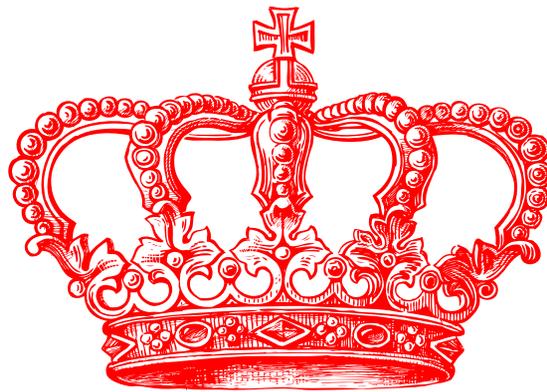


the Business Incubator

incubation | acceleration | coworking

Volume 2 Issue 2
October 2013 - January 2014



KEEP CALM AND INCUBATE

A look at entrepreneurship support
across the United Kingdom

Breaking New Ground

The experience of a cutting-edge
multimedia incubator in Ghana

Setting Standards

A European incubator performance
measurement system

Agent of Change

Local economic development
in El Salvador

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PLUS: A look at the Israeli incubation system, the power of local economic development agencies, the latest network and industry news, columns from industry leaders and incubatee showcase





Has all the Pieces You Need!

Entrepreneurship · Innovation
Start Up · Accelerated Growth

UK Business Incubation (UKBI) has been leading on Entrepreneurship, Innovation, Start Up and Accelerated Growth through Business Incubation in the UK and overseas for 15 years. Whether you are focussed on technology, high growth or on creating better and sustainable jobs, UKBI offers a range of bespoke services designed to help practitioners, stakeholders and policy-makers deliver successful environments including:

Quality

By using UKBI's unique Inspire[®] monitoring, accreditation and development process, practitioners, stakeholders and policy-makers can make better and more informed decisions about the progress and development of their environments. The Inspire[®] process is based on UKBI's Business Incubation Development Framework (BIDF) which has been successfully applied and added value both in the UK and overseas.



Inspire provides a great opportunity to review your existing business practices and procedures, allowing you to reflect upon both the successes and challenges enabling positive changes for the future.

Membership

UKBI has a highly diverse and growing membership base and actively brokers the sharing of knowledge, experience, best practice and contacts across the globe.



Being a UKBI member means that I have access to UKBI's practical wisdom, which is of paramount significance.

Training and Development

UKBI provides best practice and bespoke learning and knowledge-exchange workshops, seminars and conferences to enable practitioners, stakeholders and policy-makers to maintain and improve their knowledge, understanding, performance and impact.



UKBI provide a fantastic network of support to practitioners, through both the conference and events facilitating the sharing of best practice and ideas alongside opportunities to learn and develop new skills.

Annual Conference

Birmingham

19th-21st November

We're Coming Home to Birmingham!

The countdown to the UK's largest conference on Business Incubation has begun!

Taking place in the modern and exciting city of Birmingham (our home city) from 19-21 November 2013, UKBI's Annual Conference is the perfect forum for new and experienced practitioners alike.

Hosted by Birmingham Science Park Aston and Aston Business School, the programme has been designed to help you unlock potential and will have multiple workshops on entrepreneurship, start up, innovation, enterprise and accelerated growth.



Consultancy and Bespoke Advice

UKBI has successfully delivered dozens of consultancy projects - often with members and partners - for clients including The World Bank, BIS, The European Commission, The Welsh Assembly Government, Invest Northern Ireland and Government/Agencies in all 5 continents.



www.ukbi.co.uk/conference-2013.aspx

www.ukbi.co.uk



Business Incubation...a unique combination of *Place, Process and People*

It is a great privilege, once again, to have been asked to write the introduction to this, the 5th edition of this unique Business Incubator Magazine, not least because it coincides with UKBI's 15th anniversary and serves as a prelude to our conference in Birmingham later this year. Whether focussed on technology businesses, spin-out businesses from academia, or as part of a wider regeneration programme designed to create and sustain better quality jobs, business incubation remains a key component of our local, regional, national and international economic development and growth landscape.

In recent years, business incubation in the UK and overseas has successfully adapted to recognise both market, social, community and cultural forces in tandem with the increasing knowledge, understanding and application of best practice such as that established by UKBI in 2003 with our Business Incubation Development Framework, and subsequently through our Inspire© process in 2009.

There are now widely-accepted criteria for creating the right and relevant physical 'places' for entrepreneurship, start-up, innovation and accelerated growth through business incubation, as well as documented and freely-available resources to help to establish the right processes needed to add value to clients within the environment. Such best practice environments vary significantly as they have been developed and continue to evolve to serve the needs of defined, but often changing, communities and stakeholders. As I mentioned last year, there are a range of components within the 'business incubation ecosystem' all of which need to be integrated into a seamless offering. Such environments are based on the need for a significant degree of human interaction and learning between entrepreneurial clients and between the clients and their business incubation teams/mentors.

So, now that we know a lot about the Place and the Processes, it is perhaps time to turn our attention to the People. In recent months UKBI has, once again, been looking at the skills and competences of business incubation teams and their 'professional development' and therefore of the industry as a whole. Given the wide variety of business incubation and business models, this is not about dictating the elements needed, or measuring/benchmarking one practitioner against another. But, by identifying the range of skills and competences needed by a leading practitioner/team, we will be able to provide a road map for development of individuals as well as a greater degree of knowledge and understanding amongst stakeholders as to the complexities of the roles of those delivering successful business incubation. We are planning to discuss our findings and analysis of these issues at our conference on 19-21 November in Birmingham.

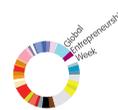
As an extension to this work, we also need to revisit the added value that could be derived by facilitating a variety of 'secondment opportunities' - locally, regionally, nationally and internationally - to develop individual practitioner's skills and competencies still further. This has been talked about for many years across the global business incubation community - in fact, I recall presenting such a concept in 2006 at the Global Business Incubation Network - and perhaps the time is now, once again, right to explore these opportunities further, to add to the reasonably sophisticated knowledge, understanding and application of the elements of successful business incubation.

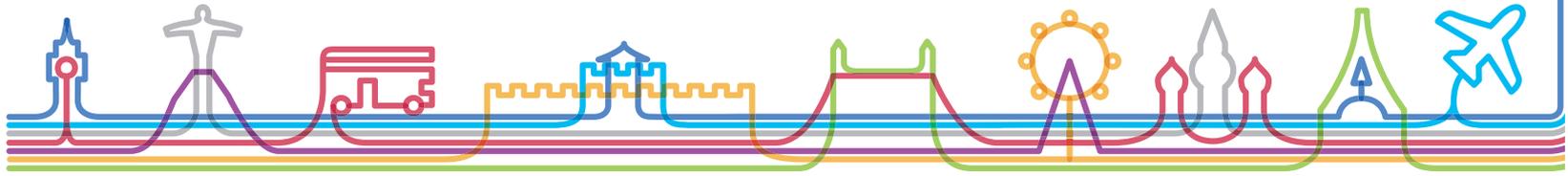
Peter Harman
CEO, UKBI

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Our network 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.

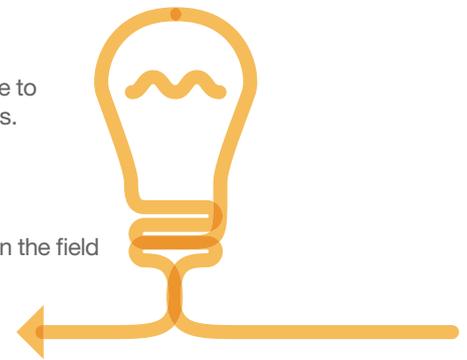
Make It Global is led by the University of East London (UEL) and delivered in partnership with the European Business Network (EBN), Newham College of Further Education and Kingston University, and a network of strategic partners. Recognising the capabilities, opportunities and potential which women-led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

Peter Harman, CEO, UKBI

PUBLISHING TEAM**Publisher**David Tee
david@theIncubatorMagazine.com**Managing Editor**Sangeetha Shinde
sangeetha@theIncubatorMagazine.com**Content Adviser**Giordano Dichter
giordano.dichter@ebn.eu**Consultant**Ana Greif
ana@theIncubatorMagazine.com**Research**

Salvatore Basile, Rosaria Bisceglia, Keiron Broadbent, Eduardo Cuoco, Linda Knopp

Photography

Prashant Menon (p3), Lorcan Doherty Photography (p53)

CONTRIBUTORS

Giancarlo Canzanelli, Solomon Asante Dartey, Bhavana Desai, Giordano Dichter, Richard Graham, Alexia Hengl, Marie Longserre, Chris Park, Stephen Rozen, Christian Saublens, Madi Sharma

MORE INFORMATIONPlease visit
www.theIncubatorMagazine.com**CONTACTS****Editorial & Media**

editor@theIncubatorMagazine.com

Advertising & Sponsorship

sales@theIncubatorMagazine.com

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"It's not about ideas. It's about making ideas happen," says Scott Belsky, co-founder of Behance.

And that's what the business incubation industry is all about. Whether it is an incubator in Minsk, or an accelerator in Japan or a coworking space in New York - this is an industry with a heart. And it makes ideas happen.

The pages of this issue, like all the others, are filled with news, stories, experiences of the people who help others turn their business ideas into thriving enterprises. We will learn about the experiences of a cutting-edge incubator in Ghana (p 42), and discover what makes Israel the place for start-ups (p 20). We take an insider peek at the Smart Specialization Strategy of the European Commission (p 38) and see what's new in accounting for incubators and SMEs (p 62). A look at the work of UKBI (p 12) and its membership base shows us the range and diversity of activity that is present in this industry.

At *The Business Incubator* magazine, we also started with an idea - an independent magazine that serves this vibrant international community., and 18 months down the line, we are delighted to offer online editions of our magazine free to registered users. All you have to do is sign-up online at www.theIncubatorMagazine.com and benefit from all the articles and resources we have compiled to date.

This was only made possible through the generous support and encouragement of our sponsors and key partners. We express our sincere thanks to EBN, ESA, UKBI, NBIA and ILS LEDA who have gone the extra mile for us. UKBI are the official sponsors of this issue and we are delighted that they have selected one of our columnists, Madi Sharma (p 19) as a keynote speaker at their annual conference in Birmingham: (<http://www.ukbi.co.uk/conference-2013.aspx>) We hope to see many of our readers and supporters there.

Enjoy the magazine...and, as always, we ask that you stay in touch and keep the ideas coming...

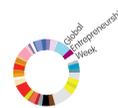
Sangeetha Shinde

Managing Editor

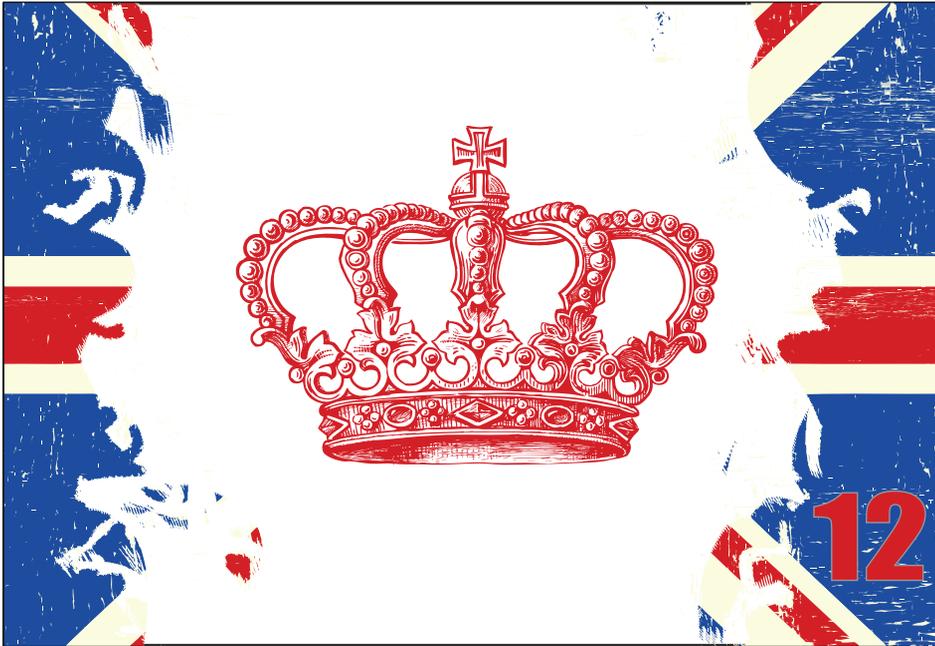
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theCoverStory



Keep Calm and Incubate

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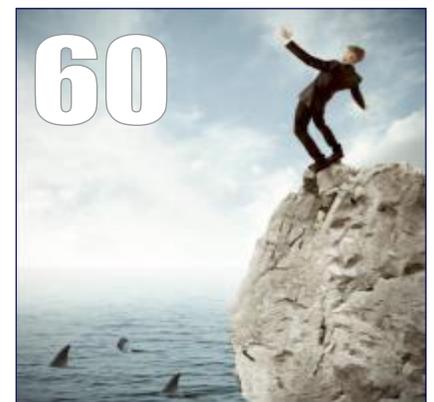
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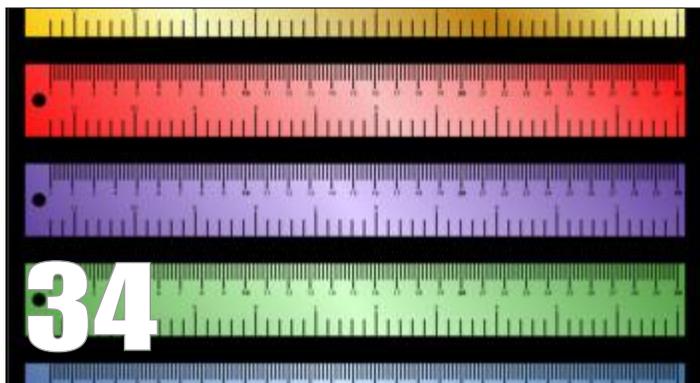
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Breaking New Ground

A look at the functioning and experiences of a cutting-edge multimedia incubation programme in Ghana, West Africa

The Business Incubator is grateful to its generous sponsors and key partners





INDIA

Tata Elxsi, a Bangalore-based Rs 622-crore (\$100m) design services firm, has recently set up a business incubator. In India, incubators are mostly associated with academic institutions, but in recent years, a variant called accelerators is taking off, driven by the private sector. Tata Elxsi's initiative, incub@TE, is different from all these, says Rajesh Kumar, VP, Strategic Initiatives. "We are more focussed about business than academic incubators, and our programmes are much longer than those of a typical accelerator [which last about three months]. The idea is to help create companies that will help us strategically." Tata Elxsi benefits from a ten percent equity stake. The selected start-ups get 18 months of ready-to-use infrastructure, dedicated mentors and help from Elxsi's marketing and business development teams. Elxsi, which recently signed up its first start-up, a telecom firm called Big V, expects to incubate 30 companies in the next three years. If it succeeds, it might just pave the way for other mid-sized companies.



CHINA

A press conference for 'EasyLoan', a new and innovative credit instrument that will make it easier for social organizations to be better contributors to public welfare, was co-hosted by the Shenzhen branch of the China

Construction Bank and the Shenzhen Innovation Corporate Social Responsibility Development Center (CSRDC) in the conference hall of the Shenzhen branch on 14 August, 2013. EasyLoan is a professional support service product modeled on loans extended by the Shenzhen branch to small and micro businesses and innovative financial management services offered to social organizations. The Shenzhen branch of China Construction Bank extends loans to social welfare organizations with a good credit record through the imposition of sound financial safeguards including risk control, further boosting social innovation via financial instruments.

The EasyLoan model has already been implemented and six social welfare organizations have become the first partners of the branch. Director of CSRDC, Liang Yudong said the EasyLoan model will provide Shenzhen's social organizations with financial services such as liquidity loans, as well as support the city's social service organizations.

EasyLoan will help social organizations develop a more scientific and scalable model of operation, promote the growth of an innovative community service model, and drive the diversified development of community finance, community education, community support for the elderly, community health and community care.

This initiative will certainly help social entrepreneurs into turning their ideas into businesses, adding to China's entrepreneurship landscape.



KUWAIT

Following the successful launch of the Social Innovation Relay by Injaz-Kuwait for the first year supported by HP, Injaz-Kuwait now announces the winners of the National Competition that took place at HP Kuwait's local offices. More than 150 students participated in this year's relay in 34 teams in Kuwait.

The first award went to H.O.P.E from the Kuwait National English School with the objectives to allocate modern management principles and create robust tools to make a difference in the pervasive lack of the most basic management skills, in developing countries and the world alike. Connected by HP's cutting-edge technologies and mentored by HP volunteers, students either meet face-to-face, or virtually, to develop business concepts that address a social challenge related to education, health, environment, technology, poverty, economic development, human rights or energy. The best 20 solutions were short-listed. A jury panel formed by HP volunteers assessed the business concepts and selected the best 10 teams to compete in the national final. This innovative programme is built upon the 20-year collaboration between JA-YE and HP, and is designed to impart essential skills for the workforce to secondary school students in an interactive and meaningful way.



CANADA

Business incubator, TEC Edmonton says a new survey suggests entrepreneurs who use its services grow faster and survive longer than those that don't. TEC's 106 client companies generated \$103m in revenue, up 25 percent from the previous year, according to the incubator's 2012 economic outcomes survey. That compares to an average ten percent growth rate for early-stage ventures reported by Industry Canada. TEC is a not-for-profit joint venture

between the University of Alberta and the City of Edmonton offering services such as patenting, licensing, business education and spin-off company formation. The survey is the second annual report on how well TEC's clients performed economically in a planned five-year study. CEO, Chris Lumb said that the numbers appear to prove the value of such business-accelerator programmes. TEC clients raised a staggering \$55m in financing and funding last year and employed 1,100 people last year, up 28 percent from 2011, according to the survey. Another \$30m was re-invested by the client companies in research and development. Start-ups using TEC services had a 95 percent survival rate, compared to Industry Canada's benchmark 80 to 85 percent survival rate. Of 60 companies surveyed in 2011 and 2012, 38 of them added jobs in both years. Alberta deputy premier and minister of Enterprise and Advanced Education Thomas Lukaszuk said developing new technology ventures is vital to weaning the provincial economy off its reliance on energy revenues. The survey results follow the naming of TEC Edmonton last month as the 17th best university business incubator in the world and the best in Canada by the University Business Incubator Index.



USA

Inspired by President Obama's call, "We've got to have the brightest minds to help solve our biggest challenges," San Francisco Mayor Ed Lee in collaboration with the White House unveiled San Francisco's first Entrepreneurship-in-Residence programme, in September.

The programme has become so competitive that the acceptance rate will be less than three percent. The programme has received applications from start-ups and entrepreneurial teams that are composed of National Medal of Technology and Innovation nominees; Guinness World Record holders; Y Combinator, TechStars,

Code for America accelerator companies; serial entrepreneurs who have founded billion dollar companies; All-American Athletes; MDs and Carnegie Hall musicians turned technologists; NASA engineers and artificial intelligence experts; former employees of companies such as Google, Facebook, PayPal, Skype, Ford, Yahoo, Intel, IBM, Microsoft, Amgen and Boeing; PhDs and graduates from Stanford, Harvard, MIT and Wharton; start-ups funded by investors such as Google Ventures, Andreessen Horowitz and Khosla Ventures; Peace Corp alums who served in Africa; tenured and published university professors; Fulbright Fellows; Antarctic and South Pole explorers; child prodigies who started at Harvard at age 16; former state-level cabinet officials; several patent holders including some that have been granted over a hundred patents. Product and services being built by these teams represent key areas such as data and analytics, mobile and location based services, healthcare, education, transportation, energy, infrastructure, water, public safety, resource and asset management, and emergency and disaster management. The programme also announced new strategic partners such as Ron Conway and SV Angel in addition to existing partners such as McKinsey & Company. The programme will announce the final selected start-ups in late October and the selectees will work with government agencies and departments on their products and services from November 2013 through March 2014.

* * *

The National Business Incubation Association has again awarded the NBIA Soft Landings International Incubator designation to the University City Science Center Port Business Incubator in Philadelphia. This was the Science Center's first renewal of the designation it first received in 2011. Through its Soft Landings programme, NBIA recognizes business incubation programmes that are especially capable of helping non-domestic companies enter the incubator's

domestic market. Business incubation programmes like the Science Center's Port Business Incubator catalyze the process of starting and growing companies by providing entrepreneurs with the expertise, networks and tools they need to make their ventures successful. NBIA's Soft Landings designations are effective for two years; programmes must reapply biennially for continuing designation. There is no cap on the number of designations available in a given year or over time. The University City Science Center Port Business Incubator Program is one of 24 business incubation programmes from around the world that have earned the designation since NBIA began the programme in 2005.



