

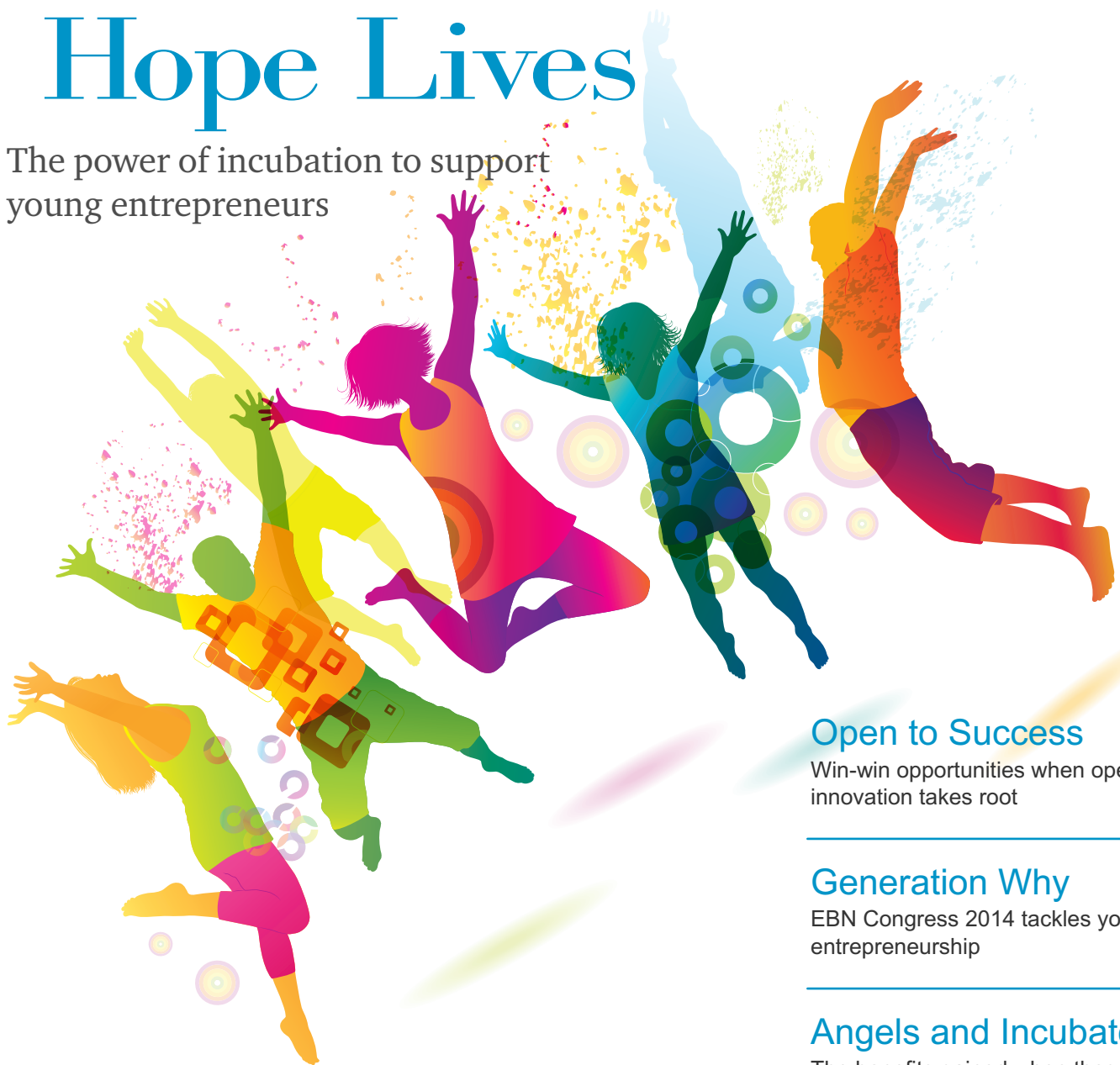
the Business Incubator

incubation | acceleration | coworking

Volume 3 Issue 1
May - August 2014

Hope Lives

The power of incubation to support young entrepreneurs



Open to Success

Win-win opportunities when open innovation takes root

Generation Why

EBN Congress 2014 tackles youth entrepreneurship

Angels and Incubators

The benefits gained when these two groups work together

PLUS: A look at incubation in China and Latin America, virtual incubation and its benefits, the latest network and industry news, and columns from industry leaders

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EBN is a network of around **150 quality-certified EU|BICs** (business and innovation centres, incubators, accelerators and other support organisations) and **100 Associate Members** that support the development and growth of **innovative** entrepreneurs, start-ups and SMEs.

EBN is also a **community of professionals** whose day-to-day work helps these businesses to grow in the most effective, efficient and sustainable way.

EBN Ecosystem



ADVERT



EU|BIC Certification A unique “ certification & benchmarking system” for technology-based incubators & accelerators



International Hub A vibrant international networking platform for intermediaries and an international businesses



Projects Lab An exceptionally efficient “ EU-funded projects” collaborative lab crossing many sectors and themes



EU Gateway An unquestioned reputation within European Government circles (EC, EP, EIB, ESA) and non-EU agencies



Networking as a Service: creating opportunities for online and offline networking between members and others



Events & Exchange Forum EBN Congress, TechCamp and Policy meetings share, inform and network



Open Innovation Connect start-ups and SMEs with corporates and investors looking for new innovation to support



Tools and Trends Connections with developers of tools and resources designed to help deliver more effective support



Re: The way we do things

All of us need to think quite hard about the future, our own future... And in doing so it would appear that the younger generation become a subject of pivotal interest and concern.

This is not because we are on the defensive needing to invent the means to help unemployed, demotivated young Europeans, and indeed others around the world. But because it is the logical course of action to place Generation Y at the centre of any future that examines economic and social policy. Not because we see Generation Y as another target group for policies and actions. But because, if the future involves economic development, social wealth, innovation and suitable employment, we need to consider entrepreneurship, competitiveness, incubation and acceleration. And into that equation we need to bring capabilities that are young, fresh, new and modern. Because thinking about the future - about economic development, social wealth, entrepreneurship, innovation, employment, competitiveness, incubation and acceleration - all this requires the capability and desire to bring to the table brand new perspectives.

Today it is about design thinking, total networking, social innovation, alternative financing, open innovation, smart collaboration, digital technologies, crowd-sourcing, outsourcing, lean start-up, out-of-the-box research, international connectivity, true benchmarking..Whether you are an entrepreneur, an innovator, a researcher, an employee, a senior VP, a student, self-employed or unemployed.... Whether you are a business support organisation, an innovation facilitator, a cluster manager, a civil servant, a policy maker... It is vital to develop your capabilities in re-questioning, re-

thinking, re-observing, re-designing, re-inventing, re-engineering, re-organising, re-directing... the way things are done.

And if I am right, and if this is what needs to happen, it means there is something wrong. And whether or not we are responsible for the current state of affairs that so require change, if we do not steer a different course now we will be held accountable for any future outcomes.

The change we need to bring about is only possible in collaboration with players who behave as champions of 'constructive controversies', together with smart and specialized networked communities like ours (EBN), and with policy-makers who have the vision of building a smart, growing, competitive, sustainable and inclusive Europe. We need to work together in conjunction with those thinkers and doers who contribute to the co-construction of this new 'entrepreneurial & innovative' civil society.

It is our honour to welcome, in this issue of the magazine, a few inspiring contributors covering subjects such as the open innovation challenges, the close links between incubation / acceleration and angels financing, virtual incubation, a zoom on what's happening outside Europe in Asia and the Americas...

And it is our pleasure to welcome you to join our upcoming Annual Congress in Spain at the end of June that is themed on 'The young entrepreneurs ecosystem in motion' - we look forward to an ongoing conversation that enables all the participants in this important and timely journey we are all making.

Philippe Vanrie
CEO, EBN

Our network partners





Entrepreneurship · Innovation
Start Up · Accelerated Growth

Has all the Pieces You Need!

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



27-28 November

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

Taking place at the University of Warwick from 27-28 November 2014, UKBI's Annual Conference is the perfect forum for new and experienced practitioners alike.

Hosted by the University of Warwick Science Park, 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/ukbi-conference.aspx

www.ukbi.co.uk

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They say that youth is wasted on the young. And certainly, from what I can say of my own youth, I wasted a large portion of it working at jobs and projects that benefited others. Yes, I got a salary, but there was always something missing.

