practica Capital, a newly established, but already rather active VC from Vilnius.

They were founded in 2012 and have already invested in five start-ups. The partnership will involve a convertible note of €30,000 as well as a standard term sheet that is claimed to be 'start-up friendly'. Practica's managing partner, Anatolijus Faktorovicus commented: "We want to support the best teams and we see a great job done by Start-upHighway in finding them and helping to develop and become investable. We believe this partnership will help all of the community in general and will make Lithuania a better place for start-ups."



FRANCE

Stake-out

Launched earlier this year by former LeCamping programme director, Alice Zagury and LeCamping EIR, Oussama Ammar, TheFamily has announced a \$250K round of funding to get its '1 percent' accelerator off the ground. The seed round, which will be used to hire up to four people for the programme and, notably, cover expenses like housing (including apartments for visiting guests in Paris), includes 21 business angels and members of the tech community. The programme is non-cyclical, which means that applications are ongoing and start-ups can join at any time. Admission will cost 1 percent of the company, a stake which TheFamily claims aligns their interests with a start-up, and also positions them in such a manner that they have to do follow-on investment down the road in order to have any success, which gives start-ups a leg-up when going for that first round of funding. TheFamily's business model seems to touch on some very French-specific start-up problems that have been noticed. Founders want something local, they don't want to give up too much of their company too soon, and they need someone who's vested in them raising money.



PHILIPPINES

Health conscious

Filipino incubator, IdeaSpace just whittled a list of 700 entries from start-ups down to just 20. These 20 will eventually be halved further. IdeaSpace is offering ten slots to start-ups to get six months incubation support and funding of up to \$120,000 (PHP 5 million) each. Teams from outside the Metro Manila area will also get housing support. A look at the list of finalists reveals that healthcare is a top concern, and like many tech ideas in Asia's emerging markets, the heavy reliance on mobile technologies is apparent. IdeaSpace was founded about a year ago, as a non-profit incubator and accelerator for Filipino start-ups. It has the support of large firms in the country like telcos, hospitals, F&B and infrastructure conglomerates. It has about PHP 500 million (\$12 million), to run for the next five years, from its members.



KENYA

Speed check

Independent early-stage VC fund, 4Di Capital is investing in 88mph, the African seed accelerator. In addition to funding, the investment from the Cape Town-based 4Di will provide 88mph start-ups greater access to a network of local investors and enhances the possibility for follow-on funding. It would seem that the deal is part of building a credible ecosystem, one that will draw more angel investment and move the Silicon Cape concept forward. The promoters feel that accelerators such as 88mph deserve broad ecosystem support as VCs stand to benefit from their alumni. Despite positive growth in Africa, funding for start-ups continues to be a major hurdle in South Africa and Africa in general. 88mph is unique in that they provide start-ups with actual funds, which is very rare for an accelerator in

emerging markets and Africa especially. 88mph opened in Nairobi, Kenya in 2011 and has since made 24 start-up investments. The seed accelerator started operations in Cape Town, South Africa in February 2013 and plans to expand to Nigeria.



UGANDA

Upwardly mobile

The Center for Innovations and Professional Skills Development (CiPSD) has been awarded \$50,000 (over sh130m) from the Uganda Communications Commission (UCC) to support its incubation initiatives aimed at developing mobile applications that address the social/economic development needs of under-served communities in Uganda. The Center, hosted at the College of Computing and Information Sciences, Makerere University will provide incubation support to nurture businesses that will commercialise new products and services for which proof-of-concept has been demonstrated. The products include recent research and software innovations within CiPSD and the College, as well as concepts developed in the College's Software Business Incubation programme. The funds will also be used to support the operations and expansion of the Center's Software Business Incubation (SBI) programme. This programme has operated with practices proven in the venture capital industry. In the past, it has lacked funds to incubate its most promising entrepreneur groups, but with the support from UCC it has the potential to expand its scope and impact while ensuring a sustainable supply of new ICT innovations to incubate in future years.



SINGAPORE

Engineering growth

The Private Sector Federation (PSF) has received a donation of assorted

equipment from a Singaporean organisation, ITE Singapore, to support its incubation centre. Donatien Mungwarareba, the PSF director for member services, capacity building and entrepreneurship promotion, said the equipment would boost PSF's drive of rolling out entrepreneurial training for the youth countrywide. "We have already paid \$34,000 (about Rwf 22.4m) shipment charges and expect the cargo to arrive in the country mid-next month," Mungwarareba said. He said the package included a CNC wire-cut machine, universal CNC, colour oscilloscope and tool marker machine, precision surface grinder and air-compressor systems. "These will help equip the youth, especially young graduates, with mechanical and engineering skills to make them more innovative in the fields of wood art, car mechanics and ICT," Mungwarareba said. "We have already set up an ICT consultancy centre where people can learn business and entrepreneurial skills. We are working on plans to establish more centres in districts across the country." In 2009, PSF got €4.2m (about Rwf 3.6b) from the Netherlands to support the incubation centre. However, with the project due to expire in June, the federation is seeking to extend the Dutch-funded project. PSF says 450 businesses across the country have already benefited from the project; 350 entrepreneurs completed internship last month and more are still undergoing training.



ROMANIA

Traditional skills

A Romanian cooperative for traditional craftspeople of Roma ethnicity is among the semi-finalists at the European Social Innovation Competition. Out over 600 entries, Romano ButiQ, part of the Romano Cher cooperatives, was chosen as one of 30 semi-finalists. The Romano ButiQ cooperative connects over 100 craftspeople with an online market Mesteshukar ButiQ (MBQ). A large range of items are available, from

jewellery and clothing to kitchenware, wicker baskets and other more utilitarian products. Various materials are used, including brass, silver, wrought iron, wickerwork and aluminium, but whatever their purpose, the products share an original and attractive aesthetic. The project has already created 30 initiative groups, and we helped 10 of them to become independent legal entities, working towards full capacity. Thus, 85 Roma have become social entrepreneurs, founders, owners of their own business and a positive example in their near-circle society, according to the project description, which is listed as semi-finalist number 21. The three best proposals will each win a €20,000 prize. The competition invites all Europeans to come up with new solutions to create new opportunities for work, and for better work. The EC's competition aims to find the best social innovation solutions to help people move towards work or into new types of work.



KUWAIT

A running start

INJAZ-Kuwait and HP kicked off their Social Innovation Relay in February with 40,000 high school students from 19 countries expected to compete and 1000 students locally in Kuwait. Empowered by HP technology and HP employees acting as coaches, mentors and judges, students will work to tackle some of the world's biggest challenges, from energy consumption to expanding access to education. "Today's job market is more competitive than ever, and employers expect high levels of entrepreneurial and information and communication technology skills from the next generation of employees," stated Caroline Jenner, CEO JA-YE Europe. The Social Innovation Relay is an innovative programme built on HP and JA-YE's 20-year partnership designed to impart essential skills for the workforce to secondary school students in an interactive and meaningful way. Connected by HP's

cutting-edge technologies, students around the world can collaborate with HP mentors to develop business concepts that address a social challenge. During its first two years, the Social Innovation Relay reached more than 30,000 students at 1,000 schools in 13 countries across the world and engaged more than 200 HP employees. Aiming to reach 40,000 students in 19 countries this year, the Social Innovation Relay is the largest global educational initiative based on a blend of virtual and face-to-face mentoring. Specifically designed to increase access to entrepreneurship education, the programme provides young people with hands-on skills and entrepreneurial expertise to compete in the 21st century workforce.



GUAM

Seal of approval

After working collaboratively with the Guam Visitors Bureau (GVB), Guam Economic Development Authority (GEDA) and Guam International Airport Authority (GIAA), Senator Mike Limtiaco has introduced a measure to help grow the economy. Bill 60-32 calls to create the 'Made in Guam' Business Incubator Program by giving incentives to small businesses to sell Guam Product Seal items at culturally-enhanced kiosks throughout the airport. "This bill is a bill that is designed to grow our local economy by giving access to our small businesses that make 'Made in Guam' products that bear the Guam Product Seal an opportunity to sell their products to the 1.3 million visitors that travel through our airport on an annual basis" said Limtiaco. Limtiaco also says a grant programme worth up to \$200,000 is also infused into the measure through GEDA and GVB. The money will come from the Tourist Attraction Fund (TAF). GVB General Manager, Karl Pangelinan and GEDA Acting Administrator, Henry Taitano both support the programme. Pangelinan notes GVB exit interviews show tourists want to see more of Guam's culture.

They both support the legislation's attempt to give local entrepreneurs access to the airport at reduced costs to help launch their businesses. Businesses are only allowed to participate in the incubator programme for five years. The bill also creates an advisory board to guide the direction of the programme. Limtiaco adds this is one of several measures that are designed to help grow the economy, help grow a tax base and increase revenues to the government.



QATAR

Starting up

Enterprise Qatar plans to launch a business incubator programme to accelerate Qatar's transformation into a knowledge-based economy.

Established in 2008, Enterprise Qatar enables entrepreneurs and small and medium enterprises to achieve greater success by developing a positive ecosystem for start-ups and SMEs. It aims to create a healthy business-entrepreneurial ecosystem in Qatar; build bridges to Silicon Valley through mentorship, education and financing; and accelerate the progress of thousands of local and regional entrepreneurs, transforming Qatar into a regional hub for technology-related entrepreneurial ventures. Enterprise Qatar announced a new strategic partnership with TechWadi to launch a Technology Incubator during a workshop held in Doha recently. Under this, select entrepreneurs from around the Arab region will be invited to join the incubator and benefit from a state-of-the-art ecosystem built on four key pillars: infrastructure (workspace facilities, support and connectivity), networks (partnerships, mentors, and promotion), business expansion (legal, accounting and marketing services), and training (regular CEO talks, community meetings, workshops, quarterly mentor boot-camps and investment forums). Every year, two sets of five to ten qualified entrepreneurs will be given the opportunity to access to the world's leading

technology experts in a branded Qatari Pavilion in Silicon Valley. Graduates from the acceleration programme are eligible for subsequent seed financing from Enterprise Qatar, and local venture capital partners to expand their businesses across Qatar and the GCC. In line with Qatar National Vision 2030, Enterprise Qatar is committed to building a knowledge-based economy.



JORDAN

Growing trend

After 25 years of his life in the corporate world, Nidal Eses is supporting start-ups with Eses4 Ventures, an investment-holding company that focuses on Caring Capitalism and by building an element that Amman's ecosystem dearly needed: a coworking space. With Zee Launch Pad, he hopes to help professionals become part of a performance-driven community. Here entrepreneurs and freelancers can now rent workspaces, and connect with reliable internet and phone lines, not to mention each other. An equipped conference room can be reserved online, and events bring experts and potential investors into the mix. One twist that Eses is adding to the typical hub model is a focus on diversity. "We try to make tenants different in terms of talents, expertise, niche and background, to create a fusion for them to interact and benefit from each other" he explains. Yet Eses thinks it is necessary to have a controlled environment to create a self-disciplinary community. Zee is not run to make a large profit, says Eses. Yet to sustain the space, he keeps running costs low, renting a space in Jabal Weibdeh, a residential neighbourhood with a few art galleries, and automating the lights and AC to save energy, as well as the phones and Wi-Fi locks to eliminate the need for a receptionist. To make the process simple, registration and payment are all handled completely online, as is reserving the conference room.



Special Report

On 8 March, 2013, JADE (European Confederation of Junior Enterprises) hosted the International Conference on Technology for Entrepreneurship at the European Parliament in Brussels, Belgium. The event was held on the second day of JADE's annual Spring Meeting and welcomed an audience of over 400 participants, mainly students and Junior Entrepreneurs from across Europe.

JADE is an international non-profit organisation made up of 280 SMEs whose goal is to foster entrepreneurship among students. The aim of the conference was two-fold. The first was to highlight the need for society to adapt to the on-going digital revolution. The second was to encourage the entrepreneurial mindsets and initiatives necessary to generate the economic growth needed for Europe to remain competitive in a globalised world.

The keynote speech was given by Arnaldo Abruzzini, Secretary General of EUROCHAMBRES. This was followed by two panels of industry experts, all of whom stressed the importance of encouraging young people to pursue education in the field of Information and Communications Technology (ICT). Despite the growing demand for ICT practitioners, Europe continues to face a shortfall of those with ICT

qualifications. If this shortfall is not addressed, multinational corporations will go elsewhere at a time when Europe is in desperate need of economic growth.

The event concluded with an award ceremony in which Junior Enterprises were awarded for their excellence in several different categories. 'Most Entrepreneurial Junior Enterprise' went to icons, a student consultancy based in Austria. President Bianca Gfrei explained how technology has been instrumental in the operation of the consultancy, allowing its 3 sites in Vienna, Salzburg, and Innsbruck to remain connected.

Daniela Gomes of Octopux Consulting (a sponsor of the event) offered some advice to the young entrepreneurs. "I would like to show these aspiring young entrepreneurs that they should not be afraid to partner with senior entrepreneurs. We young entrepreneurs have the fire in us; we have the passion. Senior entrepreneurs can offer invaluable experience. The resulting synergy benefits both us and our clients."

Written by Anne Gulliver

We are always looking for interesting news stories about incubation, acceleration, coworking and entrepreneurship to feature in this section.

Please write to us at:
editor@theincubatormagazine.com

Out of the Nursery Phase?



Having been in business for over 20 years now, I notice the same issues that faced me during the growth years of my first company are still unaddressed today - that of the lack of support in terms of knowledge transfer and financial aid for companies who have exited the nursery phase and who are going for growth.

Whether I am working in Africa, India or Europe I notice that all governments are currently promoting the need for more entrepreneurship and business start-ups. All economies recognise that growth, employment and innovation will come from entrepreneurs. Here, I add that entrepreneurs can be for profit, social, cooperatives and even community entrepreneurs. Initiatives, funds, training, incubators, seminars and mentors are being provided for all would-be entrepreneurs and for those in the early start-up phase. It's great and thank you.

For large well-established companies, whilst currently it is more difficult than previously to access finance, government patronage is offered to keep these companies alive, mainly in the hope that they do not shed jobs. Again, very important as the unemployment numbers are already too high.

However, jobs are created, skills and training encouraged, innovation developed and competitiveness exploited by those companies in the growth stages. Those companies that may have been established for the past five to seven years, those companies that have come out of the nursery stage, out of incubators and are considered stable and mature enough to be left alone...but that does not mean that they should be ignored.

The growth stages of a company are probably the most difficult to navigate because identifying the right information, or the right person, with relevant knowledge and practical experience to apply it to your business model, is not easy. Finding the bank manager or investors with the insight and the foresight to comprehend the vision and capability of your company is an equally difficult challenge. And proving your competence, the market credibility of your products or services and the calculated risk, is difficult without the right team around the 'board' table.

Through a private sector initiative of a UK organisation, Business in the Community (www.bitc.org.uk), my small growth company was partnered with a large manufacturer. Actually it was big 'white' company helping a little ethnic company, an initiative called Race for Opportunity. They helped me access technical knowledge to increase productivity, supported me with training on sampling and product specification requirements for multinational retailers, prepared me for negotiations with buyers and investors, designed production scheduling and distribution cycles and even gave me second hand equipment to take my company to the next level. Alongside this cooperation agreement with a same-sector company, I also identified three mentors who encouraged my personal growth as a business manager and the professional competence development of the company.

Governments cannot offer the information required at this level of growth. It has to be relevant, with timely interventions of real experts, not consultants, who have gone through the growth curve and can share assistance, but most importantly, help avoid any nasty pitfalls. As Germany knows well, it is these middle-level companies, well-established, with steady growth potential that are the key to continued sustainable growth and that this argument holds true for times of crisis, recession or affluence.

Madi Sharma is an entrepreneur who founded and runs the Madi Group, a group of international private sector, not-for-profit companies and NGOs. The philosophy is to create innovative ideas tailored to local action which can achieve global impacts beneficial to a sustainable society. Madi is an internationally renowned public speaker in the field of entrepreneurship, female empowerment and diversity; her passion is for corporate social responsibility. Her achievements include Asian Woman of Achievement and UK's Best Boss. She is a member of the Employers Group of the European Economic and Social Committee in Brussels, a Prime Minister's appointment.

What's in a Name?

Coworking, hubs, acceleration, clubs and networks, entrepreneurial learning... *Pim de Bokx* asks the question - are business incubators not enough in the current climate?

"What's in a name? That which we call a rose by any other name would smell as sweet." Shakespeare may not have been talking about business incubation, but this quote from *Romeo and Juliet* can be applied to our industry quite aptly. It's interesting to see a lot of attention being given to 'start-up development' organisations that are not positioned as business incubators. While incubators and incubation have been around for 30 years or more, now, these new hubs, start-up networks, coworking places, virtual incubators, accelerators, etc seem to be perceived as 'refreshing' young alternatives. What is going on? Aren't they just business incubation programmes in a new guise? Or are they challenging the established business incubator industry with a better approach and/or a better business model? Let's try to create some order here and look at the three dominant and emerging groups of initiatives: Accelerators, Coworking spaces and Virtual Incubators and see how they compare to business incubators and what we can all learn from each other.

Business Incubation

For starters, let's face it, business incubators aren't that easy to recognise. There are many names and typologies - like Innovation Centres, BICs, Enterprise Development Centres, Innovation Clusters, Plug & Play Centres, Business Labs and so on. This can mainly be explained through cultural differences and so-called generational positioning, i.e. differentiating themselves from an earlier generation of

incubators. But still, most of these can be placed within the concept and tradition of business incubation that focuses on delivering development support to start-ups and innovative/creative SMEs. Certainly, all of these organisations offer space; recognise the importance of proximity, lowered transaction costs and the capacity to grow easily in company size. With an estimated number of 9,000 incubators worldwide and an estimated yearly output of 150,000 start-ups, with the majority of them being knowledge-intensive, this is an established industry that has been recognised for its contribution to wealth creation for entrepreneurs and societies.

One of the ways to check out other initiatives is to compare them with a generally accepted definition of business incubators: 'A business incubator is an organisation that helps start-ups initiate and develop in an accelerated fashion by providing them with an integrated development programme of knowledge, know-how, capital, culture and capacity which can be semi-tailored based on individual needs through a bundle of services, such as physical space, finance, meetings and events, coaching, common business services, and networking connections.'

Let's break this down and ask some key questions

- Check the mission: is it related to start-ups?
- Check the life-cycle it focuses on: entrepreneurship learning, preparation to start, product development, business model development, start-up foundation, market entrance, growth

- Check the level of integration in the programme: does it integrate knowledge, know-how, capital, culture and capacity?

Acceleration is different

We've all seen a huge growth in 'Accelerator' programmes. Some experts (for example, Jed Christiansen) have signalled this as a bright new approach to create better start-ups. Some suggest Y-combinator is the first of this new kind of breeding organisations and celebrates the successful commercial approach it embraces. However, renowned business incubation experts have voiced the opinion that there is nothing new under the sky, business acceleration has been around for decades and is merely a different name for business incubation.