RUSSIA

Russia is making enormous strides in the areas of entrepreneurship support and Moscow is fast becoming a hub for initiatives that foster innovation and enterprise. Just recently, API (Application Programming Interface) Moscow opened its doors, with plans to spark entrepreneurial activity and prevent innovative companies from taking talents abroad. API Moscow was born out of Moscow's Technology Incubation Program that Mayor Krasny Oktyabr, introduced earlier in 2013. Oktyabr's thought behind the programme rested on the belief that plenty of innovative talent and plenty of venture capital exists in Moscow; however, money and talent have been traveling west in both instances because of the gap that existed between the two inside Russian borders. API Moscow constitutes the first initiative to emerge from this programme. With a focus on ideas that have potential and rapid development, the incubator has adopted as its guiding principle: 'Kill fast or fast Grow'. With world-class infrastructure not yet enjoyed within Russia, this is a cutting-edge move within the country and we can expect exciting start-ups to emerge from Russia soon.



GERMANY

Smart and quick land surveys by unmanned microplanes are now offered by the German company MAVinci, an alumnus of ESA Business Incubation Centre Darmstadt. Guided completely by satnav and following predefined routes, the company's automatic micro air-vehicles (UAVs), with their 1.6m wingspan and less than 3 kg take-off weight, take precise aerial photos that in the past required conventional piloted aircraft. With the support from the ESA business incubation centre, the MAVinci entrepreneurs developed their small air-vehicles and turned their idea into a growing business. ESA engineers provided expertise on exploiting satnav data, and the Agency's optical lab at ESTEC in the Netherlands helped with calibrating the camera. In 2009, while still under incubation at the ESA centre, the company was called upon to take surveys in Spain. Erosion is a severe problem for land use and water supply in wide areas of southern Europe and northern Africa. Through its Technology Transfer Programme, ESA has eight Business Incubation Centres in six countries to help start-up companies and entrepreneurs to realize their ideas to use space technology and space-provided services to develop European businesses. More than 200 new companies have already been launched, and another 75 are supported each year at the centres.



SOUTH AFRICA

A new scale-up accelerator is being launched for technology businesses in South Africa by Cape Town-based fund manager, Knife Capital. Grindstone claims to be the first of its kind in South Africa and will focus on strengthening the management skills and support structures of chief executive officers (CEOs) to make their businesses more viable and increase their investment potential. Networking and attracting external investment

through contacts of Knife Capital will also be a key part of the programme. Applications for the programme closed on August 23 and were encouraged from technology-based companies that already have market traction and are generating revenue. They were also required to have what the fund manager calls "success story" potential. After a rigorous screening process ten companies will be selected to participate in the nine month Grindstone programme. Knife Capital will profit from choosing to make long-term investments in some of them and taking a commission from external investment generated through the Grindstone programme.



BELGIUM

Octopux Consulting, a Brussels-based firm has been conducting training courses on the EU funding opportunities for SMEs, through grants or tenders from June 2013. Currently, the most focused EU funding programme is Horizon 2020 - one of the Europe 2020 flagship initiatives aimed at securing Europe's global competitiveness. It will also help to bridge the gap between research and the market by helping innovative enterprises - especially SMEs - develop their scientific and technological breakthroughs into viable products and services with real commercial potential. Funding provided by Horizon 2020 will be easier to access thanks to simpler, streamlined programmes, a single set of rules and less red tape. Three of Octopux Consulting's training courses will be delivered until the end of 2013 to a large community of entrepreneurs areas covering the following: Introduction to EU Funding: Grants and Tenders, EU Lobbying in Brussels and Horizon 2020 for SMEs. Besides these training solutions, Octopux Consulting has engaged in the European Commission's Erasmus for Young Entrepreneurs programme to coach young and aspiring European entrepreneurs in becoming self-

employed without the fear of failure. Daniela Gomes, the CEO of Octopux Consulting, feels that: "Opportunities do exist for young entrepreneurs from both micro enterprises and SMEs. My company seeks to combine the funding opportunities offered by the European Commission with the determination of entrepreneurs to transform themselves into long-term business guerrillas".



UNITED KINGDOM

A partnership of UK universities which has helped businesses secure £34m in investment this year alone is one of the 'best in Europe' at incubating businesses, a survey has revealed. The University Business Incubator (UBI) Index has listed the SETsquared incubator as the best in Europe, alongside jointly-placed NDRC LaunchPad in the Republic of Ireland. The ranking puts SETsquared fourth in the world, with the only other higher ranking counterparts hailing from the US. SETsquared, a partnership of the Universities of Bath, Bristol, Exeter, Southampton and Surrey, has given birth to some 1,000 high-tech start ups since its inception 10 years ago. In 2013 alone it has helped companies within its incubator raise £34m in investment and this year saw the sale of one of its alumni businesses, Ubiquisys, to US giant Cisco for \$310m. Other successful firms from the SETsquared incubator include the world's first equity-based crowdfunding platform, Crowdcube, and PrimerDesign, which produced the world's first swine-flu detection kit. SETsquared aims to raise the agenda for wider support for UK tech start-ups at a key event in London on 27 November, 2013. Its 'Accelerating Growth' event, which marks its 10th anniversary, will provide an opportunity for key figures in UK business incubation to discuss what support UK technology start-ups need to achieve growth. Among those who will speak at the event will be Iain Gray, Chief Executive of the Technology Strategy Board. The event will feature live investor pitches and

bring together some of SETsquared's most successful companies over the last 10 years as well as some of its most exciting tech start-ups. Earlier this summer the SETsquared business incubation model was heralded as a best practice example for entrepreneurial ecosystems in a prestigious paper presented at the first International Entrepreneurship Research Exemplars Conference.



TAIWAN, ROC

The Nangang Software Incubator (NSI) was honoured with the 2013 Incubator of the Year Award by the Asian Association of Business Incubation, according to the ROC Ministry of Economic Affairs. This is the second Taiwanese institution to win an award from the AABI, an MOEA official said, after the Incubation Center of Hsinchu City-based Industrial Technology Research Institute was named an 'Excellent Incubation Center in Asia' by the AABI in 2005. Established in 2002, the NSI offers technology support and services in consultancy, resource-sharing, brand marketing and matching business start-ups to Taiwan's small and medium enterprises, helping them to transform and enhance R&D abilities and boost their international presence. The NSI has cultivated 196 firms to date, including 16 from overseas, helping them to obtain more than NT\$3.6bn (US\$120m) in capital and generating 2,000 jobs. Local SMEs incubated by the NSI include ARPlanet Digital Technology Co. Ltd., Bright Ideas Design Co. Ltd., BungBungame Inc., Kuo Brothers Inc., Linpus Technologies Inc. and the Yaox5D Group, as well as Armorize Technologies Inc., which was recently acquired by NASDAQ-listed Proofpoint Inc. for US\$25 million, the official said. In 2011, the NSI also obtained the US-based National Business Incubation Association's Soft Landings designation, which recognizes incubators that have developed resources and programmes specifically designed to meet the needs of foreign

companies. Founded in 2002, the AABI aims to enhance business incubation activities by facilitating information exchanges among Asian incubators, clients and relevant organisations.



SWEDEN

A new coworking space officially opened its doors late last week in Stockholm. Dubbed SUP46, or Start-Up People 46, the 1,272 sqm space is well-located in the very centre of Stockholm on Reringsgaten 29. "Our vision is to make Stockholm the number one start-up city in the world," says Jessica Stark, CEO and co-founder of SUP46. "Though Stockholm is one of the world's leading start-up hotspots, the lack of a centrally located meeting and coworking space for the start-up community has been obvious." They already have a number of companies that moved in, including Fishbrain, Instabridge, and 3D Burrito. With 1,200 sqm, they should have plenty of space to host companies, events, and facilitate meetings in the centre of Stockholm. For events, the space can host around 150 people. The space is designed for people to come hang out, so entrepreneurs from around the region are invited to drop by for free.



INDONESIA

Joining the global ecosystem of coworking spaces, Hubud, (a play on hub and Ubud) opened early in 2013 and has quickly become a draw for Ubud's creative and innovative collective. Each day sees fresh professional and personal connections between established Ubud expats, serial entrepreneurs, creative freelancers and non-profit professionals. To facilitate these connections and collaborations, Hubud has been hosting a series of weekly events. These events - 'Bali Bunkus' (lunchtime learning sessions), skill shares, evening meet-ups, Indonesian language classes and members' lunches

- allow relationships and ideas to take root. They have joined hands with Hub Singapore and Bombay Connect to hosted a monthly Pecha Kucha night, where people stand for three minutes with six slides and talk about their work in an informal, improvised format. These events began to create the 'hub' of people who now form part of Hubud's 140 members from more than 20 countries. The space is made of mostly bamboo, with a two-story open floor plan, including conference rooms, a Skype room and a cafe. The core vision of community-building, Hall said, is based on five 'Golden Values': authenticity, connection, collaboration, productivity and social change. Hall strongly feels that, once people are engaged and productive, they have an opportunity to make an impact in Bali, Indonesia and the world. With coworking spaces popping up across the world, Hubud and spaces like it signal a shift in the global economy. From San Francisco, California - where the first coworking space, Citizen Space, opened seven years ago - to the tropical paradise of Ubud, Bali, a whole generation is experiencing this shift in the workplace paradigm.



AUSTRALIA

ANZ Innovyz START, the Adelaide-based business accelerator programme, today announced that 60 percent of the start-ups to graduate from the programme have raised almost \$2m in seed and angel investment, and secured contracts worth over \$2m. Dr. Matthews, Managing Director for ANZ Innovyz START, said: "We've been operating for 18 months, have graduated two classes, and have a third class currently going through the accelerator programme. The fact that our first two classes have already raised nearly \$2m indicates we have been able to accelerate their growth and get them investor ready." Companies selected for the Summer 2014 accelerator programme will receive a \$20,000 stipend, participants' access to a \$20,000 loan from ANZ, and

education delivery and support services valued at \$500,000. ANZ General Manager for Small Business Banking, Nick Reade said, “ANZ is helping develop the start-up ecosystem in Australia. Our ongoing support of ANZ Innovyz START, coupled with our pledge to lend \$1bn to new small businesses this year, demonstrates our belief that small business is a very important sector of the economy.” The Summer 2014 programme will kick off on 10 February 2014 and wrap up on 8 May 2014. The ANZ Innovyz START Winter 2013 programme is currently under way with companies gearing up to present to over 450 investors and supporters on 4 November at the Adelaide Town Hall.



HONG KONG

More than a decade after the original Commission on Poverty first floated the idea of bolstering the city's nascent social enterprise sector, its successor is taking to the task of actually making it happen. Professor Kevin Au Yuk-fai of Chinese University's Centre for Entrepreneurship, a member of the Commission on Poverty's Social Innovation and Entrepreneurship Development Fund task force, says there has been a ‘quantum leap’ in social enterprise development in Hong Kong. According to figures from the Council of Social Service-HSBC Social Enterprise Business Centre, the number of social enterprise projects grew from 269 in 2008 to 368 in 2011, while the number of operating organisations grew from 103 to 124 in the same period. The fund currently has an endowment of HK\$500m, but only 20 percent will be allocated for spending in its first year of operation. Au said although the fund did not directly allocate money to the poor, the innovative ideas it would foster would likely flow to other social issues that need to be addressed, such as healthcare, education and housing, having a direct impact on poverty. He also said the ‘social returns’ created by social enterprises could not always be

measured well in monetary returns. It was therefore hard to convince policy-makers and private family foundations to allocate funds. Government funding can help lower their risk of investing in social innovation.



BRAZIL

Here's chance to turn your idea into a business in a dream location. Founders can now launch their start-ups in one of the world's most popular travel destinations, with an incubation programme launched in Minas Gerais in Brazil offering a one-year visa and access to coworking space, mentoring and education, and \$US35,000 in seed capital. This is the first time the Start-ups and Entrepreneurship Ecosystem Development (SEED) programme has been run. The start-up ecosystem in Brazil is taking off, with more than 105 start-ups, five incubators and 12 coworking spaces in the San Pedro valley alone. The programme is modelled on the start-up Chile programme, where the most recent intake included two Australian entrepreneurs. The programme has been launched to boost the local entrepreneurial culture, attract outstanding entrepreneurs to Brazil, and turn Minas Gerais into “the most relevant technological hub in Latin America”.

Early-stage start-ups in the planning, prototype or launch stage of the business development are invited to apply to the programme. In a press release, SEED said any start-up team, with two or three founders all over the age of 18, with a good idea have the chance to be being accepted into the programme. Diversity is seen as crucial to building a relevant start-up ecosystem in the country: diversity of ideas, of backgrounds and of experiences. For this reason, SEED is offering this great opportunity to Brazilians, as well as to foreigners who are happy to move. Successful applicants will need to live in Belo Horizonte for the six-month development programme.



BELARUS

Two new business incubators are set to open in Minsk in 2014, in Oktyabrsky District and Moskovsky District. The development of the design estimates is nearing completion; the general contractor has been selected via a tender. At present six business incubators operate in Minsk with about 200 resident companies working and operating there. The biggest of them is the popular youth business incubator that incorporates 133 companies. “The premises of business incubators need to be expanded where possible. Business incubators should be encouraged to deepen cooperation and focus on innovative entrepreneurship. The location of business incubators at industrial companies is getting more and more efficient,” said Olga Leoshko, head of the entrepreneurship department of the economy committee of the Minsk City Council.

It is felt that special attention should be directed to supporting and directing youth entrepreneurship, and getting students actively involved in business creation, as they are the future. An exporter school or an export promotion centre is to be set up at a business incubator in November this year. Invitations to take part in the training sessions will be sent to specialists of small enterprises and heads of marketing services of big industrial companies to get their participation and support.

The major objectives of business incubators are creating favourable organizational and economic conditions for small business by leasing equipped offices and industrial premises at a discounted differentiated rate, and providing them with consultative and information services on running a business, helping them find partners and financial resources.

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

TERRITORIAL BIO-DISTRICTS

This article describes an innovation identified by the IDEASS programme as replicable and sustainable methodologies for social territorial development



The first bio-district was launched in Italy in 2009 by the AIAB (Italian Association for Organic Agriculture) in an area inside the National Park of the Cilento, Vallo di Diano and Alburni. After three years, the Cilento bio-district now includes 30 municipalities, 400 enterprises, 20 restaurants and 10 tourist establishments that use local organic produce. Today it constitutes a permanent national and international workshop of culturally significant ideas and initiatives aimed at fair trade and local development founded on the organic production model.

Bio-districts can help face challenges in six main areas: mix farming, land access, fairer relations in the supply chain, establishing direct relations between producers and consumers, food sovereignty, simplified organic produce certification systems and organic communication: this must also focus on the 'short supply chain', bringing the communicators and recipients closer.

Results of particular note have been achieved by the National Program for the Development and Promotion of Organic and Social Farms, which carried out a census in Italy of organic agricultural and social farms (221 in 2010) and promoted the creation of a national network of organic social farms, to facilitate exchange and joint initiatives to promote social inclusion and employment. In 2013, an information desk was activated in Italy offering social agriculture consultancy and planning, promoted within the

European project Leonardo da Vinci MAIE - Multifunctional Agriculture in Europe, in which the AIAB now works with other European partners to set up national social agriculture centres and an online transnational centre.

Results of the Cilento Bio-District

The Cilento Bio-district is located in the National Park of Cilento, Vallo di Diano and Alburni. It covers an area of 3,196 square kilometres and includes 30 municipalities, 400 organic farms and three major archaeological and cultural sites. The Cilento is recognised as a World Heritage Site by UNESCO and the Network of Biosphere Reserves. In 2004, AIAB started to promote the creation of a bio-district, and in 2009, the Campania Region passed an act establishing the first multi-vocational European bio-district (agriculture, environment, social, eco-tourism, food and wine). In 2011 the non-profit association Bio-distretto Cilento was established, coordinated by AIAB Campania, involving associations, public authorities, farmers and tourist operators, creating a permanent workshop of culturally significant ideas and initiatives for territorial development based on fair trade and the organic model. The Cilento Bio-district attracted a large number of local actors and produced results that had a great impact on the region.

Future prospects

An assessment of the socio-economic and environmental impact of the bio-district was encouraging. Demand for organic products is growing, and the overall shortening of the supply chain has generated loyal customers, boosting development in the sector, with more and more farms becoming multifunctional and converting to organic produce. Further impetus is expected from the future application of new simplified organic certification procedures, developed and tested by AIAB as part of a nationwide project. The bio-district has encouraged tourists to try typical local products and explore the local culture, increasing tourist flows throughout the year. From an environmental

perspective, a number of initiatives have been implemented to protect and valorise the landscape and natural features of rural areas.

National & international interest

The Italian Association for Organic Agriculture is committed to the promotion and coordination of bio-districts on a national scale, using the experience of the Cilento Bio-District as a workshop of replicable practices. Already operating are the Grecanico Bio-District in the Calabria Region, the bio-district of Via Amerina e delle Forre in the Lazio Region and the bio-district of Greve in Chianti in Tuscany. Activities are also being carried out to identify initiatives at the national level that help consolidate the practices of organic production. AIAB participates in ministerial organic agriculture committees and regional IFOAM groups (International Federation of Organic Agriculture Movements), which represents organic producers and consumers.

National bio-district marketing activities also aim to get new areas involved in the bio-district scheme. AIAB also launched the establishment of the European Network and Mediterranean Bio-Districts, presented at organic food conferences held in Nuremberg and in the Republic of Korea. Exchanges have been organised, as well as visits to similar initiatives in France, Austria and Germany, and cooperation agreements have been signed with other organic associations operating in Mediterranean countries.

By Salvatore Basile and Eduardo Cuoco

IDEASS is a UN-supported initiative.

More info at www.ideassonline.org





**KEEP
CALM
AND
INCUBATE**



Bhavana Desai walks us through the history of business incubation in the UK against the backdrop of UKBI's role in the industry



2013! UK Business Incubation (UKBI) celebrates 15 years of acting as a catalyst to extract the maximum benefit from business incubation practices in the UK. From the beginning it has helped governments and stakeholders to build thriving business incubation environments that make significant contributions to economic growth locally and nationally, as thousands of incubated clients grow and move out of their business incubation environments and achieve sustainable commercial success in their own right.

It all started in the 1990s, when business incubation was nascent and little understood. Her Majesty's (HM) Treasury worked with Midland Bank (now HSBC) on a major research project leading to the publication, in 1997, of 'Growing Success' - also the theme of UKBI's 2013 conference. This analysis of business incubation practice in the UK, and overseas, led to the creation of UKBI as the industry's membership organisation, advised by the Enterprise Panel, a committee of experts sponsored by HM Treasury.

Encapsulating Government policy for business incubation in the UK, David Gill, MD of St John's Innovation Centre, Cambridge, and UKBI Board Member, says that it has tended to "map the underlying rationale for public intervention in other commercial areas; namely that active involvement is only justified in cases of market weakness, though government is also a source of information and may seek to stimulate debate."

Since the 1990s, policy has gone through three stages of engagement reflecting these constraints:

1. In the 1990s, commissioning of the report, Growing Business and launching of UKBI.
2. Between 2000 and 2010, Regional Development Agencies (RDAs) in England, and the devolved administrations, took the lead in supporting further business incubation environments across the UK. Only some 20 business incubation environments were identified in 1997, but a decade later UKBI included a community of over 130 members. In addition, the (then) Department of Trade and Industry designated one of its officials to acquire and disseminate expertise on business incubation, which featured in numerous policy papers and reviews.
3. Following the financial crash and a change of government in 2010, the RDAs were disbanded. Funding was curtailed for both the construction of new centres and the provision of business incubation services. At the policy level, business incubation became more integrated with the support of other initiatives to help firms with high growth-potential.

Given the rapid expansion of business incubation (there are now over 300 'business incubation environments' across the UK), its increasing professionalisation through schemes such as UKBI's Inspire accreditation, and the extent to which UK business incubator managers have been in demand to advise on new projects in the UK and overseas, the government could argue that it no longer needs to be as actively involved in business incubation policy as it was from

1996-2007. However, reflecting industry views, David Gill states, “Good business incubation is similar to research and development in that it generates much wider public and community benefits in terms of economic growth (the ‘ripple effect’), for a client base that goes beyond incubatees/tenants and externalities that business incubators themselves cannot capture - hence the continuing need for public sector support.”

And today..

As business incubation environments mature, UKBI has a key role in creating and maintaining the national and international network hub for the exchange and development of learning amongst its many communities of interest, and the spread and maintenance of best practice. UKBI has also developed a range of consultancy services tailored to meet business incubation needs - advising on regional and international economic incubation strategies, benchmarking business incubation delivery, mapping both demand for, and supply of, business incubation and developing practical training and development tools for use across a wide range of business incubation environments.