For two years now I have been running my own business, and editing a magazine that aims to highlight the excellent work being done by the entrepreneurship industry around the globe. I have got to meet some exciting people who are passionate about furthering innovation and start-ups, and I have read articles and news stories that have led me to believe that entrepreneurs and those that help

them take flight - these are the people who will define the future of our planet. Not our politicians, not our religions, not our cultures... but all of you reading this magazine now.

This year's EBN Congress is pivoted around the very crucial subject of youth entrepreneurship (page 18) and it has made me think a lot about what the younger generation needs to get them started on their way to turning ideas into viable businesses. And it would appear there is a lot going on to help them (page 12). The investment industry is gearing up its support in the entrepreneurship sector (page 46), and from China (page 40) to Uruguay (page 30) the world is witnessing a collective consciousness of the importance of incubation, innovation and all forms of entrepreneurship support.

I have had the opportunity to work with some young people during the life of this magazine and I think we can all be hopeful for the future. Recently, at an art event by school children I saw that teenagers as young as 16 had put the concept of business incubation into their surprisingly mature artwork.

With the huge amount of information that younger people have access to today, with their abilities to respond quickly and creatively to rapidly changing technologies, with travel becoming a way of life around the world... today's youth is powerfully empowered to make change. To innovate. In the words of Peter F. Drucker, "Innovation is the specific instrument of entrepreneurship...the act that endows resources with a new capacity to create wealth."

I do not believe that youth is being wasted on today's young. It is my hope and belief that the coming generations will create wealth, not just in terms of bottom lines, but also in terms of social welfare, cross-cultural understanding, and a renewed environment. To quote from our cover page... Hope Lives!

A handwritten signature in black ink, which appears to read 'Sangeetha Shinde'.

Sangeetha Shinde

Managing Editor

Our sponsors and key partners**Our network partners**



Hope Lives

Empowering the youth of today to become the business leaders of tomorrow is one of the most important and challenging issues facing economies

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theFeature



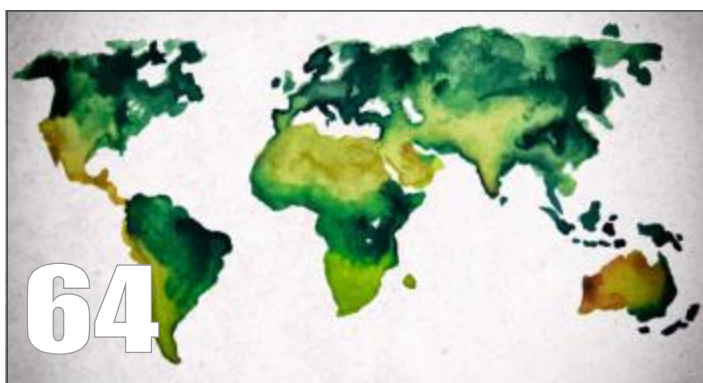
Generation Why

Tackling the challenges and issues that surround youth entrepreneurship in Europe - the theme of EBN Congress



Land of Promise

Examining the challenges and opportunities that confront Palestinian entrepreneurs



Why it Matters

Changing perspectives of incubation across Latin America and the rest of the world



Start-up Heaven

A look at the incubation scene in Sweden and the impact it is having on the economy

theExperience



Open to Success

How playing the the role of open innovation guide offers win-win opportunities for everyone in the chain



Where it's @

The very real benefits of virtual incubation in seamlessly serving entrepreneurs' needs

the**Spotlight**



A Torch on China

Shining a light on the evolution and developments in the business incubation sector in China



Growing Good Ideas

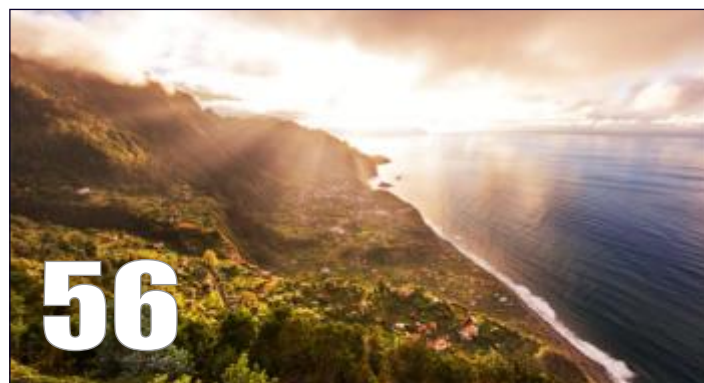
Uruguay takes its place as a champion for incubation and innovation in the region

the**Interview**



A Bridge to Finance

In conversation with Joe Greaney about the work of the Irish BICs in raising investment for their clients



Island of Success

Patricia Dantas on why Madeira is an ideal destination for entrepreneurs seeking incubation services

the**Profile**



Angels and Incubators

A look at the increased opportunities for incubatees when angel networks and incubators work together

The Business Incubator is grateful to its key sponsor



Snapshots

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



EBN is a network of around 160 quality-certified EU|BICs (business and innovation centres) and 100 other organisations that support the development and growth of innovative entrepreneurs, start-ups and SMEs. EBN is also a community of professionals whose day-to-day work helps these businesses to grow in the most effective, efficient and sustainable way. www.ebn.eu

EBN Re-brands

EBN has recently undertaken a re-branding exercise in consultation with its members. The new EBN logo can be seen above, and the new EU|BIC logo (no longer EC-BIC) is shown below:



Designed to continue the hexagon theme from the old logo, but indicate links between EBN, EU|BICs and Associate members, the new logos are available for download by EBN members.

As part of the exercise, EBN has also launched a new web platform. More than an information portal, the platform - at www.ebn.eu - is designed to be an online community of entrepreneur support organisations and professionals.

EU|BICs, and other members, can present their organisation's expertise and support programmes. Individual experts can show how they can add value to start-ups and entrepreneurs.

Commenting in the launch, Philippe Vanrie, CEO, EBN stated "The new branding and platform are designed to add more value to our members through better networking, better knowledge sharing and better service delivery."

Launch of Watify

Watify, a new platform for entrepreneurs developed under a project managed by Deloitte Belgium, EBN and DIGITALEUROPE, was launched on April 29th at the *New Frontiers for European Entrepreneurs* event in Brussels.

Watify is designed to address the main challenge facing entrepreneurs in Europe; not the lack of great ideas but the fear of turning ideas into reality. Many people with great ideas are reluctant to embrace entrepreneurship because of their doubts.

Doubt means you have to ask questions. And questions lead to answers..which can trigger great ideas. Doubts make entrepreneurs find creative ways to face difficulties. But a lot of people let their doubts stop them from becoming entrepreneurs.

Watify will help entrepreneurs / intrapreneurs to overcome the barriers that prevent them from starting their own business. This initiative will help them to understand that every successful entrepreneur has had moments of doubt and that success begins to materialise the moment you

start making your idea happen. The platform will also help established companies in all industry sectors by showing them there are many opportunities to transform their business using technologies, taking away any of their doubts and stimulate them into taking action.

More: goo.gl/8jMha2

EBN Welcomes Four New EU|BICs

Four organizations were certified as EU|BICs on 18 February 2014, demonstrating an always increasing interest towards the EU|BIC trademark and its certification scheme in Europe and Abroad:

- ARITT Centre, Orleans, France
- The Incubation Centre of National Kaohsiung University of Applied Sciences, Kaohsiung, Taiwan RoC
- Brainport Development, Eindhoven, The Netherlands
- CCI La Moselle, Metz, France

More: goo.gl/mdOP6Q

New training course on non-technological innovation

The Innovative Trainer Programme (ITP) on non-technological innovation in business is designed for use both as a "train the trainer" course and directly with SMEs. It consists of four modules addressing: Your Inner Innovator; Types of Innovation; Mapping your Innovation Route; Your Action Plan for Innovation.

A draft version of the programme, featuring a PowerPoint presentation, trainer's guide and templates for exercises for each module, is now available for review.

To help shape the final version we would be very interested to receive your feedback

More: goo.gl/AvvtyR



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

Eindhoven third best place to invest in Europe

After London and Helsinki, the relatively small city of Eindhoven, birthplace of companies like Philips and ASML, has made it to the Financial Times' shortlist of 'European Cities and Regions of the future'. Two other Dutch cities

Rotterdam and Utrecht have also jumped on to the bandwagon, and together with Amsterdam, the three newbies, bring up the count of Dutch cities on the list to four. What makes the ranking of Eindhoven so striking is the mention of the incubation services and the attractive ecosystem for new ventures, as stated by the fDiIntelligence. "The city of Eindhoven ranked first in the FDI Strategy category for all small European cities, thanks in part to its offer of incubation facilities at both the High Tech Campus in the city and the University of Technology Science Park, as well as its provision of 'soft-landing' services, which allow investors to establish links and develop a base in the city." Which is highly rewarding for DIA's member, Brainport Development, that has been investing to create a vibrant ecosystem since 2005. Check this report on: www.fDiIntelligence.com

Services Valley goes Europe

Not many incubators in The Netherlands have a corporate background. Services Valley is an exceptional incubation programme that has launched over 70 new ventures over the last 2 years. Being founded by Océ-Cannon, Excer and the province of Limburg in 2011, it has now distanced itself from its corporate sponsor and is expanding to other European markets.