One might notice a rather emotional response to the boldness of these 'new kids on the block'. Understandable, since we are all such passionate practitioners, but still, do the new kids have a point here? The Dutch Incubation Association (DIA) was happy to be involved in a short survey in The Netherlands that looked into the commonalities and differences between incubators and accelerators and analysed the outcomes.

This statement carries much weight and the Dutch research showed that incubators and organisations that position themselves as accelerators, both focus on attracting entrepreneurs with business potential, great product propositions and scalability. They are all focused on helping to found fast-growing businesses that will create jobs and business value. Incubators and accelerators have an entry policy to ensure they will attract the right type of start-up that fits the goal and resources the organisation has put in place and (not) surprisingly these resources are quite alike: knowledge and experience, access to facilities, markets, suppliers, investors and government subsidies.

It cannot be gauged if accelerators have the same positive effect on survival rates, but a prominent difference is that many accelerators have the image of being privately owned and are oriented towards delivering investment-ready ventures. 'Many' because foundations and universities also have accelerator programmes. One other typical differentiator is the short period of the programme, three to six months, compared with three years or more for businesses that are run out of a business incubator. Business accelerators invest with seed capital and receive a share or a convertible loan in return, which helps to align the objectives of the start-up and host organisation and helps to complete the accelerator's business model. The accelerator's management puts more effort, from five to eight percent in selection of high-potential start-ups, from a larger geographic area and with a short time-to-market perspective. Accelerators involve a much larger number of international mentors, industry specialists and investors which bring to bear the 'right kind of relations' and global culture to their programme. At the end, both the start-up team and the



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accelerator management want to succeed in growing a new venture with high investor appeal. And they want to do this within two to three months.

While accelerators are part of our industry, they focus on creating great companies from start-ups with an integrated programme and the survey was able to point to what differentiates them from incubators. Although business incubation is not just about setting up, but also growing a start-up at an accelerated pace, the accelerator's management is involved to a much greater degree with an 'all they have got' approach. This involves high expectations, focused discipline and a very commercial attitude which informs a new typology: the Business Accelerator. There are other arguments as well. Many entrepreneurs and investors got involved in business incubation during the second half of the nineties, and almost all the incubators vanished at the start of the new millennium. To use the term business incubation, once again, might deter potential investors with a good memory. Another valid reason is to create some clarity in the offerings to start-up entrepreneurs. The message being applied to an accelerator for a fast-track to (global) investors and with an almost-ready product in media, ICT and e-commerce. If not, find a match with other incubation programmes and business innovation centres.

It has been observed that seed-accelerators deal with existing young companies, preferably with an experienced team. 'Seed' is added to the term, because there are a lot of accelerator networks around that focus at helping existing SMEs grow. All the more need to differentiate seed-accelerators from regular accelerators. Those of us involved in business incubation longer than most of these

new players, shouldn't look at these accelerators as a threat, and nor should they think of themselves as the better alternative. We should all work together to improve our range of programmes, as there is no "one-size-fits-all" approach. We all compete to offer entrepreneurs the best-suited support we can. Accelerators may not be the next step in the development of incubators, but surely we can learn from them and improve our practice and business models.

Coworking - the focus on improved synergies

The term 'coworking space' was introduced and marketed in 2005 by Citizen Spaces in San Francisco. The good thing about this term is that it sounds so familiar - like something that has been around for decades; coworking is an essential human need. With the emergence of new digital technologies and cheap communication networks, the self-employed entrepreneur has found a new nomadic life-style. Working from home, at location with clients, on the train, at restaurants, anywhere where it is easy and cheap. But the thing missing was colleagues. Some business incubators might recognise this - for example, BViT Innovation Cluster Delft in The Netherlands introduced 'nursery space' in 2000 as part of their incubator, an open office space available for self-employed entrepreneurs. Also professional 'desk sharing' or 'hot desking' has been around for years before the term coworking was introduced. But how does this new model work against the traditional business incubation mechanisms?

In a recent white-paper by EBN on coworking, Philippe

We all compete to offer entrepreneurs the best-suited support we can

Vanrie concludes that coworking is a different movement with different audiences and practices, but with the same objectives and values. They both support the emergence of new economic projects, new innovations, and new companies including individual entrepreneurs. So how does coworking differ from incubation? For me the main difference is that coworking organisations have an *inclusive* strategy, while incubators have an *exclusive* strategy. Coworking organisations are open to anyone as they like to grow their network of opportunity for members. Incubators have an entry policy to help match the start-up needs to the available business incubator's (limited) resources. The

Coworking

advantage of this inclusive strategy is that the amount of resources of the coworking organisation grows when a new member enters. This is really a different paradigm, a different set of values where 'sharing is multiplying', and this is normally not to be found in business incubators. Research shows that business incubators do not deliver on possible synergies, while coworking depends on increased synergies to create customer loyalty.

Research in The Netherlands by Claudia Deijl in 2010 showed that coworking enhances knowledge diffusion, sustains productivity growth and fosters innovation, which is fairly similar to what traditional business incubators have to offer. Two organisations mentioned in this research are the Dutch initiative 'Seats2Meet' and the global initiative 'TheHub'. Seats2meet is the coworking franchise with currently thirty plus locations that is in alignment with the Netherlands Blue Ocean strategy - the initiative of Ronald van den Hof based on his vision of Society 3.0 which began in 2006. Seats2meet offers free coworking space, including free coffee/tea and free connectivity and it is still a non-subsidised operation. The HUB was initiated by Jonathan Robinson in London in 2005. It wants to combine the best elements of a members club, a business incubator, an innovation agency and a think-tank and focuses on collaboration as a leading principle of developing ventures for a better world. Although business incubation has more involvement in the start-ups (incubatees) than the HUB does, it equally recognises the value of collaboration that underlines the BViT's 'clever cooperation' approach. While Robinson is focusing on social ventures, BViT focus on start-ups in ICT, media, high-tech and design. The HUB attracts

mainly one-person companies and BViT tends to attract team start-ups. Where the HUB organises space + community + events to facilitate venture development, BViT staff offers hands-on support, business services, temporary staff and access to capital. The EBN technical note on coworking identifies the practice of facilitating 'serendipity' which is a great way of putting social capital to work and turning it into business value. This isn't uncommon in business incubators as many also facilitate all sorts of meetings and events. But in the case of coworking organisations it is really the main focus. And as the research found, this really creates economic value and social impact, something many Business incubators can learn from. This is characterised by Robinson when he notes "For the HUB, an important lesson to keep members active and involved was that it needed to avoid members developing a 'client attitude'. Our key message is that members own the HUB and the HUB is what you make of it."

Virtual Incubation - Business Incubation without walls

A lot has been said about virtual incubation, some say it cannot be good since the match between the entrepreneurs' needs and resources available in the market is a complex and creative process which can't be done by software. Others say this is the next stage in incubation, made possible thanks to fast-developing internet and software technology, making use of much cheaper distribution tools available today. Nienke Stam and Sönke Buschmann of Triodos-Facet researched the world of Virtual Incubation on an *infoDev* (World Bank) project. They stated that, although the business model of virtual incubators is far from established, its attractiveness lies in the lower capital needs, the much wider outreach and the structured use of online resources which make up for the larger distances. So does this equate to taking away the wall of the incubator?

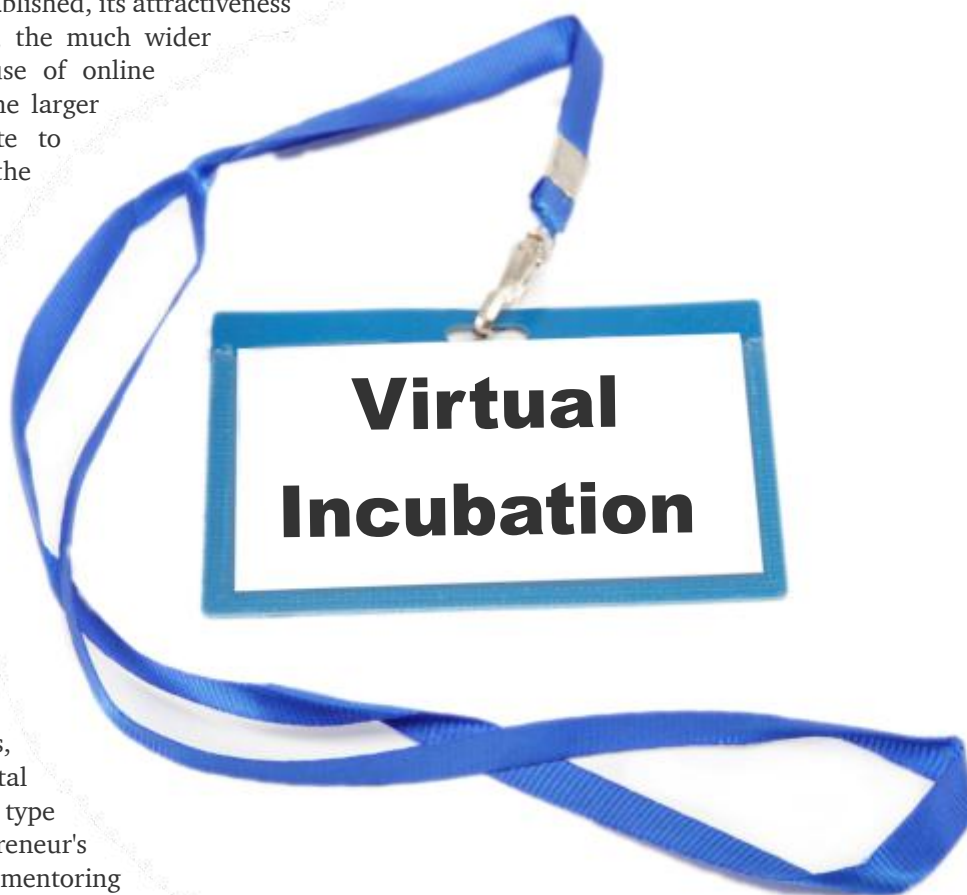
Yes. Virtual incubators are run by people, not by software, and it's just that office space isn't an integral part of the programme. And while rental income is the major income for (traditional) business incubators, virtual ones are funded through all sorts of fees, contributions, sponsoring and subsidies. Triodos-Facet proposes to differentiate Virtual incubators into three types of 'service concepts' - Hand-holders, Network Boosters and Seed-capital Providers. The hand-holders type focuses on the entrepreneur's development, the training and mentoring programmes to learn business skills and guide

them to get their business off the ground. Examples of this type are Softstart BTI from South-Africa, 3ie from Chile and ParqueTec from Costa Rica. Network boosters are

Virtual Incubators are run by people, not by software, and it's just that office space isn't an integral part of the programme

subdivided into Business Plan Contests PLUS (BPC+) and Network 2.0 (social-media enabled). Well-known BPC+ examples are New Venture and BID network both from the Netherlands. Network 2.0 examples include the HUB network and Mobile Monday (started in Finland in 2000 and now has over 100 chapters worldwide). This type of virtual incubation focuses on bringing people together for inspiration, connection and initiating. Seed-capital providers like Y-combinator, the Founders Institute and Villgro (focussing on social ventures in India) use their great outreach to select the best entrepreneurs for their 30-90 days bootcamps to make their start-ups ready for investment.

Virtual Incubation organisations employ all sorts of



Variable	Incubator	Accelerator	Virtual Incubator	Coworking
Start-up related?	Yes	Yes	Yes	No
Phase of intervention	Mostly before product development	Mostly from product demo	Mainly focussed on initiation	Mainly focus on young companies
Service integration	Knowledge, know-how, capital, culture, capacity	Knowledge, know-how, capital, culture, capacity	Knowledge, know-how, capital	Knowledge, know-how, culture
Institutional	Not-for-profit	For-profit	Huge variety	Not-for-profit
Equity stake	Not common	Usually mandatory	Differs	No
Business plan	Often required	More focus on business model	More focus on idea and purpose	No
Time scale	3 years +	3-6 months	Unlimited	Unlimited
Programme financing	Partly subsidised	Mostly private	Mixed funding	Private
Revenue	Rental, subsidy	Sponsors, equity	Sponsors, services	Membership, services
Market	Regional, national	National / International, mainly internet & e-commerce	International / National	National
Entry policy	Varies a lot	A very rigorous process	Very low barriers	No
Period (exit policy)	1.5 to 8 years	3-6 months	No exit	No

tools and services. Some of them have typical on-site features like meetings, workshops, pitching, etc. Others are off-line; like information, communities, e-learning, one-on-one communication, crowdfunding and outsourcing, etc. So virtual incubation limits the on-site activities to those that really seem to need proximity to build closer relationships, have better partnerships and development of know-how. For other activities, online services can help a great deal in gathering resources and distributing knowledge. Thierry Sanders of BID network believes that no matter how efficient all this can be, in practise, the best and larger investments deals are made between people that have got to know each other and met at some occasion.

And so we have it - the problems of trying to make clear categories; while one person may put the HUB into virtual incubation another may see them in the coworking slot. And would seed-accelerators be more virtual incubators than

business incubators? I don't think we should typify every organisation that targets start-ups and uses online tools and/or services as a virtual incubator, only in the case where the main part of the incubation process is performed in a location-independent fashion, but digitally managed to make up for the loss of proximity. I think there is a great possibility for business incubators to strengthen their impact by learning from virtual incubation strategies. Depending on the services needed by the target group, business incubators can use virtual tools and replicate the successes of virtual business incubation service providers.

At the end of the day... We all provide a similar service. To grow start-ups, assist entrepreneurs and create wealth. Whatever we call ourselves, we are practitioners in the same space and need to share our experiences and models to create a better world. After all, what's in a name?



Pim de Bokx is an enthusiastic advocate of entrepreneurship and incubation, as a means to nourish and accelerate entrepreneurship. He has been an entrepreneur since he was 21 while studying Landscape Architecture. He then studied Business Science in Rotterdam, while he operated his third company. In 1999 (after his fifth company), he moved into incubation and founded BVIT Innovation Network, which was recognized as the 'Best Science Based Incubator of Europe'. Pim is also an EBN accredited EC-BIC expert. His most recent venture is Pioneerz, an 'accelerator of incubators', that will support the delivery of high-impact and high-performing initiatives.



‘S’ is for Start-up

All over the world, incubators and accelerators are popping up in an attempt to stimulate local, regional and countrywide economic development, and feed on the most prolific segment of business growth, S,S,M,E's. Never heard of an SSME?

It is impossible to calculate the value, importance or impact of small business on economies without including start-ups (the first ‘S’ in SSME). It has been estimated that there are as many as 400 million entrepreneurs worldwide and a large majority of these are obviously start-ups as opposed to small businesses.

First, we need to examine the disparities amongst nations as to what constitutes a small business. In the US, a small business is classified as a business employing 250 or fewer people. In Australia the definition of a small business is ten persons and in the EU it is 50 people. The stage below “small” is micro. In the US, micro equates to one to six people, in Australia, one to two, and in the EU less than ten. Businesses with fewer than five employees represented 94 percent of small businesses in South Africa.

It has been well documented that job growth is dominated by small business. In the US there are 22 million small businesses compared to 14,000 “large” businesses. Globally, the contributions of small business to GDP ranges from 74 to 93 percent.

In the context of incubation, questions arise as to how do incubation organisations tailor their programmes to meet the needs of their constituents? In this era of new fiscal realities, incubators, like the clients they serve, must learn to function as small businesses themselves. Managers and directors must ask themselves the difficult questions: What is our mission? Who is our client? How is the incubator going to be sustainable? What is our marketing advantage? What are the expectations of our clients? Can we meet those expectations with our available fiscal, human and service resources?


The overwhelming majority of applicants state that they are looking for funding. As incubator managers, we know that the competition for seed and early stage funding on a global scale is fierce and with new entrepreneurs from emerging nations joining the global economy, the competition will be even more formidable.

I subscribe to the theory that the incubation industry, just like its clients, must evolve and become proponents of the digital revolution. Incubators that remain entirely dependent on subsidies, are locked in to a fixed geography for clients and the experts to mentor those clients. If they still think that an incubator's attraction includes low-cost rent, a copier and an internet connection, then they are doomed to disappoint their communities. It has also been estimated that of the 400 million entrepreneurs worldwide, at least 84 percent are online at least once per day.


Access to the internet has been responsible for toppling governments, creating new associations and has provided the most significant communications and collaboration platforms since the invention of the telephone. Virtual incubation leverages the expenditures in digital infrastructure and provides access to a global network of experts that levels the playing field for early and emerging stage enterprises in rural, urban, established and new economies alike. Let's not forget the most important ‘S’ in economic development, the **start-up**.

Les Neumann is CEO of iCAN. iCAN is transitioning its eight years of incubation experience, knowledge, global contacts and geographic market from local to global; from subsidy dependent to for-profit and from bricks-and-mortar to a virtual, digital strategy. iCAN is changing the paradigm of traditional incubation & acceleration from the traditional geographically restricted, not-for-profit, real estate model to a global, virtual, for-profit one.

Social Butterfly Effect



Louise Pulford describes social innovation
in the European context - moving from
the margins to the mainstream



20 years ago, the first 'centre for social innovation' was established in Vienna, Austria. Ten years later, they were still the only centre of this name. ten years further on, something has changed.


The European Commission recently launched a guide on how public authorities can support social innovation; the Schwab Foundation and the World Economic Forum's Global Agenda Council launched a new policy paper on scaling social innovation; and the European Investment Bank released a call for applicants for their second social innovation tournament. Today, there are dozens of labs and

hubs instigating and incubating social innovation, dozens of centres doing social innovation, and a series of support mechanisms, funds, and strategies enabling social innovation to flourish all over the world. There are thousands of references to social innovation online.

Innovation is increasingly recognised as a way to tackle social challenges, rather than just the challenges posed in technology, science and medicine. Social innovation is becoming fashionable - everyone is doing it. And what's more, the world is looking to Europe as a leader in this trend.

A new trend

Governments are 'doing' it. Across Europe, national governments are experimenting with structures that encourage social innovation. Nine countries in Europe - from Spain to Sweden have official social innovation plans and strategies, the most recent launched in Sweden in autumn 2012. There are also a series of official government 'offices' responsible for social innovation, like the Office of Civil Society in the UK. Several units, positioned both in and outside of governments, have been established, using methods, like design, to develop new strategies for public



*Innovation is increasingly recognised
as a way to tackle social challenges,
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service delivery (such as the Helsinki Design Lab in Finland and Mindlab in Denmark).