UKBI operates across a wide range of industry sectors that include universities and higher education establishments, and reflects the rich and varied innovative and entrepreneurial skills base to be found globally. The organisation will continue to keep its members' needs and interests and the quality and impact of business incubation at the centre of everything it does, so that the enterprises of tomorrow will have a fertile, experienced knowledge base available to them.

A quick look at some of UKBIs members and the innovative ways they have adapted their services is proof of the comprehensive scope of what is on offer...

In the Net



The NETPark Incubator, located at the North East Technology Park - NETPark, County Durham, UK has over 43,000 sqft of dedicated incubation space and is the kind of place where talent flourishes and businesses have access to a



It all started in the 1990s, when business incubation was nascent and little understood

wide range of tailored support and resources. On offer are a mix of flexible laboratory and office space where science and technology businesses can achieve their full potential. The support services include access to the latest news, publications, events, contract opportunities and specialist support to help businesses grow. This personalised, proactive service includes:

- intellectual Property (IP) landscaping services and market intelligence through the NET IP Service
- access to bespoke finance through the NET Funder service
- a structured programme for technical and product development through the NETPark Net Innovation Academy
- the latest contracts and tender opportunities delivered daily through NET Tender service.
- Virtual Office services and use of meeting rooms at NETPark

These services are complemented by a range of on-site events including monthly networking sessions, expert drop-in-clinics, technology debates and market focused conferences, all designed to give your business the opportunity to explore new markets and grow.

Sparking off



Taking an entrepreneurial spark and turning it into a fire requires knowledge, support and advice, all of which can be found in weighty volumes at Sparkhouse, Lincoln University's support centre and home to creative, innovative and technology start-up businesses. More than 230 new businesses have benefited from the award-winning business support centre's expertise that has created more than 370 new jobs and put more than £1m back into the local economy. Adapted from an early 20th century railway building and located within the Enterprise@Lincoln building of the University's main Brayford Pool campus, Sparkhouse was recognised for its ground-breaking design, sustainable features and use of recyclable materials in 2009. It became the city's first BREEAM Excellent-rated building, with a sedum roof and photovoltaic cells producing electricity. The thirty two offices in Sparkhouse benefit from stepped, inclusive rent which cover essentials like telephones, heating

and Internet while further commercial office space by the University is available in the Think Tank.

Sparkhouse has more than 30 'virtual tenants' who can use the meeting rooms, Wi-Fi and benefit from the business services available. At any one time, staff in Sparkhouse also support between 20 and 40 students through business mentoring, workshops and informal advice.

Given the rapid expansion of business incubation, there are now over 300 'business incubation environments' across the UK

Scottish start-up successes

Scotland is the home of two of the UK's leading incubation/innovation centres in the technology sector. The Hillington Park Innovation Centre (HPIC) near Glasgow, and companies in the Alba Innovation Centre (AIC), Livingston, are busy incubating ideas that will 'hatch' into state-of-the-art technology innovations under the watchful eye of Innovation Centres Scotland Ltd (ICS). HPIC and AIC are natural entrepreneurial business environments that foster collaborations and sharing among technology companies from early stage entrepreneurs to growing tech companies, all with one common denominator, they are all driven by a belief in an idea that they want to develop and commercialise. ICS's Alba Open Doors, an industry event for the tech industry, is a sure opportunity of identifying key routes to global markets for products. ICS also facilitates introductions to other like-minded young technology entrepreneurs within their centres and provides a range of business support including business planning and financial forecasting, identifying and securing funding routes for the business, securing their IP and developing their business strategy.





www.albainnovationcentre.co.uk

Additional information about AIC's and HPIC's innovative start-ups can be found from page 54 in *The Showcase*.

UKBI has also developed a range of consultancy services tailored to meet business incubation needs

In the zone



www.formationzone.co.uk

Formation Zone® (FZ) is a pre-incubator and incubation service created by Plymouth University in 2007. FZ has packaged its expertise, systems and processes into a licence opportunity offered to organisations and businesses that are looking for a proven model of nurturing entrepreneurship, excellent business incubation systems and economic impact, backed up by on-going support and a growing network of alumni businesses. This model of incubation has been replicated by Plymouth University across multiple industry sectors and geographic locations. In 2013 all five of the

current Formation Zones have been independently accredited and identified as exemplars of best practice by UKBI. One of Formation Zone's strengths is the investment it makes in nurturing entrepreneurs and pre-start business ideas through a series of tried and tested events and programmes that reduce the barriers to successful start-up. The Formation Zone® brand is specifically designed to appeal to individuals who are at the tentative steps of an initial idea and the FZ brand and pre-start specific events gently lead them into a robust and business-focussed environment.

Plymouth University also operates Cornwall's three multimillion pound innovation centres at Pool, Tremough and Truro, led by Cornwall Council, supported by Cornwall Development Company (CDC), with £29m of investment provided by the ERDF (European Regional Development Fund) Convergence Programme. Between them they are home to 89 businesses employing 390 people, and each innovation centre has a Formation Zone® as the entry point for pre-start and start-up businesses.

Financially sure-footed



www.sinc.co.uk

The Sussex Innovation Centre (SInC) is frequently cited as an example of best practice within the business incubation industry. The Centre was founded in 1996 as the flagship development of the 'Sussex Academic Corridor' (SAC), a unique collaboration between public, academic and business sectors. Now wholly owned by the University of Sussex, the Centre is currently home to over 100 member companies spanning a range of sectors. From an initial public investment of £1.8m, the Centre has supported over 300 start-ups, attracted over £25m in investment, and helped them generate a combined income of more than half a billion pounds. The operation is entirely financially self-sustainable, with income generated by rent, services and support fees. With an in-house support team of 20 business support professionals, the Centre seeks primarily to build the business confidence and ambitions of its members.

This in-house support-oriented strategy is led and championed by Executive Director, Mike Herd. "Our main focus is on customers and markets, with particular attention paid to finding the 'first customer,'" he says. "Using our

member portfolio of new technology, we have built a strong community of industry networking contacts, who can help to identify market opportunities and guide product and service development.” A successful example of this strategy in action: the commercialisation of electric potential sensor (EPS) technology which was developed through academic research, patented and then supported through the university's Research and Enterprise Development Fund. The SInC Team identified a home healthcare market for the technology and today the product is being used in products such as hand-held electrocardiogram devices and gesture recognition technology.

“In special cases, we can offer an intensive programme of accelerated growth support dubbed ‘super-incubation,’” says Herd. “We introduce our senior support staff into a company as interim managers. Putting a team around the entrepreneur can really help to facilitate growth. We can fund this with equity and ‘success fees’, meaning that the financial costs for the start-up are kept to a minimum.” Oban Multilingual SEO, a member company that engaged in the super-incubation programme in 2010, was able to double its revenue in less than a year, which was the target at the outset of the project.

New home in an old space



In early 2014 Manchester Metropolitan University will relocate Innospace into an old engineering shed which will see it in the same building as university teaching and research in the digital field. By the end of 2013 it is hoped that there will be over a 100 creative entrepreneurs working alongside students and researchers in the centre of a university initiative designed to encourage the interchange with different academic disciplines and the local business community. The hot-desks present tenants with a unique bespoke-office facility allowing for individuals to network with other start-up businesses, as well as providing a desk, M1 postcode, mentoring and links to academic support and external organisations. Prices start from an affordable £50 a month with a 3 months' rent-free offer. Innospace works with a number of partners who provide support from legal, growth and finance advice to Business Startup Boot Camps, mentoring and inspiration events.



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UKBI operates across a wide range of industry sectors that include universities and higher education establishments

Building on Brunel



The Bristol SETsquared Centre has been accelerating high-tech, high-growth businesses from within University of Bristol's faculty buildings since 2002. It has supported over 150 businesses, 41 percent of which have not started trading, and those that have, have seen a 100 percent success rate. £125m has been raised in equity, debt and grant funding and the current membership of 61 businesses employ over 650 people and generate over £32m of revenue.

In March 2013, an MoU was signed between Bristol City Council and the University of Bristol to spend £1.7m refurbishing Brunel's original station at Temple Meads, in Bristol's new Enterprise Zone, and Engine Shed was born. In July, the Bristol SETsquared Centre moved in as the primary 'Component' of Engine Shed. By the end of 2013, Engine Shed will also house an internet accelerator, a co-working space for creative & digital entrepreneurs, the office of the city-region's inward investment service, the head office of the West of England Local Enterprise Partnership, a public innovation showcase and, to glue all those components together, a membership-only Business Lounge.

Nick Sturge, Centre Director says, "We are using the significant momentum of the established SETsquared business incubator as a magnet for academics, students, corporates, policy makers and innovators to stimulate new business, market the city-region and educate the local population, in particular inspiring young people in the opportunities within science, technology and entrepreneurship." The incubator itself is significantly

enhanced due to the much higher profile, the highly-connected location, the entrepreneurial and innovation heritage of the building, and the interaction - or 'oxygen supply' - created by the other components of Engine Shed. Current projections indicate the impact of the SETsquared Centre will increase by at least 50 percent over the next five years.

The future...

UKBI believes that with its experience and expertise, backed by the range and strength of its innovative, commercially-minded partners, its international collaboration and by lobbying for greater public sector involvement, the coming years will see the launch of many more business ideas and the creation of many successful companies. It believes in the positive impact that this industry can bring about on fiscal, social and cultural fronts, and it intends to stay a powerful catalyst for progress and sustainable economic growth on the international stage.

...the enterprises of tomorrow will have a fertile, experienced knowledge base available to them



Bhavana Desai works with the UKBI team as the Membership Manager with a focus on the creation and implementation of a new strategy for the development and growth of UKBI's membership. Bhavana's role includes establishing a strong working relationship with members and coordinating a valuable member services and benefits package. Prior to joining the UKBI, she was contracted as the Membership Development Manager by the Royal Institution of Great Britain to oversee the strategic review of the Institution's membership. Bhavana helped establish India's national Association of Biotech Led Enterprises, with responsibility for membership, web development and communication. She has a Zoology Honours degree and a post-graduate qualification in communication.

Creating the Microcosm to Grow Entrepreneurs



We were all born entrepreneurs, people who could turn ideas into action, but we were not all born to start businesses. However, if we have more business start-ups, we create more jobs, more innovation to solve global challenges and ultimately deliver more sustainable growth for mankind with little effort. So what is the hindrance? Here I know I am going to make enemies from some readers. The inhibiting factors are education, business support and policy. We need to create an environment conducive to creating more businesses and minimise the barriers which discourage entrepreneurs.

We need to bring the fundamentals of entrepreneurship into the classroom. We need to stop preventing students from being creative and allow them to question what and how they are being taught. Business schools themselves block innovation by implementing 'business plans' - essays about a hypothetical business which require predictions for the next five years and which are built on assumptions.

For me, worst of all, after the politicians, who should be kept well away from entrepreneurship, are in fact, the business associations and support organisations themselves. Most business support personnel have never run their own business, or if they have, they failed and gave up. Most get paid a higher salary than the income of a small business owner and the only real knowledge they may have is how to access Government funds!

The powerful business associations are becoming bureaucratic lobbyists for big business, who would happily push out new and small players rather than supporting their growth! As their personnel are not real business people either, we now have the stereotype issues of red tape and access to finance as being the key issues facing businesses today, instead of identifying real solutions for growth. It is worth noting that the few business associations and chambers of commerce that represent the small businesses and who understand the issues, are often so underfunded that they can never raise their voices above the big players representing multinational giants.

So what is the solution? 'Think Small First'. Actually it is the business school concepts of 'incubators' or 'hubs', but not run by civil servants, business schools or associations. The solution is the creation of 'Idea Factories'. Places where people with ideas can go, share their concepts with like-minded people and build their projects/businesses in a safe and entrepreneurial environment. If we could utilise the huge empty factories that sit unoccupied in towns, input resources and working spaces we could create microcosms of activity that could explode into business parks, jobs and growth. Advice could be on hand from chambers of commerce, universities and of course, mentors and investors, plus from other entrepreneurs.

Government must ensure bank funding is released to support new and growing companies, and supply relevant funding for public-private partnerships into such 'Idea Incubators' rather than into selective funding for business support associations or big-ticket investment projects.

I know this is not a new idea; it is how I managed to get the first food park built in Nottingham, UK (www.foodanddrinkforum.co.uk). However, when we see so many disused properties and so many frustrated entrepreneurs, I have to once again raise this simple solution as the one that could get us out of the 'crisis of business growth' we currently have globally.

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.



Start-up Nation

Stephen Rozen tells us how Israel has invested in supporting start-ups and the positive returns this has delivered

Much has been said of Israeli innovation and entrepreneurship. The Israeli Ministry of Economy defines it as a key catalyst to Israel's growth - especially in international markets.

In order to support this important sector, the Israeli Ministry of Economy's Office of the Chief Scientist (OCS) administers several programmes that provide funding to technology ventures in the private market. One of these programmes is the Technology Incubator Program.

The purpose of the Technology Incubator Program is to promote innovative, early-stage technology entrepreneurship, which due to the high-risk involved, experience difficulties securing private financing. The programme also furthers ancillary purposes, such as promoting investments in peripheral areas of Israel and driving research and development in a few specific fields deemed to be of a higher R&D priority.

The programme was founded in the early 1990's in order to help absorb the influx of hundreds of thousands of immigrants from the former Soviet Union (many of them educated and skilled) that arrived after the fall of the Iron Curtain. The Israeli Government, by way of the OCS, has entered into a franchise with numerous venture capitalists to operate over 20 incubators. These incubators specialise in diverse fields, from medical devices and pharma to new media, from ICT and cyber-security to clean-tech and life sciences. The incubators are located in all regions of Israel,



Eldad Carm/Shutterstock.com

from the pastoral Galilee in the North to the Arava desert in the South. At any given time, there are roughly 200 projects in the incubator programme, with an average of 80 new projects being incubated every year.

The incubators are, essentially, the pipeline to significant amounts of governmental financing for Israeli start-ups in dire need of funding. Over 1,800 projects have been supported during the course of the programme's two decades. Over the years, these projects have received, in the aggregate, more than \$690m.

A project is accepted into the technology incubator programme after receiving specific OCS approval. Such approval entails an in-depth examination of the proposed project and each project must submit an R&D plan. Such a plan must focus on generating knowledge, a method or a process which results in the development of a new product or improves an existing product, process or method, in each case - with commercialisation potential.

The incubation period of each project typically lasts between 18 and 24 months, during which it receives funding in an amount that ranges between NIS 2m and NIS 3.5m (approximately \$555k to \$970k, at current exchange rates). The level of the funding depends on the field of the project and the physical location of the incubator under which it participates in the programme. A select few projects will be granted OCS approval to extend their incubation period by an additional year, which is typically coupled with an additional NIS 1m.

The purpose of the Technology Incubator Program is to promote innovative, early-stage technology entrepreneurship

The programme has singled out certain fields as those in which R&D investments are preferred. Therefore, projects in the fields of cyber-security, medical devices, integrated medical projects and biotechnology receive higher levels of funding.

Projects incubated in peripheral incubators (outside the main business hubs of Tel Aviv, Jerusalem and Haifa) also receive increased levels of funding, as part of the government's effort to encourage the growth of the local economy of these outlying areas. There is even an incubator, located in Nazareth, that focuses on investing in projects founded by Israeli-Arabs.

As part of the approval process, each project submits to the OCS an operational budget for the course of the incubation period. If approved, the OCS provides funding for 85 percent of the budget. Funding is provided in instalments to each project over the course of its incubation period. The incubator itself must invest the balance 15 percent of such operational budget and must also provide each project with business development and marketing services, office space and infrastructure and various other services.

In exchange for its investment and support, the programme mandates that each incubator receives between 30 - 50 percent of the equity of the company formed for the incubator project. This leaves the founders with between 50 - 70 percent of their project's equity.

In order to ensure that the local economy will benefit from the long-term successes of the incubated companies, the State of Israel has attached several 'strings' to its funding. First, each incubator project is obligated to repay the government-provided funds back to the State of Israel, by way of royalties. Generally, royalty payments are made at the rate of between three and six percent of the income generated from the products or services developed by the incubator project. Additionally, there are limitations on the transfer, outside of Israel, of know-how resulting from the research and development conducted by the OCS-funded projects. Any products resulting from such must generally be manufactured inside Israel. However, recognising the importance of foreign investments and the challenges of globalisation, these restrictions will typically be lifted in exchange for increased repayments to the OCS.

The incubators are, essentially, the pipeline to significant amounts of governmental financing

The technology incubator programme has provided crucial funding for many projects that otherwise would have had slim chances at getting off the ground. At the same time it is an amazing deal for the incubators - who receive equity

in the projects, mainly on account of government funds.

The success has been phenomenal. Of the incubator projects, 65 percent have managed to raise follow-on investments, of over \$3bn in total! This amounts to more than \$5 for each \$1 that the government has invested in the programme.

Furthermore, many of the projects have managed to provide an amazing ROI to the local economy. Protalix Biotherapeutics, for example, had three employees when it was founded and entered the incubator program in 1994. Now it has more than 240 employees. Another example is Traffix Systems, which had only one employee when it was founded in 2006. Following its acquisition by F5 Networks in 2012 for over (according to the OCS) \$100m, it now has over 100 employees.

There is no doubt that the incubator programme is one of the key engines that has turned Israel into the 'Start-Up Nation'.

The Time is now

In conversation with Uri Weinheber, CEO of The Time Innovations on the value and success of their incubation programme



Can you give me a quick overview of The Time?

The Time was founded in mid-2009, when its current shareholders bought the organisational platform - including its government franchise - from its previous owners. Our name is an acronym for our fields of focus - Telecom, Internet, Media and Entertainment. We have been making investments at a rate of ten OCS-backed investments per year. As a result, we were named 'Incubator of the Year' by the Minister of Economy in 2010, 2011 and 2012.

How does The Time stand out from other incubators?

The Time actually makes equity investments in the projects that it incubates. This is, of course, in addition to providing the slew of services that other incubators typically provide. Participation in the inherent risk that a start-up venture entails which makes us true partners with the founders and ensures our dedication to the projects. You simply cannot

reach this level of commitment if you are not an investor. Essentially, we put our money where our mouth is. Unlike the accelerators set-up in Israel by the big multinationals, which focus on identifying technology for the sponsoring company, we are interested in the projects themselves, succeeding as independent companies. I think that one of the defining aspects of how we do business is that we are not looking for quick exits. The projects that interest us the most are the ones that have strong business models with potential for long-term success. We will not invest in a company just because it is the latest hype or buzz. We are looking for companies that have the potential to create long-term value.

What added-value does The Time provide?

We bring with us vast expertise in our focus areas: telecom, internet, media and entertainment. This allows us to effectively operate as day-to-day partners, not distant consultants or passive members of the board. We help build the strategy and the 'go-to-market' plan, and position the companies for future fund-raising. While it is the CEO of each project who leads the company, we are here to help avoid mistakes and find the short-cuts. Our ten yearly investments has led us to about 35 projects that are currently active. This also provides for an ecosystem. The founders meet each other, consult with each other and some even join forces. It makes things much more efficient than they could ever be if they were not in our incubator. We see this happening on a day-to-day basis.

What do you view as being the strong points of the technology incubator programme?

Leveraging state funds is one of the strongest points of the programme. It allows for the creation of a lot of projects which otherwise would not be possible. The state funding also reduces our level of risk in any particular company, so a lot more money can go to companies that are still in their seed stage. The result is that many new companies appear on the Israeli hi-tech scene each and every year. This has an amazing positive effect on the Israeli hi-tech ecosystem as a whole. It creates a flow of companies that reach more advanced stages of development, at which point they are sufficiently attractive for private investors that will be willing to make an investment.

What are the biggest challenges that a project company faces once it has finished its incubation period?

Like many incubated business, most of the companies reach the end of their incubation period with a product or service. The main challenge is in showing the market interest. The company is not necessarily expected to generate actual sales, but it does have to be able to demonstrate that the market responds well to the product or service. If this can be achieved, then it will be less difficult for the project to continue beyond its incubation period; it will be easier to raise additional funds, to validate the business plan and to find additional business partners.



Naturally, securing the state budget for the programme is the most challenging matter





Quick Talk

In conversation with Yossi Smoler, Manager, Technology Incubators Program, Israeli Ministry of Economy, Office of the Chief Scientist

What do you view as the strong points of the Technology Incubators Program?