"Services Valley has a surprising success for start-ups and SMEs developing new online services. Although we have key technology areas of expertise like printing, imaging and workflow management –which come from the technology areas in which Océ-Canon leads the world –our key success factors are the open mix of entrepreneurship spirit, creativity and the global corporate network. One of the companies we're very proud of is Apostle, a social media management service company that didn't profit much from our technical support, but did very well from our global network," said Floris van Eck, when he was asked to elaborate on the origins of its success. "Based on the evaluation of our first phase, in this phase we'll introduce an intensified development programme called 'Test Stage' in which we also invest in the share capital of the new venture. In search for more investment potential we'll be looking all over Europe for talented entrepreneurs, at the same time involving other corporates to enhance their innovation ecosystem." Services Valley is one of the DIA members who are engaged in adding value to the entrepreneurial landscape of the region. The whole interview can be read (in Dutch) at dutchincubator.nl





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 launches 'Inspire Professional Development Programme' leading to a certificate in Business Incubator Management. The first in a series of the most awaited UKBI Personal Development Workshops aimed at Business Incubator Managers and their staff will be held in Birmingham in June. This programme of 5 workshops builds into a comprehensive personal development programme leading to the awarding of the UKBI Inspire Certificate in Business Incubator Management. For information on the full course and registration, please contact K.broadbent@ukbi.co.uk or visit our website www.ukbi.co.uk/about-ukbi/events.aspx

UKBI is happy to announce the 2014 UKBI Annual Conference will be held from 27 –28 November. The Annual Conference will be held at the University of Warwick. The comprehensive agenda of the Conference will include Business Incubator tours, UKBI INSPIRE personal development workshops, roundtable and panel discussions and networking reception and opportunities. To get further information about the annual conference and to register, please contact K.broadbent@ukbi.co.uk or visit our website www.ukbi.co.uk/media/2014%20conference/UKBI_2014_Conference_Info_Brochure.pdf.

UKBI CEO, Peter Harman in Libya and Kuwait



UKBI CEO, Peter Harman recently spent time in Libya training a group of enterprise centre managers on how to run business incubators. The training which was undertaken with WYG International on behalf of

Libya Enterprise gave 19 attendees a comprehensive overview of business incubation over a period of five days. A further session will be undertaken in the near future.

Peter Harman also visited Kuwait recently this year to present at a workshop, with Richard Strudwick (enterpriserich.co.uk) that was hosted by the British Council in Kuwait (www.britishcouncil.org/kuwait.htm). The workshop brought together stakeholders in business incubation to discuss the business incubation landscape, practice and strategy in Kuwait and how to support it going forward.



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.nbiam.org

The National Business Incubation Association (NBIA) hosted the 28th International Conference on Business Incubation in New Orleans, La. May 18-21, 2014. This year's conference themed 'Entrepreneurship, Energizing Economies', featured focused networking opportunities and a programming track of over 60 sessions. Attendees interested in improving programme services, increasing client funding opportunities or developing new revenue streams, were able to learn about these and other topics. The annual conference brought together over 600 professionals in the incubation industry to learn new business model techniques, visit and benchmark area incubators, reconnect and renew long-standing relationships with members and NBIA partners and form new professional relationships. Attendees also had the opportunity to experience the New Orleans French Quarter and its famed history and local culture while exploring winning strategies for entrepreneurial support. NBIA's 28th International Conference on Business Incubation was supported by the following sponsors: BCC Research, Cybergroup, GrowthWheel International, LegalZoom, Symantec, Traklight, Turnstone and WKI-wendykennedy.com, Inc.

The 25th Global Summit of Business Incubation Associations was also held at the Sheraton New Orleans Hotel, New Orleans Louisiana, USA on Sunday, May 18, 2014 in conjunction with NBIA's International Conference on Business Incubation. The Summit is an annual event by invitation only for leading representatives (presidents, executive directors, board members) of regional, national and international associations of business incubators and selected country representatives. The Summit provided excellent opportunities to meet and network with international business incubation experts. Follow @NBIA and the Global Summit hashtag (#GSBIA) on Twitter.

NBIA held its third annual Latin American Conference on Business Incubation together with the Autonomous University of Nuevo Leon in Mexico December 2-6, 2013. Incubator managers from all over Mexico attended the yearly event and 11 participants completed their requirements and received NBIA's Incubator Manager Certificate. The event included 12 sessions presented by practitioners from Mexico and the US. As part of the Conference, attendees visited local incubators including one of Mexico's first programmes at the Technological Institute of Monterrey, where attendees witnessed how incubators are

incorporating co-working into their programmes. The group also visited a unique programme from the University of Texas at Austin, the Center for Global Innovation and Entrepreneurship as part of a tour of Monterrey's renowned Technology Research and Innovation Park.

NBIA also co-hosted the 3rd Russian-American Business Incubation Forum in Moscow, Russia, in partnership with Moscow State Institute of International Relations. The event took place the 18th and 19th of November and included NBIA members from the US and Europe who spoke on various topics. Amanda Parris, Business Centre Manager of Rotherham Investment and Development Office, Ana Greif, CEO of Varela Consulting, Tom Strodbeck, director of NBIA International Programs, and the Chairman of NBIA's Board of Directors and President & CEO, Northeast Indiana Innovation Center, Karl LaPan participated in a two-day programme with more than 200 entrepreneurial professionals representing incubators, research parks, venture capitalists, entrepreneurs, government officials, university professors and tech-transfer professionals.



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

UIIN Good Practice Case Studies

UIIN has published its first edition of the UIIN Good Practice Series. This study is a UIIN initiative, that was developed to support, develop and strengthen the interaction between Higher Education Institutions (HEIs) and business. The objective of the series is to highlight a wide variety of cases in different settings. As every environment is different (country, culture, stage of development) UIIN collects good practices on various subjects and levels, including organisational, departmental and project level. Presenting cases with diverse stages of development, types of interaction (collaboration in R&D, entrepreneurship), and types of activity (operational activities, structures and approaches) it allows readers to get new impetus on how to foster university-industry interaction in their own organisation. More information at www.gps.uiin.org

The State of University-Business Cooperation Country Reports

UIIN in cooperation with its partners, Science-to-Business Marketing Research Centre and Apprimo, with the support of the European Commission (DGEAC), are proud to present 14 country-level reports on University-Business Cooperation. The 6,280 European academics and HEI representatives who responded to our survey made it the largest study looking into the cooperation between HEIs and business yet done in Europe. After presenting the general European results, national reports have been created to provide an overview and specific insights of University-Business Cooperation in the following countries: Austria, Belgium, Finland, France, Germany, Ireland, Italy, Netherlands, Poland, Portugal, Spain, Sweden, Turkey and United Kingdom. More information at www.ub-cooperation.eu

2014 Good Practice Event Entrepreneurial Universities

Following the recent publication of the UIIN Good Practice Case Study Series, and both its successful University-Industry Interaction Conference 2013 in the Netherlands (338 participants from 48 countries) and the upcoming 2014 conference in April 2014, UIIN and the Universidad Politécnica de Madrid (UPM) are organizing the 2014 Entrepreneurial Universities Good Practice Event on 'Driving Innovation and Entrepreneurship'. 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 more keenly felt.

The UIIN Good Practice event will focus on good practice cases in both Europe, as well as on a global level on entrepreneurial Universities. Highlighting both well-known cases, as well as the hidden treasures, and allowing both the presenters as well as the participants to network, share knowledge and ideas on Entrepreneurial Universities. The event also allows for a discussing on future joint proposals in the Horizon2020 and Erasmus+ programmes.

The participants of the event are offered with a wide variety of benefits, in addition to the sharing of knowledge on best practices, the participants will benefit from:

- Getting in contact with potential new partners for Erasmus+ or Horizon2020 projects
- Publication of case studies in the UIIN Case Study Series
- Presentation of the participant's institution
- Getting to know a management framework for the implementation of the instruments learned about during the event

More: www.entrepreneurial-universities.org

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Are we investor-ready?