City-level governments are using social innovation, as in 'La 27e Region' across France; companies are doing it from McKinsey to HP; large institutions like UNDP are also using social innovation approaches, and of course, communities are doing it. On the ground there is no shortage of brilliant ideas, and ways to find them. European cities are teeming with new ideas, initiated by citizens, professionals and policy-makers. Users are taking a role in designing their own solutions as co-production is more widely understood. New approaches to how we live our lives, like collaborative consumption or crowd-sourcing, are becoming mainstream to the extent that Zipcar, Airbnb and Kickstarter are becoming household names. Whilst competitions and prizes, calling for the most innovative ideas and projects to various societal challenges can be found on the websites of banks to businesses.

Since 2010, Europe has been recognised as playing a leading role in setting an agenda that is embedding social innovation into the centre of policy-making and service delivery. The Europe 2020 Strategy makes a strong commitment to promoting social innovation, and the European Commission's Innovation Union strategy clearly places innovation at the centre of the policy agenda for meeting social challenges affecting Europe and its Member States.

Why now?

Of course, social innovation is not new. For centuries, people have been innovating to find a better way of addressing societal challenges - from the first schools, to the first cars, to the first national health services. Europe has also been leading the way for centuries - many of these firsts have European roots. What is new, however, are the structures that are being developed to support social innovation.

Whilst globalisation, international migration and innovations in information and communication technologies have transformed the society we live in, and brought about substantial improvements to the lives of

EBN in Transition; BICs in Social Innovation

Transition is a 30-month FP7 project that supports the scaling-up of social innovations across Europe by developing a network of incubators which brings together established partners within the fields of social innovation and innovation-based incubation.



Transition is led by the European Business & Innovation Centre Network (EBN), Europe's network of innovation-based incubators, and The Young Foundation, a pioneer in the field of social innovation. Other partners include Denokinn, Nesta, New Factory, Paris Region Innovation Centre, Politecnico Milano, Social Innovation eXchange and WestBIC.

Transition will identify a number of social innovations with the potential for scaling and then invest significant support to help these innovations scale within their country and/or internationally. Transition will also analyse which scaling methodologies are most effective in a given region, and the level of impact of these methodologies when transferred between regions.

In parallel, Transition will develop a 'fast track' Start-ups Lab to rapidly take social innovations at the ideas stage all the way through to international implementation within the time scale of the project.

For more information, email: margaret.mulligan@ebn.eu

Europeans, these developments have failed to stem the rising tide of social, economic and environmental challenges. That's why social innovation is needed.

This need has of course been heightened by the current financial and economic crisis. Europe has its highest levels of unemployment for decades. Climate change, social exclusion, inter-generational worklessness, material poverty, health and wealth inequalities and ageing populations continue to pose real and significant challenges across Europe. These challenges are already beyond the capacity of public budgets, and in the case of ageing and chronic disease, private budgets too. It is hampering Europe's competitiveness and economic growth in the long term.

That new and innovative approaches are required to meet the economic, social and environmental challenges now and into the future, is widely accepted. How to make that happen is a harder question.

A deeper understanding

Europe is leading the way in developing a better understanding of social innovation and putting in place policies, across the Commission directorates from DG



Market's Social Business initiative, to DG Connect's digital agenda, that are beginning to create an environment in which social innovation can flourish across member states.

The EC is supporting research projects, which aim to better understand social innovation in various contexts

The EC is providing resources for extensive research on mapping and frameworks. For example, in Portugal a methodology for mapping specific social innovations is being developed by the Social Entrepreneurship Institute and INSEAD. Work on tools to measure results on the macro scale is being undertaken by University of Heidelberg in Germany. This is building on existing indicators to measure innovation, thus helping governments and funders to understand where their interventions are most effective.

The EC is supporting research projects, which aim to better understand social innovation in various contexts. In the public sector, LIPSE (Learning Innovation in Public Sector Environments) will identify drivers and barriers to successful social innovation in eleven EU countries and seven policy sectors. Whereas TEPSIE, a research collaboration between six European institutions, aims to understand the theoretical, empirical and policy foundations for developing the field of social innovation.

Other projects are covering everything in between, from looking at how to transfer best projects and practices between regions, to governance and community building at a local level.

Beyond the research, there is also an increasing recognition of the role of strong learning communities and networks. This is why the Social Innovation Europe initiative, which SIX (Social Innovation eXchange) ran on behalf of DG Enterprise, focused on creating a community of social innovation practitioners who can support, learn and share from each other.

So what's missing?

Whilst the growing momentum and investment is positive, it also brings challenges.

The problem is not that there isn't enough social innovation in Europe. The problem is, rather, that innovations taking place are not effectively disseminated, because they are not sufficiently understood; many innovations are not picked up, because their relevance is not recognised. Innovations can also fail after they are introduced into a new social context, because they are not suitable to the different conditions in another city, or another country.

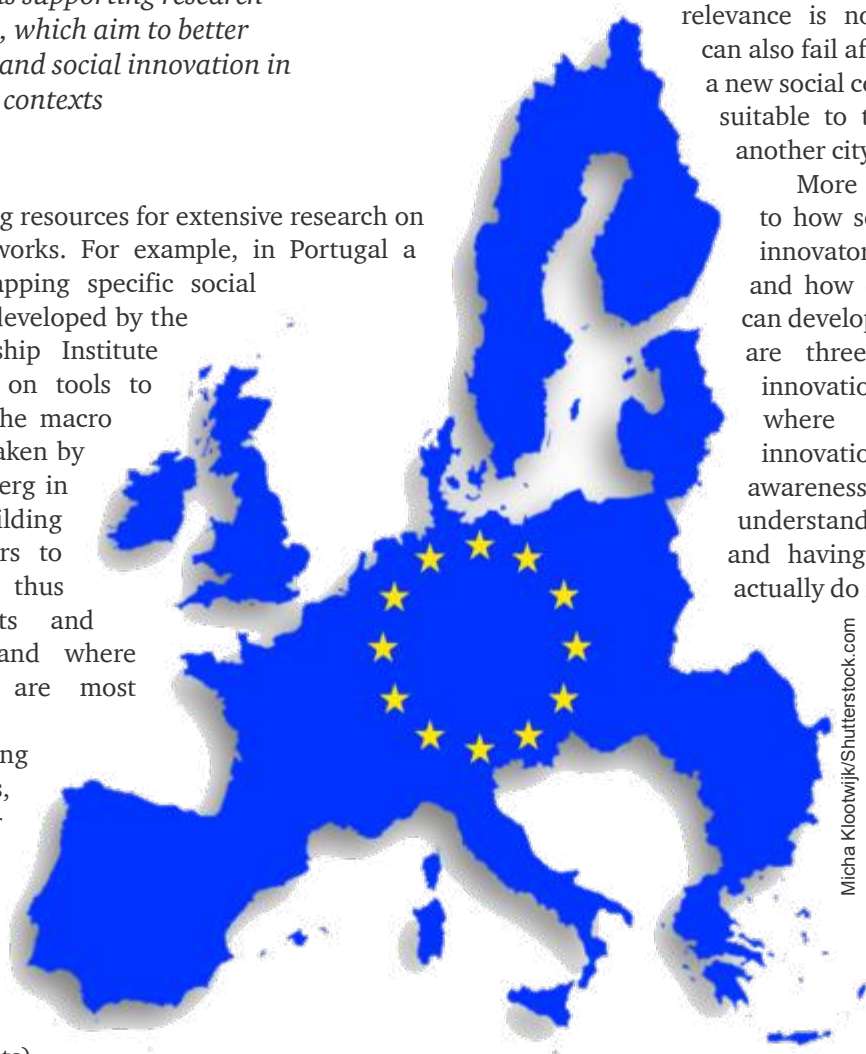
More attention needs to be paid to how social innovation and social innovators can be better supported, and how existing projects and ideas can develop, scale and replicate. There are three levels at which social innovation can be accelerated and where capacity to do social innovation should be developed - awareness of what is happening, understanding how it is happening, and having the skills and ability to actually do it.

- As described above, significant progress is being made on awareness of concept, but still more resources needs to be put into finding out who is doing what/where, and what is

working and what's not. There are resources such as SIX and

Social Innovation Europe, but we need more support in global and European infrastructures to do this work. We need to support platforms for people to share ideas, tools and methods, as well as an honest account of what works and what doesn't. Not reinventing the wheel is important.

- Not only understanding what works, but also why and how. Some of the skills needed are those that can help in 'learning how to adopt and adapt. It is not so simple as finding what works and scaling it up somewhere else. In cities, towns and communities across Europe there are projects which are innovative in the context of that place. Transferring the project to another context will require an understanding of all the components, and then effective 'bricolage' skills which



Micha Klotwijk/Shutterstock.com

Creating an Ecosystem for Social Business Innovation

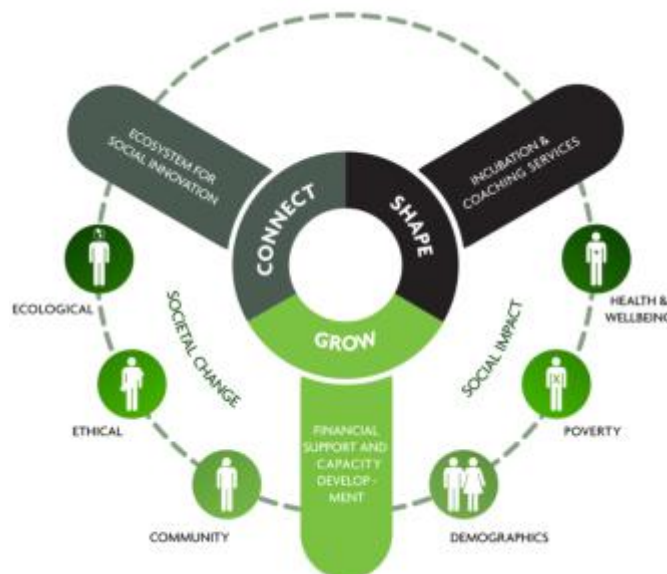
i-propeller is a Brussels-based social innovation consultancy. Through its research, incubation and coaching services, the Innovation and Action Lab supports and accelerates the speed-to-market and impact of social businesses and their social innovations.

The Lab's incubation offering is structured around 3 pillars:

- **Connect:** connect social entrepreneurs and inspire individuals and organisations on social business innovation through communication, networking events, and co-creation workshops.
- **Shape:** tailored coaching, training and coworking services for social businesses willing to strengthen their business model and social impact.
- **Grow:** advice on scaling-up strategies, management capacity coaching and access to funding.

The Lab also initiated a number of FP7 research projects (SELUSI, ITN, BENISI) - promoting research over social entrepreneurship, social innovation and scaling-up strategies for them.

www.i-propeller.com



will enable the development of a hybrid combination of new and old elements in order to make it work in another place, country or region. We therefore need more skilled and effective translators, as much as we need initiators. For social innovations to spread, we need people who have mastered bricolage.

- Even if we have an understanding, we may not have the ability to actually do it. A critical lesson from the fields of science and business is that successful innovation depends on skills-observation, learning, multiplying ideas, finance, design and scaling. Creating new solutions to complex social challenges therefore, requires a new level of expertise in techniques and approaches that have been shown to work and creativity from the people who work across society, in government, business and the third sector. There is a distinct lack of training and capacity building in the field of social innovation. There are an increasing number of organisations around the world, many of which are in Europe, providing resources and training which demystify innovation and make it into a practical process, empowering individuals and organisations by giving them the tools to turn learning and theoretical

ideas into practice - from the Global Innovation Academy model, to Nesta's work on skills in the UK, to Kennisland's Social Innovation Safari in the Netherlands. Academic institutions like INSEAD are also providing practical training in this area. However, there is still a lack of provision of this kind.

Progressing with caution

A deeper understanding is needed to ensure that enough people across the public, private and third sector are present to create the right environment in which social innovation can flourish. This is essential if we want innovation to help us tackle the complex societal challenges we face today.

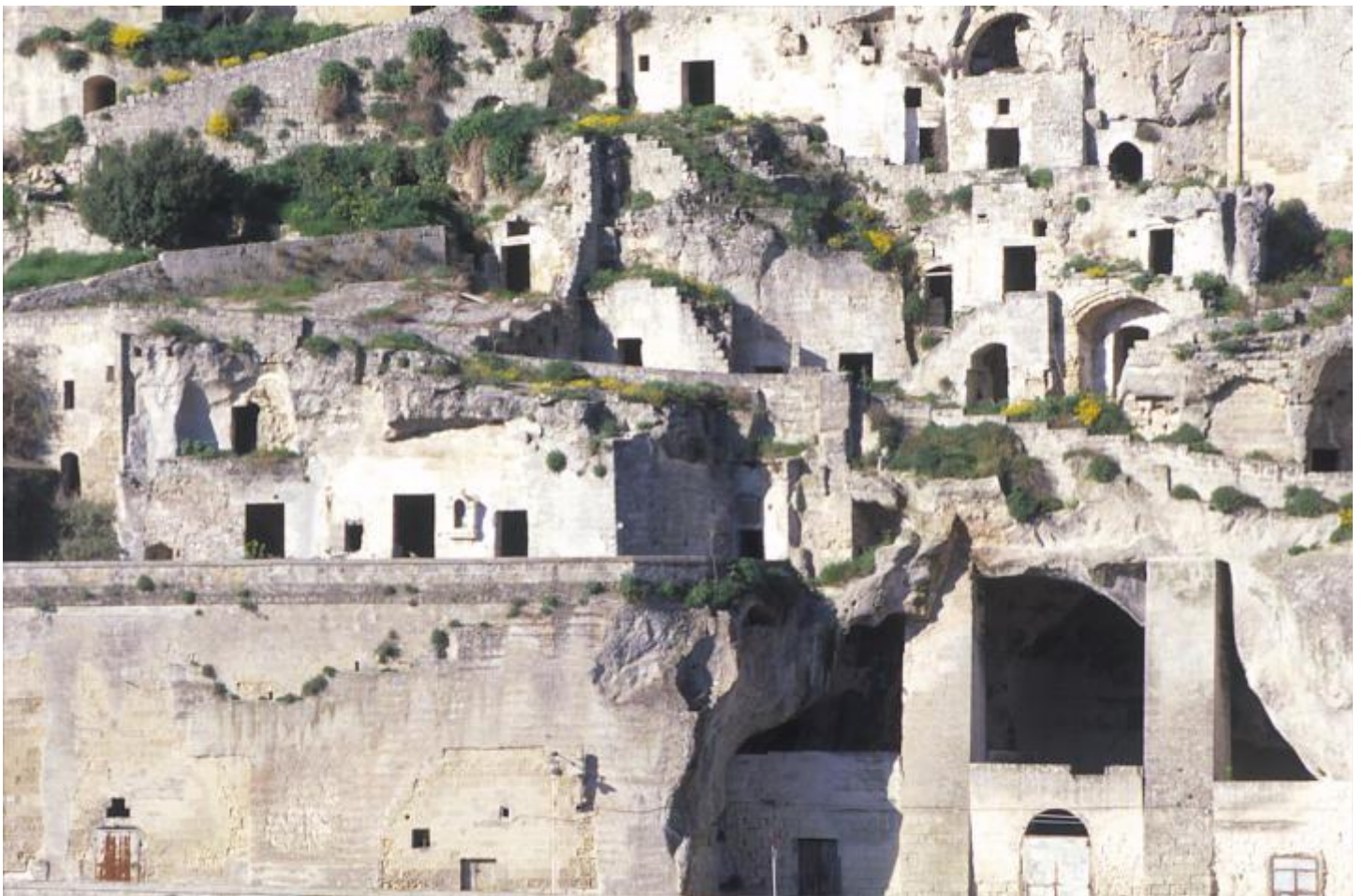
The nature of innovation means the end result may look very different to what was imagined at the beginning. Whilst governments and funders and others that support social innovation need to know where to direct their money and need data on what is working, the demand for rigorous measurement too soon, might just kill ideas with potential. Being aware of this balance and working closely with the stakeholders within the social innovation ecosystem, will affect the impact and potential of this concept across Europe.



Louise Pulford is the Director of the newly-independent Social Innovation Exchange (SIX), a global community of 5,000 individuals and organisations involved in social innovation. For the past four years, Louise was responsible for SIX during its incubation phase within the Young Foundation, managing its websites, events and networking activities. She also manages the European consortium which runs the flagship European Commission network - Social Innovation Europe. Previously at the Young Foundation, Louise supported a number of projects including the development of the UpRising programme - a leadership programme encouraging young people to be more involved in public life and decision making. She is also Chair of the Alec Dickson Trust.

The Entrepreneurship of Culture

Vittorio Simoncelli takes a look at the Rioni Sassi Incubator of Matera, an incubator within a UNESCO World Heritage site





The Rioni "Sassi" Incubator is a recently developed incubator, which focuses on the cultural and creative fields (IC&C), one of the few growth industries in the world in this time of economic crisis. Unlike traditional incubators, often located in industrial areas, this incubator is located in the historical centre of Matera, one of the most ancient cities in the world, one that was listed as a UNESCO World Heritage site in 1993. When the project started, the site was a collection of badly neglected ruins - making it fairly easy to convince the Municipality to grant free use of the area in exchange for restoring and rebuilding the site. This was achieved through innovative use of the finance given by the Italian Ministry of Industry towards the building of new incubator. The project was developed by Invitalia (The National Agency for Inward Investment Promotion and Enterprise Development), while the management was assigned to Sviluppo Basilicata, the Regional Development Agency and the in-house organisation of the Basilicata region supporting development, research and competitiveness within the territory.

The main public and private partners involved in the project also included the Municipality of Matera, who have the lease of the State-owned buildings for a thirty-year period. The Superintendence of Basilicata Cultural Heritage was also involved through the participation of the Peasant Art Museum. The project also saw involvement from the Zetema Foundation who were responsible for the restoration of Ortega's house (a famous artist from the sixties), which is part of the surrounding area.

The development

The restoration was a slow and difficult process as it had to be implemented with full compliance of all the rules governing the preservation of historical and cultural heritage sites. The final result was / is unique. The project covered the restoration of the area, and included the Museum of Rocky Habitat. The housing units that were developed showcase the enchanting area of Sassi, with large central rooms, secondary bedrooms for services, areas formed from tufa stone, all of which open out on to pedestrian walkways and parking areas; together forming an environment that nurtures social relationships.

The technologies that underpin the development are both functional and contemporary, and offer the flexibility to adapt with changing needs.

Today, the Rioni Sassi Incubator has become a hub, for the creative world; designers and artists have made it their base owing to the availability of excellent services and the inspirational environment. Besides this, there has been a 'viral contamination' with other subjects, primarily citizens and craftsmen, who have become active players themselves in the creative processes and designs that are generated within the incubator.

Location, location, location

Places like this quickly become part of the public consciousness and, as a result, the incubator has become an attraction for both local visitors, as well as international lovers of art and culture who flock to Matera. The city is also a candidate for the European Capital of Culture in 2019. Thanks to its tactical location, it has been possible to develop and create positive synergies between countries on the southern shore of the Mediterranean Sea (Morocco, Tunisia, Algeria, etc.) and Matera's eastern neighbours on the Adriatic (the Balkan countries). This has been achieved through focussed collaboration with galleries and design schools, and the programmes have been supported by both local institutions and private sponsors - usually large companies sensitive to the promotion of their image through art and culture.