Our programme is unique in that there is effective and massive government involvement. A significant portion of the budget of each new project is granted by the government. This results in the government taking most of the risk. Our technological incubators are privately-held companies that operate for profit and each one of them has a high quality and experienced management team. The shareholders of these incubators are actively involved with the ongoing activities of their incubator and provide significant added value to the project companies.

What makes an incubator successful?

The three most important factors are the quality and scope of its deal flow, the level of its mentoring and how successful it is in helping its incubated projects achieve commercialisation and follow-on investments.

What are the biggest challenges of the Technology Incubators Program?

Naturally, securing the state budget for the programme is the most challenging matter. Beyond that, we are constantly balancing the interests of the incubators and the founders with the responsibility that comes with the utilisation of public funding - which includes trying to find the right balance between the governmental control processes and allowing, without too much bureaucracy, the projects sufficient freedom to operate. We are constantly looking for ways to make the programmes more attractive to both the founders of projects and the incubators themselves.

In what fashion do you think the Technology Incubators Program has contributed most to the Israeli economy?

We believe that the programme has created start-ups that never would have existed otherwise. In fact, 70 percent of the Israeli life sciences field is comprised of companies that were born in the incubator programme. More than 1,800 new start-up companies were established in the incubators since its establishment. No doubt, one of the most significant contributions of the programme has been the investment of over \$3.5bn in companies that have participated in the programme, compared to the \$690m that the government invested in those companies. Additionally, the programme encourages innovation and entrepreneurship and enables the development and training of professional manpower that later serve as the backbone of the Israeli hi-tech industry.



Stephen B. Rozen, Adv. is an Of Counsel in the Israeli law firm of Amit Pollak, Matalon & Co. and has extensive experience representing technological incubators, private equity and venture capital funds, and high tech and bio-tech companies in all of their transactions and day-to-day corporate and commercial affairs. Stephen frequently handles the formation of technological incubators and private equity and venture capital funds. Stephen currently serves as Chief Legal Counsel for The Time Innovations, which was named the 'best incubator' three years in a row - for 2010, 2011 and 2012 - by the Israeli Minister of Economy, as well as for the Nielsen Innovate and TerraLab Venture incubators.

Agent of Change



Giancarlo Canzanelli provides an overview of the LEDA Morazán and its achievements over its two decades of operation



When the civil war in El Salvador ended there was a need to strengthen the peace agreements, so in 1993, as part of the framework of a United Nations Programme for Human Development (PRODERE), a Local Economic Development Agency (LEDA) was instituted by the Department of Morazán in the Municipality of San Francisco Gotera. Started through a wide participatory approach, the LEDA has had a significant impact on territorial development from the occupational, social, technological and economic points of view.

In the past ten years, in cooperation with 25 national and international organizations, the LEDA has executed more than 63 projects, with a total budget of \$10m, generating more than 2,000 new jobs, 250 micro and small business and supporting the growth of 2,200 existing enterprises. Partners include IADB, EU, UN WOMEN, UNOPS, UNDP, OXFAM-ONEDROP, Ministry of Economy, FOMILENIO Technical Secretariat of External Financing (SETEFE), among others.

Agricultural development has been at the top of the LEDA's agenda since its inception. Noticeably, the LEDA created and incubated an agro-industry company that included over 200 small dairy producers, which were suffering from the competition posed by bigger corporations. The LEDA's intervention contributed to the long-term strengthening of the smaller collective.

Social innovation is high in the priority ranking of LEDA Morazán as it is constantly involved in supporting the underprivileged segments of the local population, through ad-hoc projects and the continued delivery of its targeted services. It has recently finalised an interesting project aimed at giving placement opportunities to disadvantaged women and young people ('Incorporating women and young people in the social-economic contest in eight Municipalities of Morazán'). Besides this, another project ('Capacity building programme to improve employment and self-employment opportunities for women') aimed at supporting the development of entrepreneurial skills in women from the age of 18 onwards was also successfully implemented by the LEDA. Another project, ('PILAS - Sustainable Employment

and Self-employment Plan'), was aimed at supporting the access of the unemployed to the labour market, either as employees or entrepreneurs.

Organisationally the LEDA is structured to maintain the validity of its participatory mechanism, with a General Assembly composed of eleven organisations (including municipal associations, NGOs and cooperatives) and four individuals representing the social and economic fabric of the province. The organisation's structure includes the General Assembly, a Management Board and a Technical Unit. A Board of directors acts as an executive committee. The Technical Unit, with three departments (Territorial Development, Business Services and Institutional Building), handles the implementation of the activities, and each programme has its own coordinator, technical and administrative staff.

What's in it for Salvadoran entrepreneurs?

Small producers and micro-enterprises are supported through a project developed in cooperation with the EU and EURADA (The European Association of Regional Development Agencies) aimed at providing a holistic support mechanism in the sectors of coffee, sisal, livestock, bee-keeping, vegetables, tourism and handicrafts. Young graduate would-be entrepreneurs are also supported through the 'Programme for young entrepreneurs' where service delivery mechanisms have been put in place with the aim of supporting them in realising their entrepreneurial projects. In addition, LEDA Morazán also manages a Development Centre for Micro and Small Enterprises that provides business assistance, ITC assistance, capacity building, technical assistance, and networking. It includes the SCWE (Service Centre for Women Entrepreneurship), that provides technical and financial services to bolster women's business initiatives.

In 2000, the LEDA Morazán, had a surplus to invest in the development of the territory, and decided to gradually close the credit programme and to create the micro-financial institution AMC, which now contributes towards 60 percent of the sustainability of the LEDA itself. It was able to involve 20 national and international founding partners in the project, and now AMC can boast 160 employees and 17 branches around the country. AMC also manages a loan portfolio of \$19m with 15,000 customers, 63 percent of which are women.

In 2005, LEDA Morazán created the AMC-Honduras, partnering with the LEDA Valle of Honduras, which



currently employs 30 people, has a portfolio of \$3.5m, 3,000 customers and five business support centres. Over the last two years, LEDA Morazán also supported the creation of AMC-Nicaragua.

The social side

LEDA Morazán devotes part of its income to social initiatives. Training and capacity building are areas where it is significantly active. Through its initiatives, the LEDA was able to provide scholarships to 203 local students and has trained 6,400 persons (of which 2,400 were women); social and environmental projects have also been carried out by the LEDA, benefiting over 4,000 people, creating co-operatives with 1,200 producers, and engaging 1,500 farmers in the Agricultural Permanent Forum.

The organisation has also implemented new advanced services, such as Geographic Information System (GIS) used by the departmental, municipal and national institutions for their planning exercises.

These outstanding results allow LEDA Morazán to wield a strong political influence in the department, promoting and participating in strategic initiatives for local development, with the clear objective of fostering local dialogue among the actors within the ecosystem. It is in this framework that the LEDA supported the development of the 'System of Actors for Development' (SAD). This is a public-private partnership reuniting the Departmental Council of Mayors (comprising the 26 Municipalities of the Morazán Department), the Cabinet Department, (with representatives of Ministries in the Department of Morazán), and the Morazán Citizens Coalition (which brings together over 30 civil society organisations and representatives of cooperatives). The LEDA has also fostered the creation of the National Institute of Science and Applied Technology (University of El Salvador, INCTAUES) in Morazán, and facilitated its initial operations.

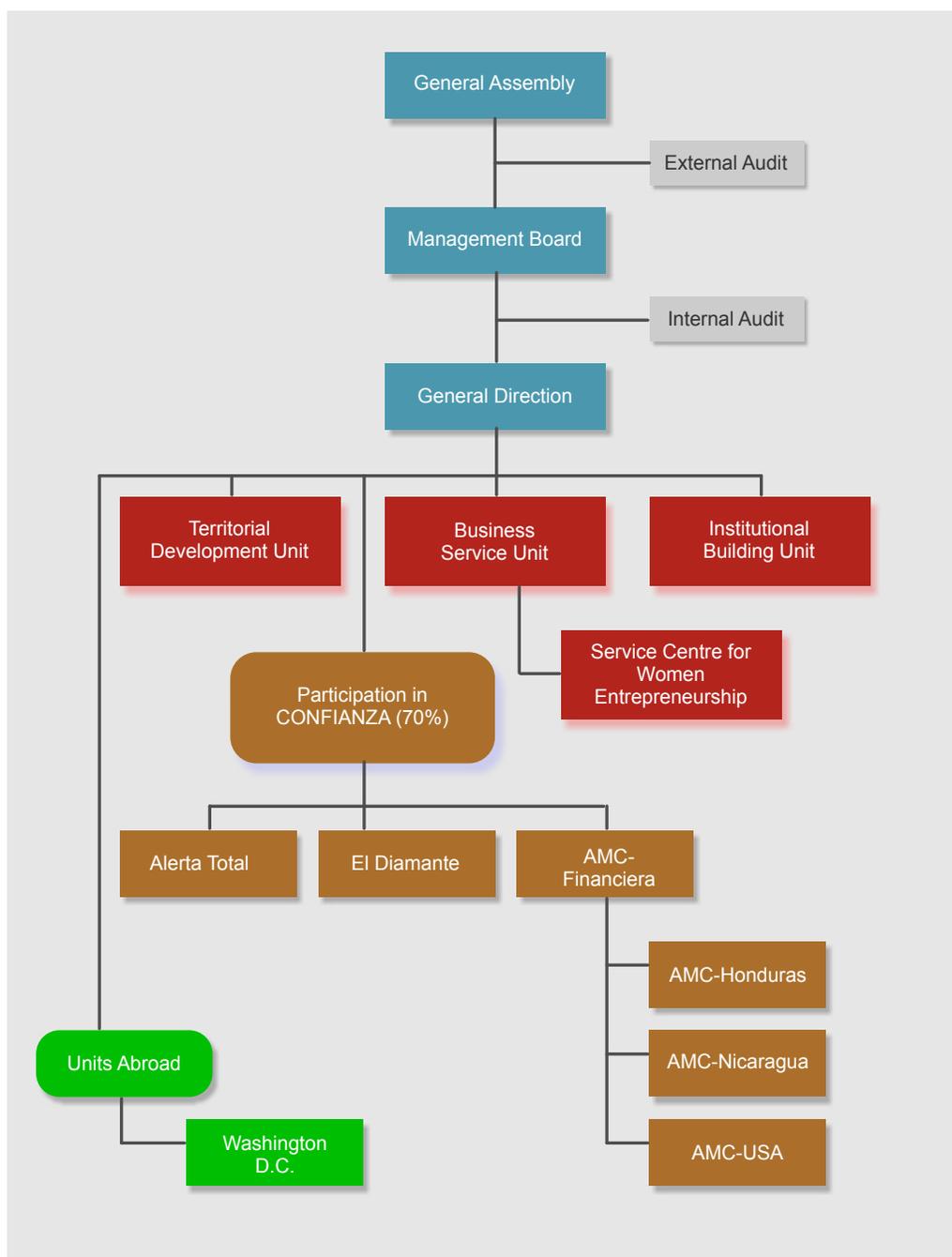
Leading change

At the national level, LEDA Morazán is having a significant impact, as a Government partner, to implement programmes for micro and small enterprises in the territory of Morazán, through the Centre for development of micro and small enterprises. It is also the owner and director of the National Commission of Micro and Small Business, representing the Civil Society Organisations in the country. LEDA Morazán assists the Government and UNDP to adopt the LEDA model in all the five departments included in the strategy for the country's coastal marine area.

The human factor

The experience of this LEDA shows that you cannot plan an incubation process without putting in place the proper human resources. The results obtained by LEDA Morazán are indeed mainly due to the excellent work of their leaders, who are technically capable and truly committed to the development of the Department. LEDA Morazán has won its well-deserved reputation by engaging well-trained and experienced technical, administrative and managerial staff.

Organisational Chart of the LEDA of Morazán, (El Salvador)



These outstanding results allow LEDA Morazán to wield a strong political influence in the department

This has allowed the institution to achieve financial sustainability, while maintaining stable governance procedures, enabling the acceptance of the LEDA. This is all facilitated, of course, by its activated and participatory approach. Keen technical skills, coupled with transparent management processes, have helped navigate muddy political waters, while adhering to the main goal - which is to respond to the needs and demands of micro-entrepreneurs and producers of the territory.

The LEDA of Morazán is part of the ILS LEDA (International Institute for Links and Services for Local Economic Development Agencies) which gathers more than 60 similar LEDAs from around the world. Last year it was awarded with the ILS LEDA ‘Sunflower’ quality label - a significant achievement.

In 2011, LEDA Morazán launched a strategic initiative to internationalise the territory's economy, opening a branch of its financial structure AMC International, in the United States. The first office was established in the State of Maryland, and others are about to open in Washington DC and Virginia.

AMC International provides financial services to the community of Salvadorans living in Maryland. A marketing network for commercialising products in the Morazán territory (agro-food, crafts, tourism) to the community of Salvadorans in the United States, is going to be established through the LEDA.

The Overview

In conversation with Alejandro Benitez, Director of LEDA Morazán (El Salvador)

LEDA Morazán is one of the most successful LEDAs in the world. In your opinion, what are its success factors?

Firstly, LEDA Morazán was born out of a very particular context, right after the 1992 peace agreement. The LEDA was a tool to consolidate peace in the department, since it joined local actors coming from both fronts, looking for a shared solution for development. This agreement has worked and the LEDA attracted national and international attention and resources. Secondly, the LEDA has always had a very clear vision of its role in departmental development, of the needs of producers and entrepreneurs, and has always sought appropriate solutions for them, while working to strengthen municipalities and to attend disadvantaged people, particularly youth and women. This produced wide visibility and institutional and social consensus. Lastly, the board has always worked jointly and managed to find high-quality human resources. This has increased the technical capacity of the LEDA and its ability to execute.

What results do you consider to be the most satisfactory in the history of LEDA Morazán?

Several factors have contributed to this. Its self-sustainability, thanks to a rational use of resources and the creation of its own financial institution, the AMC which provides access to micro-credit to 15,000 micro and small businesses and entrepreneurs across the country. We must consider international acknowledgement, not only for being awarded by international organizations (BMI, IDB, ILS LEDA), but also for the presence of AMC in Honduras, Nicaragua and the US. The execution of the agreement with the Ministry

of Economy to implement the 'Centre for Development of Micro and Small Enterprises' in the department of Morazán, in order to provide capacity building, technical assistance and linkages between small companies and business services was a notable achievement. We are proud that the LEDA is providing assistance to the Ministry of Economy and the United Nations Development Programme (UNDP) to establish new LEDAs in the country. A large number of companies have been supported and established during the past 20 years. During this period we have supported more than four thousand micro and small enterprises and two thousand farmers in the department of Morazán. Crucially, the organisation is influencing policies and development strategies at national and departmental levels. It is already part of the system for the development of Morazán department, and is a member of the Board of Education department. At the national level it sits on the board of the National Commission of Micro and Small Enterprises.

What important innovations has LEDA Morazán introduced in its department?

In the Department of Morazán, innovative instruments to improve productivity and economic competitiveness were needed more than technological innovations. A big innovation was in the financial sector: before the AMC was established, where micro and small producers had no access to credit. Then we helped producers in value chains work; value chains have been created in the field of bee-keeping, livestock and coffee, the geographic information system has been created, and the producers have been connected to the formal market.



Giancarlo Canzanelli is an engineer, who has worked in territorial economic development since the 80s, mainly in developing and transition countries. He introduced the LEDA (Local Economic Development Agencies) model within the framework of the United Nations international cooperation programmes. Giancarlo is director of ILS LEDA, a programme providing technical assistance to local, national and international actors on various aspects of local economic development. ILS LEDA is also the international network of the above-mentioned LEDAs, and it has created a quality label assigned to LEDAs working for human development in an effective and efficient way. Giancarlo is author of many papers about local economic development.



What's the Word

From the late 1970s through the 1990s it seemed university professors constantly used the phrase, 'paradigm shift'. It appeared in multiple lectures whether the subject was astronomy, history, or economics. At one point I vowed to go through the rest of my life never using the words 'paradigm shift' again. Of course I broke that vow. New business phrases pop up every day. The adjective I currently hear a dozen times a day applied to products, pitches, plans and more is 'robust'. It has crept into my own vocabulary, though I know today's business buzzword is soon replaced by others that quickly become tomorrow's clichés.

Luckily, 2013 predictions such as 'phablet' and 'inventpreneurs' have not arrived in our daily lexicon. But for every writer gazing into the crystal ball of the clichéd future, another has been compiling lists of the most overused, annoying business jargon of the year past. That definition might be closer to that of the Merriam Webster Dictionary: "buzz-word - an important sounding, usually technical, word or phrase often of little meaning used chiefly to impress a layman."

If one thought the phrase 'paradigm shift' was overused in the past, it may be because we had not yet entered the age of 'innovation'. The encyclopaedia lists more than 50 associated terms for innovation. The definition of innovation is "the process of introducing something new like a method or device". It seems so simple. But in recent years we have been introduced to disruptive innovation, creative innovation, cultural innovation, social innovation and eco-innovation. Not only is there one global innovation index, there are two.

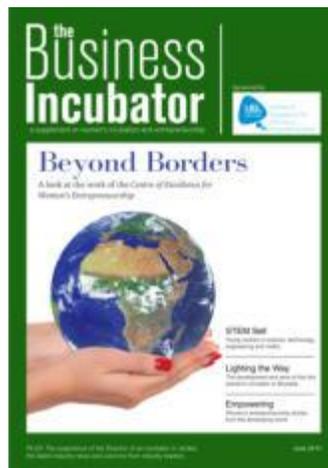
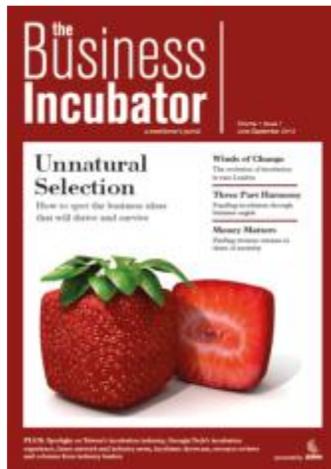
Today we're doing business synergistically. We're operating B2B and B2C. We're right-sizing, on-boarding, productising, systemising, disrupting and pivoting. We'll be doing all of that and much more in the year to come. But are we really doing anything differently than in years past? Languages change. They respond to cultural shifts, media attention, and to communicate new technologies. There's nothing wrong with using new words to communicate a concept. The right words save time, provide specificity, and help someone identify as part of a group. But jargon can overly complicate and put people off. At worst, it is a form of dominance and pretension. And when a term is used too widely it ceases to be descriptive and becomes generic.

As new entrepreneurs, many of our clients may not be familiar with the latest business-speak. We risk alienating them if we toss jargon around. Uncomplicated language can help them embrace a new business concept. After all, a value proposition is simply an answer to the question, "Why should someone buy this from me?"

So, the next time we try to help a client 'systematise a holistic fiscal matrix that's right-sized for a nascent enterprise', we might consider just helping them 'create a budget' instead. They'll probably be grateful and may even thank us for offering a 'robust' assistance programme.