I notice these days no matter which conference I go to - entrepreneurship, social enterprises, SME, or innovation - the debate always comes round to finance and the new catch all phrase 'investor ready'.

As I have pointed out before, if you are starting a business to access finance, you are starting a business for the wrong reason. However, if you have a brilliant business idea and concept then to be investor ready you should already have sales, orders, great people and credibility...and I know what you are saying 'you cannot start your idea without some funding'.

Starting money is from family, friends and fools! The real investment needed to grow your ideas will only ever be given when funders know you, trust you and believe in you. This essential funding cannot just be handed over, nor will it be given from only looking at your business plan. It is unlikely that it will come from just one source, and extremely unlikely that it will come without strings attached! That means you need to prepare, share, build networks and develop strong sales to demonstrate that an investor's funds will be returned with gains!

Knowing your investors and having your investors know and understand you, are the keys to a successful business relationship. We don't call them 'vulture capitalists' for nothing! But understanding what an investor clearly wants from a deal and what they are willing to bring to take some share of your venture (usually a large share) is important. It should never be about an investor just bringing capital, but as fledgling entrepreneurs, and especially social entrepreneurs, we expect investors to just give funds and not interfere.

I always advise, from the minute you have your idea, to make quarterly appointments with your bank manager. Tell him (they generally are male!) what you are planning. Share with him the concept development. Tell him about you, your experience, your competences and your family. Each visit, share with him the reaction of stakeholders, customers, suppliers and start to build understanding and trust. Open the account, trade, and then when you are ready to ask for credit you will have a history of reliability. Most of us would never give substantial sums of money to friends, let alone strangers, so why should the bank? And the bank is only the first step because next are the business angels and then the investors!

And now, let me have a final 'dig' at governments and financial institutions. As entrepreneurs we are gifted with ideas, failure is not an option and we frequently take uncalculated risks. But unlike you, we are not gifted with money from the pockets of tax payers or pensions funds, or even trusting citizens. However, unless we can build a trust between us, where you are ~~With Stagnoli, support and fund our ideas, both parties will lose, there will be no growth, no jobs and a weak economy from which we will all suffer~~ 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.



Hope Lives



***Giordano Dichter* takes a look at the vital role of the incubation industry in ensuring the entrepreneurial needs of today's youth are met and served**

There is a lot of talk about young entrepreneurs these days. We all hope that the next generation will be the one who will stand up, take the risks, create wealth and turn around our tired economies. Looking at the amount of money that the public sector is pouring into programmes to seed entrepreneurship, and at the number of those aimed at supporting the younger generation in starting their own business, one might imagine that our problems will be over soon.


Of course, only time can tell if this is actually wisely invested money. And, given the outrageous unemployment rates that are currently afflicting European economies, (which assume tragic proportions when looking at the younger population), there is not much of a choice left. The youth definitely seem to be the horse that can be backed, and it is the reason why policies in support of young entrepreneurship are hot on almost anyone's political agenda today.

Whether younger people are more likely to become entrepreneurs than more mature ones is a matter of discussion, of course, but one thing that the younger generation cannot allow themselves to lose is hope in the future, and if this hope can be translated into entrepreneurial action then it would appear that things are on the right track.

The Theory

Defining a priority and a policy to regulate it at both national and regional levels, should translate into programmes and actions for which business support organizations play a relevant role, one that indeed has the potential to grow.

Young entrepreneurs are not so different from any other kind of entrepreneur. Being 'young' may bring additional factors which need to be dealt with, but in the end the big picture of the service value chain will not differ much from the ones that are currently being deployed by organizations such as the EU|BICs and incubators. Age is not the most 'crucial' factor when assessing a technology or an innovation whose main features will not change according to the characteristics of the innovator. An innovative pizza recipe will produce the same flavour whether created by a pimply-faced teen or his grandfather.



Whether younger people are more likely to become entrepreneurs than more mature ones is a matter of discussion

Where the 'age factor' really does makes a difference is within the capabilities sphere. It is not a novel fact that being innovative requires a certain mind-set, which not everybody is blessed with; however it is one which could be acquired over time, with experience. The knowledge of a specific context, a market, an industry, a specific production process or a sales mechanism... can lead operators to think of improved ways of operating that are conducive to increased efficiency, through the introduction of incremental innovation. Being experienced, and therefore not too young, seems to be an advantage in this case. On the flip side, those with less experience are more likely to be capable of thinking out of the box. Fresher minds may indeed lead to those radical innovations, which may have very well made Silicon Valley the success that it is, leading to the idea that there are advantages in putting at work a brain which is not too experience-affected. Indeed, the opportunities that the democratisation of the internet is enabling, are more often instinctively understood by younger people. Not having 'experience' means young entrepreneurs are open to ideas – especially in the digital arena – that their older colleagues may consider 'impossible', 'unviable' or 'just plain silly'.

The 'age factor' comes with other complications as well. One, above all, is the lack of business experience. As we all know it is not only a new technology that provides for a great business. This needs to be coupled with sound business acumen, the ability to exert leadership and to have that practical know-how of 'how things work', how to compromise and successfully manage talents. These qualities are rare and generally gained with experience. There are no real shortcuts, although some exceptions do exist

A young entrepreneur said, the most valuable suggestion he could provide to other would-be young entrepreneurs was, "whether you really need them or not, whenever you are out doing business, wear eye-glasses". These have the power to make a person look older, and therefore more credible.

The Practice

It comes to no surprise that incubators, EU|BICs and business support organizations in general have been spending much resources to target young entrepreneurs and to seed the idea within young minds that an entrepreneurial lifestyle is not only exciting, but also to some extent, feasible. Therefore, the big picture may change. How? Raffaele Ricciuti, General Director of Sviluppo Basilicata, an EU|BIC operating in southern Italy says, "The real innovation is in how enterprises are created and how to develop future seeds acting as loudspeakers of younger groups, sustaining their aspirations and their innovative ideas. To do this we need to be capable of listening." One could not agree more.

"New support models," says Raffaele Ricciuti, "need to base their roots at ground level. For instance, new coaches and tutors could be found among the existing enterprises, those who are and have been through an incubation process. In this way real experience can be transferred, models can be passed on and mistakes can be avoided. It is necessary for some incubators to pass from 'project' mode to 'people' mode".

Of course, staff members of incubators will need to take into account the age factor when tailoring the mix of ingredients that will create the perfect support service. The incubation service value chain is affected in various ways and this will in turn affect its deal-flow. If we look at it closely some elements of the young-entrepreneurs support measures need to be carried out from the very beginning. Let's take a look at the initial stage, where inspiration acquires a whole new meaning.

Ali Mnif, senior project manager at Wiki Start Up accelerator in Tunis, says that the right sort of inspiration is crucial. "The inspiration we are looking for is not only the kind that pushes a jobless young person to establish his/her own company, but also motivates the highly-talented Tunisian diaspora to start ventures in their home country," he says. "With proper inspiration we could define the pyramid of risks, that would push any young talented person in the country to believe in his/her ability to start a business and, more importantly, to succeed and to take it to the next level. We need to pursue not only Tunisians in the potential of his/her country, but would attract young people from abroad to start their business in Tunisia."

Lead Generation and Pre-incubation

The EU|BIC observatory shows how, in Europe, on average ten percent of the initial enquiries for enterprise creation actually make it through to the start-up phase. Although no youth-related statistics exists, it would be an educated guess to say that where youth is concerned these percentages



would be much lower. The can only be one answer: get the youth out there. To sustain young entrepreneurs you need to inspire them first, and to accomplish this task, you need to go where the young congregate. To reach them an incubator will need strong partnerships and will need to have its value propositions set up right. For example, if you are aiming at young graduates, work will need to be done within the universities where you can get to pitch the idea of an alternative and 'cooler' life style, where the young entrepreneur can picture himself or herself having the privilege of working on independent terms. But before this can happen the university itself will need to open its doors, and require convincing that gaining recognition as an entrepreneurial university might actually positively affect the prestige of the university itself.

Alvaro Simon de Blas, Director of the BIC Euronova in the Spanish city of Malaga, finds that collaborating with the local Association of Young Entrepreneurs has been a necessary step for accessing young potential entrepreneurs. "We organize various activities with the Association. First of all we organize an annual competition for young start-ups. This provides quite a lot of visibility in the province. Furthermore, we have devised a system through which we network with the young entrepreneurs belonging to the association with the tenants of BIC Euronova to foster business relations. The tenants act as real coaches for these entrepreneurs, and we find this to be a priceless asset."