Another asset of the incubator is access to local craftspeople, particularly those working with traditional raw materials (stone, wood, leather, clay) with whom artists and designers can create a mutually rewarding and creative relationships. Many designers in the prototyping space, and contemporary artists, continually express interest in indigenous materials and methods.

The main objective is to establish Matera as a gravitational centre for culture, and as a creative cluster, from which it can spread its influence to the surrounding territories, while consolidating its position as the leading player in an evolving creative framework. For this



reason, in parallel with the launch of the incubator, the creation of an international design school (the Matera Design System - MDS) was a crucially important project; one promoted by Basilicata Regional Government and Sviluppo Basilicata, in collaboration with the Sofa District of Matera. It was a natural follow-up of the MIM Project developed recently in collaboration with Consortium Poli Design of Milan (www.mimdesign.it). The main aim was to promote and sustain the image of Matera as the capital of design in Southern Italy. naturally the strategic geographic location of Matera was fundamental to this.

Design is very much the order of the day to establish competitiveness in the industry, and ensure our ability to compete in global markets. The role of the incubator in this area is strategic. It is an instrument that promotes product innovation, offers guidance, influencing and creating lifestyles, enabling diversification and quick response to market changes.

Matera can become a place for creative output only if its objective is to be a catalyst of innovation

The project has underlined the importance of marrying creative skills to best business practices in the area. It has served to define the opportunities for growth that are prevalent in this sector of entrepreneurship. It is interesting to note that the start-ups are proactively interested in

promoting and serving both the private and public sector cause; they are keen to see public-private sector partnerships, and to serve on projects supported by national or EU funds. This is a remarkably open-minded approach, typical of the creative / cultural industry, and quite unusual when compared to more traditional sectors.

Local strengths

The location of a cultural incubator is crucial to its success, and in Matera, the incubator is housed in a historical building located in Civita, an ancient part of Sassi. However, the area is dotted with other initiatives, all of which serve to make the immediate neighbourhood a cultural hub. The incubator has as its neighbours the home of the famous Spanish painter, José Ortega, the famous MUSMA (the Museum of Contemporary Sculpture), the Matera International Design School, the Romanic Cathedral, the site of the Matera 2019 Committee... All of these are complementary to the projects and ideas that emerge from the incubator.

The incubator has become a hub for culture and creativity where innovation, design, ancient local handicrafts come together in a happy melange of creativity. Together they have created a new model for the revitalisation of small businesses in the area, as well as innovative start-ups and spin-offs. A lot of this is owed to the services provided by the incubator staff and the business and entrepreneurship training courses that are offered. Next autumn the incubator will host a programme for creative and cultural start-ups, in partnership with Intesa San Paolo Group, the noted Italian Bank, and Italia Camp, a well-known youth association for social innovation.



Conscious of the need for a profitable exchange between territories and businesses, the Rioni Sassi incubator tries hard to facilitate interaction between different entities within the community, raising awareness about the value of culture and engaging the community in the initiation and further development of creative projects, starting of course, with those who are directly involved. Therefore, the challenge consists in identifying potential and necessary forms of cooperation and creating the necessary links between culture, education, research and economic systems, without losing sight of the goals and needs of the community. Matera can become a place for creative output only if its objective is to be a catalyst of innovation. This ultimate goal requires that the research carried out inside local companies, and inside the Rioni Sassi incubator, be diffused throughout the region in order to create other similar spaces.

Today companies have to deal with time-consuming factors, which make operating effectively, quite difficult. Once issues like easy access to credit, fiscal pressures and bureaucratic demands have been sorted out, small and medium-sized businesses can get on with doing what they do best. Being innovative risk-takers and the promoters of new and up-coming talent.

And so it goes...

In summary, The Incubator Rione Sassi and the other incubators managed by Sviluppo Basilicata (one specialised in green economy and the other in agro-biotech) have the following aims that they strive to implement:

- value the uniqueness of the territory by enhancing its scientific, cultural and aesthetic excellence within an international context
- sustain the development of creative and cultural industries, with the participation of both public and private stakeholders
- identify internationally, those entities that might be ideal alliances and collaborations
- value the identity of the territory as a place of creation and export it as a brand

The socio-economic development, combined with the attractiveness of the cultural, natural potential of the city of Matera is an extraordinary opportunity for the entire territory. It is also an excellent model of valorization of cultural heritage into a new sustainable and innovative model of business. It is a model that can serve as an example to other regions with similar potential.



Vittorio Simoncelli, Head of B.U. Local Development & Business Incubator at Sviluppo Basilicata Spa - the Regional Development Agency of Basilicata region (Italy). He graduated in Political and International Science at University of Rome "La Sapienza", with a Master's in Management of Innovation at Saint Anna School in Pisa. He has over 15 years experience of SME's internationalisation and innovation, EU Projects, enterprise creation and entrepreneurship, SMEs and start-up financing, networking and institutional building. He managed the start-up of three business incubators. He was also the Project Office Manager at Chamber of Commerce in Potenza, and is an the author of many historical and socio-economic essays.





Digital Delivered

Dr Bernard Toal gives us the insider's view of a digital incubator in Northern Ireland

Digital Media Works is a joint venture between NORIBIC and the North West Regional College (NWRC) in Derry~Londonderry, Northern Ireland. Established in 2006 as a computer games-focused business pre-incubator, building on the academic output from NWRC, it has widened its entry criteria to embrace the broader digital media sector, including animation, graphic design, 2D and 3D comics and other digital media based businesses.

We have a focus on this sector for several reasons. Derry~Londonderry, befitting its status as the first UK City of Culture 2013, is awash with creative, well-educated, young people with a drive to succeed. The Digital Media sector has been identified within the city's regeneration plan - the One Plan - as a high growth sector aligned closely to the resources of the city. Derry~Londonderry is the first UK city to be fully high-speed broadband enabled. The Digital Media sector is highly knowledge dependent with lower capital barriers to market entry than some other high-tech sectors, lending itself to support through a pre-incubator/incubator such as Digital Media Works.

Getting in

For entry to the incubator, potential entrepreneurs must demonstrate, through an outline business case and an interview, what their business idea is. We encourage as many

people as possible to do this - it helps them to focus on what their business actually is. For those business ideas that display merit, we provide a 'probation' period to allow the potential entrepreneur to explore his/her idea further. NORIBIC provides advice and support through one-on-one mentoring at this stage.

At this stage, we can also assess perhaps the most important aspect of any successful business - the entrepreneur himself. We look for drive, commitment, enthusiasm, innovation and determination. Better the wrong idea with the right person, than the right idea with the wrong person. We may be able to change the idea; we can rarely change the person.

We see our role as developing robust businesses from pre-start stage through to market entry. Many of our incubatees excel at the technology and creativity, but are less experienced in the business aspects of developing and growing a start-up. NORIBIC can, through its own suite of business support programmes, work with entrepreneurs to assist them understand the basic tenets of business: project management, financial planning, marketing, sales, even presentation skills. Our theory is that, by pro-actively intervening at this early stage in the business life-cycle, the budding entrepreneurs can gain a better understanding of the practical aspects of business and embed good practice into their business model, alongside digital creative excellence.

Learning curve

NORIBIC has amassed a pool of professional mentors and business people to provide assistance across the spectrum of business needs. We can call upon over 160 mentors to provide our programme support in areas from management to marketing, from IP to HR and from finance to feasibility. This all-encompassing support greatly reduces the chance of business failure - of the 15 graduate and current companies, only three have failed as business entities, despite being in one of the worst recessions in decades. However, even here, those entrepreneurs have taken lessons in business, management and project development into other employment opportunities. We see this as a further side-effect of our system.

Speaking of side effects, in developing Northern Ireland's first single-sector pre-incubator, we had hoped that there would be peer-learning, collaboration and joint development of business opportunities. Our first intake of eight young potential entrepreneurs, with business ideas in areas of music,

animation, graphic design and education, came together to develop a learning game aimed at teaching peace and reconciliation to primary school children across Northern Ireland. Currently, we have graphic designers supporting games developers, and comic writers providing input to a video production business.

NORIBIC also seeks to use the creative skills of in-house businesses where possible. For the development of our EBN Congress marketing comic, we approached one of our fledgling businesses to make it a reality. Uproar Comics, who specialise in Gothic comic books, created a unique marketing brochure for the Congress, moving the focus away from staid marketing literature to a more quirky, attractive approach. www.uproarcomics.co.uk

Startacus (www.startacus.net) is an online community celebrating the self-starter, a platform for young (and not-so-young) entrepreneurs to meet, share ideas and find out about business start-up. Startacus is a means for NORIBIC to promote our activities to a targeted market.

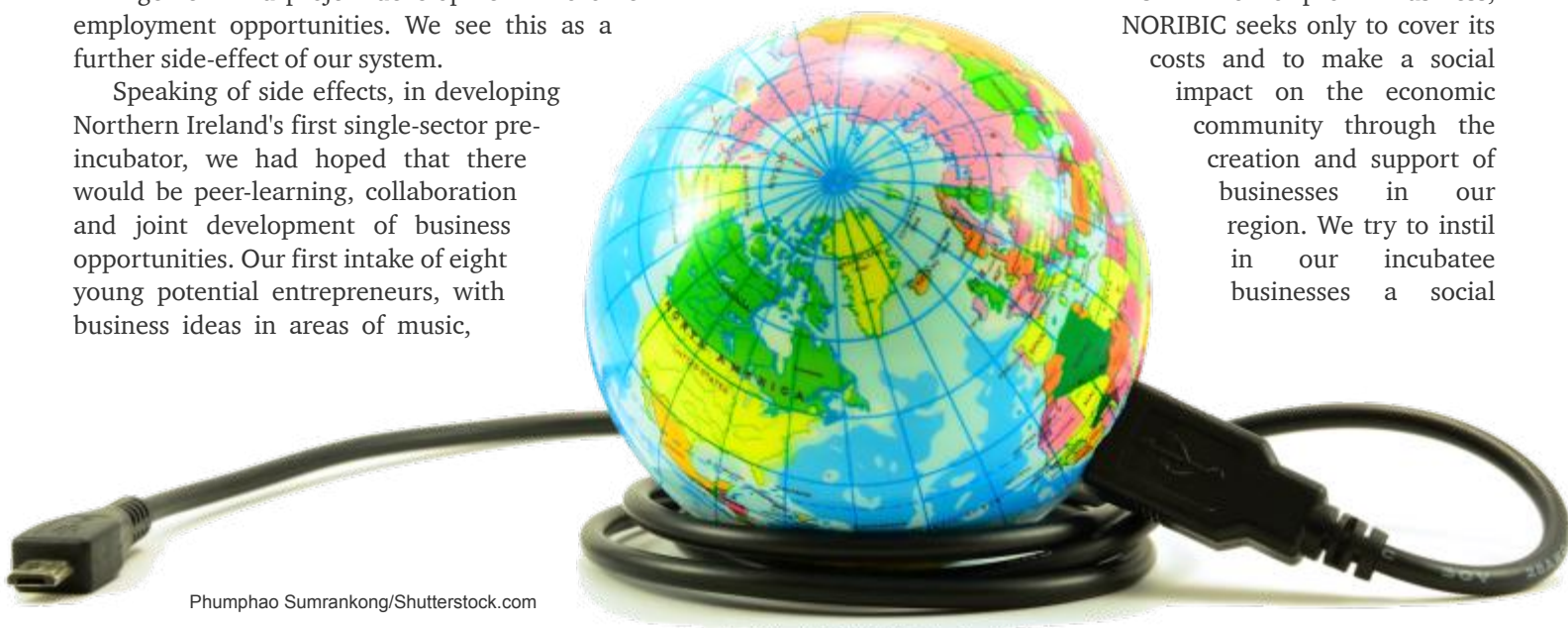
The range

The role of NORIBIC in the area of business incubation extends beyond just that of estate managers and providers of direct mentoring support. As any well-connected BIC should, NORIBIC has a wide network of support organisations outside of its own portfolio of programmes, to whom it can refer suitable businesses. Invest NI (www.investni.com) for example, provides a range of support for our clients, ranging from R&D support, innovation vouchers, market research library, trade mission support and employment grants. We have been successful in achieving proof of concept funding from e-Synergy of up to €45,000 for individual incubatees, and have also secured access to mainstream business development programmes such as Propel, worth over €20,000 to our individual entrepreneurs - considerable investment for a start-up business. For those at a more advanced stage of development, we also provide access to

Halo, a business angel network run by the Northern Ireland Science Park.

As a not-for-profit business, NORIBIC seeks only to cover its costs and to make a social impact on the economic community through the creation and support of businesses in our region. We try to instil in our incubatee businesses a social

Phumphao Sumrankong/Shutterstock.com



conscience. We encourage and facilitate them to take advantage of programmes such as the Youth Employment Scheme, which places unemployed young people in a business to give them work experience, and the Graduate Attachment Programme which matches unemployed graduates with suitable expertise with businesses for periods of up to six months. These approaches are beneficial to both parties - the unemployed participants get real work experience and the start-up companies get access to expertise, knowledge and skills, or another pair of hands, that they may not have in-house, and get the opportunity to assess someone for a period of time in the workplace at little or no cost, before committing to full time employment.

Being based within the NWRC, a third level College with a student base of over 20,000, we also try to encourage the spirit of entrepreneurship among the student body. To this end, we encourage our incubatees to engage with the College as guest lecturers in IT, media studies and business, showing how to translate what the students are learning into a revenue-generating employment opportunity. And, as all of our entrepreneurs are currently under 30, there is a great 'street credibility' factor in this approach.

Opportunity for growth

Unfortunately, under our current size and location limitations, and in the manner of a true incubator, once a business needs to expand as it becomes more successful it must move on from Digital Media Works, as one of our graduate businesses. We do, however, maintain contact with these businesses and they can still avail themselves of any of our business innovation support programmes. We do have expansion plans, both on site at NWRC and within a new proposed Creative Hub on the Ebrington site of a former military barracks in the city centre. This will greatly increase the size of the incubator and provide the opportunity for follow-on space. It will also facilitate greater collaboration across the digital sector with organisations like the Nerve Centre (www.nervecentre.org); an award winning creative media development and support centre.

There are, of course, further opportunities to collaborate with the wider BIC network members who operate in similar sectors for internationalisation and transnational development support for our high-growth digital media businesses. And this is an area where we will be focusing our attention in the future. The sky is the limit.



Maksim Kabakou/Shutterstock.com



Dr Bernard Toal has a PhD in Physics and an MBA, so is ideally qualified to understand both sides of the technology/business conundrum. He has been involved in business incubation since 1989 and has been CEO of NORIBIC since 2001. Leading a small dedicated team at NORIBIC, he has overseen the development and delivery of over €7m of business and innovation support programmes that have assisted over 1,000 SMEs across Northern Ireland and beyond.



Telling our stories...

Once upon a time... Ah, I believe I have the reader's attention because we all like stories.

Once upon a time our Incubator was in the midst of a construction project, installing a state-of-the-art bio-science wet lab. We had ordered lots of specialised equipment. After a large shipment arrived one of our clients, a serial entrepreneur - who's working on his fourth start-up - stopped by my office and said, "You bought my cytometer". I had no idea what he was referring to but I knew I had recently written a large cheque for a piece of equipment called a flow cytometer that had arrived that morning.

"Yes, we bought a flow cytometer".

"You bought *my* flow cytometer", John replied. "I saw the manufacturer's name on the box."

Then I realised what he was telling me. In his first business, launched in our incubator twelve years earlier, he had developed new flow cytometer technology. He successfully sold that device to a scientific equipment manufacturer. We had just purchased one of them and his invention, born in our Incubator had "come home to roost".

John explained he had never seen a finished model and he could not wait to work with it. He will sign up for our new shared lab and use this piece of equipment extensively for testing and development in his current start-up. Excited about the turn of events, I wrote to the editor of the newspaper who immediately said he wanted to feature a story about the entrepreneur and our new Bio-Science lab. Our client was delighted.

What a wonderful circle.

This may not be a surprising tale for many of us who have been in the Incubation industry a long time, but it's a good one. Imagine if I had written to the newspaper editor and said, "We want to remind you that one of our clients invented something more than a decade ago." Or, if I had written to the paper with the news: "Incubator client creates three new jobs." Those are positive accomplishments indeed. They are things our stakeholders want to know. But they do not necessarily have memorable impact or create excitement about what's happening behind these walls.

Reporting our 'Return on Investment' to stakeholders is vitally important to our Incubators and our communities, so we gather job creation numbers, track client revenue and how much investment they've attracted, and more. But we must not forget to recognise and impart the powerful human interest stories we are surrounded by. We have to "connect the dots".

Story telling is as old as humanity. It is the principal way history, culture and values have been passed down through lifetimes. People are naturally programmed to learn through stories. As we go about our business, helping our clients solve problems, managing our buildings, delivering services and keeping our stakeholders informed, let's seek out the unique and special occurrences that can be told and retold, beginning with the words: "Let me tell you our story..."

A recognised leader in Business Incubation and entrepreneurial development, Marie Longserre has been the President and CEO of the Santa Fe Business Incubator (SFBI) in Santa Fe, New Mexico USA since its inception in 1997. Marie was elected to the Board of the National Business Incubation Association for two terms and was Board Chair in 2012.

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Unlocking Potential



*Chris Redlitz describes the journey of
The Last Mile, a business incubation
programme running out of San
Quentin prison, California, USA*



Mark R/Shutterstock.com

This was not the typical audience of aspiring entrepreneurs that I normally encounter

The first day

Three years ago, I walked into San Quentin State Prison for the first time. I had never been in a prison before, let alone a place as legendary as San Quentin.

After I arrived, I was checked in through a series of gates, finally entering the main courtyard of the prison. On my left was the Adjustment Center that housed Death Row inmates, some of the most notorious criminals in California. On my right was the Catholic Chapel surrounded by a well-manicured garden. I was standing, as they say at San Quentin, at the gate between heaven and hell.

As the sun was setting, I was escorted down a paved road that circled past the guard towers into the lower yard, where hundreds of men dressed in blue were exercising, playing chess or just milling around. I was led to a small classroom where I was scheduled to present to a group of inmates about business and entrepreneurship. As I saw the men enter the classroom, I began to question my decision to come to San Quentin. This was not the typical audience of aspiring entrepreneurs that I normally encounter.

As I began to talk, I noticed that they were fixated on every word, and no one was looking at their phones, since they are not allowed in prison. After my presentation, hands went into the air, asking a wide spectrum of questions. My

30-minute talk turned into two hours. The voices of the men had a profound impact on me as I left the prison that evening. They were voices of hope, passion and determination.

