

Technology Incubation

- ◆ Economic transformation requires High Growth Businesses
- ◆ Business Incubation accelerates company growth
- ◆ Incubator graduates:
 - ◆ create jobs and wealth
 - ◆ revitalise communities
 - ◆ commercialise new technologies
 - ◆ strengthen local and national economies

Technology Incubation

- ◆ Provides entrepreneurs and start up companies with the expertise, tools, networks and environment they need to make their ventures successful.
- ◆ Success = significant and rapid growth
- ◆ An important tool of economic development
- ◆ Approximately 3000 Business Incubators world wide



Incubation Quality

- ◆ Incubator Management requires highly skilled people
- ◆ Incubators that do not have staff capable of providing high value added assistance to entrepreneurs and who offer primarily real estate and networking cannot claim any significant role in client company success
- ◆ Cheap office space, amenities and networking are invariably the least important of the value added services that a good quality incubator provides
- ◆ Hands on business expertise to help entrepreneurs to raise capital, produce product, find customers and broker deals is the key to quality incubation

Incubator?

- ◆ May not be a helpful term
- ◆ Not an Incubator in the hospital/medical sense
- ◆ But an Incubator in the horticultural sense
- ◆ Not helping weak companies to survive but nurturing those with inner strength for rapid growth
- ◆ Look after growth and survival will look after itself

High Growth?

- ◆ Growth which when combined with others has the power to transform economies
- ◆ The window of opportunity for new technologies to get to market is small, anything less than rapid growth will result in company failure
- ◆ Aim high and achieve high, aim low and achieve nothing – no one runs a race aiming for second place
- ◆ Usual measures are:
 - ◆ Capital raised
 - ◆ Jobs created
 - ◆ Revenues

Who to Incubate?

- ◆ Client selection is crucial to an Incubator's success
- ◆ The selection process must be aligned with the Incubator's mission
- ◆ The Incubator must be able to add significant value and the companies must be able to receive it
- ◆ The Incubator must be able to distinguish between an entrepreneur and those who wish to be self employed

What to look for

- ◆ Innovative technology
- ◆ Protectable Intellectual Property
- ◆ Technology with the potential to become product
- ◆ Market Pull - NEVER - Technology Push
- ◆ A plan for coping with pre-revenue expenditure
- ◆ The ability to raise capital
- ◆ Incubator fit

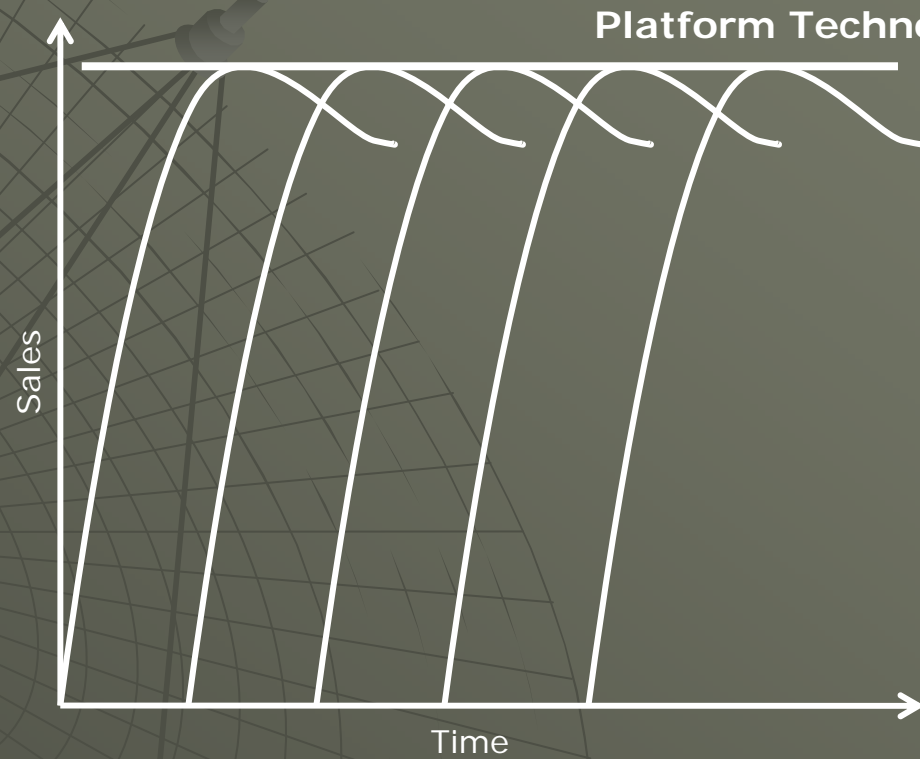
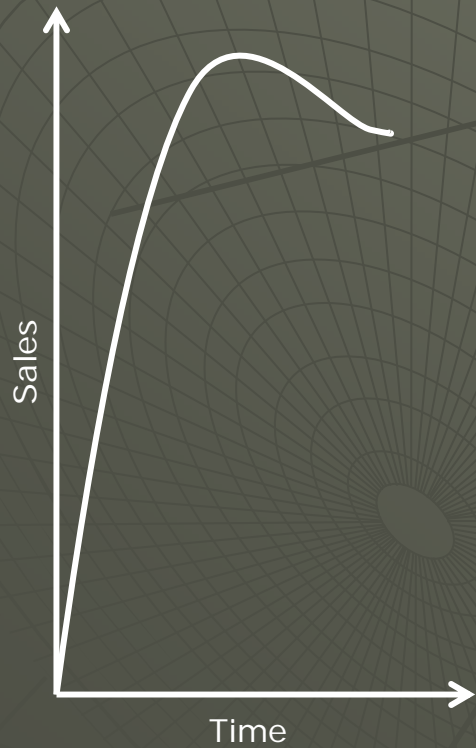
How to add value

- ◆ Hands on quality Incubator management
- ◆ In kind sponsors offering value added services
- ◆ University linkages
- ◆ Commercial networks
- ◆ Advisory Boards
- ◆ Angel/VC networks
- ◆ Mentors

Commercialisation

- ◆ A company is more than one product
- ◆ Identify a platform technology which can give rise to a series of new products
- ◆ Protect the Intellectual Property
- ◆ License the technology
or - Spin out the company

Commercialisation



How can an Incubator survive?

- ◆ Spend other peoples money?
- ◆ Share in the success of graduate companies
 - ◆ Equity stake
 - ◆ Royalties on future revenues
- ◆ Offer a significant value proposition to stakeholders
- ◆ Sell expertise - consultancy
- ◆ Sponsorship – in kind and cash

Are we any good at what we claim to do?

- ◆ Quantitative and Qualitative performance measures for the Incubator – related to the Incubator's mission
- ◆ Client feedback
- ◆ Other stakeholder feedback
- ◆ Take constructive criticism
- ◆ Benchmark
- ◆ Expect to change for the better