Luca Capra, Director of Technological Promotion of the EU|BIC Trentino Sviluppo, based in northern Italy, points out that one of the most important actions that the EU|BIC does to support young entrepreneurs is actually happening outside the incubator's walls. He explains, "The BIC has

recognized that the promotion of entrepreneurship needs to be done directly on the spot. You cannot wait for young potential entrepreneurs to come to you, you must go to them. Approximately once a month Trentino Sviluppo organizes, together with the local municipalities, specific events to inform and stimulate young people to enter the world of entrepreneurship. There is a good attendance at these events, although we do not specifically target technologically innovative entrepreneurs. Further support is then provided to those who want to follow-up in terms of business planning support and access to funding, where we are able to provide some seed money to ease their start-up pains."

The opportunities that the democratisation of the internet is enabling, are more often instinctively understood by younger people

The soundness of the pre-incubation needs to be inversely proportional to the experience. If direct business experience is really lacking, then it should be an incubator's duty to deploy the best pre-incubation services possible. This will ensure the right elements are in place in order to make the most suitable decisions and to answer the question, is it really worth investing your young talent, resources and time in this venture?

Training of Thought

Training is the best help that can be given here, but training alone is not enough. Training can help a young inexperienced would-be entrepreneur to acquire part of the technical background he needs. It can either scare him enough to want to let the whole thing go, or it can intrigue him enough to find the proper motivation. However, in the end training per-se will not make an entrepreneur. But, it might discover one.

Although wearing eyeglasses can disguise some inexperience (apparently a nicely trimmed moustache has the same effect, though women might disagree), these tricks

The soundness of the pre-incubation needs to be inversely proportional to the experience

will not fool investors, who look not only at the potential of the business idea, but also at the capacity of the team to manage the company. It is likely that the early-stage funding phase is the first real viability test, and this is definitely harder for younger people with no business pedigree to display.

Incubators can make a strong difference here, as going through a pre-incubation phase coached by experienced people will certainly prepare you better than winging it solo. Incubators staff, of course, use tools and techniques to understand whether someone has it the innate potential to be an entrepreneur. Some use skill-assessment tools, others perform attitude-tests, but when it comes to the bare facts, good incubator practitioners have developed a gut feeling which guides them in their support activities, and this gut feeling is probably the most valuable resource on which they base their decisions on whether a young person is up for the challenge or not. Being in front of investors, but with a credible business plan and an incubator 'seal of approval' will provide higher chances of success.

The EU|BIC Lazio has gone one-step forward. Giuseppina Maiorano, Senior project manager of the EU|BIC

Digital Entrepreneurship Opportunities

Many opportunities exist for young entrepreneurs, especially those who are considering building digital or social innovation businesses. New types of dedicated, high-speed support infrastructure, such as start-up weekends, boot-camps and hackathons enable newcomers to test ideas with experienced entrepreneurs before making a commitment.

Many projects, particularly those funded by the European Union, enable start-ups to find funding, markets, and international opportunities rapidly:

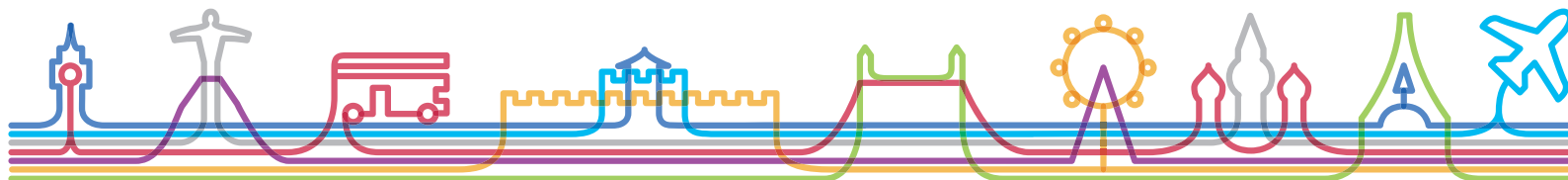
ACE	www.europeanace.eu
EUHUB	www.euhub.eu
Transition	www.transitionproject.eu
Watify	ec.europa.eu/enterprise/dem/watify

says, "When in 2000, we started our pilot projects for funding young entrepreneurs, we did an evaluation and came to the conclusion that what we were doing was not enough. Furthermore, within the region there were no dedicated financial instruments to support them. We therefore spent time and resources to design and establish a guarantee fund especially dedicated to young entrepreneurs with the participation of local banks. It took over ten months of engineering and negotiations, but we finally succeeded. Of course this is still not enough to satisfy the demand for credit, but the lesson we learnt was that time invested in preparing the right tools for young entrepreneurs is never an over-investment."

In a nutshell, and to quote an oft-stated cliché, the youth are our future. Given global economic climates, internationalised markets, rapidly evolving technologies, and expanding cultures of travel and discovery, it seems that harnessing the entrepreneurial potential of youth is a matter of some importance. Not just to the futures of the young people in question, but to the future of the planet itself. It is clear that incubators play a vital role in ensuring that the young entrepreneurs of today become the business leaders of tomorrow; it is a role that is taking on increasing significance given the challenges we all face. To go back to where we started, it is up to this community of entrepreneurship support providers to make sure that hope lives.

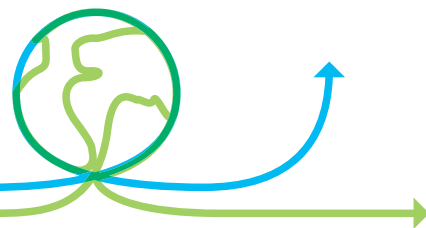


With 18 years of experience in private sector development, Giordano believes the next game-changing innovations are around the corner, and that incubators are the natural place where these can be properly bred. He has provided support to incubators, EU|BICs and other business support organizations in many different areas of the world, both while working within the United Nations system and while leading the EU|BIC Services Team for EBN. He is in charge of the management of the EU|BIC trademark and besides crunching numbers while preparing EU|BIC observatory reports and benchmarking reports, he travel extensively as he is also responsible for EBN's Technical Assistance services aimed at supporting the set-up and strengthening of EU|BICs and incubators.



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.

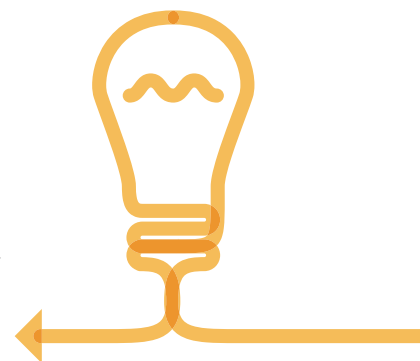
Make It Global is led by the University of East London (UEL) and delivered in partnership with the European Business Network (EBN), Newham College of Further Education and Kingston University, and a network of strategic partners. Recognising the capabilities, opportunities and potential which women-led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