I went home that night excited to tell my wife Beverly, thinking, “We work with young entrepreneurs every day, why not here?” As a result, Beverly and I developed a plan that in many ways mirrored what we do at KickLabs, the technology accelerator that we run in San Francisco. We work with young entrepreneurs, helping them grow their businesses to achieve success.

It was very important that we accomplished three key objectives:

1. Would this programme resonate in the prison? Would the men be able to absorb the concepts and applications without directly experiencing them?
2. Would the business community support our efforts, and would people from the outside be willing to participate?
3. Would businesses hire the men of the Last Mile after they graduated from the programme, and after they were released?

It is very gratifying to say today that we have accomplished our initial objectives, providing the necessary data to determine where and how we can grow this programme.

Positive outcomes

The ultimate goal is that when these men return home, they have the necessary tools and confidence to pursue their dreams of starting a business or working in a business, believing that they belong. We guarantee each graduate a paid internship after they are released. The best example of success is our recent graduate, Heracio Harts. Heracio was incarcerated for nearly nine years, and returned home on 12 March, 2013. He is being mentored by 2012 graduate Tulio Cardozo (who now has his own technology consulting business). Heracio was hired as an intern at Rally.org, as a result of the work that he did as part of The Last Mile programme. This is the success that we are all striving for.

We utilise our experience as successful entrepreneurs, and our extensive network in the technology business community, to help bridge the gap between the penal system and the local business sector. We are using current technologies, video content and social media resources to build programmes, and evangelise solutions to address the fiscal fractures we are facing with the cost of incarceration (\$45k per year to house an inmate) and the high recidivism rates (over 60 percent) across the country. Specific skills related to verbal and written communication, business formation and operation, presentation skills, and computer proficiency are covered during the programme. Each programme session has a six month term.

The initial success of The Last Mile has created awareness and receptiveness within other correctional facilities and a growing awareness in local business communities that employing formerly incarcerated men and women can be a

The initial success of The Last Mile has created awareness and receptiveness within other correctional facilities





positive experience. The curriculum will be packaged into content modules, allowing other correctional facilities to run The Last Mile programme. Through our current activities in San Quentin State Prison, we have recognised and established a unique and engaging path for many others to follow. We believe that we are extremely well suited to confront this challenge and lead a positive disruption that is long overdue. Our primary goal is to expand this programme nationally.

The men of The Last Mile participate in social media. They are committed to open their hearts and speak their minds. They don't have direct internet access, so they hand write their content, and it is uploaded by The Last Mile volunteers. The content written by the participants appears

on Twitter, Facebook, Quora and several selected blogs including The Daily Love and The Huffington Post. Marc Bodnick, COO of Quora, stated that "...the content from The Last Mile is some of the most engaging and most frequently read content on the Quora site", reaching a global audience. Social media distribution allows the participants to share their ideas and perspectives, and provide insights that have not existed in the past. The participants can begin to build a "living resumé" of content which will provide prospective employers a better view of their communication skills. The global exposure has led to inquiries from prospective volunteers, news media, other correctional facilities that are interested in starting their own Last Mile chapter, and most importantly, businesses that are interested in employing the participants that graduate and are subsequently released.

We intend to evangelise the message that there is hope, responsibility, and the desire to succeed within correctional facilities

The programme

The participants are selected after they complete an application, demonstrate adequate communication skills, complete the designated prerequisite programmes, and are recommended by the prison administration and at least one of their peers. Graduates of the programme become mentors and instructors for future classes until the time that they are released.

The current curriculum involves the following key business skills:

1. The evolving digital marketplace: Provides a background about how the world of communication and expression has changed dramatically over the last ten years through new technology platforms and social media. Class members study the ever-changing digital landscape and how to utilise technology for personal and professional benefit.
2. Building a knowledge base: An ongoing curriculum of reading relevant books that provide a solid background of business knowledge, personal growth, and inspiration. The group discusses the books and explores specific insights. Each participant leads group discussions, rotating every week.
3. Practical technology training: Provides basic computer training in the software tools that are utilised (primarily Microsoft Office Suite) in today's business sector. Access to the internet is NOT required for this training.
4. Guest speakers: Guest speakers from the business community participate in the programme and share their stories about creating a successful business and being successful employees. Many of the sessions are filmed and edited into ten-minute content modules based on specific topics. This content is part of the curriculum that will be repackaged for other facilities to utilise in the future.
5. Creating a business plan: Participants learn how to transform an idea into a business plan and presentation. The goal is to provide opportunities for participants to develop an idea and prepare a presentation to effectively communicate to a prospective business partner. The direct benefits include improving communication skills, confidence, operating as a team and receiving insights into new technology.
6. Demo day: The final session includes business presentations (demo day) by the participants to an invited outside panel.

Everyone that attended was astounded at the quality of the business plans that were presented

Over 50 invited guests from the business community attended a recent TLM demo day including former Secretary Matthew Cate from the California Department of Corrections and Rehabilitation, and California First Lady, Anne Brown. Everyone that attended was astounded at the quality of the business plans that were presented. One venture investor commented, "If several of these plans were presented at a demo day on the outside, there is a good chance they would get funded."

The Last Mile provides each graduate paid internship opportunities and continuing education after release through a network of businesses that have become members of a platform called Collaborative Benefit. This is a LinkedIn-style resource for current and formerly incarcerated people, and for businesses to get an insight into job



Dani Simmonds/Shutterstock.com



Speaking Out

Why did you join TLM?

I was always interested in business, but I never received the proper training. After I attended the first demo day at San Quentin, I realized this was my opportunity. It was an amazing experience, and now that I am back in the business community, I appreciate the depth of what I learned.

What was the biggest surprise while you were participating in the programme?

I was surprised that people read and responded to our social media: tweets, blogs and answers on Quora. We've had thousands of people read our postings, and we've received lots of written responses. Social media did not exist before I went to prison, it's amazing.

What would you tell future candidates of TLM?

I would tell them to trust the process. At times it's hard and you wonder why you are being asked to do some of the projects and tasks, but it all leads to a very successful conclusion. The men in the programme created a real bond and trust, like nothing that I've ever experienced.

What are your goals for the future?

I want to be a contributing member of society and become successful so I can give back to those that are still struggling. I've been given a rare opportunity and I intend to maximize it as much as possible. I want to make my family proud, and carry that pride with me every day.

Heracio Harts

Released 12 March 2013 - Term: 8 ½ years

candidates and track their progress through their social media contributions, mentor reports and video documentation. The platform will also facilitate communication between its individual members, so they can provide information, support and feedback to their colleagues. Every member business will have access to all participating individuals and other businesses to exchange ideas, and share best practices. The site will be operated by designated volunteer administrators.

A hopeful future

We intend to evangelise the message that there is hope, responsibility, and the desire to succeed within correctional facilities across America, but ultimate success requires the education and awareness amongst our business and community leaders.

The Last Mile programme has demonstrated that we can successfully communicate business fundamentals to

incarcerated individuals and teach them how to evolve and articulate business ideas, beyond anyone's expectation.

There are many voices in the world that are not heard, but if you listen closely, you might hear a whisper that can develop into a true voice and lead to a calling. These voices might come from the most unlikely place. As we walk through the gates of San Quentin each week, we are inspired by the voices of the men of The Last Mile. By reading this story, we hope they can become an inspiration to you too.



www.thelastmile.org



Chris Redlitz is the founding partner of Transmedia Capital, a San Francisco based venture firm focused on early stage, digital media and commerce companies. He is also the founding partner of KickLabs, one of the top ranked technology accelerators in the United States. He is a recipient of Ad Age's prestigious i20 award for his contributions to the development of interactive marketing and advertising. Chris spent more than ten years at Reebok International in sales and marketing and also owned one of the first sports retail chains in Southern California. Chris, together with his wife and business partner, Beverly Parenti, founded their passion project, The Last Mile in San Quentin prison. It is an entrepreneurial programme, providing opportunities for incarcerated men to become productive members of society after their release.

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Globalising Innovation



Wolfgang Kniejski describes how the challenges of innovation are increased in a globalised economy

Challenges to the innovation processes in a modern world

Innovations have a central function for knowledge societies and are essential for the technological advance and the economic growth of a nation (see 'Academic Entrepreneurship and Internationalisation of Technology-Based SMEs' Lautenschläger and Haase 2004, p16). There is a broad consensus across Europe that technology transfer activities such as the creation of innovative firms, which are often spin-offs from academic institutions and R&D centres, have proven to be effective mechanisms for improving the innovative application of research results and consequently for contributing to socio-economic development. In this respect, high-tech start-ups, as an effective interface between the R&D system and industry on an international scale, are a crucial element in fostering new innovative global businesses.

Consequently, over recent decades, high-tech based incubation of start-up companies and technology transfer support systems have become a major driving force for European economies. The European Commission has triggered this phenomenon through the establishment of policies and actions aimed at boosting innovation within Europe, as a method to support regional development practices and SME competitiveness. This is not a simple task. New knowledge and new ideas are created every day across Europe. Transferring them into real innovation - a new economic activity that creates jobs and wealth - is facilitated

by supporting those that have been inspired by new ideas and knowledge. Intermediaries such as Business Incubators and Technology Transfer Centres have a long history in supporting knowledge based start-ups from academic and research institutes, and from private inventors. But with the changing nature of innovation, the support services they provide have to respond to the changing needs and demands; they have to be offered in the light of global thinking.

Despite this complex mission, institutions all over Europe have become very focused on innovation support practices. They know what to do and what not to do when positioning, engineering, organising and offering these tools and services. As the ideal exploitation of existing knowledge is essential for the technological competitiveness of an economy, an active technology transfer has to ensure that existing technology is not only transferred in time, but also with regard to the economically acceptable conditions of the location where it is needed. This has to take into consideration the international application of innovations. Thus, the global realisation of transfer projects becomes more and more relevant.

Globalisation, new technologies and growth in the service sector are all being combined to quicken the pace of change today. In the knowledge-driven economy, innovation has become essential for achievements in the business world. With this growth in importance, large and small organisations have begun to re-evaluate their products, their

services, their processes and even their corporate culture. This is imperative in the attempt to maintain their competitiveness in the global market. Therefore, international networking and international-orientated thinking are two of the most important factors to support entrepreneurs either in start-up companies, or in existing SMEs, gaining competitive advantage in global markets. For those looking for early entry into international markets, their chances of success will be increased if business internationalisation support services can also be provided by technology transfer intermediaries, for example Business Innovation Centres or Incubators, situated in global target markets, in other regions or other countries.

Conquering markets means making contacts, learning about cultures and interacting with human beings

International business development schemes and global market orientation services, which seek to help enterprises gain access to export markets, are often referred to as "Soft Landing" services. Business support service packages offered to start-up entrepreneurs and SMEs for Soft Landing should be flexible, tailor-made and focused on individual company's needs. A high level of adaptation and diversification of the services has to be considered as the needs of beneficiaries can be very different. They need more than office space, admin support or IT packages. They are looking for reliable contacts to lawyers, tax experts and into governmental support

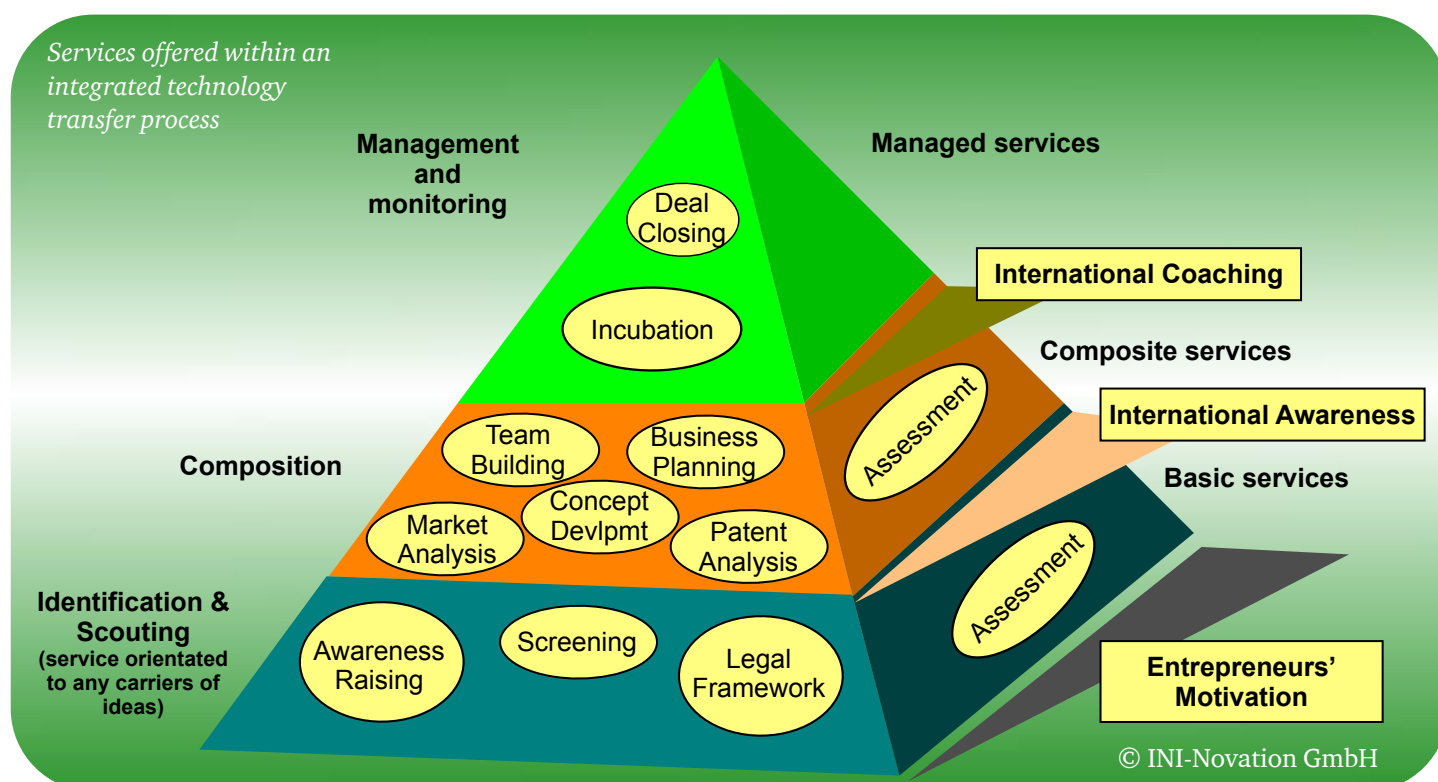
programmes and commercial partnerships. This article will illustrate the need for business support packages. Furthermore, the article will share the experiences gained so far to allow readers to evaluate the effectiveness and the results of Soft Landing and Networking Services.

As the technology transfer process has an essential influence on these services, the following sections of the article will explain the necessary elements of technology management that provide the basis to enable a value-orientated and well-planned transfer of technologies from their scientific origin to a commercial exploitation on an international scale.

Integrated technology transfer processes

The above-mentioned challenges are faced by the integrated technology transfer process, which was developed and applied successfully by INI-Novation GmbH (www.ini-novation.com). Within a technology transfer process all kinds of strategic, managerial and technical support is necessary for the development and commercialisation of innovative business ideas and technological applications. Examples are services directed at entrepreneurs, scientists and those directly offered to investors. They should be divided into the three different areas: Basic Services, Composite Services, and Managed Services as illustrated and summarised in the figure below.

Strategically orientated services are the key to success. Therefore, the entire technology transfer process has to integrate services in the broad range from identification and awareness, via screening, breeding, incubation, product development and final commercialisation up to post-commercialisation support. Furthermore, the services ought to be focused on the identification of entrepreneurs, development of their entrepreneurial skills, and also the



development of an expert infrastructure to support the needs of technology-based ventures. In order for an enterprise to be successful, it is needless to mention this has to be accomplished on an international scale.

Entrepreneurs and companies with strong international networks achieve faster growth rates, reach their IPOs quicker, and that are more innovative, generally receive higher valuations and demonstrate better ability to cope with periods of economic difficulty. The international dynamic is of particular importance in sectors undergoing frequent technological change. There are two levels on which companies need support within the integrated technology transfer process: a local level, at which general services are offered, and an international level, in which a soft landing platform and networking services are offered as described below.

Soft landing platform and international networking services

Probably the most important feature of an intermediary is the integration of its customers in an existing operational network. It is crucial to quickly find the appropriate business services, customers, suppliers and partners. This has a much higher priority than the provision of technical infrastructure and office space (built-in access). For instance, a tight-knit



established, and formal ties with influential experts integrate them directly into the activities of customers.

Conquering markets means making contacts, learning about cultures and interacting with human beings. Companies understand how to operate in their own markets but face significant hurdles in trying to 'internationalise' their businesses. Small enterprises usually lack the resources, know-how and networked partnership to create a sustainable parallel organisation and usually face the threats that business internationalisation involves:

- Different legal systems and tax systems apply in different countries
- There is a lack of understanding of the new market, its drivers and mechanisms
- The market and client base in a foreign country can force a change in the business model, but the companies are not prepared due to
 - Insufficient investment and business planning to enter the market effectively
 - Inability to break through to achieve first sales in the new market
 - Inability to effectively support customers and partners in the export market
- Finding the right personnel in the foreign labour market might be a problem
- Finding the right funding programmes
- Finding adequate partners

Only through exchange of knowledge, and experiences of co-operation in foreign markets, can success be achieved. It results in a spread of international business activities, in which knowledge orientation of companies and business processes, lead to new forms of cooperation. The so-called Soft Landing Platform for foreign entrepreneurs and foreign companies offers professional consulting and management services necessary to establish a new entity and begin commercial activities in a foreign country. A soft landing platform helps companies all over Europe exploit an existing competitive advantage in a new market or accelerate their growth by introducing them to new business opportunities. Soft landing services and business support packages can be grouped in the following categories:

- Support in travel organisation and accommodation
- Support in setting up meetings
- Logistics: Access to offices, IT and administration packages
- Introduction to funding schemes
- Access to sources of funding (business environment, partners and governments)
- Support to identify markets and target customers
- Specialised support to access experts like lawyers, advisers, etc
- Team recruiting services
- Training and mentoring
- Soft landing management

The services need to provide benefit to the customer. Companies are forced to continuously enlarge their knowledge assets. An actual and functional know-how is necessary, but not sufficient for the innovation capacity of a company. They need adequate knowledge, even provided by outsourced service specialists, so they can build up effective operational knowledge in different international markets. Soft Landing activity is an important instrument for the internationalisation of innovative business.

The collaborations created with partners from different regions and countries, contribute not only to the extension of their own networks, but also support the provision of conditions for international collaboration for economic growth. For businesses to innovate in this way, has proven to be an effective mechanism for improving the innovative application of research results and for business development support to start-ups and existing SMEs.