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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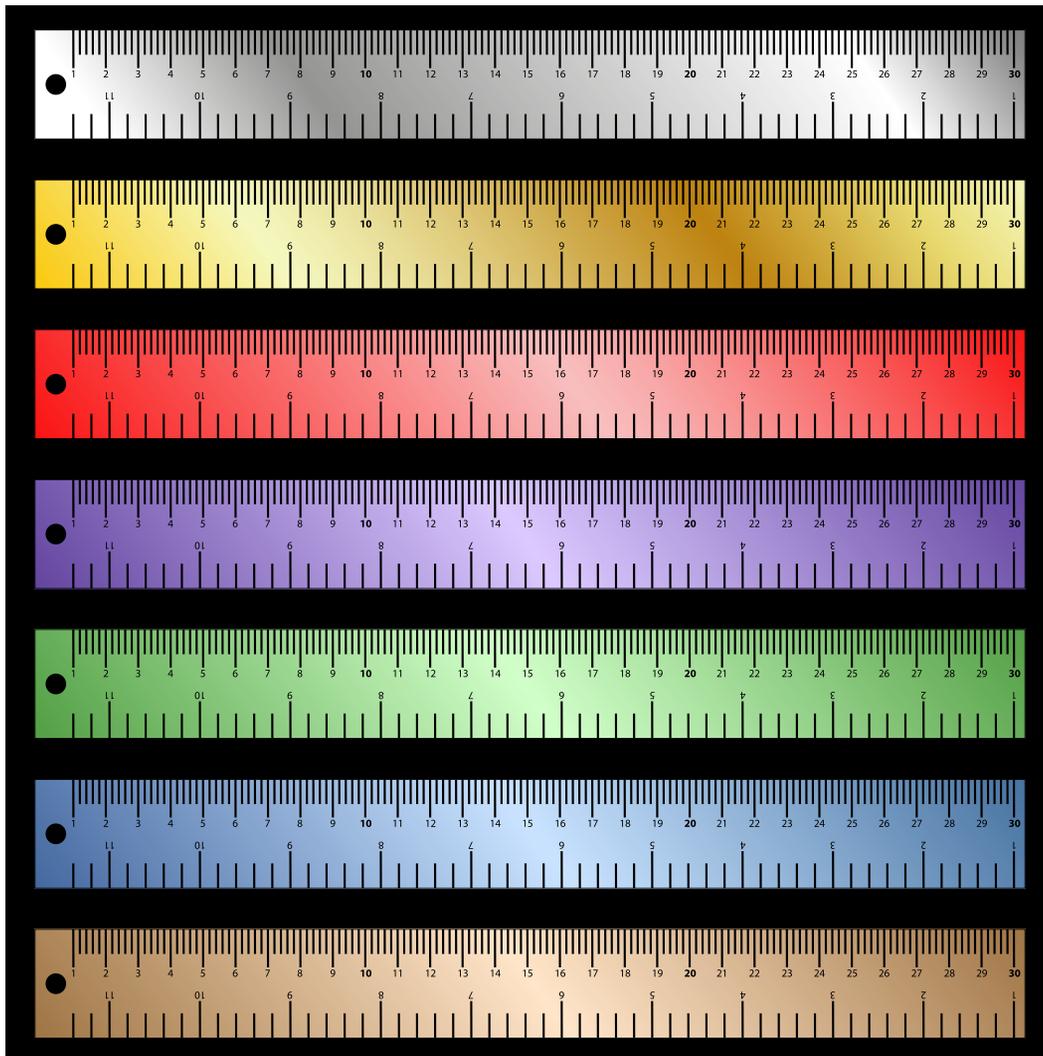
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Setting Standards

Chris Park outlines what went into the making of a valid performance measurement system for the Dublin BIC



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*“Measure what is measurable, and make measurable what is not so”
Galileo Galilei: 1564 - 1642*

I was a member of the Board of Dublin Business Innovation Centre (BIC) for many years and for most of that time I was frustrated by the inability to objectively measure performance of the organisation beyond the internal data provided. This was not, by any means, the fault of the management but by the lack of external data by which to check progress or otherwise.

Normally commercial profit organisations have measures such as profit before tax, or return on investment etc, which can be tracked internally over time and, by reference, to similar published information on the relevant industry. But these measures are meaningless in the case of a BIC. Consequently it was necessary to construct other measures to evaluate performance. In addition, government agencies and other organisations which fund the BIC have economic objectives such as business start-ups, job creation, improving technology etc, rather than a profit motive. While these measures were used internally within the BIC, it still required some external measures to determine if we were doing the right thing. If, for example, we created say twelve start-ups last year and 10 the year before, was the 20 percent increase something to be proud of when other similar BICs were doing an average of, say, 20 start-ups a year? We just didn't know what the standard should be and what we should be striving for.

EC-BIC Observatory

The arrival of the European BIC Network's (EBN) *EC-BIC Observatory* some years ago provided information upon which to build a valid comparison model and evaluate individual BIC performance. At last it was possible to compare like-with-like and there is now an extensive database from which specific data can be extracted for further analysis. The observatory published averages and sometimes the medians for a range of data, including enquiries, feasibility studies, business plans, start-ups and jobs created etc, for 90 percent of the BICs in the network in 2011. Sadly the proportion of BICs participating in the 2012 survey has dropped to 84 percent of the total network. Hopefully this number can be increased in 2013.

Data available and the limitations

A benchmarking exercise of Dublin BIC (using averages and medians provided in the BIC Observatory), while very useful has certain limitations and this gave rise to doubts among some about the efficacy of the exercise. The inclusion of BICs in some countries in the data might skew the data and make a good comparison more difficult.

For instance, including BICs from Eastern Europe, such as Poland or Slovakia, which are developing economies with different cost structures might have a distorting effect on the averages. In order to overcome this potential conflict and assure everybody that any analysis and conclusion from the benchmarking exercise was valid it was decided to ask the European BIC Network to provide selected data from a random selection of ten or twelve BICs which fell within certain parameters.

The parameters decided on were:

- Total expenditure: €2 - 3 million
- Staff Numbers: Twelve to thirty FTE Staff (full-time equivalent)
- Clients: Mainly hi-tech or knowledge based companies with 70 percent or so of client companies focused on technological innovation
- Western Europe: Exclude Eastern Europe
- Catchment area: One to three million people

The parameters had to be reasonably wide, and not too restrictive, in order to give EBN scope to select at least ten to twelve BICs which came within or close to the parameters. In supplying the data required, EBN did not identify the BICs involved, it only gave each individual BIC a number and the country of location. This means that the data was not identified and would remain so unless the relevant BIC agreed to disclose its identity. No effort was made by Dublin BIC to trace any particular BIC except through EBN.

In the event, the data supplied by EBN for 2011 was as shown in the box below.

2011 Data	*FTE Staff	Region Size	Total Exp	% Focus on Tech
Dublin BIC	14.0	1,801,000	€2,459,000	76%
12 Benchmark BICs**	23.2	1,429,981	€2,789,187	69%

* FTE Staff = Full time equivalent staff
** 12 Benchmark BICs from across Western Europe

Type of data, organisation, analysis and presentation

The question was; what data to request from EBN for the benchmark BICs? About 25 pieces of data for each benchmark BIC was requested, including such information as population of catchment area, promotional events organised, number of enquiries, new business plans produced in a year, total start-ups, jobs created and tenants in incubator, etc. In fact most of the data supplied in the BIC Observatory was included. In addition, aggregate data on the four Irish BICs was also requested.

At last it was possible to compare like with like and there is now an extensive database from which specific data can be extracted

We were conscious of the need to limit the data requested so as not to overburden EBN, and also not to present too much information to recipients, including the Board of Dublin BIC. Too much data is worse than too little, especially for busy members of the Board who have to study a substantial amount of documentation before a Board meeting. 'Data overload', as it is sometimes referred to, can be self-defeating. Consequently, data was limited mainly to measures of performance and productivity.

The data was then organised and analysed using a Microsoft Excel spreadsheet to produce averages and medians of the twelve benchmark BICs, as well as averages for the network as a whole and averages for the four Irish BICs. This information was then graphed and transferred to PowerPoint for presentation purposes. It was decided that the best type of graph for this purpose was a bar chart, where Dublin BIC's data could be easily compared with the individual twelve benchmark BICs and the averages and medians of that group as well as the averages for the network and Irish BICs. The presentation was divided into five sections: Promotion and Training, Operations, Value for Money, Productivity, and Dublin BICs performance over the previous five years.

Results and conclusions

While Dublin BIC compared favourably with the averages for the benchmark group on a range of measures, there were two BICs in the group which performed exceptionally well, one in Italy and one in France. The question was: how did these two BICs manage to do so well? To confirm the position and to make sure that the result was not a 'one off' performance we asked EBN to supply data for the previous two-three years for the two BICs in question, without of course, disclosing their identities. The results showed



consistency in performance, indeed an improvement in these measures. Consequently the Board and management of Dublin BIC were very interested in the reasons for the exceptional performance which it wished to emulate if possible. EBN was asked to contact the BICs in question and to seek to arrange a visit to each BIC to discuss operations and share experiences. One BIC responded soon after and agreed a visit, while the other asked to postpone a visit to a later time. This was the first time a benchmark BIC was identified to Dublin BIC and a visit to a BIC in Italy took place in July 2013.

Before the visit, Dublin BIC disclosed all its data to the Italian BIC so that both shared similar information. In the event, it was discovered that the very high number of plans and start-ups compared to Dublin BIC and the overall high performance of the Italian BIC was mostly due to the large number of self-employed clients it helped to get started under a scheme promoted by the Italian government. It was apparent that the difference in performance was mainly due to this factor. Dublin BIC concentrates its efforts mainly on high-tech start-ups of companies, each of which employs several technologically-skilled people. All was not what it seemed from a first analysis of the data available, and it is sometimes necessary to look behind the figures.

However many benefits have emerged from the visit, principally from an agreement to link clients of Dublin BIC

with clients of the Italian BIC. A number of high-tech companies of the Italian BIC were visited and brochures and other details collected with a view to interest some of the Dublin BIC clients in making a linkage.

Spin-off and improvements

A spin-off benefit of the benchmarking exercise is the fact that we, in Dublin BIC, have now collected data on our performance over a number of years and have analysed it and graphed the results. This information is used to track our performance over the years and helps in setting targets for the future. Other spin-offs are changes and improvements to the questionnaire, in co-operation with EBN, and getting more clarity with definitions, etc. For instance, the original question about the estimated time (in months) from first contact with the entrepreneur to the establishment of the company has now been re-phrased to read "... to the start-up of the business:" While the original phrasing of the question would appear to evoke the intended response it was taken literally by some and the 'wrong' answer was given.

There is also a difficulty with some as to when a 'start-up' should be recorded. What level of sales should be reached to qualify as a 'start-up'? The criteria will differ from BIC to BIC, but the view taken by the benchmarking exercise was,

This information is used to track our performance over the years and helps in setting targets for the future

as long as the survival rate is high (75 percent plus) then it doesn't matter if the start-up is recorded in the previous or the current year. And the overall survival rate for BIC companies is very high.

A similar issue arises in defining an 'enquiry' - contacts for enterprise creation. Some BICs record numbers in excess of 400, while others record numbers in just double figures (less than 50); the average for the network in 2012 was 263. Is a simple telephone call which results in a redirection

somewhere else recorded as an enquiry, or must the potential client receive more in-depth attention before moving to the next stage?

The data used in the benchmarking exercise comes exclusively from the database of EBN, so it is important that the data supplied by each BIC to EBN is complete and accurate otherwise the information cannot be relied on. Completing the annual questionnaire is a major task. There are nine sections and over 170 questions to be answered, with many questions requiring multiple answers. While many questions require just a tick many others need a certain amount of calculation to be done before responding. For instance, calculating the number of full-time equivalent staff (FTE Staff) can be done accurately (based on the number of hours worked) or may be just a guess. Again the number of months from first contact to start-up may be a guesstimate whereas it can be accurately calculated with a little effort.

To aid the completion of the questionnaire we have devised a few simple Excel programmes to enable the operative to produce accurate figures quickly for FTE staff, estimated time (in months) from contact to start-up, income and expenditure, key sectors etc.

Cooperation and Support

The benchmarking exercise could only be done with the full co-operation and active support of EBN and we are grateful to Giordano Dichter and his team for all their help in providing the data in a timely manner. The Board and management of Dublin BIC have fully adopted benchmarking as a valuable tool in managing the BIC. It is now possible to form better judgements of performance and to set targets which, while challenging, are realistic by comparison to similar BICs elsewhere. The model can be applied to other organisations seeking to establish similar methods of systemisation - we can certainly vouch for its efficacy.



Chris Park was a director of Dublin BIC for many years before he retired at the end of 2009. While on the Board, he introduced benchmarking to Dublin BIC and still continues to carry out the benchmarking exercise annually. Chris was director of small business programmes at the Irish Management Institute (IMI) for many years and developed a range of small business development programmes which have been licensed to a number of institutions in Europe including Austria, Denmark, Finland, Italy and Iceland, as well as to Malaysia. He is currently a director of a small R&D company involved in waste-water treatment. Chris holds a BCom degree from University College Dublin and an MBA from Trinity College. Chris has worked in most European countries, and in Saudi Arabia, Tanzania, Kenya, Swaziland, Ghana and Malaysia.



S³ = Success

Christian Saublens outlines the role of incubators in research and innovation strategies for smart specialisation

For the 2014-2020 programming period, the EU administration has deemed that all the regions adopt Research and Innovation Strategies for Smart Specialisation (RIS³) in order to better channel their support to SMEs in the field of R&D+I and competitiveness. This new step in programming ERDF interventions will lead to a stronger result-oriented approach, and necessitates a better design and subsequent implementation of support services to entrepreneurs and SMEs in Europe.

SMEs, by and large, represent a large share of the innovative and job-creation capability in the current economy. It is imperative that they are geared towards the new types of business models, which consider the current major trends with respect to the multi-faceted aspects of innovation, as we know it. Open innovation, social innovation, business innovation, just to name a few, are concepts that need to be introduced and embedded into the business models of existing SMEs, and incorporated right at the beginning in to any new potential high-growth innovative start-up.

There are two major elements that shape all RIS³ initiatives. The first being the unique assets that characterize the economic shape of specific European regions, and secondly, the need to concentrate on the entrepreneurial discovery process. It is fundamental, therefore, for all SME support organisations to be an active part of the renewed support environments that will deliver the RIS³ priorities. The various socio-economic realities of the EU regions and their SMEs strongly differ from one another, calling for multiple tailor-made solutions, which can be better designed when SMEs and start-up support practitioners are engaged in this from the very beginning.

The real focus here is clear. Through their RIS³ strategies, regions will mainly home in on sectors in which they have already identified a strong competitive advantages, and where there is a proven willingness of

private sector representatives to invest in innovation - all types of innovation. On the other hand, if the regional, and the European Regional Development Fund, managing authorities can succeed in developing better support services, specialised intermediary organisations, such as incubators, will have the chance to become part of the ecosystem, playing a central role in the successful implementation of an RIS³. But this requires that a few key principles need to be followed:

1. SMEs and their representative organisations, such as business incubators and innovation centres, need to be involved in RIS³ development design in order to better identify the different categories of the regional SME population that require targeted and high value-added services.
2. Support service schemes need to be adaptable to a wide variety of enterprises and they need to include services that introduce innovation. There needs to be a willingness and readiness amongst management teams to innovate, and to focus support not only on R&D, but also on innovation in the wider sense.
3. A policy mix combining financial support, with complementary advice, needs to be created. This includes accessibility to specialist infrastructures, as well as to a network of professional facilitators. High-level services need to be deployed such as, risk-reduction tools, investment-readiness support, proof-of-concept and end-user testing. Last but not least, it is vital to ensure the leveraging of public procurement to support SME innovation and growth.
4. Monitoring and evaluation techniques need to be properly used, to measure the desired structural change and to manage the implementation of the strategy, allowing for informed corrections of the policy-mix. It is not sufficient just to measure transactions.



Incubators should be part of any RIS³

Certainly, incubators are able to deliver most of the high added-value support services SMEs need to access in order to innovate and compete. Those services are in the field of:

- Business support infrastructure
- Financial instruments
- Advisory services
- Support to commercialisation of new products/services
- Networking

In the future - due to cuts in public expenditure or strictly applying the concentration and specialisation desire of any RIS³ - public authorities should undertake a thin segmentation of the SMEs which will be relevant to the various types of support services on offer. (See Figure 1)

Incubators will need to look deeply within their enterprise portfolio to identify those SMEs and start-ups who are already contributing to the regional RIS³ priorities. They will also need to identify those clients who have the potential, but need tailored support to become eligible to receive RIS³ support. Incubator tenants should receive the same attention. Indeed, it might be advisable that those business incubators and innovation centres who will be involved in the deployment of a RIS³, are required to review their range of support services in order to make the needed adjustments, or to expand it and bring it in line with the defined priorities.

SME readiness: continued support needed

Public authorities should also make sure that intermediary organisations carefully check the capacity of SMEs to maximize the benefits of the scheme/tools they are applying. In this respect, a diagnosis of the SME needs could be implemented based on this matrix (Figure 2), for instance.

Finding the right mix

In the new programming period, public authorities will most probably have to offer SMEs a package that combines financial and non-financial support services. Financial support for SMEs in need of competitiveness support are usually channeled via debt finance - micro-loans, guarantee schemes and loans. SMEs in the higher-growth bracket are normally offered funds in the form of more advanced equity finance - seed capital, venture capital, technology funds, etc. Under RIS³ these will need to be coupled with professional non-financial support, to render the entrepreneurs to actually become market-ready. Here again there is room for business incubators and innovation centres to play an important role in the delivery mechanism of the RIS³ in their regions.

The various socio-economic realities of the EU regions and their SMEs strongly differ from one another

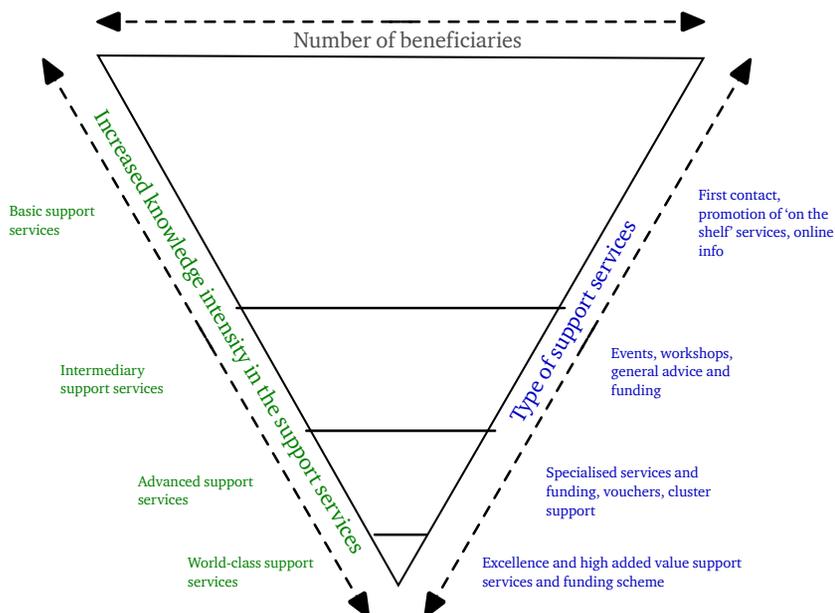
Specialisation within specialisation

Public authorities should pay a special attention to 'first time innovators' and they definitely need to put in place dedicated specialised support services for them. Radical and disruptive innovation can take place in regions deploying RIS³, and new types of solo-entrepreneurs should be supported, taking advantage of combining technologies such as 3D printing and e-commerce. This is no novelty for those European incubators who work in the innovative spheres of entrepreneurship; they have been doing this for a long time. There is a wide pool of existing experience, and now there is an excellent opportunity to channel this through a more dedicated regional programme.

Monitoring and evaluation

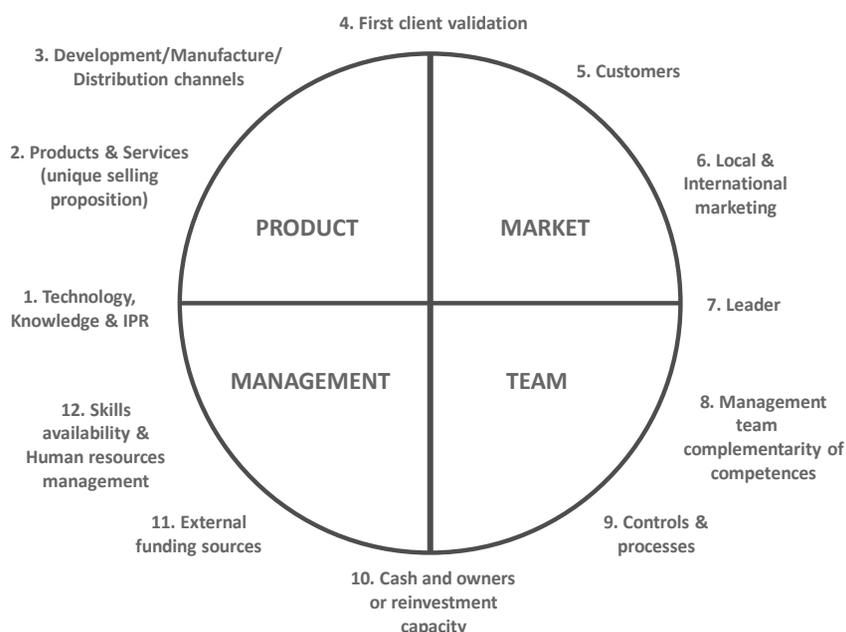
Last but not least, thanks to the proximity to SMEs and start-ups, incubators can play a key role supporting the assessment of publicly-funded entrepreneurial support schemes, such as, of course, the RIS³. Those incubators who will be involved in the deployment of the regional Smart Specialisation Strategies can undertake both quantitative data and qualitative assessments, contributing to its ongoing and final evaluation.