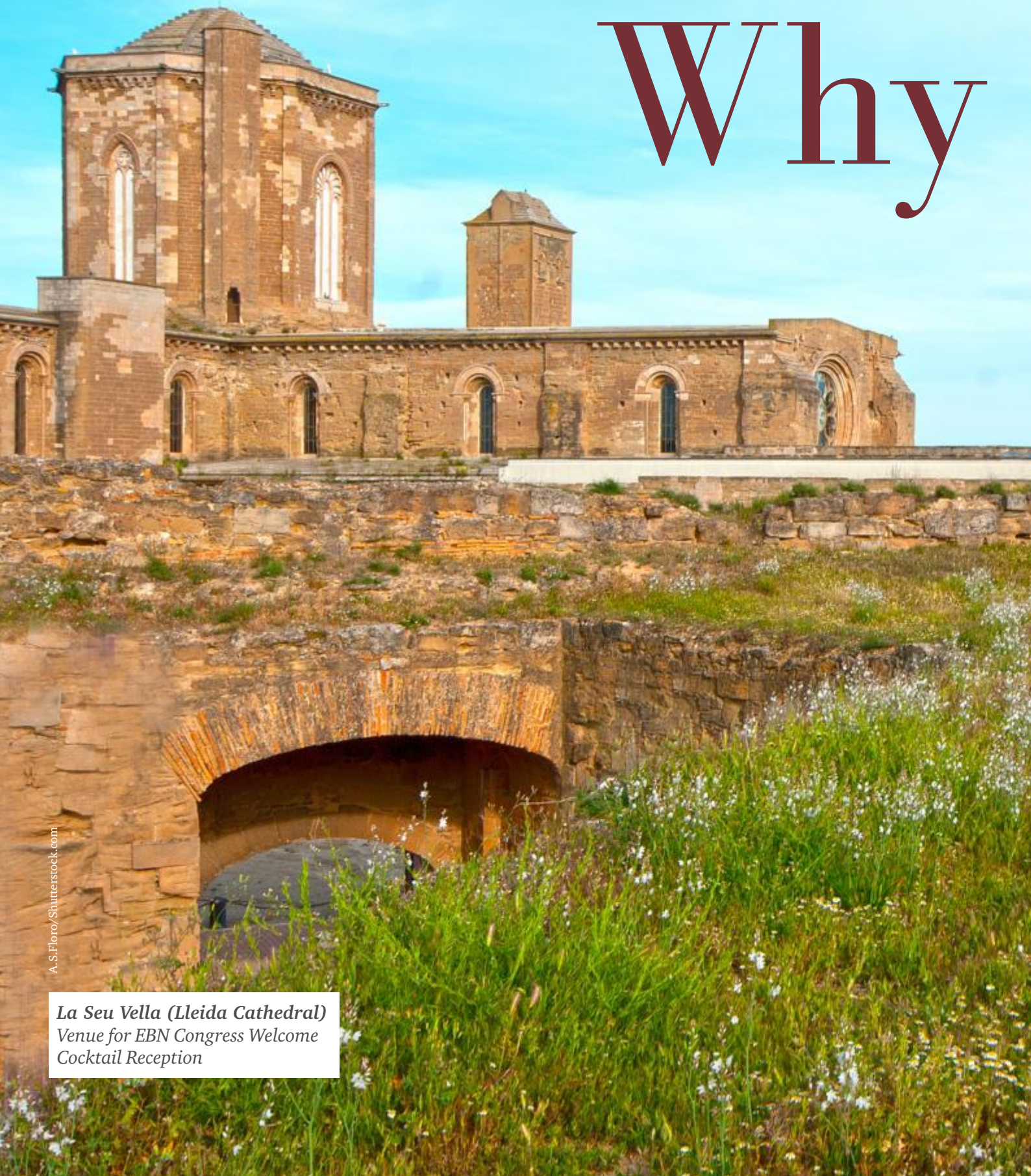
Twitter: @UEL_CEWE #UELMakeItGlobal

Tel: +44 (0)20 8223 2348

LinkedIn: UEL Friends of Women's Entrepreneurship




Generation Why



A.S.Floro/Shutterstock.com

La Seu Vella (Lleida Cathedral)
Venue for EBN Congress Welcome
Cocktail Reception



David Tee gives us an overview of
the 2014 EBN Congress as it
tackles the very real issue of
youth entrepreneurship

Since 2008, the financial crisis that hit Europe, and the rest of the world, has resulted in many casualties. But one of the most tragic is the potential 'lost generation' of youth unable to find work. According to the most recent European Commission data (see box), the unemployment rate of young people –at 23.3 percent - is over twice that of the average across the EU (9.3 percent). And the chances of a young person actually finding a job is equally dismal –fewer than 30 percent of those aged between 15 and 24 found work in 2011.

Despite few, very recent indications that growth might modestly return, unemployment rates will most likely continue to stay high, or even rise, in many European countries and this will mainly affect the young generation. Unemployed youth represents an unexploited economic resource. And this factor is one of the main social and economic challenges of Europe today. Political leaders have understood the danger and are looking for solutions.

The global recession and unemployment crisis affecting European economies, of course, requires macroeconomic reforms and budget controls. But, perhaps more importantly, it requires policies that create attractive and conducive environments for entrepreneurs to start and grow business, to create

European Commission statistics

- Youth unemployment rate is more than twice as high as the adult one – 23.3 percent against 9.3 percent in the fourth quarter of 2012.
- The chances for a young unemployed person of finding a job are low – only 29.7 percent of those aged 15-24 and unemployed in 2010 found a job in 2011.
- When young people do work, their jobs tend to be less stable – in 2012, 42.0 percent of young employees were working on a temporary contract (four times as much as adults) and 32.0 percent part-time (nearly twice the adults' rate).
- Early leavers from education and training are a high-risk group – 55.5 percent of them are not employed and within this group about 70 percent want to work.
- Resignation is an increasing concern – 12.6 percent of inactive youth wanted to work but were not searching for employment in the third quarter of 2012.
- In 2011, 12.9 percent of young people were neither in employment nor in education or training (NEETs).
- There are significant skills mismatches on Europe's labour market.
- Despite the crisis, there are over 2 million unfilled vacancies in the EU.

Source:

<http://ec.europa.eu/social/main.jsp?catId=1036>

the jobs the economy needs to recover. It is a win-win for governments as each new job delivers new tax revenue required to reduce their debt burden and deliver better services to their citizens.

Entrepreneurship opportunities

True entrepreneurs are always looking for opportunities in whatever situation they find themselves. And these challenging economic times present extraordinary opportunities for true innovators, true entrepreneurs. People, companies, organisations who have the ability to be responsive to changes, to take risks, to question their certainties, to adjust their mind-set and reorient their activities, to move physically, to find new partners, to outsource non-core businesses, to have the courage not just to start, but also to stop things.

Entrepreneurs are those in our society that create companies, jobs, wealth, value, knowledge, social capital, attraction, partnerships, hopes and futures. Entrepreneurs are hungry about skills acquisition, vital competences such as the capacity to observe, to question, to discover, to experiment, to incubate, to engage, to accelerate, and, of course, to collaborate and network.

And interestingly, many of the players driving this 'behavioural revolution' are most probably the young generation – Generation Y!

Wanted: young & talented entrepreneurs

As the new generation of young and smart entrepreneurs emerge, business models adapt. Collective intelligence flourishes, and innovation clearly shifts to a world of applications. This new world in which the name of the game is an adequate perception of the end-users, a search of open innovation and networking, 'small is beautiful' business models, and the adoption of new creative and entrepreneurial behaviours. These new behaviours require a support infrastructure that can spot the entrepreneurial talent, innovative ideas and will to succeed, and provide the support needed to enable new businesses to start and grow. And in the EU|BICs, we find such support.

Responding to young entrepreneurs needs

EU|BICs' core mission is to accelerate innovative entrepreneurship at territorial levels, through the customised delivery of a comprehensive range of professional support and incubation (pre-incubation, incubation, post-incubation) services addressed to innovative start-ups, spin-offs, entrepreneurs and SMEs. The EU|BICs' value chain is classically described as follows: stimulate, detect, assess, select, incubate, mentor, accelerate, internationalise and cluster

EU|BICs services are targeted at individual entrepreneurs and firms who show a clear case for innovation and growth - innovation in the broad sense, not only technological. EU|BICs deliver customised, often intensive, long-term support to their clients.

The services provided cover areas such as: business ideas/projects assessment, business planning guidance, economic and technological intelligence, business modelling and financial simulation, ad-hoc training, seed and early-stage financing, personalised coaching, physical incubation infrastructure, international business development support, creation of clusters and communities of innovative firms, and collaborative projects development.

Even if the spontaneous generation of new entrepreneurs



Unemployed youth represents an unexploited economic resource

happens, the ecosystem must boost the birth (of start-ups) and growth (of gazelles). Enablers can really and significantly improve the flow of ideas, projects and investments. Enabling intermediaries such as EU|BICs, incubators and accelerators, known as credible, engaged and pragmatic support mechanisms, are constantly evolving themselves, and adjusting their competences and services to better speak the language of young entrepreneurs.



Young Entrepreneurship, a serious game with serious players!

Statistics show that young people have a higher interest in self-employment and entrepreneurship than the older generations. Despite the motivation and willingness, too few actually start up their own business due to a number of barriers. Unfortunately, businesses run by young entrepreneurs also have a lower survival rate, but if they do survive they then have higher growth potential. This is what Europe needs to capture. This is where EU|BICs can really and seriously contribute to speed-up, scale-up, train-up, and professionalise young start-ups as they start, and grow their way to success.

The young entrepreneurs support ecosystem, specifically around digital entrepreneurship, is booming. Several new players, initiatives and programmes are entering this serious game and interacting with established players such as EU|BICs. Co-working spaces, entrepreneurship and start-ups centres, digital accelerators, mobile apps camps, boot camps, start-up week-ends, hackathons, crowd-funding platforms, young entrepreneurs networks, FabLabs, student entrepreneurs & junior enterprises, social innovation incubators, women entrepreneurs communities. New support programmes from government such as the EU's Watify and ACE are targeting young, digital entrepreneurs, encouraging them to take the step and start their own venture.