Conclusion and good practice examples

An international network of innovation support has to intensively focus on all stakeholders during the integrative commercialisation process, especially those from foreign sources. In the conditions of the current world economy the active participation of a company on an international scale can be crucial for its sustainable development and survival. In this context the internationalisation of a business can be viewed as a factor of a great importance to companies, regardless of the scope of their activities.

In many projects, INI-Novation selected companies and provided them with internationalisation support. The transnational added value was built on the ability to send a customer to a 'trusted friend' in another country who through his/her established business contacts can propose tailor-made business support packages to meet the customer's needs.

Soft landing services deliver targeted support and involve dedicated internationalisation experts and programmes to develop markets abroad. Once soft landing services are established successfully, packages can be turned into sustainable businesses, because companies all over Europe are ready and able to pay a market rate for internationalisation services. In reality, it's not the one who has the best ideas but the one who can use his or her ideas best that will succeed.

The limits of the conventional view - supporting inventors only locally - can be seen by simply turning it global.

INNOBRIDGE BIC in Ruse, Bulgaria

The INNOBRIDGE BIC was established in May 2011 as a business unit in the Ruse Chamber of Commerce and Industry and in the framework of a Cross Border cooperation project, aimed to create an organisation focused on the promotion of innovative entrepreneurship. The project positively concluded that the incubation process and its basic services offered, in terms of designing the business model, preparing the technical tools, selecting and training the staff, establishing good relationships with the main stakeholders. Nevertheless, the number of clients need to be increased. And since the critical mass of potential clients in the wider region of Ruse is relatively small, the decision was made to focus the incubation activities - from the beginning - on international collaboration and on international networking.

The relationships with some important stakeholders, for example Municipality and University, are good indicators, but one of the key success factors is the fact that International Soft Landing Services were offered. This was accomplished in two directions: offer Bulgarian companies services to sell abroad (outbound) and offer foreign companies a chance to establish their market in Bulgaria (inbound).

These activities lead to new projects (virtual incubatees) contributing to the sustainability of services on offer and future funding opportunities. The international recognition of EC-BIC Accreditation was essential after INNOBRIDGE became operational. INNOBRIDGE is the first Bulgarian incubator to achieve this accreditation through close cooperation with EBN and INI-Novation.

As one of the first customers, Dotterel signed a Business Development Agreement with INNOBRIDGE. INNOBRIDGE is contracted to support the development of the business plan, provided entrepreneurship training and individual coaching and mentoring, and most importantly access to international markets. As a result of this initiative:

- Dotterel is already selling its Language Learning Card Game in Bulgaria
- Efforts have been taken to open doors to the German market through publishing houses, bookstores and marketing events
- A cooperation was initiated with a Portuguese university, in which the university will provide an interactive learning experience and Dotterel will provide the content to offer the language-learning capabilities for young children as interactive mobile solutions.

EBN's Soft Landing Club can be found at www.ebnsoftlanding.org



Wolfgang Kniejski studied business management and economics at the University of Mannheim, Germany and started his business career in 1991 as the Financial Manager of Fraunhofer Institute for Computer Graphics, in Darmstadt, Germany. In 1999 he took the position as Business Manager of INI-GraphicsNet Foundation and, from 2004, has been its Business Director. Kniejski used his technology commercialisation knowledge to create INI-Novation GmbH - an innovation management and consulting entity. He was appointed by different governmental agencies on an international level to develop concepts for high-tech incubators and Business and Science Parks. He is also a shareholder in the Boards of several spin-off companies and technology transfer organisations all over the world.

Czech Mate



Helena Tovarkova
describes the innovation
ecosystem of the Czech
Republic

Do you wear contact lenses? Do you sweeten your tea or coffee with sugar cubes? Do you have a lightning rod on your roof? If the answer to these questions is yes, then you have benefited from Czech inventions. The Czechs are naturally innovative and the Czech Republic, while comparatively small, has always been big on creativity and has given the world any number of ideas. Both tourists and business visitors to the Czech Republic are often taken aback by the technological capabilities and knowledge that exists here.

The legacy of Communism has paradoxically helped to foster innovation. From 1948 up to 1989, the opportunities for free travel, overseas study, exchange of ideas and free trade were severely limited. However, Czech scientists and technicians showed great ability to improvise and innovatively use the scarce resources available and create technologies which spawned thriving industries in chemicals, plastics, pharmaceuticals and aviation.

The history

However, decades of totalitarian regime and a history of a long-manipulated nation has left a scar on people's entrepreneurial drive. Today the incubation industry faces the 'the syndrome of low hanging fruit' with clients who have little ambition. Those who strive to build global companies and have big dreams are faced with an inflexible bureaucracy, rapidly-changing laws and the inevitable corruption. In fact, it is often the quality of public institutions itself which causes the biggest hiccups in the Czech Republic, in comparison with leading innovation-driven economies, according to the Global Competitiveness Report 2011-12. However, in the last two years the term 'start-up' has become trendy in Czech media. The hunger for success stories is growing and with the arrival of the government-supported seed fund it would seem that the Czech Republic has woken up to entrepreneurship possibilities. Up to that point, incubators had been mainly built with support from European structural funds. Now they have to use this potential and transition from providing cheap premises to providing high quality services that enable young businesses to grow and expand into foreign markets. Certainly, one of the biggest challenges facing entrepreneurs is an egalitarian culture within a society that is almost afraid of ambitions, and in some cases ashamed of it.

The current scene

Today, there are some thirty science and technology parks and innovation centres in the Czech Republic and nearly 20 more at various stages of development. While the majority of the companies located in the parks are small Czech start-ups and spin-offs, foreign companies can also benefit from being in these spaces. Over the last several years, there has been a massive growth in the number of clusters set up by Czech companies in cooperation with universities, with both public and private research institutes, to collaborate on technology and knowledge transfer, training and export promotion. Nearly 20 such clusters exist and they focus mainly on engineering, plastic technologies, biotechnology, nano-technologies and IT.


The first incubator originated in the Czech Republic soon after the Velvet revolution as a part of the EBN network. Even though some more came into existence in the 90s, incubation was not given much importance in Government policy, and private funds were not mature enough for similar capital investments. The incubation boom came with the Czech Republic's EU's membership, which ushered in the possibility of bringing investments to building spaces from available structural funds. With the help of the government budget it was possible to build a strong infrastructure across the whole country within a few years. Due to the fast growth, the expansion of services was unrestrained and different regions showed a great contrast not only in the scale, but also in the quality of the provided services.

Points to note

It was important for these centres not to compete with each other within the newly established ecosystem. This was

successfully managed with an implemented functional regional strategy. A good example is the South Moravian region, which established its Regional Innovation Strategy in 2001 - the first to do so, and as a result, 6 leading centres have evolved. They have been working together closely and have become trend-setters in a swiftly-evolving incubation industry in the country. But even these leading incubators are facing a lack of qualified professionals, which is caused by the short history of incubation and development of start-ups in the Czech Republic. It is vitally important therefore that the capacity of the current experienced experts is used in the best way possible. Successful centres are expected to fill their spaces with high quality services and to participate more in the partnership and communication with others.

Various types of funding are possible. Some centres have been established within university grounds, frequently by the region or the city. Quite rarely does the establishing company come from the private sector. An interesting example is the South Moravian Innovation Centre which was co-founded by four universities, the city of Brno and the South Moravian Region. It succeeded not only nationally, but was recognised internationally at The Best Incubator Award in 2012, where it was third in 'The Best Internationally Connecting Incubator'. Such accomplishments show that widespread institutional



Today, there are some thirty science and technology parks and innovation centres in the Czech Republic and nearly twenty more currently at various stages of development

consensus across the region can enable high quality services, on par with international standards. At the moment, domestic and foreign awards are the only way to evaluate the work of individual incubators. In order to further evolve and develop the incubator network in the Czech Republic, it will be necessary to establish a certain evaluation system across the entire country; leading incubators have already created their own internal evaluation system, which could serve as a good starting point.

Areas of interest

Despite of a great variety of industries present in the Czech Republic especially the less developed regions, the leading incubators focus on the key specialisations in the Czech Republic: ICT security, biotechnologies and nano-technologies, as these are the strongest areas of top research in the Czech Republic. ICT generally is a relatively young sector in the Czech Republic. Most of the mature ICT companies were founded in the 1990s and have been

engaged in industrial process; automation and control, electrical engineering, system integration and development of diverse software solutions and information systems. ICT Security research is particularly strong in South Moravia, being home to several companies specialising in anti-virus software, network traffic monitoring and analyses, data security solutions, speech processing and secure communication. According to the latest OPSWAT report, almost 40 percent of the global antivirus market is controlled by AVAST Software, ESET and AVG Technologies, companies whose original research is connected to South Moravia. One of the most promising start-up companies include INVEA-TECH, a spin-off from Masaryk University and Brno University of Technology, who are specialised in network and security solutions. The latest Gartner report recognises INVEA-TECH as one of the eight Network Behaviour Analysis vendors worldwide; the only one located in Europe.

The Czech Republic is keeping pace with world progress in biotechnology as well. While just ten years ago, biotechnology was practically non-existent in Eastern and Central Europe, skilled labour, relatively low costs and the tradition of conventional technologies in beer-brewing and the manufacture of antibiotics have assisted in its development along with a tradition of very strong systems of education and research. South Moravia, a region recognised as the most innovative pioneer in business incubation in the Czech Republic, is an excellent example of the emerging biotechnology sector as well. In South Moravia, biotechnology is seen as one of the most promising branches in the Region, an area in where a number of interesting projects have already been launched. The two most important are the International Clinical Research Centre (FNUSA-ICRC) and the Central European Institute of Technology (CEITEC). Some 10,000 students are enrolled in Biotechnology courses and another 20,000 students in technical branches reliant on biotechnology expertise. Brno's research teams, specialising in structural biology, protein engineering and the study of stem cells, rank among the 'absolute world elite'. The South Moravia Region has set itself an ambitious aim: to be among the first 50 most innovative regions in the European Union by the year 2013. Biotechnology is to play an important role in this respect.

The hope is...

There is no doubt that the Czech Republic has made enormous progress, especially in recent years, in harvesting its entrepreneurial capabilities. But there is always room for improvement. Recently, the government announced it would open its seed fund in 2013 and provide seed capital of €53 million to early-stage start-ups - these funds will be provided mostly by the EU. With this level of support and backed by a historically rich tradition of technical expertise, the only thing Czechs need right now is a better quality of government institutions that will enable fair play to those who dare to dream about turning their ideas into thriving, sustainable businesses.



Driving Biotechnology



In conversation with Jirí Hudecek, CEO of JIC (The South Moravian Innovation Centre) on the services and progress of the INBIT Innovation Park 'where innovative biotech products come into being'

Awarded as the Best High-Tech property of 2011 by the Ministry of Industry and Trade of the Czech Republic and CzechInvest, the INBIT Innovation Park, located within the premises of the campus of Masaryk University in Brno, has been in operation since 2008. The institution responsible for its operation is the South Moravian Innovation Centre (JIC).

INBIT is one of the projects of the South Moravian Region which has set itself the target of occupying the 20th position in every high-tech specialisation by the year 2020. Its purpose is to help innovative biotechnological firms and related companies reach their full potential.

What does INBIT offer to businesses?

The purpose of the INBIT Innovation Park is to concentrate in one place, different tools of support for start-up firms with innovative aims before they can stand "on their own feet". The basic element of the system is comprehensive services. INBIT offers modern offices and laboratories, pleasant surroundings and top-standard technological equipment over an area of 2,957 square metres. For companies, entry into the Innovation Park also means financial savings, as they can use their money directly for the development of their product, instead of high rents, and complete product development sooner than they would otherwise be able to. To businesses that do not require office space, but want to use the other services of the Innovation Park, JIC offers 'virtual rent'. A company can rent one square metre of an office area at a symbolic price and use all the advantages offered by JIC.

What projects are currently under way at INBIT?

INBIT currently provides working ground for 15 companies, many of which supply unique products. For example, the Park is the seat of Imuna CZ, a company dealing with the innovation of anti-staphylococcus lysate used in medicine as a local preparation for the treatment of staphylococcus infections. There is Enantis, a biotechnology company focused on development in the area of enzyme technologies and protein engineering for biomedicine, environmental protection, agriculture and the military defence sector. The company has developed a method of liquidating the dangerous mustard combat gas with the help of enzymes. Enantis came into being as a spin-off, in close collaboration with the Loschmidt Laboratories at Masaryk University in Brno. Another company is Pharmaceutical Biotechnology, which was founded in 2008. The company focuses on the development and production of new generation of biofilm probiotic products - a revolution in probiotic products. It also concentrates on the development and production of stabilized probiotic cultures. Recently, they have introduced a new generation of female sanitary pads to the market, with

the content of stabilized probiotic cultures; the only product of its kind available.

Do you collaborate with similar associations abroad?

JIC collaborates with a number of foreign entities, in both the business and academic arenas. JIC is also a member of a number of international networks, such as Enterprise Europe Network, which provides consulting services in Europe not only for small and medium-sized enterprises, but also for research institutes, universities, technological centres and business and innovation promotion agencies. Clients include the European Business and Innovation Centre Network (EBN), UK Business Incubation (UKBI), ACHIEVE MORE

Recently, the government announced it would open its seed fund in 2013 and provide seed capital of €53 million to early-stage start-ups

Partnership, International Association of Science Parks (IASP), Innovating Regions in Europe (IRE), etc. Proof of the internationalisation of the JIC Innovation Park is its third position in The Best Incubator Award Competition in the category 'The Best Internationally Connecting Incubator 2011'.

Can you see any strong trend influencing the biotechnology sector?

There are many such trends evolving today. Much depends on the specific area. In the environmental protection area, new waste-water treatment methods are quite remarkable. In the chemical industry, the more environmentally-friendly and more economical syntheses of substances, in health care, the area of molecular diagnostics and personalized medicine, and in the power industry, the bio-fuels issue, among many others, are noteworthy. Perhaps a general trend is the gradual penetration of biotechnologies into other branches of industry.

The South Moravian Innovation Centre can be found at www.jic.cz



Helena Tovarkova has a qualification in media communications, public relations and environmental studies and has published on issues of corporate social responsibility in the Czech Republic focusing mainly on its environmental perspective. She has a background in radio and newspapers as reporter and editor and specializes in media relations. As a Communications specialist, she helps start-ups at South Moravian Innovation Centre to project the right message to the media and wider public. She uses friendly, narrative approaches to make the stories behind the technological companies widely understandable.

Raison d'être

Business Incubators have a single purpose - we take a look at the end results and what they have to say. A special focus on the South Moravian Innovation Centre, Czech Republic



ADM, a.s.
Czech Republic

ADDRESS

U Vodárny 2, 616 00 Brno
www.dentapreg.com

THE INCUBATOR

South Moravian Innovation Centre
U Vodárny 2, 616 00 Brno
www.jic.cz

About ADM

DADM, a.s. is an independent private company that focuses on

the research, development and manufacturing of high-tech dental materials based on advanced composites. Founded in 1995, our mission has remained the same - to bring the most advanced composite materials to dentistry. Our first product line, Dentapreg®, adopted cutting-edge technology from the aerospace industry, adding biocompatibility and specific features required in dentistry. The ADM, a.s. team is comprised of highly motivated professionals with solid expertise in material science and biomechanics. Based on their feedback we constantly innovate our products. Dentapreg® is a clinically reliable, esthetically beautiful, easy to use material that can be used in a wide range of minimal or non-invasive procedures, from splints to bridges or post-orthodontic retainers to pin posts. Relying on high-tech aerospace technology we have

created a new class of material with unique properties that provide the dental professional with a patient-friendly, fast and efficient treatment option.

The challenges

Before being accepted to the South Moravian Innovation Centre we had been on the lookout for a suitable working space but could not find anything, either because it was unsuitable for our needs or the costs were too high. However at the incubator we seemed to find a fit for all our needs.

The incubator advantage

Now we have an office that has been perfectly adapted to our needs and a first-rate production line has been built here that also satisfies other demands, for example clean areas required by

hygienic standards relevant to the production of dental materials. We are where we are because the incubator understood our needs and were able to create the right environment for our company to flourish.

And more...

Incubators serve an important need for the business community and we believe The South Moravian Innovation Centre has been invaluable in helping us grow and evolve.



Bender Robotics *Czech Republic*

ADDRESS

U Vodárny 2, 616 00 Brno
<http://www.benderrobotics.com/index-en.html>

THE INCUBATOR

South Moravian Innovation Centre
U Vodárny 2, 616 00 Brno
www.jic.cz

About Bender Robotics

Bender Robotics is an innovative Czech company funded by graduates of Brno University of Technology. There are two main areas of focus for the company. The first one is in-house development of robots for a variety of uses. The most notable example of this category is the Advée robot series, which can be used for marketing, informational and educational services. The second is customised

development for other companies. Bringing robots to life poses a lot of technological challenges, but Bender Robotics can offer its cutting-edge knowledge in the area of mechanics, electronics and software development to third parties in order to develop complex intelligent devices.

The challenges

Developing a unique, autonomous robot is a difficult task not only from the technological point of view, but it is necessary to have clear idea about the functionality of the robot, find a source for financing the initial development, and have a place for the development and manufacturing of the robot itself. In addition, one has to promote the product, and get media interest, while staying informed about current industry trends.

The incubator advantage

Our incubator (further referenced simply as JIC) helped us in many stages of the robot Advée development cycle. The initial meetings with incubator members helped us shape and define the whole concept of a promotional robot. The whole process was an extremely expensive affair for us, and negotiations with banks regarding possible loans proved to be very difficult, to say the least. JIC helped us by providing a reasonable loan which enabled us to get started. The reasonably priced rental of incubator rooms allowed us to concentrate all our work in a single place, which made the whole process much easier. They also provided valuable assistance in promoting the product. They continue to help through "business education" - where they organise lectures by industry experts to all their incubatees.

And more...

The incubators allow people with innovative ideas, but zero industry experience, to realise their potential, while helping them in areas crucial to business survival.



Enantis, s.r.o. *Czech Republic*

ADDRESS

Palackého třída 1802/129, 612 00 Brno
www.enantis.com

THE INCUBATOR

South Moravian Innovation Centre
U Vodárny 2, 616 00 Brno
www.jic.cz

About Enantis

Enantis is the Czech R&D company and was the first biotechnology spin-off from Masaryk University in Brno, Czech Republic. The company provides consulting and development services in the field of enzyme technologies and protein engineering for biomedical, environmental, agrochemical and military-defence applications. The company also sells its own products based on the enzymes haloalkane dehalogenases, e.g., biocatalysts, chiral building blocks, fluorescence probes, decontamination formulations, biosensors and detection strips. The main aims of Enantis are transfer of the latest knowledge from science and technology into practical

applications, and the launching of modern biotechnologies capable of long-term sustainability.

The challenges

The main challenges that we had to face were searching for, and hiring, the right talents and skills, renting our own laboratories, purchasing basic equipment for biotechnology R&D, learning basic management skills, finding funds for innovation activities and seeking out new market opportunities for our product line.