Figure 1



Source: EURADA, adapted from presentation by Graeme Rennison of Scottish Enterprise (UK) at DG Connect 15.5.2013

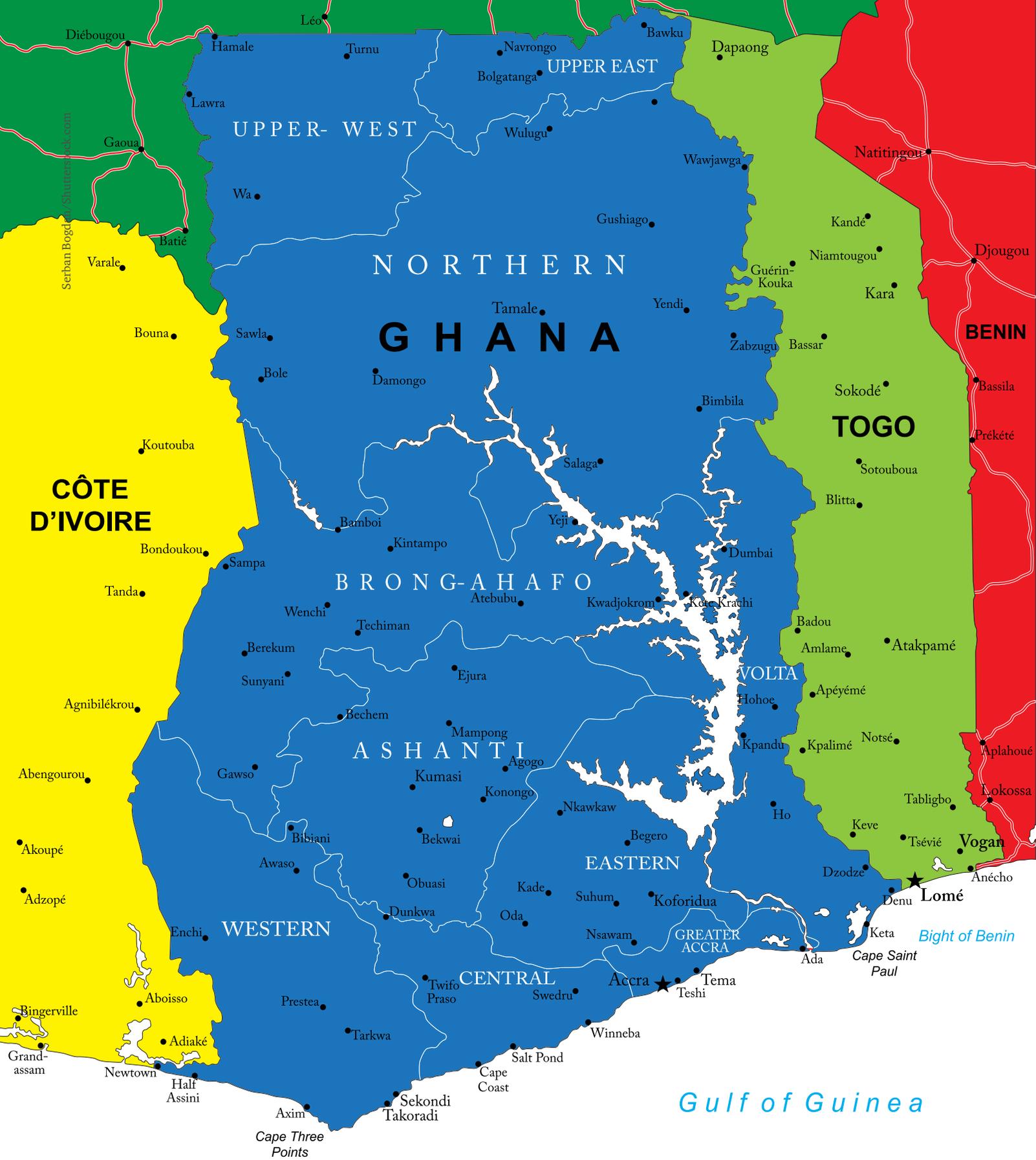
Figure 2: Diagnostic Tool for Coaching Support



Source: EURADA - based on Sally Goodsell from Finance South East's presentation at EURADA's investment readiness training events in Timisoara and Riga



Christian SAUBLENS has had more than 30 years experience in lobbying the European Community authorities. He is the Executive Manager of EURADA, the European Association of Development Agencies which has approximately 120 members operating in more than 20 countries. Christian helped in the creation of EBAN, the European network promoting the stimulation of informal venture capital at regional or national level. He has written several papers regarding the impact of EU regulations on regional development and the role of development agencies in Europe. One of his latest papers is the popular "Directory of 'No-Nonsense' Activities To Build S³-minded Regions". He is also the chairman of the S³ Mirror Group, the expert group of the Smart Specialisation Strategy Platform of the European Commission, and a pioneer in promoting the crowd-funding concept at the European level.



Solomon Asante Dartey presents the functioning and experiences of a cutting-edge multimedia business incubator in Ghana



Breaking New Ground

The Government of Ghana (GoG) has over the last decade made efforts to build a 'knowledge-based economy' and position Ghana as the Information and Communication Technology (ICT) hub of the West African sub-region. This vision was anchored in a national ICT for Accelerated Development policy in 2003 with the objective of engineering an ICT-led socio-economic development process. As a response to the national ICT for development agenda the Government received support from the United Nations Development Programme (UNDP) and other development partners like the World Bank to set up a number of ICT programmes and projects in the country. Notable among these programmes is the Ghana Multimedia Incubator Centre (GMIC) established in 2005 under the Ministry of Communications (MoC) with support from the United Nations Development Programme.

Vision and Mission

The Ministry of Communications' vision for establishing the Ghana Multimedia Incubator Centre is to promote technological innovation, skilled business outsourcing, entrepreneurship and global competitiveness, making Ghana an Information Communication Hub in the sub-region of

West Africa. It has a mission of promoting efficient use of the country's limited resources in order to support practitioners engaged in all forms of creative industrial innovation and business outsourcing.

The GMIC - Concept and Structure

The Ghana Multimedia Incubator Centre which is the first of a series of Business Incubator programmes to be established by the Ministry of Communications (MoC) in Ghana, was set up in collaboration with the United Nations Development Programme the Kwame Nkrumah University of Science and Technology (KNUST) and the Ministry of Trade and Industry.

Its presence provided the impetus for the Government's quest to help overcome technological and bureaucratic obstacles faced by technology start-ups, as well as provide affordable office space and business facilities. Most importantly, it provided advisory, training/coaching services, management and marketing support, business mentorship services, linkages to research facilities and access to capital, thereby greatly enhancing the chances of success of Ghanaian early-stage technology entrepreneurs.

The Incubator programme is today structured to ensure a progressive value-chain effect to overcome the challenges to the growth of the ICT industry in the country; namely, infrastructure and capital. It targets graduate students with innovative technological ideas with commercialisation potential, but who lack financial and technical support, and supports their technological and business development processes into viable products and services for the market. Tenants admitted into the Incubator programme are provided with structured support services. Through the Incubator's support services and industry partnerships, these start-ups are assisted to scale up their business concepts and produce viable market-oriented solutions. The innovative ICT products and solutions, some of which have won international awards and recognition in the business community include a vehicle tracking system, electronic campus and e-learning applications, interactive science educational software, radio frequency identification (RFID) solutions, robotics and small business/home automation security systems and triple play technology (data, audio, video) through ordinary copper telephone lines.

In addition, some of the products have been piloted in several government ICT projects including the UNDP/GoG Community Information Centre (CIC) programme which seeks to reduce the digital divide by extending ICT to the unserved and underserved communities in the country. The GMIC, as an active member of the worldwide network of business incubators, has been instrumental in facilitating regional workshops which provide the platform to share ideas on best practices among countries.

Location and Management

Recognising that one of the main impediments to technology commercialisation in Ghana is the cost of real estate, the Government of Ghana refurbished an office building complex (the Ghana House) into a high-tech building - The Ghana Multimedia Centre. The ICT incubator is located on the sixth floor of the Ghana Multimedia Centre, in a prime location in the central business district of Accra.

The GMIC facility is managed by a six-man management and administrative team comprising a programme director, office administrator, ICT systems administrator, a secretary and two programme associates for BPO and ICT training respectively. The incubator currently houses seventeen tenant companies who are involved in the development of various innovative ICT products and services.

Programme Delivery

Coaches and Mentors are very important in any incubation programme. One key factor to the high success rate of the GMIC is the network of coaches and mentors that have been assembled for the incubatees (tenants). Training and capacity development of the tenants are done by industry experts who provide coaching support, and experienced businessmen and women as mentors/consultants. Each one of them plays a key role in the development of the tenants through the various phases of their businesses. These

Notable among these programmes is the Ghana Multimedia Incubator Centre (GMIC) established in 2005



Graduation of BPO Trainees at the GTUC



programmes have been developed to ensure that tenants are well equipped to become entrepreneurs on completion and are able to employ, scale up their operations, increase their turnover and thereby create employment.

...these start-ups are assisted to scale up their business concepts and produce viable market-oriented solutions

The Centre also has a structured module developed for training call centre and data entry operators as a way of responding to the quest of the Government of Ghana to provide skilled manpower for the Business Process Outsourcing (BPO) industry and position Ghana as a preferred hub for BPO activities in the sub region. GMIC is internationally accredited as a Customer Operations Performance Centre. As a result, a memorandum of agreement has been established with the Ghana Telecom University College (GTUC) to equip trainees with an internationally recognized certification in call centre/data entry operations. The training curriculum is tailored to suit

the requirement of the local BPO industries which have recruited and continue to recruit key operational staff from the pool of trainees graduating from the programme. The key achievement of GMIC can be outlined as follows:

1. Market-Oriented Product Development

Guided management, advisory and technology transfer services have resulted in the successful commercialisation of ten out of the seventeen tenant companies within the incubator. Products of these companies are currently out on the market in Ghana and neighbouring countries.

2. Regional and International Recognition

Active participation in regional and international programmes of the Business Incubation and Entrepreneurship development industry has resulted in international recognition of GMIC and the subsequent selection of the GMIC and Ghana to host the Africa regional workshops of the National Business Incubation Association (NBIA). NBIA is the world's leading organization advancing business incubation and entrepreneurship, providing thousands of professionals with information, education, advocacy platforms and networking resources to bring excellence to the process of assisting early-stage companies. The development of the tenant companies over the years has gained international recognition leading to the following international awards:

- 2007 GK3 3rd International Innovation Award by the

- Malaysian Government to a tenant of the incubator
- 2009 Global Innovators Contest by *infoDev* of the World Bank to a tenant of the Incubator
- 2010 Global Student Entrepreneur Award by the Marion Kauffman Foundation, USA to a tenant of the incubator
- 2012 'Women and Girls in ICT' award from the International Telecommunication Union (ITU) and the Government of Rwanda to a tenant of the incubator

3. Capacity Building

Recruitment, capacity building and placement of 250 data entry clerks across the country for the National Youth Employment Programme to support and operationalise the digitisation of the various district assemblies as an integral part of the government's district level decentralisation programme.

Capacity building and skills development of 1,800 youth across the country in the area of Data Entry, Call/Contact Centre operations and Medical Transcription to create the pool of skilled outsourcing agents to attract BPO opportunities into the country. Over 70 percent of these trained agents have been engaged by service companies such as Teletec, Platinum Technologies, GCNET, 4Sight, Datcom, ACS, Ecobank and MTN.

In collaboration with the National Information Technology Agency and Microsoft, over 300 ICT personnel selected from the various ministries, departments and agencies have received extensive capacity development at the GMIC leading to international certifications from Microsoft in recognition of their achievement.

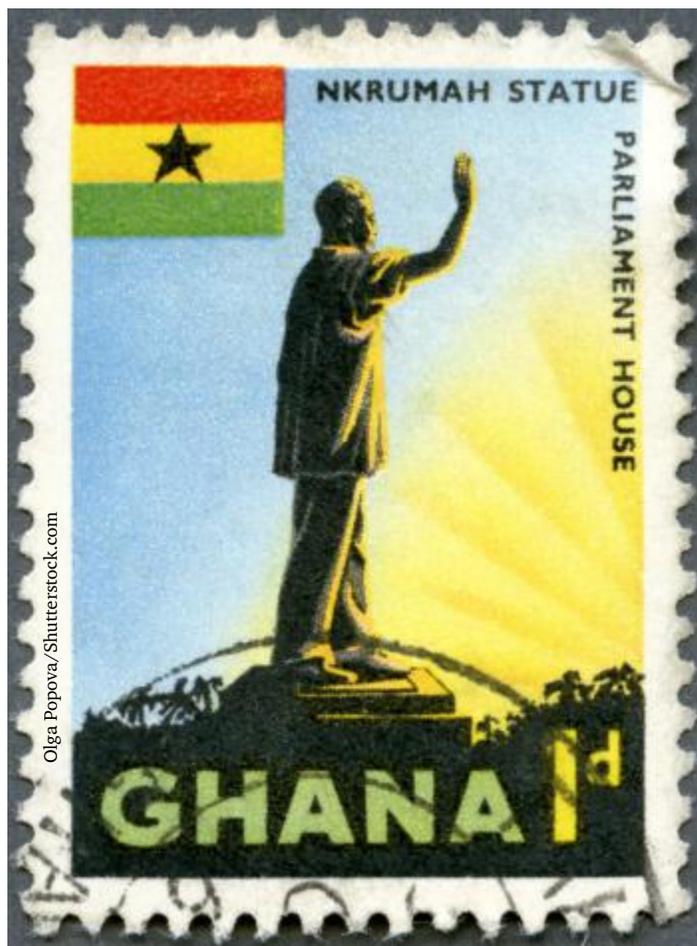
Recruitment, training and deployment of all 1,200 data entry clerks used by the Electoral Commission of Ghana for electronic collection of electoral results during the 2008 and 2012 parliamentary and presidential elections.

Lessons and Conclusion

Four key lessons have been gained since the establishment of the GMIC:

Firstly, business incubators present many resources and opportunities to start-ups. These sometimes come at no cost to the start-up. The risk is that, these do not form part of their budgets until they graduate. Then reality sets in. Mentors, coaches, and incubator managers should encourage, guide and hold incubator tenants accountable right from the start in planning and in the preparation of their books to take care of all expenses to avoid shocks in future.

Secondly, the idea that a business incubator is a place for business research and development sometime overrides the need to look critically at how sales and marketing are to be achieved. The success of any business is the numbers. Without sales (revenue), any business will ultimately fail. Start-ups that have taken time to take a critical look at these sections in their business plans have gone ahead to commercialise quicker.



The third lesson learned was that at the GMIC, the selection of our tenants is very critical. We strive to do as we say and expect the same from our tenants. We therefore have adopted a comprehensive assessment process as part of our application method that includes a face-to-face interview and we try to weed out that rugged applicant who is often un-coachable.

And last but not least, being a government programme, we have experienced a fair share of unexpected budget cuts and delays in the release of funds for programme activities. Such situations seriously affect programme deliverables and the development cycle of the incubator tenants.

As a way around, a lot of effort should be made to solicit support from other sources. In addition, there should be a lot of lobbying for the creation of a budget line to committed funds for incubation programmes. These create innovative mechanisms for consistent and committed support to the incubator and the tenants.

Mentors, coaches, and incubator managers should encourage, guide and hold incubator tenants accountable right from the start

Ghana has always led the way in the region - be it in terms of independence, economic growth and stability. It is part of the DNA of the culture, and incubation practices in the country can only help to further the enormous strides we have taken in recent years.

We believe that the GMIC will continue to advance the creation of businesses and increase entrepreneurial success as well as individual opportunities aimed at strengthening communities within the country with the production of new technology products / services and, therein, new and expanded job opportunities in Ghana. The future looks bright as we continue to break new ground.

WORD ON THE GROUND

Tenants Perspectives of the GMIC Programme

Robotics Inc

“My name is Benjamin Nortey, founder and CEO of Robotics Industries and The Metro Institute of Innovation and Technology (MINT). Robotics Industries is a technology company developing robots for education, entertainment and consumer markets whilst The Metro Institute of Innovation and Technology focuses on innovative approaches to develop, use and introduce technologies (information, computing, telecommunication, science, and engineering) to enhance the learning processes of students, professionals, and technology enthusiasts. Being a beneficiary of the Ghana Multimedia Incubator Centre I have had the opportunity to receive support in many areas including office space and advisory services that have helped me grow my ideas, making my dream come true. I have been able to create a primetime television educational programme and a market in robotics technology in Ghana, this being the first and a road not travelled by many in this part of the world.”

Real IT Solutions Ltd

“We attribute most of our successes as an education software development company in Ghana to the opportunities we've had as tenants of the Ghana Multimedia Incubator Centre. The incubator provided a fully furnished office with internet connectivity which eased the burden of finding huge capital to set up the company; these also enabled us to concentrate on development of our solution. The mentorship, coaching and training services offered by GMIC helped us set up our company structures and positioned us strongly to attract investors during the commercialisation stage of our business development. Today, Real IT Solutions is doing business in Ghana, Nigeria, Liberia and the Gambia.”



Solomon Asante Dartey has been the Director of the Ghana Multimedia Incubator Center since October 2005. Solomon holds a Masters degree in Software Systems Technology from the University of Sheffield, UK, and has been certified by the National Business Incubation Association (NBIA), USA in the management of Business Incubation programmes. Prior to taking this appointment, Solomon worked with KPMG for almost nine years and was involved in a number of key IT related consultancy and project management engagements both in Ghana and outside. Solomon lectures on the MBA programme in Management Information Systems (MIS) at the University College of Wisconsin, Accra Campus, Ghana.

Snapshots



EBN

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 Europe and beyond. www.ebn.eu

TRANSITION - Development of a Transnational Social Innovation Incubators Network

How to scale up social innovation across Europe? By putting in contact social innovation experts with innovation-based incubators managers with the view to develop a network of incubators specialised in social innovation. EBN is ready for this new challenge through the TRANSITION Project (FP7) which was officially launched in Brussels on 2 September 2013. This 30-month project coordinated by EBN aims at developing a network of incubators which bring together established partners within the fields of social innovation (SI) and innovation-based incubation (IBI). 300 social innovations will be scaled-up within the six TRANSITION Scaling Centers (in Finland, France, Ireland, Italy, Spain and the UK). A 'fast track' Transnational Start-ups Lab will also be developed to rapidly take social innovations from the idea stage all the way through to international implementation within the time scale of the project. The project will include an analysis on which scaling methodologies are most effective in a given region and the level of impact of these methodologies when transferred between regions. As stressed by Dr Iphigenia Pottaki (EC, Project Officer), moving from the experience on the ground, the project's mission is to read the present and contribute to shaping the future of social innovation in Europe.

www.transitionproject.eu, @TRANSITIONeu, #transitioneu

Madrid Emprende International Lab to host IBM Smart Camp

EBN member, Madrid International Lab is an initiative of Madrid Emprende, the Economic Development Agency of Madrid City Council, created with the goal of attracting, developing loyalty among and promoting international talent in Madrid. It is a unique space dedicated to assisting international organisations, global entrepreneurs, and foreign businesses in starting up in the city. As one of the main partners of the IBM Smart Camps (an initiative of the IBM Global Entrepreneur Programme) they hosted one of the IBM Smart Camps on 23-24 October. IBM Smart Camps are exclusive events aimed at identifying early stage entrepreneurs who are developing business ventures that align with the IBM Smarter Planet vision. They give selected start-ups the opportunity to connect with the venture community.

www.madridemprende.com

Accelerate your Cross-border Engagement with ACE

Launched in September 2013 and funded by the FP7, the EBN-coordinated ACE (Accelerating Cross-border Engagement) project is aimed at helping innovative ICT start-ups, SMEs and entrepreneurs accelerate their growth through rapid expansion into other European markets. SMEs must be fully engaged in the innovation process and in the ICT sector in particular, meaning they must be connected with potential users, partners and clients at a global level. The project involves 14 leading incubators, clusters and living labs across Europe: UK, Ireland, Belgium, Luxembourg, France, Italy, Portugal, Finland, Sweden, Czech Republic.



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

UKBI launching a Professional Development Programme

Advised by a panel of long established practitioners, UKBI is in the process of developing a professional development programme to add to its portfolio of member services. This programme will be specifically designed for business incubator managers and their teams, and will respond to the requests from member organisations to work towards more recognition of the business incubation industry. Drawing from the results of an ESRC research project in collaboration with Aston Business School, knowledge gained through UKBI's own Inspire© Accreditation programme and valuable data collected from group discussion with members, the service will be based on core and common competencies for all business incubator managers and their teams irrespective of the sectors that they work in. UKBI will develop a system of endorsement for these competencies and business incubator executive teams will have the opportunity to develop their roles and reach the top of their game.

UKBI Dropzones

The idea is for UKBI members to opt into 'UKBI Dropzones' through which UKBI members can provide their clients with access to other members' professional environments/facilities in the UK, and overseas, for meeting with their customers in a dedicated professional environment thus developing another platform for the expansion of their businesses. This service can be developed into a tangible UKBI member service, an avenue to promote members' facilities and services to a wider national and international base.