The European Union background

The interest of EU Institutions for the 'young generation' is not new, but the subject has been highlighted recently thanks to the adoption of the 'Youth on the Move' flagship initiative and several programmes, such as the 'Entrepreneurship Action Plan', the 'e-skills week', the Leonardo da Vinci programme for vocational education & training, the Erasmus for Young Entrepreneurs-EYE scheme (in which many of EBN members are local intermediaries),

the recent interest of the EIT (European Institute for Innovation & Technology) for the 'young entrepreneurs of the future', without forgetting the Start-up Europe and Start-up Manifesto' from Commissioner Kroes for catalysing young ICT tech-start-ups. EBN is taking leadership and partnerships in projects of digital entrepreneurship such as Start-up Europe's EU-HUB (that includes the ACE programme).

In fact, April 29th saw many hundreds of entrepreneurs, intermediaries and SMEs converge on Brussels for the first New Frontiers for European Entrepreneurship event. The event was a joint activity between three project groups: Watify – a flagship new project from DG-Connect was launched, designed to drive the awareness of entrepreneurship opportunities to youth. Start-up Europe's EU-HUB and ACE project kicked off investor readiness training, internationalisation, acceleration and pitching opportunities for companies. And the creative industries strand featured the first Europeana Creative Challenges and sessions on Connecting the Creative Industries in Europe.

EU|BICs youth entrepreneurship programmes

A number of EU|BICs are very experienced in this subject and are running programmes and initiatives in the field: EU|BICs of Gent (i-start.light), Asturias (Boo Games, Yuzz), Cergy-Pontoise (Pôle Entrepreneurial Etudiant), Troyes (Plug & Start), Reims (Innovact Campus Awards), Londonderry (Startacus), Munich (Evobis), Nivelles (Start Academy), Liège (Nest'up), Barcelona (Porta22), Lund (Venture Cup), Brno (StarCube), Galway (Mayo's Ideas Week), Toulon (les Entrepreneuriates), Luxemburg (Creative Business Cup), Naples (Talenti Campania), Tallinn (Creative Boson), Sunderland (Big Ideas), in France via RETIS (YEI- Young Entrepreneurs International), in Spain via ANCES (EIBT programme), and many others.

The European Commission is evolving the structural funds towards substantially focussing on entrepreneurship and digital priorities for the next seven year phase. The EC is pushing all regions to develop smart specialisation strategies based on the entrepreneurial discovery principle.

And finally, Horizon 2020 has a significantly stronger emphasis on SME initiatives than its predecessor, FP7. This will open up opportunities for smaller enterprises to benefit from innovation funding, designed to lead to increased jobs and growth.

The young entrepreneurs support ecosystem, specifically around digital entrepreneurship, is booming

EBN Congress 2014

EBN's 2014 Congress –held in Lleida, Catalonia, Spain –this year focuses on youth entrepreneurship, under the title *'Empower Youth | Accelerate Entrepreneurship | Transform Lives'*. The programme takes key areas of entrepreneurship opportunity and, through a mix of plenary sessions and workshops, enables congress delegates to participate in the debate surrounding this key issue.

Award

Key to this year's Congress is the award. Four prizes are up for grabs in four categories: *young entrepreneurs*, delivering new, exciting businesses; *smart territories*, implementing policies to boost young entrepreneurship; *EU|BICs*, stimulating collaborative ecosystems; and *collaborative projects*, accelerating entrepreneurship.

The **ebn.20⁺ Young Entrepreneurship Competition** will select 20 best practices from each of the four categories and reward their achievements and their innovative initiatives to empower and accelerate young entrepreneurship and transform our economies and entrepreneurial societies. Ten of the best practices from each category (40 in total) will be invited to Lleida to pitch their concept in plenary sessions.

The idea is to take you on a path of discovery across ten inspiring territories, sharing best-in-class smart and

specialised policies for accelerating the transformation of our economies, embarking on ten ambitious collaborative projects, getting hands-on support from ten talented facilitator EU|BICs, and finally challenging ten young enterprises lead by visionary young entrepreneurs.

The show-cases and discussions will be organised around four plenary pitches sessions, where the 40 will have the opportunity to present their innovative initiatives and successes in 5-minute pitches in front of the full congress audience. The audience vote will contribute to the overall score and the winners will receive their prize and award during the final plenary session.

This year's EBN Congress tackles one of the most important issues facing economies around the world. It promises to offer fascinating insight into some solutions being delivered by policy makers and entrepreneurs. Intriguing new concepts will be presented by EU|BICs and international projects. And the networking opportunities will enable much debate, discussion and deliberation of the issue. Join us in Lleida this June and help young entrepreneurs realise their dreams.

See www.ebncongress.eu for more details



David Tee is the Head of Membership Services at EBN. He is a serial entrepreneur, consultant and innovator with over 25 years professional experience in a variety of environments from Cambridge-based IT start-ups to Silicon Valley-based innovation consultancy to EU-funded project management. He has founded three companies, incubated new businesses, commercialised technology and consulted to both the public and private sectors. He has worked extensively in the Europe, Middle East and India, in addition to experience in North America, Africa and the Far East. Working with EBN, David was Team Leader on the EuropeAid SRTD Project, and International Expert in the EJADA project, both in Jordan. He supported research, technology commercialisation, innovation and established a network of innovation centres (including two EU|BICs) and a network of technology transfer offices.



The Travelling Companion

As a child all I wanted to do in the whole world was spread my arms and fly. I remember crying as Mother tucked me into bed because no matter how determined I was or how fast I waved my arms up and down I could not fly. Even as I grew to understand it was impossible, I am not sure I ever gave up that dream.

Early this year I travelled to a business conference in another state. The road to our airport was snowy and treacherous in the early morning darkness. I'd had little sleep and after making my way through airport check-in, security screening and boarding, I settled into my seat and promptly fell asleep. Shortly after take-off we hit turbulence and I was jostled awake. There I was sitting in cushioned chair in a large tube of metal moving through the clouds and in my half-conscious state I realized with sudden clarity, I was flying.

Given the usual distractions of travel preparation, in all the years I have travelled it had never occurred to me I was fulfilling my childhood dream every time I boarded a plane. The experience was not exactly as I had wished it to be but the realization made me feel as if my young self was sitting beside me smiling with delight.

Would-be entrepreneurs come to our Incubators and tell us they will work hard and sacrifice to have their dream come true – to build something, achieve a goal, be successful, bring helpful products to market, change people's lives. They often don't realize that in the midst of meeting the next challenge it is easy to forget how much distance they have covered, how much of the dream they have already accomplished. Because success never looks exactly like we think it will. Sometimes we need to be awakened before we recognize the dream imagined as the dream achieved.

A well-traveled gentleman told me a story about going through airport security for a very early flight. In a sleepy haze of routine he removed his jacket and shoes, took off his belt, unbuttoned his shirt, and proceeded to unzip his trousers. Fortunately, his nephew was there to intervene and he quickly roused him from his stupor and explained he was not getting ready to go to bed,

We too can act as travel companions who wake up our clients. We can help them realize they are not just endlessly passing through one more gate or confronting one more obstacle, they are also achieving their goals and dreams.

In my youthful fantasy of flight there was no baggage check, no security gates. Flying through was as complicated as simply willing myself to rise. I wish it were that easy now. When dreams fulfilled don't come in the exact form imagined or are masked by complexity, they can be overlooked. But just as we, like quick-thinking nephews, can alert someone to a potential calamity, we can also help our clients realize when they are soaring.

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.

Open to Su



ccess



Mats Dunmar tells us
how playing the the
role of open
innovation guide
offers win-win
opportunities for
everyone in the chain

We, as a semi-public innovation environment, have a new role to play. Imagine this! The phone rings. On one end is CEO Håkan Jeppsson of Inwido – the market leader for windows and doors in Scandinavia. On the other end is Scandinavia's leading Science Park and EU|BIC, Ideon.

"We need help," says Håkan.

"What can we offer?" responds Ideon.

Two years later, Ideon Open is involved in an open innovation project with a large industry on an ongoing basis.

It all started with a question from industry. An existing challenge. That has been the driving force since then: Only do things the industry asks for and what it really needs. Only do things the industry finds so important that they are willing to pay for it. Only work when top management are involved. Not involve ourselves in 'nice to haves'. The real pain needs to already exist in the large company. And thus undertake only open innovation, not any innovation.

To be honest, it was not Ideon's ambition to become a major player in open innovation. But this is how it worked out. We have learned that a Science Park or Incubator has a new role to play - a role which assists established large companies with disruptive innovation. A role many innovation environments could take, and should take.