The incubator advantage

The South Moravian Innovation Centre has helped to deal with most of the challenges that we faced. Thanks to their incubation programme we were able to rent modern serviced offices and laboratory space equipped with cutting-edge instrumentation, that was vital to our company's growth. From the very start we have been able to take advantage of their consultancy team, comprising experienced business leaders, investors and world-class experts, who have lent their talents to our cause. In addition, the South Moravian Innovation Centre has a broad network of both national and international contacts, which enabled efficient advertising of our products and services. Crucial assistance came in the form of consultancy in intellectual property and law issues, as well as training programmes focused on key business competencies, provided through the incubation programme.

And more...

We would like to express many thanks to the South Moravian Innovation Centre for the valuable help and continuous support. We are certain that they have played a role in our success.



GINA Software s.r.o. *Czech Republic*

ADDRESS

U Vodárny 2, 616 00 Brno
www.ginasystem.com

THE INCUBATOR

South Moravian Innovation Centre
U Vodárny 2, 616 00 Brno
www.jic.cz

About GINA Software

The company focuses on mobile GINA (Geographic INformation Assistant) system for sharing of accurate real-time situation via interactive maps. It has introduced a new communication channel for exchange of geo-located data combined with localization, mapping and task management features. This enables faster, more accurate decision-making, quicker communications and enhances staff protection. Key features include 100 percent timeliness with accurate destination, reduced mission preparation time by 57 percent, terrain and situation mapping that is 1.6 times faster, increased staff capacity by 14 percent, a saving of four hours per mission report, and increased employee efficiency by 22 percent. Customers include rescue operations, emergencies, security companies, land mapping...

The challenges

The GINA is a tactical GIS improving the decision making in

the field by allowing real-time exchange of information via interactive maps on mobile devices. We saw three major problems. Data collection from the field, security of people and coordination of task forces. The GINA had to tackle all these problems by providing functionality for online mapping, protective tracking and dynamic navigation in one mobile system.

The incubator advantage

When we started, we were IT-skilled people from technology universities. However at the incubator, they taught us a great deal about the market, selling our concept and the fine details of business through personal consulting and workshops. They gave us offices in a building that met all our needs, and enabled us to create a product and business that focused on the only thing we cared about - an amazing product that saves the lives of people all around the world.

And more...

We can only offer our thanks to the incubator and its team for all the support and direction.



Phonexia s.r.o. *Czech Republic*

ADDRESS

U Vodárny 2, 616 00 Brno
www.phonexia.com

THE INCUBATOR

South Moravian Innovation Centre
U Vodárny 2, 616 00 Brno
www.jic.cz

About Phonexia

Phonexia has been developing technologies from 2006 in the area of data mining from speech, speech analytic and voice biometry, to provide a comprehensive offering to governmental agencies and call centres. We provide speech technologies and associated services, such as language/dialect identification (LID), speaker identification (SID), gender identification (GID), keyword/phrase detection in audio (KWS) for nine plus languages, speech-to-text transcription (STT) for three plus languages and new speech technologies development.

The challenges

We faced some challenges starting out. Partner programme building was an issue, as was building a suitable distributor base. In addition we had to organise workshops to get the business moving.

The incubator advantage

The incubator offered us highly professional consultancy services in relation to the project and process management and the actual business management. They organised specialized coaching sessions with external consultants and helped create strong public relation contacts with the media. They introduced us to investors and experienced high level managers and even went to the extent of organizing coffee-breaks and seminars based on our feedback.

And more...

The South Moravian Innovation Centre has built an excellent reputation for the region, which is now seen as a sort of "Brno Silicon Valley" for IT and software development. We are privileged to be a part of this trend and to have used the services on offer.



INVEA-TECH, a.s. Czech Republic

ADDRESS

U Vodárny 2, 616 00 Brno
www.invea-tech.com

THE INCUBATOR

South Moravian Innovation Centre
U Vodárny 2, 616 00 Brno
www.jic.cz

About Invea-Tech

INVEA-TECH is an international vendor of network monitoring and security solutions and specializes in IP flow monitoring (NetFlow / IPFIX), Network Behavior Analysis (NBA), FPGA accelerated applications and cybercrime solutions for IP Data Retention and IP Lawful Interception. Our focus is on delivering high performance solutions with the best price / performance ratio on the market. The latest Gartner report recognizes INVEA-TECH among nine NBA vendors worldwide. Our flagship product is FlowMon - a complete monitoring and security solution for all networks from 10 Mbps to 100 Gbps. FlowMon is suitable for all customers with more than 50 computers in the network. Our customers are mainly SMEs and large enterprises, governmental and academic institutions and Internet Service Providers (ISP). Our mission is to protect our customers' networks against the most sophisticated cyber threats which are not detectable by commonly used security tools and help them to operate their network more efficiently.

The challenges

After successfully creating a sales channel in the Czech Republic and acquiring hundreds of references,

from the region (GEÁNT2, Federica - monitoring of 7 European backbones, Korea Telecom, Czech Ministry of Defense, Uniq, AVG, Aegon, CESNET, T-Mobile, C?D Telematika, Konica Minolta, Allianz and UPC) we still struggled to expand our reach to foreign countries. We lacked the experience to implement our expansion and we needed to create a systematic and lean process to enter foreign markets based on our unique solutions and limited resources.

The incubator advantage

The South Moravian Innovation Centre (JIC) arranged several workshops focused on expansion to foreign markets where we discussed our activities and compared it to the experiences of other companies. JIC also provided us with consultancy services to review our current expansion activities and to help us design the strategy for foreign expansion. This helped us to maximize our efforts and systematically approach several foreign markets and acquire several active partners and dozens of customers. This direction of growth is our number one priority now.

And more...

Our company INVEA-TECH started as a university spin-off in 2007. Thanks to the continuous and professional help of the South Moravian Innovation Centre and other organisations we have been able to handle these challenges successfully and are growing to an international leader in network monitoring and security.

The Business Incubator magazine is always looking for interesting businesses to feature. Please send details of your star incubatees to editor@theincubatormagazine.com

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Snapshots



The Business Incubator presents
an overview of news from its
partner networks around the
world

The European Business & Innovation Centre Network (EBN) is the leading non-governmental pan-European network bringing together 200+ Business & Innovation Centres (BICs), and similar organisations such as incubators, innovation and entrepreneurship centres across the enlarged Europe. www.ebn.eu

EBN Annual Policy Conference

On Wednesday, 20 March 2013, over 150 participants took part in the EBN Annual Policy Conference, at the Residence Palace - International Press Centre. After a short introduction on EBN's vision for 2020 by EBN President, Alvaro Simon de Blas, Philippe Vanrie, CEO of EBN, gave the floor to Mrs Laurence de Richemont, Adviser for Industry and Entrepreneurship at Cabinet of President Barroso. She also presented some of the new measures and programmes to consolidate the future of entrepreneurship and the role of business incubators and international networks as "they help SMEs to enhance their innovation capacity and to tap into new knowledge not only nationally, but Europe-wide and even world-wide". Mrs Maria Graça da Carvalho, Member of the European Parliament sitting on the ITRE Committee, underlined the amendments made to the Horizon 2020 package delivering a formal mandate to the European Parliament to start the negotiations with the Irish Presidency aiming at achieving a first reading agreement by June 2013. "Horizon 2020 represents considerable progress with regard to previous framework programmes. Four areas have been amended: more incentives to industry participation in European projects, support covering the whole innovation cycle, facilitating the access of SMEs through a dedicated instrument for small to medium sized enterprises and finally standardisation built into technological development projects."

Tesla Project

Tesla is a transnational innovation project supporting pilot actions for early-stage technology-based enterprises in North West Europe which involves eight partners from six EU Member States. The overall objective of the project is to support the growth and development of early-stage high-potential start-up (HPSU) companies in Ireland, Wales, Germany, France, Belgium and the Netherlands. The project consists of ten targeted initiatives aimed at helping HPSUs: Mentor plus; New product design; Innovation outreach; Transnational placements; Internationalisation; Soft landing; Spin-ins; Creative industries; Public procurement and Entrepreneurial finance. The project will invest €3.8m in the partner regions over a three-year period, 50 percent of which will be provided by the ERDF through the Interreg IVB North West Europe Programme. EBN will be responsible for overseeing the implementation of work package 1 which is about Driving Innovation, as well as action 1.2 which involves the Creative Industries sector and 2.3 which will utilize the Soft Landing Programme.

StartUp_EU Project

EBN has always taken the lead in engaging the wider community. It is pleased to announce its partnering role in the first StartUp_EU pilot game which is now at the halfway point. StartUp_EU is a European education project designed to teach European secondary school students how to take an idea for a business and turn it into an achievable plan for a new business. The students carry out a series of challenges, replicating the building of a real business plan. Five schools across Europe have agreed to test-run the StartUp_EU game. Students from Spain, Italy and Belgium are completing eight challenges to develop and structure their business ideas into convincing and solid elevator pitches.

Students are playing the game on the StartUp_EU web-based platform, where each team has its own dedicated online room (including videos, training materials, mini-games, forum, wikis, etc.) where they post their findings and results for each challenge. The students can collaborate with other teams, replicating the need for good networking in the real world. At the end of the piloting game the team deliverables and elevator pitches will be evaluated by StartUp_EU project partners and the winner will get a prize that is valued at €100.



The National Business Incubation Association (NBIA) is the world's leading organization advancing business incubation and entrepreneurship. Each year, it provides thousands of professionals with information, education, advocacy and networking resources to bring excellence to the process of assisting early-stage companies. www.nbia.org

Meet NBIA's new leader, Jasper Welch

NBIA's board of directors named Jasper Welch the association's president and CEO in February. Welch is familiar to many in the business incubation industry as the former director of the San Juan College Enterprise Center in Farmington, N.M., and a frequent attendee and presenter at NBIA conferences and events.

Welch, who has a bachelor's degree from the University of Colorado, directed the SJC Enterprise Center, a mixed-use incubation programme, for twelve years. In addition to his background in business incubation, Welch has a diverse range of experience in the printing, office products, advertising, retail, coworking and management consulting fields. He has served as a twice-elected council member on the Durango, Colorado City Council, including two one-year terms as mayor. In the non-profit sector, Welch has served as a local chamber executive and as a volunteer on local boards. Most recently, Welch started a coworking space in Durango. Welch says he sees exciting opportunities for NBIA's stature to grow in a changing and burgeoning marketplace, where the entrepreneurial ecosystem - business incubation, coworking, seed acceleration - has blurred the lines of distinction. "It is too easy for business incubation to become lost in translation to the next big thing," he says. "My plan is to continue NBIA's role as the thought leader in the conversation toward building a better entrepreneurial ecosystem."

NBIA conference is biggest in more than a decade

Approximately 635 incubation professionals enjoyed historic surroundings, friendly networking and educational sessions on the latest industry best practices and developments at NBIA's 27th International Conference on Business

Incubation, held 7-10 April, 2012 at the Sheraton Boston Hotel. The attendance made this year's event the biggest NBIA conference since 2001. "It was a member-driven success," says Jasper Welch, NBIA president and CEO, of his first conference in that role. "We had attendees from 43 countries around the world. The Boston entrepreneurial community helped the NBIA staff and organizing committee to create a high energy and high impact programme that was well-received by NBIA members and guests." Amid three keynote addresses, tours of nearby entrepreneur support programmes, and networking gatherings, more than four dozen specialized sessions honed in on topics crucial to successful incubators. "Business incubation is continuing to be recognized as one of the best practices in the entrepreneurial ecosystem," says Welch. "The NBIA conference in Boston confirmed that."



NBIA announces 2013 award winners

Each year, the NBIA Incubation Awards honour the business incubators, client companies and graduates that exemplify the best in the industry. The 2013 winners were announced during a luncheon April 9 as part of NBIA's 27th International Conference on Business Incubation in Boston. The winners are: University of Florida Sid Martin Biotechnology Incubator, Alachua, Fla., *Dinah Adkins Incubator of the Year, Technology Focus* and *Randall M. Whaley Incubator of the Year*; The Business Incubator Center, Grand Junction, Colo., *Dinah Adkins Incubator of the Year, General and Special Focus*; CAPS Incubator, an innovation of Blue Valley Schools Center for Advanced Professional Studies, Overland Park, Kan., *Incubator Innovation Award*; University of Central Florida Business Incubation Program, Central Florida, *Incubator Network of the Year*; Atlas RFID Solutions, client of Innovation Depot, Birmingham, Ala., *Outstanding Incubator Client, Technology Category*; Ultimate Solutions, client of INTECO INOVA, Caguas, Puerto Rico, *Outstanding Incubator Client, Non-technology Category*; ThinkEco, graduate of the New York City Accelerator for Clean and Renewable Economy, New York City, *Outstanding Incubator Graduate, Technology Category*; Fiber Network Solutions, graduate of the Tyler Area Business Incubator, Tyler, Texas, *Outstanding Incubator Graduate, Non-technology Category*.

To learn more about the attributes that made these programmes and clients this year's honourees, visit www.nbia.org/success_stories/awards/2013/.



UK Business Incubation (UKBI) has been the UK's and increasingly the international principal and successful authority on business incubation, business incubation development and best practice since 1998. www.ukbi.co.uk

Queens Award for Enterprise Promotion

Mike Herd, CEO of the Sussex Innovation Centre (SInC) and UKBI Board Director has received the Queens Award for Enterprise Promotion 2013. The Award, announced on 21 April, the Queen's birthday, is a highly prestigious recognition of Mike's personal achievement in promoting enterprise skills and supporting entrepreneurs. Mike has led the development of SInC to become one of the leading practitioners in enterprise development and growth in the UK. SInC's reputation now extends beyond national boundaries with a mission to "support the creation and growth of high technology and innovative businesses in a financially sustainable way that provides value to the University of Sussex and the regional economy". The clearest evidence of Mike's unique suitability for this award comes not only from the legacy and the enterprising environment that he has created, but from his clients, who describe a high level of approachability and clarity of thinking and purpose across a diverse economic development agenda. As a Board Director of UKBI, Mike has enthusiastically worked with and actively supported the work of this industry association for several years. Peter Harman, CEO of UKBI said, "I am sure that UKBI's membership, UKBI's Board and our Team would wish to congratulate Mike for all his successes in recent years and for this major achievement." Mike Herd stated, "It is a great honour to receive this award as an acknowledgement of the many business success we have helped to create at the Sussex Innovation Centre. What a pleasure it is to help others achieve their potential. I believe that our achievements result from the Innovation Centre being as entrepreneurial as our new business clients. I am tremendously proud of what we have accomplished through the support of both my own team and the University of Sussex."

Prince Charles visits Omani Incubator

His Royal Highness the Prince of Wales visited the recently opened UKBI Sas Incubator in Oman. The Prince who was on a tour of the Middle East with the Duchess of Cornwall spent time chatting with the management team and meeting some of the businesses and their entrepreneurs who are receiving support in the UKBI-led business incubation programme. The incubator - which has been developed by UKBI - is the first in Oman to apply best practice. HRH spent most of his visit talking with many of the client businesses. Speaking with the British Ambassador at the event today it was most

encouraging to hear how interested he was in UKBI's "important work" in Oman and how valuable HRH feels it is to the relationship between the UK and Oman.

UKBI Annual Conference 2013

UKBI is happy to announce that this year's annual conference will be returning to our home city of Birmingham. The conference will take place from 19-21 November 2013. Conference registration is now open, and you can book your place (and take advantage of special 'early bird' rates) in the events listings on our website: www.ukbi.co.uk/conference-2013.aspx



The Dutch Incubator Association (DIA) was established to provide the Dutch incubators with a common platform for professionalisation and positioning on a national, European, and international level. The goals of this association are: professionalisation of the incubator industry, and; reinforcement of the incubator infrastructure and relations (synergy) on both national and European level; and optimizing the information about incubation towards start-ups. www.dutchincubator.nl

Incubation and opportunity creation

The Dutch Incubator Association has always believed that idea-exchange is key to learning, growth and innovation. On 22 February, 2013 the DIA-symposium was held in Maastricht. The challenge was to get a better understanding of 'value creation through incubation' from different perspectives. 'Incubation is all about Opportunity Thinking' was the key argument made by Professor Anita van Gils (University Maastricht). Other arguments were made by Prof. René Mauer (University Aachen), Kees Eijkel (Kennispark Twente), Sonja Vos-Poppelaars (TNO Companies) and Don Ritzen (Rockstart Accelerator), but many synergies arose between the different arguments. As a general notion it was concluded that incubation is about opportunity creation in an open environment. René Mauer, went against common practice of bringing early focus to start-up companies to get faster results, where his research shows that Effectuation beats Causality as a way to accelerate success. This is the approach also practised in the Lean Startup method, where planned and monitored trials play an important role in finding the right offering for potential clients. The event was a success and participants were able to learn from each other.

Learning to go global

In cooperation with its American partner Remington Business Group (RBG), DIA and the Chamber of Commerce, Rotterdam organised a seminar on opportunities and



challenges in doing business with the USA. 50 Dutch entrepreneurs and 15 state representatives from the US got into an exchange of knowledge and experience. Some start-up entrepreneurs were curious about how to deal with large American corporations, while other more experienced entrepreneurs were keen to examine the fiscal and legal aspects of investing in the US. Yoav Amiri CEO of RBG explained to the audience that the differences in business culture between the Netherlands and USA can easily be overcome if you prepare yourselves. While Americans share the directness and price-awareness with the Dutch, they have a higher focus on short-term results. Furthermore American consumers have little loyalty to a product or brand, unless you're one of the big brands. It was pointed out that one would have to show a big advantage to potential distribution partners.



The Taiwan Globalization Network is managed by The Taiwan Desk Foundation which seeks to explore the potential for Taiwanese companies to expand in Europe, and help European businesses find opportunity in the dynamic Taiwan market. Through TGN, Taiwan and Europe continue to cultivate their bilateral business incubation networks, and look for new and better ways to support start-up companies interested in expanding their business abroad. www.taiwandesk.org

Internationalisation support takes a new big step

The Taiwan Globalization Network (TGN) have signed a Memorandum of Understanding (MoU) with the International Innovation Incubation Volunteers Association (IIIVA) based in Taiwan. The agreement facilitates and supports co-innovation and co-incubation among entrepreneurs and small and medium-sized enterprises (SMEs) in Europe and Taiwan. Both parties have agreed to cooperate and establish a strategic alliance cooperation framework in order to set up service platforms supported by volunteers at many of Taiwan's business incubation centres. The MoU was signed by Mr. Robert Bo Sheng Luo, President of IIIVA, Mr. Pim de Bokx, Supervisory Board TGN, and Ms. Charlene Lambert, Chairman of TGN. The cooperation framework provides opportunities for student volunteers to actively participate in the concept. TGN will help to support,

train and mentor the IIVA volunteers so that they effectively and efficiently execute their tasks related to 'soft landing' business projects. Upon completion of their volunteer services, the students will be awarded the TGN International Volunteers Certificate. When international internships are available in Europe, TGN will select and recommend the excellent student volunteers for a summer internship in Europe. The European host company would cover the air ticket and accommodation.