UKBI Member News: SETsquared in Brunel's Engine Shed

UKBI Member and the award-winning business incubator, The Bristol SETsquared Centre, moved in to its new home this August, to be the first 'Component' of an exciting new collaboration between Bristol City Council and the University of Bristol. The Engine Shed project is a £1.7m refurbishment of Brunel's original 1841 railway station, engine shed and drawing office that will, when it opens fully this October, bring together other components to create a hub of enterprise, innovation and collaboration. As well as the SETsquared Centre, Engine Shed will house the West of England LEP office, the local inward investment service, Invest in Bristol + Bath, a co-working space operated by

University of Bath ("DigiCity"), an independent internet accelerator, a suite of meeting rooms including Brunel's original board room, a public innovation showcase and a prestigious business lounge - a fantastic space for innovators, academics, entrepreneurs, business leaders and policy makers to interact, inform and do business. It is estimated that there are about 500 job vacancies likely in the next 2 years, in the high-tech sector, and Engine Shed will be a critical part in bringing together talent, employers, investors and new ideas.



The European Space Agency (ESA) is Europe's gateway to space. Its mission is to shape the development of Europe's space capability and ensure that investment in space continues to deliver benefits to the citizens of Europe and the world. ESA is an international organisation with 19 member states. Each year it produces an impressive number of incubatees through competitions that promote innovation and entrepreneurship creating high-knowledge jobs and transfer of technologies. www.esa.int

Where entrepreneurs meet opportunities

ESA Technology Transfer Programme (TTPO) will host two events at the European Space Solution conference, taking place at Alte Kongresshall in Munich from 5-7 November 2013. The ESA Investment Forum is an exceptional platform for entrepreneurs to discuss their ideas with investors and to explore business potential and investment opportunities. It will enable 18 selected start-up companies using space technology in terrestrial applications to present their business case to potential investors and industry leaders.

ESA Investment Forum - your time to shine: ESA TTPO will host its 8th ESA Investment Forum on 6 November, 2013, with partnering projects. Applicants must build their products and services on the utilisation of technologies and expertise originating from European space programmes, and a significant portion of their growth and competitive advantage must originate from this. For details please go to www.space-solutions.eu or www.space-solutions.eu/index.php?anzeige=investment_forum.html

B2B Matchmaking event: ESA TTPO and partners will organise a business matchmaking event bringing business leaders and the public sector with developers and users of space-related solutions. With over 700 delegates expected, participants can maximise the value of networking by signing up for this event. Twenty minutes 'meet and greet' time slots will be allocated for each meeting at the Business

Matchmaking event taking place on 7 November, 2013. Further details can be found at www.space-solutions.eu or www.space-solutions.eu/index.php?anzeige=match_making.html

The sky is not the limit

This month sees the 200th new start-up company launched through ESA's Business Incubation Centres. Whether it's for quick mapping of disaster-stricken areas by crowdsourcing, offering smarter transportation solutions, alternative energy handling or improving production technologies, these start-ups benefit local economies while promoting the use of space technology in terrestrial applications. All of these start-ups nurtured at the ESA Business Incubation Centres (ESA BICs) have one thing in common as their winning key driver: innovation.

"The knowledge and technology that are available in our space programmes are open for entrepreneurs and, with ESA investing in those brilliant minds, we can rest assured that our technology will reach far," said Franco Ongaro, ESA's



Director of Technical and Quality Management. "We must continue to boost the European competitiveness, and continue to think globally while investing locally. By innovating through using space technology means that we are investing in our most important asset - planet Earth."

"We started to prepare the operations of the business incubation initiative in 2000, with our first centre here in the Netherlands, because we believed that the leading-edge technologies we developed for Europe's space programmes can provide innovative solutions here on Earth," says Bruno Naulais, ESA BICs manager at ESA's Technology Transfer Programme Office. "The ESA BIC welcomes innovative entrepreneurs, supporting them through their initial phase of getting started and mature their space technology spin-offs to new terrestrial solutions. Since the first incubatee selected in late 2003, we just crossed the mark of 200 new companies, which means thousand of jobs across Europe."

The new tool for pilots, SkyLiberty from Belgium, is an example of an ESA-supported start-up; a useful app for preparing flight paths quickly, taking into account all aircraft

types, weather, airspace situations and airport factors. The app provides a greater accuracy and efficiency for small aircraft flight planning. A computer game from Netherlands was developed to address a serious concern; helping rescue workers when they enter disaster-stricken areas. The Cerberus game, developed by an ESA BIC Noordwijk start-up, combines input from thousands of users through crowdsourcing techniques to quickly generate a detailed situation map of an area based on satellite data from ESA. In Germany, a revolutionary app became a hit by providing a smart system to monitor hundreds of Deutsche Bahn's railway stations - not by company-employed inspectors, but by regular commuters, providing situation reports, and earning money to boot. By using this satnav-based app, from a start-up in ESA BIC Darmstadt, for their routine monitoring, companies in five countries now save time and money, and have reduced their carbon footprint.

During their two-year incubation periods hosted at the ESA centres, start-ups receive financial and technical support, leading to the launches of new companies, new products on the market and new jobs for their regions. The eight operating ESA BICs across Europe are based in the Netherlands, Germany (Bavaria and Darmstadt), Italy, UK, Belgium (Redu and Flanders), as well as the most recent one in southern France. By the end of 2013, a ninth centre will be launched in Barcelona, Spain.

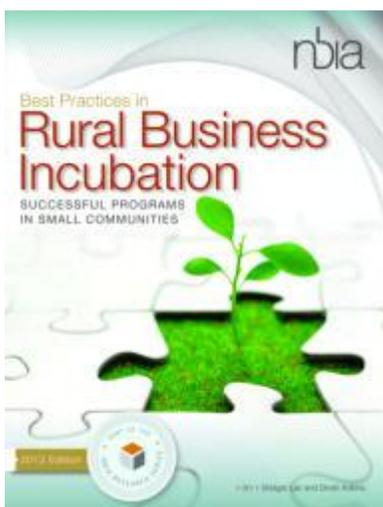


The National Business Incubation Association (NBIA) is the world's leading organization advancing business incubation and entrepreneurship. Each year, it provides thousands of professionals with information, education, advocacy and networking resources to bring excellence to the process of assisting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

NBIA releases new rural incubation book

After more than two years in development, NBIA has officially released *Best Practices in Rural Business Incubation: Successful Programs in Small Communities*. Created in cooperation with the Appalachian Regional Commission and the Tennessee Valley Authority, the book presents statistical analyses of incubation policies, practices and demographics in addition to nine probing case studies, which describe in detail how different programmes implement highly influential management practices identified in the statistical evaluation. As a collection, the cases show that, although successful incubation programmes share many best practices, they customise their

implementation based on community needs, market, resources and programme mission. NBIA surveyed more than 200 rural and urban incubation programme managers to evaluate whether certain incubation best practices influence incubator success and if those practices vary by region. The analyses indicate that no one incubator policy or practice leads to business incubation success. Instead, combinations of incubator policies and practices are related to client outcomes and incubator success. These findings complement those identified in a 2011 US Department of Commerce Economic Development Administration report, *Incubating Success: Incubation Best Practices That Lead to Successful New Ventures*, which reveals that business incubation policies and practices are better predictors of success than facility size, age or budget. *Best Practices in Rural Business Incubation* is available for purchase through the NBIA Bookstore. For more details visit: www.nbia.org/store and www.edaincubatortool.org.



New workshop examines entrepreneurial ecosystem

Because the entrepreneur support field is increasingly diverse and expanding, NBIA's 23rd Training Institute in Fort Worth, Texas, October 7-9, introduced a workshop on *The Entrepreneurial Ecosystem: Building a Comprehensive Venture Development Program*. In 1990, there were fewer than 1,000 incubators globally; today, an estimated 7,500 programmes serve start-ups and entrepreneurs on every continent, save Antarctica. Incubation programmes are facing market pressure from other enterprise development providers, both for clients and for the attention of stakeholders. Many programmes, however, are embracing the challenge by collaborating with these other service providers, or in some cases, creating their own auxiliary programmes to complement their incubation programmes and serve a greater number of entrepreneurs. For example, the Northeast Indiana Innovation Center in Fort Wayne, Ind., manages a coworking space (called *Destination: Your Future*) and has affiliated with the business accelerator brand *Tech Stars*. Other programmes have led their community in the development of pre-seed and seed funds. The *Entrepreneurial Ecosystem* workshop examines components of the expanding entrepreneurial ecosystem and how incubators can engage and, in some cases, create their own network of services. Topics include coworking space, student entrepreneurship, international incubation, economic gardening, seed acceleration and angel networks.

Year's first Soft Landings designees chosen

Four incubators - two new designees and two renewals - are joining and continuing, respectively, in NBIA's Soft Landings International Incubator programme following this year's first round of applications and appraisals this summer. The newly chosen Soft Landings incubators are: Industrial Technology Research Institute Incubator Center, Hsinchu, Taiwan and Purdue Technology Center of West Lafayette, West Lafayette, Ind. The incubators continuing in the programme are University City Science Center - Port Business Incubator Center, Philadelphia and Louisiana Business and Technology Center, Baton Rouge, La. The NBIA Soft Landings designation lets non-domestic firms know these designated incubators offer specialised programmes and/or facilities that help companies enter into new markets in a safe and comfortable environment.

To learn more about NBIA's Soft Landings program, visit www.nbia.org/member_services/soft_landings/



The Dutch Incubator Association (DIA) was established to provide 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 optimising information about incubation towards start-ups. www.dutchincubator.nl

The Dutch Incubator Association has been involved in some interesting projects over the recent months. A couple especially stand out:

Incubator Network Climate-KIC

The first network meeting of Incubators involved in the Climate-KIC Acceleration Program (formerly known as the Incubation Program) was recently held at the Science Park of Utrecht University. Climate-KIC is a new (two-year-old) programme under the European Institute of Innovation and Technology (EIT) with participation from incubators from the UK, Germany, France, Switzerland, Poland, Spain, Hungary and Italy. Incubators from the Universities of Wageningen, Utrecht and Delft are on the list of participants from the Netherlands. The Network meeting was arranged around a central theme of developing business models for business incubation. Experiences from all over Europe, India and the US were shared in a comprehensive discussion on

services and revenue models. The Climate-KIC incubators aim to select 300-400 'best of the best' start-ups each year, Europe wide, which would make it the largest accelerator programme in the world! The result - a positive impact on the climate challenge we face.

The acceleration programme was launched in 2011 and offers Climate Startups an integrated 3-stage support programme of funding (up to €95,000 in grants), coaching, experts, master classes and opportunities to meet potential clients and investors throughout Europe. Stage one (maximum six months) is focussed at initial business plans and financial modelling. With a grant of up to €20,000, and supported with a business coach and master classes. Stage two (six months) is about verifying assumptions and meeting at least 50 potential clients, and further grants of up to €25,000 and business coaching. Further funding and exposure can be obtained through the Climate-KIC Venture Competition. Stage three (six months) is about entering the market with a first customer, scaling the business and finding investors. At this point there is a grant of up to €50,000, pitch-training, coaching and meeting with investors. More information at www.climate-kic.org

Village Capital landed in The Netherlands

Ross Baird calls it 'democratizing entrepreneurship'. The Village Capital acceleration programme uses peer-review and support as core development mechanism for mission-driven (social/communal/environmental) pioneers. After piloting the idea, derived from the 'village bank' concept in microfinance, it was launched as an independent organisation in 2011 with one of the founding impact investors being the Dutch DOEN foundation (zip code lotteries) with programmes in the US and India. This spring Village Capital landed in The Netherlands, supported by the DOEN (Dutch for DO) foundation and Rabobank Foundation (Dutch Cooperative Bank). The managing team that brought the programme to The Netherlands are veterans in the incubation field, Enviu with environmental/clean tech incubation, Sproutsid with corporate incubation and HUB Amsterdam with social incubation.

The three-month programme offers a high dose of critical support through a global network that has catalysed over \$30m in investment to peer selected enterprises. After an initial period of twelve weeks the selected entrepreneurs will work on critical topics including product refinement, customer validation, scaling strategy, HR/recruitment, financials and a mission plan. Entrepreneurs are exposed to investors, customers and strategic partners. Participating enterprises are trained to think like investors and become the investment committee, ultimately making the final investment decision. At the end of the programme, two peer-selected mission-driven businesses each will acquire the pre-committed funds of €50,000. For further details on these programmes please visit www.villagecapital.nl and www.vilcap.com.



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

2014 University-Industry Interaction Conference

The 2014 UIIN conference will evolve around 'Challenges and solutions for fostering entrepreneurial universities and collaborative innovation' to be held in Barcelona, Spain on the 24th and 25th of April, 2014. The conference is jointly organized by UIIN and the Catalan Association of Public University (ACUP). It is expected that over 300 academics and practitioners from Europe, as well as from Africa, Asia, Australia, North and Central America will come together to discuss the main challenges, but also and most importantly, potential solutions to better drive our economy by successful cooperation of the university and business sector. The conference follows from the 2013 edition, which took place in May in Amsterdam. More than 330 participants, from 48 countries representing a wide variety of higher education Institutions and business came together to discuss and share information on the current challenges and solutions in University-Industry Interaction, Entrepreneurial Universities and Collaborative Innovation.

With the current financial crisis, youth unemployment and university budget cuts across Europe and beyond, the need for cooperation and interaction between university and industry has never been so urgent, especially in Spain. With Barcelona playing an important role in both industrial and educational Spain, and with the focus on entrepreneurship and university-industry interaction by the local higher education institutions, the Scientific Committee has selected Barcelona to be the centre of the 2014 conference.

The first issue of the University-Industry Innovation Magazine is out now!

UIIN is proud to present the first issue of the University-Industry Innovation Magazine (UIIM), which revolves around the University-Business Cooperation (UBC) Ecosystem. Based on the outcomes of the largest study on UBC in Europe carried out by the Science-to-Business Marketing Research Centre, Todd Davey introduces the reader to the intricate processes through which UBC is created, supported and influenced.

In addition, UIIM covers other interesting articles that range from the latest research results and experts' opinion to

good practice case studies:

- Clive Winters (Coventry University Enterprises Ltd.) explains the mechanisms within an entrepreneurial university
- David Gibson (The University of Texas at Austin) and Lene Foss (Tromsø University Business School) share their results about regional innovation ecosystems
- Tatiana Schofield (Imperial College Consultants) calls for increasing business development skills for researchers
- Craig Fowler (Department of Further Education, Employment, Science and Technology in South Australia) makes the case for new impetus to Australian UBC
- Flemming Fink (Aarhus University) reports on how the Centre for Entrepreneurship and Innovation encourages student and academic entrepreneurship

As UIIN is designed to facilitate discussion among its readers, we would be happy if you send us your comments about these articles (constructive critics, additional information, opinions etc.) via email to magazine@uiin.org. The comments will be published in our next issue.



The EBN Congress 2013 saw an impressive crowd of 550 delegates, who made their way from around the world to congregate at Derry~Londonderry for an event that was both inspiring and innovative. Co-organised by NORIBIC, the Congress this year featured a line-up of speakers that included the Apple co-founder Steve Wozniak, the well-known founder of the Eden Project, Sir Tim Smit, the controversial Benjamin Southworth, the very smart Richard Florida, the entrepreneurial Patrick Vlaskowitz, the visionary Minister Foster and the policy-maker David Harmon. The speaking sessions were interspersed with performances by local artists, and enabled the three days to flow together seamlessly.

A key aspect of the event was global connections and incubator networks from the US, Brazil, Taiwan, China, Israel, Russia... were present, learning and sharing their ideas and best practices from their counterparts in Ireland, France, Netherlands and Italy... In this context EBN defined the new phase of the Soft Landing Club which teaches BIC managers on how to coach and mentor start-ups and client companies while designing an internationalisation strategy. Various workshops focussed on the role of BICs and similar support organizations in digital, social and cultural innovation and on the commitment of entities such as Invest NI to

lead businesses through EU and R&D innovation programmes. The event also included entrepreneurs served by the industry, with testimonials from some successful start-ups and fast growing early-stage firms, such as Soundwave (music data analytics), Akimbo (social network apps), and the three DigiBIC laureates - Social Impact Tracker, Lion Systems and ENEA. The final winner of the overall DigiBIC award was ENEA (Italian National Agency for New Technologies, Energy and Sustainable Economic Development) - in the Research Institute Category - and its colour and underwater 3D laser scanners.

The EBN congress gala dinner was a discovery of what the host territory offered, culturally, and was honoured by the presence of the founders of the BIC movement in Northern Ireland, Peter Gallagher, and John Hume, the Nobel Peace Prize winner.



Raison d'être

Business Incubators have a single purpose - we take a look at the end results and what they have to say.

Incubation is the current buzz, and without doubt, over the last few decades it has grown into a massive industry globally that has inspired, encouraged and grown whole areas of business - turning the ideas of aspiring entrepreneurs into commercial realities. Today incubators have their own networks, powerful forces in their countries, that serve communities, create jobs and promote commerce from the grass roots up. The end result is a global phenomenon that is united in the cause they ultimately serve. *The Business Incubator* magazine is proud to present the successes that have spawned from the industry and present a pat on the back for the fine work that is being done around the world - from those that have benefited the most.



Cobra Simulation Scotland

Alba Innovation Centre, Alba
Campus, Livingston EH54 7GA
www.cobrasimulation.com

THE INCUBATOR

Alba Innovation Centre
Alba Campus, Livingston EH54
7GA
www.albainnovationcentre.co.uk

About

The Cobra Curved Display is the world's first panadome spherical projection screen to utilise a single projector. The product uses the latest in first surface mirror technology and image warping software to provide an enhanced, immersive viewing experience. The product has a wide range of potential applications such as flight and automotive simulation, home entertainment (gaming and 3D movie viewing), business (remote video conferencing and training), as well as military and educational uses.

The challenges

Initially, lack of business premises

and limited start-up funds meant that Cobra's MD, Alexander Bradley was in the position of hosting demonstrations in the front room of his own home. The company also needed some help to evaluate market opportunities and explore a range of options for growing the business. They also needed help to secure investment and grant funding to grow the business globally, and required some support in a number of key areas of their business - these included marketing, IP and mentoring.

The incubator advantage

The Alba Innovation Centre provided Cobra Simulation with an excellent location, that provided all the resources that a start-up needed. In addition they had access to on-site and excellent expert advisory support. They helped identify key routes to market the product in the US, Europe and Australia, and provided a platform at Alba Open Doors to demonstrate their display platform to a large number of technology innovators. Introductions to other like-minded young technology entrepreneurs provided a range of business support, including business planning and financial forecasting, identifying and securing funding routes for the business, securing the IP and developing the business.

And more...

As a result of the support that was received from their incubator, Cobra Simulation has succeeded in raising more than £75K in private investment and secured grant funding from Scottish Enterprise. The company has also expanded into a new production facility in Bathgate, West Lothian, where the curved display units are now being assembled.



EmuBands Scotland

Hillington Park Innovation Centre,
1 Ainslie Road, Hillington,
Glasgow G524RU
www.emubands.com

THE INCUBATOR

Hillington Park Innovation Centre,
1 Ainslie Road, Hillington,
Glasgow G524RU
www.innovationcentre.org

About

EmuBands is a digital music distribution company who work with individual musicians, bands and record companies and supply their music to digital services around the world - similar to companies such as Apple's iTunes and Spotify.

The challenges

In the words of the founders, "We were keen to find a place that suited our needs. We wanted a location in an impressive building with excellent communications and to be surrounded by like-minded entrepreneurs, who were sharing our entrepreneurial journey."

The incubator advantage

The company feels that being located in Hillington Park Innovation Centre has really helped accelerate their business growth. They were especially impressed with the technical infrastructure at the incubator (a

fast connection is an absolute necessity for them), and the business support programmes have given them a major boost, allowing them the ability to grow revenues and employ more staff. They feel they have also benefited from working regularly with other tenants, as well as other organisations they have been introduced to thanks to ICS' impressive network of contacts and partnerships.

And more...

"The incubator has made a significant difference to our business through their wide range of support, a targeted array of events and masterclasses, as well as introductions to key contacts which have helped accelerate our business."



Flexineo France

11B avenue de l'Harmonie,
59650 Villeneuve d'Ascq
www.flexineo.fr

THE INCUBATOR

Ruche d'entreprises Nord de
France
Hub Innovation, 11B avenue de
l'Harmonie, 59650 Villeneuve
d'Ascq
www.reseau-ruches.fr

About

Flexineo drives innovation in companies to work one step ahead

by reducing unnecessary travel expenses, and by helping to improve communications, information sharing, and increasing efficiency. Flexineo mixes new ways of working, technology and mobility and delivers its services through a combination of study, consulting, training, webservices and dashboard tools. The method was built through an R&D partnership project and offers enormous potential.

The challenges

Starting a business is never easy, but the primary challenges faced were finding and building the right business model and developing the network to sell to. It was hard to identify the first customers in order to make the proof of the concept and to build those initial beneficial partnerships.

The incubator advantage

“The incubator helped us to meet others facing the same issues and to share tips on how to get past the early stages of running and operating the business. The mentoring certainly helped develop our businesses and we were able to build the right partnerships, which helped save us time and money - both invaluable to an early-stage start-up. One of the most intangible benefits however was that it was a fun, place to be that offered a structured, but friendly environment that enabled learning and growth.”

And more...

Flexineo firmly believes that the incubator is actually a great accelerator, bringing speed and networking, just what you need when you start a business of your own, from scratch.



IbeX Innovations

UK

Discovery Centre 2, William Armstrong Way, NETPark, Sedgefield, Durham, TS21 3FH

THE INCUBATOR

NETPark Incubator
Thomas Wright Way, NETPark,
Sedgefield, Durham, TS21 3FD
www.northeasttechnologypark.com

About

IbeX Innovations develop and bring to market advanced technology solutions. The company is currently working on the development of advanced x-ray detectors with fast, high-resolution imaging capabilities which have a range of industrial and medical applications.

The challenges

As a new start company in 2010, the major challenges faced by the company included understanding the market place, identifying a flexible property solution and finding the right business support to help identify future opportunities and milestones.

The incubator advantage

Starting as a NETPark virtual tenant and then taking office and lab space in the NETPark Incubator, we received access to marketing intelligence service while the virtual office provided the company with a prestigious address and added ‘credibility’ to the business when dealing with

customers, investors or suppliers. Business support was at hand to help identify future opportunities and milestones, plus a friendly, pro-active team to help us grow and develop at every stage of the business.

And more...

Dr Gary Gibson, Chief Technology Officer, IbeX Innovations said, “By locating our business at NETPark, we have gained the support of a dynamic business team that has consistently looked to help us progress and grow.”



Mutant Labs

UK

Unit 6, Residence 2, Royal William Yard, Plymouth, UK, PL1 3RP
www.mutantlabs.com

THE INCUBATOR

Formation Zone
Room 106, Roland Levinsky Building, Plymouth University, Drake Circus, Plymouth, UK, PL4 8AA
www.formationzone.co.uk

About

Mutant Labs is focused on high-end interactive games and mobile applications. Founded by five graduates of the University of Plymouth in 2009, the company has worked with a diverse range of clients from all over the world - these include some of the biggest names in the industry such as

Moshi Monsters, The Gadget Show Live and Oxford University Press - considerable achievements for such a young company.

The challenges

The founders of the company came from a technical/design background and had no real understanding or prior experience of the intricacies of running and managing an actual business. Getting the right systems and operational structure in place proved challenging, to say the least, and was often a trial and error process. Other difficulties included starting out from brass tacks in the midst of the recession, and trying to build a reputation from scratch in a very tough market.

The incubator advantage

Formation Zone provided everything a start-up company could need. Their incubation space offered the basics such as machines, post, printing facilities and meeting rooms. They also provided a system of structured support and business advice, that was invaluable in helping negotiate some of the trickier elements of dealing with clients - such as sorting out contracts, enabling meetings or just structuring the team in efficient ways in that delivered enhanced planning and performance.

And more...

The team at Mutant Labs is a keen supporter of the incubation process for entrepreneurs who want to get their ideas off the ground. "Having the support and guidance of the extended Formation Zone network helped us overcome many challenges in the young life of our company and helped the company get to where it is today."



Shebusa Luxembourg

4 rue d'itzig
L-5852 HESPERANGE
www.shebusa.com

THE INCUBATOR

Luxembourg Pionnières
23, Cité Aline Mayrisch L-7268
Bereldange, Luxembourg
www.mcmc.lu

About

Made-to-measure clothing for women is almost non-existent today and accessible only to the very wealthy. Shebusa has bridged this market gap and offers to its customers - worldwide business women - unique and customized made-to-measure personal luxury goods such as clothes and accessories. Their products are unique, made-to-order, and exclusively produced by European master craftsmen. Their e-commerce platform rely on the best European fabrics and leathers, famous mastercraftsmen and up-to-date technologies for the online creation of clothes and the related online measurement process.

The challenges

The plan was to offer business suits (jackets, trousers, skirts), dresses, shirts, Chanel-like jackets, fur coats, handbags and maroquinerie, as well as belts and luxury hats. The company added, "Our target market is €3.6bn, with a two-digit growth over the last five years. It was an ambitious project and the difficulties in establishing and growing this market was daunting."

The incubator advantage

First and foremost, Federation Pionnières, and especially Luxembourg Pionnières, helped Shebusa in launching the current offer: they have been the gateway for business women networks eg DWEN (Dell), Female Board Pool (non-profit), Femmes Business Angels, public subsidies knowledge, and the development of efficient partnerships with image consultants. Shebusa owes much of its success to the efforts put in by its incubator.

And more

You can succeed only with others, by sharing ideas, networking, trying new things, and daring to dream of the unreachable. Incubators make this possible.



Small IZ Beautiful France

Chez Paris Pionnières - 26 rue du chemin vert, 75009 Paris, France
www.smallizbeautiful.fr

THE INCUBATOR

Paris Pionnières
26 rue du chemin vert 75009
Paris, France

About

This is the first human resources database dedicated to high-growth small and medium-sized

enterprises. In order to further enhance the job opportunities SMEs represent, Small IZ Beautiful has built partnerships with 20 graduate management, business and engineering schools. This answers both the needs of small businesses in human resources management and those of graduate candidates who would like to work in a small, competitive company, but fail to find one, owing to the lack of any real matching solutions currently available.

The Challenges

Like all good start-ups, this one also began with a good idea and lots of energy and drive. But again, almost everything was a challenge - from winning clients to finding the finances to grow the business faster, to engaging the right developer to create the database... Certainly one of the first challenges in starting out was to find an incubator which would understand the driving ambition behind the idea and take the time out to encourage the dream and make it a reality.

The incubator advantage

In a nutshell, the incubator provided the much-needed support structures, along with the time, tools and confidence to take the idea forward. The counsellor gave excellent advice regarding sales, management, funding... But what was most important was that all of this was delivered in an empathic fashion, “coming at times when it was needed, and at other moments when we were ready to listen.”

And more

“The friends we made during this process, at the incubator, have lasted and we still share our stories to keep us all going.”



Startacus Northern Ireland

C/O Noribic, Strand Road, Derry
www.startacus.net

THE INCUBATOR

Noribic, Strand Road, Derry
www.noribic.com

About

Startacus is an online platform that aims to become a definitive go-to source for the enterprising individual, offering everything from funding information through to basic roadmaps for creating a business. The key innovation within the Startacus platform is the virtual workspace area for creatives and wannabe entrepreneurs to work on their projects and ideas and facilitate idea development in a virtual space either collaboratively or privately.

The challenges

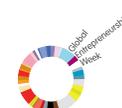
Due to not having the technical skills ‘in-house’, as it were, the design and development of the website itself was quite a challenge for them, although they did collaborate with a great local design business on creating and realising the concept. Evolving and developing the business plan was tough however, and they still review this on an ongoing basis to assess their financial and other objectives. For a site such as Startacus, another ongoing challenge is the necessity to grow a community - something that is hard to achieve overnight.

The incubator advantage

“Firstly, having the dedicated workspace has been invaluable. Likewise working in a co-working environment has been so worthwhile. Engaging with other start-ups and creatives and being able to share ideas, best practice and even motivate each other at times has proven to be a real advantage.”

And more

“At Startacus we are real advocates for incubation spaces, thanks to our first-hand experience and would strongly recommend any start-up to consider joining one in their local area.”



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

Your Partner in Innovation: Strategy, Consulting and Project Management

Innovation Policies and Strategy



- Design and implementation trans-European and National innovation strategies and policies
- Support to regional authorities, agencies, innovation centres and clusters
- Implementation and evaluation of programs/projects supporting innovation and R&D
- Technological and marketing assessment for the launch of new technologies and their commercial exploitation

Innovation Consultancy Services



- Specialised in the areas of innovation management, benchmarking, technology transfer, funding schemes, marketing and communication
- Technology transfer and exploitation of academic research results, assisting in the implementation of strategies for the exploitation of R&D results
- Financing / funding schemes advice for financing innovation activities inside organisations and/or public authorities

Project Management for Innovation



- Managing Innovation and RTD projects
- Support to organisations and public authorities in the management of RTD and Innovation projects
- REDINN is partner of the following EU projects:
 - JOCHERA - Jordan Conservation of Cultural Heritage in ERA (FP7-INCO-2011-6.2)
 - FAWIRA - Strengthening of Food, Agriculture and Water related International Research Cooperation of Algeria (FP7-INCO-2011-6.2)
 - MoICT - Morocco Research Advance in ICT for Water (FP7-INCO-2011-6.2)

The Future of Failure



Alexia Hengl describes why insolvency should not be the end of the road for entrepreneurs

Start-ups growing everywhere and hundreds of young people committed to become entrepreneurs? Not really. At least not in Europe.

Starting a business can be scary and complicated. A good idea, some money and loyal partners alone are often not sufficient. Legislation is becoming more and more complex and fragmented, especially when it comes to work in the online environment or trading across borders.

The European Union is currently working on the modernization of its insolvency law

Numbers are clear: the European Commission's Eurobarometer 2012 reported that under a fifth of people surveyed declared they had already started, taken over or taken steps to

start a business in the near future. More than four out of ten respondents say that what scares them the most about setting up a new business is the possibility of bankruptcy; while more than a third say the risk of losing their property/home would concern them the most. In comparison, less than one third of US adults considering starting a new business would be dissuaded by the fear of failure.

One does not start a business with the aim of going bankrupt. Failure is normally not an option! But more than one third of the 50 percent of enterprises who fail within the first five years in the EU hit bankruptcy. The numbers are impressive. In 2009, the business failure rate grew by 46 percent with a further rise of five percent in 2010. Studies have demonstrated that re-starters perform better in terms of turnover and jobs created: simply because they have learned from previous mistakes.

But the difference between EU and US entrepreneurs' approach to failure does not depend only on the cultural or

psychological attitude! It also depends on the law.

Indeed what makes the difference between the two systems is Chapter 11 of the US Bankruptcy Code.

Chapter 11 (as we will call it from now onwards) is designed to reorganise and not to liquidate companies in financial distress by maximising the opportunity for the debtor and the creditors to keep the company as a going concern. It is essentially organized around two major axes when it comes to creditors (maximise the debtor's assets and their distribution, as well as ensure that similarly-situated creditors are equally treated within the distribution process) and three major axes with regard to the debtor (rehabilitate viable businesses, discharge the debtor from debt for a 'fresh start' and provide her/him with time and ability to restructure the balance sheet and business). The very simple principle underpinning Chapter 11 is: a business that restarts its own activities will better pay off its creditors and shareholders.

At the European level something similar to the US Chapter 11 is missing and, on the contrary, insolvency law is mostly organized around the liquidation of debtor's assets, rather than on rescuing the company and is highly fragmented among different national legislations.

In 2000 the problem has been addressed in Europe by adopting Regulation 1346/2000 on insolvency proceedings, and by establishing common rules on conflict of law for insolvency proceedings across Europe. Central to the Regulation is the so called COMI (Centre of Main Interest) of the debtor that determines, with universal effect, competent jurisdiction to open the main insolvency proceeding and, consequently, the applicable national law.

So simple! But not really!

COMI is not defined by the Regulation and it is presumptively assumed to be located in the Member State where the registered seat of a company is located. Since differences among national laws are huge, both with regard to available legal remedies for creditors, time to discharge, out of court and pre-insolvency proceedings available etc, jurisdiction rules based essentially on the definition of the company's COMI have opened for forum-shopping though abusive or, at least, doubtful COMI-relocations.

To give an example, Italy, Sweden and Poland allow insolvency proceedings to be opened only against debtors that are already facing financial difficulties and are insolvent. Under the Spanish, German and French insolvency laws, insolvency proceedings can be commenced even against currently solvent debtors, that are expected to be insolvent in the imminent future (equitable insolvency). As a consequence, in the second case, debtors are admitted to protective measures from their creditors that in other Member States are only reserved to companies that meet the insolvency test.

Moreover, huge differences in the insolvency tests adopted across Europe create a situation where companies considered insolvent in one member



state, are perceived as solvent in another Member State. So why not to shift your COMI to a sunnier place that holds less risk?

However reorganisation plans are available in Europe as well, albeit only under national laws, with a consequent fragmentation that creates further appetite for COMI forum shopping.

Under Chapter 11 there is no shift of managerial power from the debtor to any liquidator or 'insolvency representative', but it remains on the debtor that, indeed, is referred to in the law as the 'debtor in possession' or DIP. He/she has the exclusive right, lasting 120 days and extensible up to 18 months, from the court, to propose a reorganisation plan. Rules are clear when it comes to the adoption of the plan (that can be confirmed by the court) when all parties to the proceedings accept the plan. This occurs when it considers the plan has to be 'crammed down' or, finally, when

the court adopts it over the objection of a dissenting class of claims.

So, if you even consider failure as a very remote possibility within your entrepreneurial life, don't give up!!

The European Union is currently working on the modernisation of its insolvency law and it really seems this time bankruptcy will no longer be considered a stigma. Second chance and early warning systems to support businesses in recognising a situation of financial distress at an early stage and a more US-like approach to failure is under way.

Further information about insolvency proceedings in Europe is available at:

http://ec.europa.eu/justice/civil/commercial/insolvency/index_en.htm

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

The Year of Cloud Accounting



Richard Graham shows why start-ups and SMEs need to embrace this powerful new method of managing their finances

A leading US commentator on technology for accountancy practices recently commented that “if you choose not to embrace the cloud you are retiring in five years”. Scary stuff, which is not just the preserve of our transatlantic colleagues. In December,

The emergence of cloud accounting solutions will transform the way that small firms manage their finances

no lesser figure than Sage Group's Chief Executive felt the need to comment at their 2012 results announcement; “I wish we had been there earlier in North America. We're coming to the market for cloud-based solutions in time in Europe.”

What has changed

In the UK, cloud accounting usage has been doubling each year since the emergence of packages such as KashFlow and Xero in the middle of the 'noughties', when a small base of a few hundred users became a few thousand and then a few tens of thousands - Xero itself now has over 200,000 users globally and intends to grow that number by 80 percent in just twelve months. Sounds like a stretch? Around half a million new companies will incorporate this year in the UK alone and hundreds of thousands of sole traders will also commence trading. Most of these will be adopting a cloud ecosystem, with accounting at the heart of it.

Cloud moves to the mainstream

It was around 2011 that we began to see the true advantages of cloud really begin to emerge. It was not from inside the software (there's only so far that

entering transactions and running reports can be differentiated, regardless of where the data sits), but rather that cloud accounting enables far better collaboration with external partners. This is the truly revolutionary idea. Let's consider some examples.

With cloud software it's far easier to sync bank account data straight into your accounts (bank reconciliations are remarkably fast when you're working from the same source data). Xero are notable for the focus they put on this feature, but we've also recently seen FreeAgent and QuickBooks Online deploying authorised data feeds from bank partners.

Another benefit is that accountants can collaborate online with clients in real-time and on the same live data, meaning that small businesses can receive simple, jargon-free functionality with their accountants discreetly doing the 'heavy lifting' like charts of accounts.

There's even a service called Receipt Bank that allows firms to take a picture of a paper receipt with a smartphone, then for it to be automatically transmitted into the cloud and remotely entered into their accounting software (no more 'shoebox accounts' from that client!).

So we're in a period where a new type of accounting is saving small firms and their accountants from pain with data entry, reconciliation and error-checking, freeing them up to spend more time on more profitable tasks. This can only be a good thing, but it is just the beginning.

A world of possibilities

Already firms that use the cloud to manage their finances are twice as likely to be fast growing as those that don't. Let's take two of the top challenges faced by small firms - getting finance and getting paid - and let's look at the way that cloud accounting addresses them:

Getting Finance - It's no secret that banks struggle to finance fast-growing small businesses, which are often so hungry for working capital that they resort to using personal credit cards to fund expansion. This is due in no small part to the challenges lenders have in getting the quality and quantity of information they need to extend appropriate finance.

Getting Paid - Cloud accounting will finally drive mass-market adoption of electronic invoicing and payment among small firms, eliminating many exceptions, and making it far easier to manage and finance trade and cash flows.

Implications for Accountants & Bookkeepers

For accountants currently working in business management, I personally believe that we haven't quite reached the point where most firms will see a compelling reason to switch to the cloud (although there are many instances where they will). However, I do think that by the start of 2014, many accountants in business will face hard choices. They will have to decide whether or not they are hampering



their firm's competitive advantage by not bringing these new and powerful capabilities to bear.

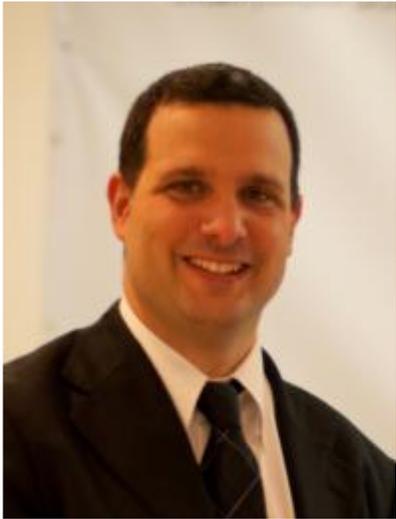
For accountants and bookkeepers in a professional services firm, it's much more simple - embracing the cloud right now is a pre-requisite for sustainable growth. If you want to attract new start-up firms to your practice, you need to recognise that even the global giants of small business accounting are now trying to sell their cloud solutions to your potential client. If you want to attract fast-growing established firms, these potential clients will already be twice as likely to use cloud accounting software as their slower-growing peers, and won't deal with you unless you talk their language.

The emergence of cloud accounting solutions will transform the way that small firms manage their finances just as radically as the emergence of desktop accounting software did two

decades ago. Though this creates challenges for accountants both in business and in practice, it's also tremendously exciting, as more than ever finance professionals will be right at the centre of solving the key issues faced by small firms.

For further details go to www.cloudaccountingni.com to discover for yourself the benefits of having your business finances online.

Richard Graham is a Chartered Accountant with nearly 20 years of global finance experience in large accountancy practices & blue chip Fortune 500 companies. He discovered the significant benefits cloud accounting has for small business in particular, and is able to marry his commercial and financial skill-set to helping start-ups raise finance, become more tax efficient and drive business profits.



The Don Quixote Paradox

I have often thought about cultural change, especially in association with entrepreneurship and the so-called entrepreneurial mind-set. I usually tend to agree about the necessity, especially in Europe, that a change in this respect would be useful. But is it really achievable?

At a first glance, we would be hard-pressed to find a point of disagreement with the analysis, recommendations and conclusions reported within the European Commission's communication 'The Entrepreneurship 2020 Action Plan' - and its happy catchphrase 'Reigniting the entrepreneurial spirit in Europe'. Indeed, it clearly recognises that EU entrepreneurs are sailing in troubled waters. A tough environment, unbalanced support measures, generally slower growth, a non-rewarding culture...are probably the major causes of the lack of self-employment, let alone entrepreneurial, aspirations among EU citizens.

Many of the proposals to address these issues are well within the realm of possibility. They depend more heavily on changes which can be influenced directly by human action. But, whether these actions will actually be taken is more a matter of political decision-making and administrative implementation. Not easy, but possible.

Cultural change however is somewhat different, and the difference lies in the fact that culture has roots, and these roots go well beyond our sphere of influence. Entrepreneurship culture is of course moulded by current (and past) economic factors (both local and global), but also by history, environment, traditions and many other variables which we cannot influence, and which we must not mess with - it's better not to mess with your own DNA, so to speak. If we take this argument to the extreme wanting to enforce a cultural change also carries some heavy ethical implications.

In principle, I would agree that Europe would be better off with more entrepreneurs. And to have more entrepreneurs you might think of carrying out actions which could produce some degree of cultural change. And maybe cultural change might be even achievable, but only as a long-term project for the benefit of future generations.

In the meantime, as the economist John Maynard Keynes wisely put it, "in the long-run we are all dead", we have to start considering our own culture more as a constant, rather than as a variable, in the complex entrepreneurship equation. Acknowledging this might ultimately produce decisions, policies and governance systems that work around our cultures, not necessarily upon them. This may have a wider and more effective immediate impact for all those potential entrepreneurs living here and now. As a side-effect, it might even produce better-tailored entrepreneurship support systems, impacting the way we, as incubators, do our daily job.

Let's stop tilting at windmills and charge on into the real battle...

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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