Opportunities in the Netherlands

The Taiwan Globalization Network hosted Taiwan Business Day 2013 in May. Taiwan Business Day supported Dutch small and medium-sized companies to find qualified partners in Taiwan with whom they can consider collaboration, for example, to enter new markets or develop their technology. A ten-member delegation, comprising representatives of Taiwan's leading business incubators and a number of companies, and led by Small and Medium Enterprise Administration Director General, Mr. Johnny Yeh, participated in the seminar to meet with Dutch companies and incubators. As part of this special day, a B2B matchmaking programme was launched to help bring Taiwanese and Dutch companies in touch with each other in order to strengthen business collaboration.

The Taiwan Business Day is organized by the Taiwan Globalization Network (TGN) foundation (www.taiwanglobalization.net), in collaboration with the Dutch Incubator Association - DIA (www.dia.nl), the World Trade Center, the West Holland Foreign Investment Agency, and the City of The Hague. The key tool TGN uses to support international collaboration is its interactive website www.Venture21.Net.



ILSLEDA is the network of 60 Local Economic Development Agencies (LEDA) aimed at human development, operating in developing and in transition countries. Although in the past their role has been mainly of reducing poverty, exclusion, territorial marginality, through joint efforts of the public and private actors, lately these LEDAs are putting increasingly attention in stimulating innovation. www.ilsleda.org

Supporting national policies

ILS LEDA is supporting the Salvadorian national government in planning its territorial development strategy. The last ILS LEDA mission in El Salvador took place in February 2013, with the objective of helping UNDP ART El Salvador to support the government in implementing the development strategy of Salvadorian coastal strip. It is worth noting that UNDP ART has fulfilled all the recommendations formulated by ILS LEDA in its previous mission: MINEC - Ministry of

Economy - officially included the LEDAs role in its strategy; ADEL La Unión was established in November 2012 and has already implemented two projects by BID and MINEC; in the framework of ART Initiative, ADEL La Unión received ADEL Morazán assistance for the start-up.

Several meetings and workshops took place, including with local and national stakeholders, such as: Technical Secretariat of Presidency, MINEC, ADEL Sonsonate, ADEL Morazán y ADEL La Unión. Subjects discussed included territorial development strategies and territorial value chain management. Participants learned how to utilise ILS LEDA methodologies.

Workshops with national stakeholders took place in order to strengthen inter-institutional coordination according to the strategy for the coastal strip. An inter-ministerial working group has been established to implement this strategy, based on the establishment of five LEDAs in the coastal strip departments.

IQUAL Program

IQUAL - Improving Quality of LEDAs - is an instrument designed by ILS LEDA to help the LEDAs achieve new targets related to good governance, effective service system, social inclusion, environmental protection and human development. IQUAL is open to all LEDAs of the ILS LEDA network and others. The objective is to help LEDAs in improving the



quality of their performance, to allow them to be recognised by the local, national, and international community as reliable structures for implementing actions aimed at enhancing fair, sustainable human development.

The IQUAL Program assistance foresees several steps: analyse the LEDA's performance, assign a quality label accordingly, assign a profile describing the LEDA's strengths and weaknesses, provide 16 free hours of support to improve the LEDA's performance, and to achieve better labeling and register the labeled LEDA to ILS LEDA network.

The Eurada / ILS LEDA programme has chosen 24 variables to assess the LEDA's quality. Each variable is assessed according to one or more indicators, and the LEDA's performance is evaluated for each indicator and a score is assigned. They are then assigned a label represented by a sunflower from colours ranging from yellow to red, according to the achieved performance score. Nine LEDAs have been evaluated to date and others are awaiting evaluation.



The University Industry Innovation Network (UIIN) is a professional resource and networking platform aiming to create a self-sustaining resource and networking platform providing academics and practitioners in the field of technology transfer, intellectual property and university-industry relationships with the knowledge and information to effectively and efficiently conduct their work. With close to 130 members the platform and more than 3,500 resources listed, UIIN is an important player in university-industry interaction. www.uiin.org

UIIN Conference on "Challenges and solutions for fostering entrepreneurial universities and collaborative innovation"

With more than 300 attendees, representing more than 50 countries, the University-Industry Interaction Conference is the largest event in the area of facilitating interaction and creating cooperation between universities and business. The 2013 University-Industry Interaction Conference took place in Amsterdam, The Netherlands, in May this year and had a special focus on "challenges and solutions for fostering entrepreneurial universities and collaborative innovation". The conference was an excellent international discussion forum for academics, technology transfer professionals, industry representatives, entrepreneurs and policy-makers, where theory and practice were equally emphasised in the programme. For further details please visit: www.university-industry.com

The University-Industry Case Studies Series

We now call for case studies on University-Industry Interaction! Recognising the importance of practical examples that can be transferred from one organization to the other, we invite all with good practice examples to submit those to UIIN. Acknowledging the complexity with these transfers, and the lack of a 100 percent transferability, we would like to attract a wide variety of examples, ranging from practical university-industry interaction to supporting strategies, structures and approaches, etc. The first case study book is expected to be published in December 2013. Would you like to have your case study published? Please contact: meerman@uiin.org

University-Industry Interaction Magazine

In order to provide a greater insight to university-industry innovation, UIIN is preparing the first issue of its own magazine. As part of its contents, the magazine will feature, news, articles, best practices, interviews, research results and event outlooks.

The first issue of the University-Industry Interaction Magazine will be published in May 2013. If you would be interested in providing content for the next issue of the magazine, then please visit: magazine.uiin.org

Making an Empact

Chiara de Caro speaks with
Sarah Green as the Empact
Showcase Award comes to
Europe for the first time



Sarah Green is a Partner and COO of Empact. While in school, she was nominated for the Student Entrepreneur of the Year Award for her success in running an entrepreneurship programme in Kampala, Uganda, founding a chapter of AIESEC, the world's largest student-held

organisation and founding the High Country Global Opportunities Conference. Her collegiate achievements were recognised through a scholarship named, "The Sarah Green Scholarship for the Advancement of Social Entrepreneurship". She has been published by the United Nations and acknowledged by President Obama for her work as a young leader in entrepreneurship in America. Sarah has a strong passion for, and expertise in, social entrepreneurship and enterprise based solutions to poverty, and her work has been featured in prominent media outlets including Forbes, Entrepreneur, Inc.com, MSNBC, ABC, Yahoo Finance and Fox Business.

According to the International Labor Organization (ILO), young people are three times more likely to be unemployed than adults and over 75 million youth worldwide are looking for work. How does the Empact Showcase hope to help with this crucial issue?

When myself, Sheena Lindahl and Michael Simmons co-founded the Empact Showcase, we wanted to tackle this youth unemployment issue through an entrepreneurship lens. The fact that we are young entrepreneurs ourselves, enables us to share the common passion of helping each and every young person achieve their true potential in life by utilising the entrepreneurial mindset.

So how do you define the entrepreneurial mindset?

The entrepreneurial mindset is a way of thinking that encompasses concepts of innovation, creativity, passion fulfilment, idea creation, goal setting, accountability, etc. To truly encompass the entrepreneurial mindset, you have to go one level deeper: at the centre of each entrepreneur's success story is a history of defeat, hopelessness, failure, insecurity and ultimately, courage. What separates the successes from the 'what if' stories are giant leaps of faith that require healthy daily doses of daring perseverance.

Most speeches or courses on entrepreneurship and pursuing passion, focus on topics like Startup Secrets or How To Pitch An Idea To An Investor. As a result, many entrepreneurship training programmes and events leave out some of the largest challenges and insecurities everyone struggles with on a daily basis.

Empact believes that the key to a more entrepreneurial

generation is learning how to recognise insecurities and break down barriers while providing the encouragement and inspiration to take courageous and immediate action.

How do you create a culture of entrepreneurship?

The first approach Impact takes in creating a culture of entrepreneurship is celebrating and awarding existing young entrepreneurs within the community to expose individuals to the many different faces of entrepreneurship. The goal is to make entrepreneurs relatable and recognise each diverse entrepreneur as a role model.

One significant insight Impact observed is that many do not consider themselves entrepreneurs because the images of entrepreneurs promoted by the media are often of only one type of entrepreneurs - those in the tech space, the 'overnight' successes!

The reality is that there are many different types of entrepreneurship - enough to make entrepreneurship relevant for nearly any personality, not just the stereotypical tech entrepreneur image.

How does the Impact Showcase and Award achieve this goal?

To achieve this goal, Impact created the Impact Showcase, an online platform that highlights the vital role young entrepreneurs play within the economy so that they are seen as today's role models that will inspire tomorrow's generation.

By aggregating the power of this group into a collective platform, we are then able to prove how important it is to support existing young entrepreneurs, but also how important it will be to expand this population in the future. For example, in 2012, the entrepreneurs in the US Impact Showcase contributed over \$1.2 billion in revenue to the economy and created over 8,000 jobs.

From this platform, Impact then takes the best among those amazing, diverse and real stories of the young entrepreneurs, recognises their achievements at an annual Award Event - at the White House (2011), the US Chamber of Commerce (2012) and the United Nations (2013). We also get these young achievers out to events around the world to serve as role models to all different shapes and sizes of future entrepreneurs.



Impact Showcase Europe

The US Impact Showcase is now in its third year and after much success, has realised the power this platform can have within various regions globally. Europe was chosen to be the inaugural expansion of the programme for various reasons:

- There currently exist many diverse success stories of young European entrepreneurs yet they aren't being celebrated as global, mainstream heroes.
- The unemployment rates in Europe continue to be abysmal and the need for job creation is essential through the creation of firms that are able to hire.
- Europe is less known for having a culture of entrepreneurship than the US so it provides a ripe environment to have massive impact.

According to Chiara de Caro, Director of Impact Europe, "Currently, young entrepreneurs in Europe are not being recognised adequately for the heroic impact they make through the courageous actions they take daily. It is our hope that these young European entrepreneurs not only receive recognition for their contributions but also are seen as role models that will inspire and support the next generation," she says.

The application process for the 2013 Impact Showcase Europe is now open. For more information on how to apply please visit:

<http://www.impactshowcase.com/europe>



Originally from Southern Italy, Chiara de Caro holds a Bachelor's and a Master's degree in Political Science from the University of Perugia (Italy). At University, she was the leader of a student association and the representative of students in the academic board of her faculty. With a strong experience in youth entrepreneurship, Chiara brings varied experience to Impact. Most recently she worked as General Manager of EBAN, the European Association of Business Angels and Early Stage Investors. Prior to this, she was the Director of YES, a Brussels-based organisation representing 40,000 entrepreneurs all over Europe. She is also an active member of several international networks such as Professional Women International and Toastmasters.

Good to Talk



Alexia Hengl describes the benefits of mediation when settling legal disputes between businesses

Have you ever had a problem with a business partner? Or been "forced" to go to Court to look for judicial redress vis-à-vis a defaulting debtor? Or to look for a lawyer because of a serious breach of contract you were party to? How much will it cost you financially and, more importantly, in terms of time, if you were never unable to solve a domestic or even a cross-border dispute amicably?

According to the World Bank 'Doing Business' data, in Europe, in 2012, the length of a court action to resolve a commercial dispute (from the moment the lawsuit is filed until the decision is enforced), ranged from a minimum of 275 days in Lithuania and 280 days in Norway to a maximum of 1,210 days in Italy and 1,290 days in Slovenia. Total estimated cost of the claim: from a minimum of 9.7 percent of the debt value in Luxembourg to a maximum of 41.50 percent in Ukraine.

To better understand the data it must be noted that the World Bank factors in court costs and attorney fees, records time in calendar days and considers the total value of the claim to

be equivalent to 200 percent of income per capita. Just a brief glance at these numbers provides ample evidence that the total cost of commercial disputes is enormous to enterprises. What's more, the problem appears to be even greater if we consider that SMEs voluntarily leave 25 percent of their disputes unsolved, thus giving up significant portion of their income.

Can this be changed? Yes.

Businesses could avoid time-consuming and costly legal procedures by systematically referring to Alternative Dispute Resolution (ADR) schemes (or out-of-court mechanisms) to settle B2B disputes. ADR is a method to solve disputes through a non-judicial procedure, such as conciliation, arbitration and mediation. Focusing on these three mechanisms it has to be pointed out that each of these methods has a different degree of procedural flexibility and each of them differs with regards to costs, decisional processes and enforceability of the final settlement.

Arbitration is a method where disputing parties voluntarily defer the

case, not to the judge but to an impartial arbitrator (or a panel of arbitrators) that will determine the outcome of the dispute. Arbitration is definitely less expensive and more accessible than a trial, but compared to other ADR schemes such as mediation, it still has some disadvantages. An arbitration scheme always involves the adoption of formal or semi-formal rules of procedure and evidence, and therefore the risk is that the parties lose control over the decision. In arbitration there is little space for self-determined solutions as parties are normally limited to legal remedies.

Conciliation is characterised by the referral of the case to a conciliator that, as an independent and impartial third party, assists the parties towards a satisfactory settlement of the dispute. A conciliator has an active role in advising the parties about possible solutions and in proposing the terms of settlement during the conciliation process. Conciliation emphasises (more than arbitration) on building a positive relationship between the parties in the dispute and it is a much more



negotiation-driven proceeding than arbitration. Conciliation is generally most used in civil law countries rather than common-law systems and (differently than mediation) is a method used to prevent possible conflicts from developing.

The third ADR scheme, mediation, differs from both arbitration and conciliation. It is the least expensive, and a more effective and faster way of solving B2B disputes. By referring a dispute to a mediator, parties do not divest themselves of the decision process. The mediator, indeed, is by definition a neutral and impartial third party (normally appointed jointly by both parties to the dispute) whose role is to facilitate a dialogue in a structured multi-stage process without proposing possible solutions. Mediators help parties to identify a mutually-acceptable settlement of their conflict through an agreement that will be binding on both of them.

Largely used in the US where it has become the predominant ADR process, mediation has not been yet fully exploited in Europe even if many

studies have demonstrated that it is the best option for businesses. B2B mediation preserves good and long established business relations, allows parties to avoid late solutions that would freeze a part their financial assets (without taking into consideration all additional attorneys' and judicial proceedings' costs) and offers the advantage of time-saving, a crucial point for all businesses.

Contrary to the ease of access to mediation and its overall advantages, mediation is mainly used by large companies. From a survey's findings on the use of B2B mediation in Europe (published in April 2013 by the European Commission) there seems to be a direct link between the company size and its openness towards ADR schemes (and in particular mediation). Half of the large companies surveyed (52 percent) have used at least one ADR scheme to settle B2B disputes, compared to 28 percent of SMEs. Among SMEs, medium enterprises were keener to choose mediation (32 percent) as compared to micro-enterprises (21 percent).

The advantages an SME would gain from referring its disputes to a mediator are incontestable. The difference between ADR schemes and court proceedings with regard to length and costs has been demonstrated to be significant.

On average, in Europe, to resolve a domestic dispute in a court takes 17.8 months, whilst a mediation style ADR scheme takes only 7.3 months. To solve a cross-border dispute through mediation takes 5.8 months, whilst taking the problem to court takes an average of 15.2 months.

If this is not enough evidence, consider this - when it comes to costs, the advantage of mediation is even more striking. To solve a domestic dispute through court, an enterprise can spend up to €11,500, as when compared to €2,700 spent when using a mediation scheme. For cross-border cases the average costs are €13,000 for bringing the case before a judge and €6,000 to settle the dispute through mediation.

So why is it that mediation is still not used to its maximum efficacy? Primarily due to a lack of awareness about ADR schemes in general. Many companies don't know about the existence of mediation, nor do they know how to begin an ADR procedure. Some companies think that mediation is expensive in context of the debt value and fear a negative outcome to their business relationships. And of course, many believe mediation will not solve the dispute.

But here is where your incubator can make the difference. Advise your incubatees about ADR available schemes, support them in including ADR and mediation clauses in their commercial contracts and give them all the data you can find on ADR, as well as a list of mediation centres (normally held by trade and sectoral associations) where they have access to a full overview of the ADR schemes best-suited to their needs.

Alexia Hengl is a lawyer with over ten years' experience advising public and private clients on industrial relations and commercial and public contracts.



A virtuous circle?

I have always thought that the business incubation industry, while contributing to the development of private interests, also holds a public interest mission as it contributes to job and wealth generation. This, I believe, is the main reason that has led to a situation where 77 percent of European incubator ownership is held by public sector representatives, and where over 67 percent of their income is dependent on public sector funding (EBN: 2013 EC-BIC Observatory). In the United States the situation is not dissimilar, according to the recently published NBIA 2012 *State of the Business Incubation Industry*.

But, does this situation encourage efficient choices, or should incubator managers look at different models?

I can see various inefficiencies occurring within today's prominent business and ownership models. However the riskier ones relate to management and those must be addressed first.

Firstly, there are the ever-present political influences, where top management posts in business incubators can be held as a result of political negotiations rather than sound and necessary technical assessment. The risk here is that civil servants take over a function which, in principle, should be assigned to those with a more privately-orientated mind-set. I believe people with solid private sector experience - those who have "been there and done that" (even with mixed success) are more qualified to provide support to start-ups.

Furthermore, the public sector is slower in its decision-making process. This is counter-productive to the fast-paced lives of entrepreneurs, where speedy decision making is often the difference between the life and death of a start-up. One of the criteria to get the EC-BIC label, requires full autonomy when it comes to management (including a separate profit and loss account for the incubator) and I believe this to be a wise criterion.

The higher the public sector stakes, the more time that will be taken from management to deal with public sector requests, rather than urgent private sector needs. The risk here is getting lost in the bureaucracy. For example, the accountability required for public income requires more time and more effort than that required by private income. In a world of limited resources this may not be for the best, as attention is diverted away from the core mission. My point? Let the incubator managers, coaches and trainers concentrate on their job. If the public sector wants to be involved it should make sure that it happens by providing adequate funding with few strings attached.

Of course, the public sector must not and cannot entirely disappear. Incubators still hold a mission of public interest. But the industry should move towards a different model, perhaps trying to invert the present public/private ratio, to one where the private sector is better represented. This might spur some interesting dynamics. For example, being able to concentrate more on the core mission will undoubtedly increase the overall performances of the industry, thus increasing its attractiveness, producing higher levels of private sector investment, with a further improved allocation of internal resources, which in turn would lead to better overall performance.

A virtuous circle? Surely worth a try!

Giordano Dichter

Giordano Dichter is Head of Quality and Technical Assistance at the European BIC Network. He is passionate about incubation and innovation and always seeks ways to introduce the latter into the former.

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