Public is good

The context is important. Ideon is like many other innovation environments, semi-public. To be a semi-public/private entity helps in the dialogue with industry. If we were 100 percent private, we would not have the same role. Parts of the Ideon Science Park, like the renting of office space, is 100 percent private. Incubators on the site have public funding. Some all public, some 60-40. But always more public than private. Ideon also has a branch that is Limited, but owned by a foundation. The Limited generates no profit and everything stays in the business. The board consists of representatives from university, municipality and the science park's property owner. This privately run, but publicly controlled body is the face of open innovation. All work with industry is placed in the non-profit segment. From day one it has been clear that we would not compete with private open innovation consultancy firms. So instead we invite them to join hands with us.

Why are public innovation environments, like Ideon, becoming more increasingly popular for private industry to use across global platforms? The answer lies in their neutrality, the network they have and the entrepreneurial drive they represent.

The neutrality

As Inwido did two years ago, or as Tetra Pak does today, in using a public innovation organisation they were able to trust that there was no agenda to sell as many consultancy hours as possible. Nor do we try to sell any ready-made products. We listen purely to the needs of industry, we inspire by sharing good examples of open innovation - how other companies are doing it, for example. We define what the actual challenge they have is really all about and then we guide them, based on this trust they have invested in us. We guide industry in how to act in the field of open innovation.

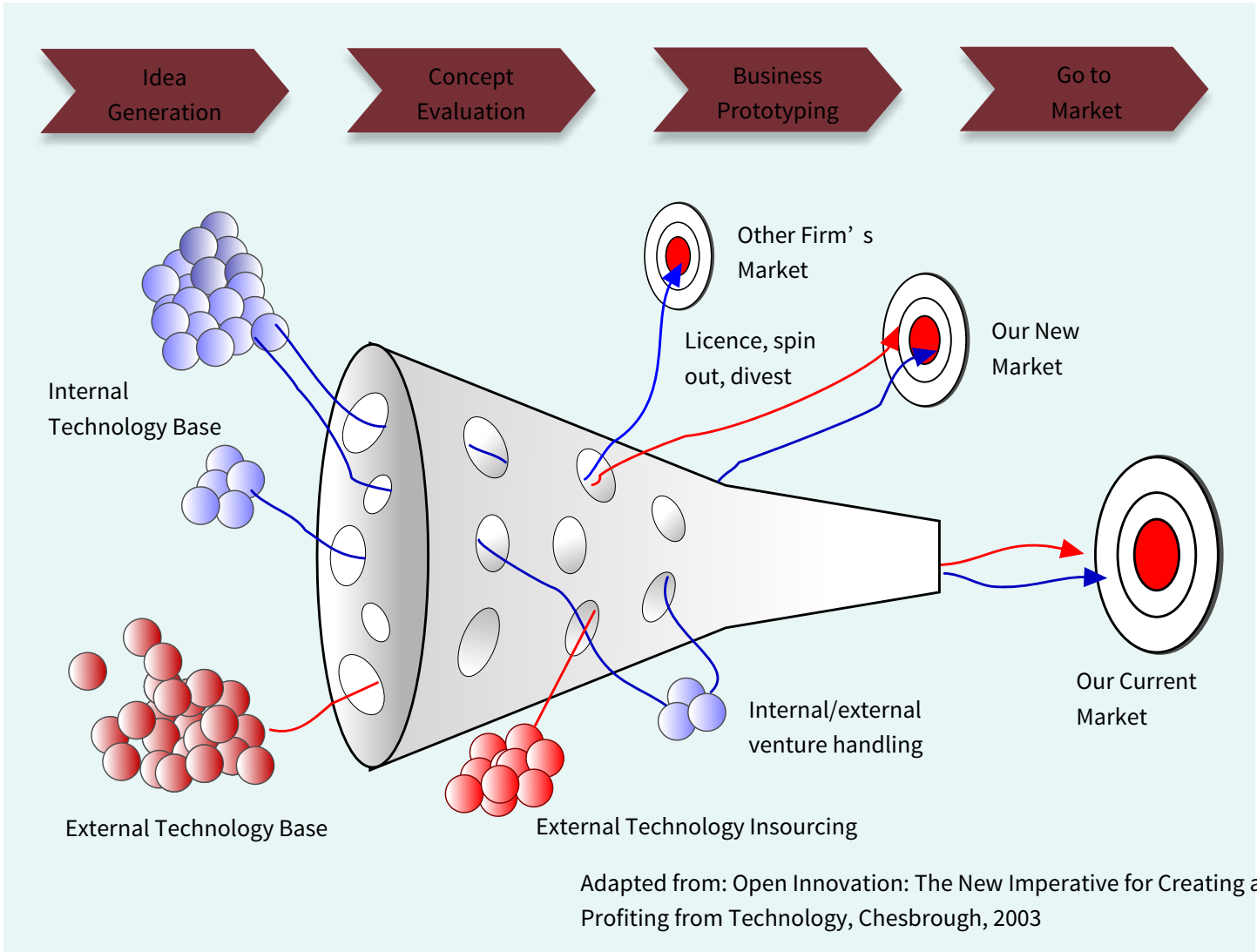


More disruptive ideas flow by the coffee machine amongst entrepreneurs in a science park than amongst the managers at a large company's canteen

*We have
or In*

Based on our common understanding of the companies challenge we can put forward ideas/thoughts on where to find different open innovation solution providers. Providers that already exist out there. If industry wants us to participate in the actual open innovation project, to be a provider/supplier as well, we gladly accept this, but we always do it together with a private consultancy firm. No tax payer's money is used when we do participate in an open innovation project. Here the industry pays for your time and material, as it would any consultant.

When a public or semi-public organisation invites, the issues around patent rights, for example, need to be handled as well, but the final agreement on them can be postponed. A more open climate for creating together, collaboration, can be achieved before the commercial aspects and lawyers take over. We get more time to, in a collaborative mode, bake the



right cake before all energy is spent on what it is worth and how to divide it. That said, it is vital that both the commercial aspect and legal experts are in from day one; but by using a neutral intermediary we can keep the climate open for longer than if the large company did this by themselves, or only used a private consultancy firm. In other words, when the conversations are based on trust it leads to enhanced disruptive innovation work.

The participants in an open innovation project organised by an incubator/science park also differ. An established innovation environment will have an extensive regional and international network that is different from the large industry's own. An asset worth some money. It is different in so many ways. Often more tailored towards micro and small size companies than larger ones and therefore all the more entrepreneurial, with all that comes with it. More risk willingness, stronger drive and higher energy are just some of the benefits. Even if our network were not sufficient for an open innovation project with industry, we still know how to expand, and do so quite rapidly.

The entrepreneurial drive

The large company has its advantages. It has established sales channels, returning customers, well-developed production facilities, economies of scale etc. It also needs processes, routines and controls to handle all of these. However, it also means it slows down its capability to be disruptive. Control and processes are needed, but seldom foster disruptive innovations in a large organisation. The micro or small company, the university student, the bright PhD do not have or even understand these factors. They dare to question more, have a faster pace, quicker reactions and a shorter planning horizon which quickly launches and closes new ideas. More disruptive ideas flow by the coffee machine amongst entrepreneurs in a science park than amongst the managers at a large company's canteen. The semi-public innovation environment, be it a science park or incubator, with a high proportion of entrepreneurs has an inherent innovative drive that the big guys can perhaps only dream about. A drive they want back into their system. When you combine the established company's advantages with the entrepreneurial drive of our innovation environments, you have a winning solution for both parties.

Creating winners

How can you do this? By collaboration. Think about three things:



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No tax payer's money is used when we do participate in an open innovation project; here the industry pays for your time and material, as it would any consultant



Big industry + Science Park/Incubator + Private consultancy firm.

By hooking up with established innovation consultants the innovation environment lose independence, lose some visibility towards industry and lose some of the cash.

But by doing so we gain so much more. We are no longer the sole seller, the consultancy firm sells for us. Our capacity to deliver projects goes up. The competence and skill level quickly reaches international best practice. Our network expands. And we live and breathe open innovation. We do not try to do everything ourselves in our own internal organisation. We not just say we believe in the strength of open innovation, we actually run our own business accordingly.

Henry Chesborough's famous funnel (see diagram on the previous page) is about how much theory is required by industry and how much it needs to understand. When they do, they automatically comprehend that guiding their own challenges through this, now open, funnel is not as easy as it seems. Even if they have the capacity, they lack the ability and they inevitably need a guide to get to where they need to be. Here's where we come in... The public innovation environment is in the position to take that role of guide or navigator.

In summary

It is important to ask yourself: What 'trust capital' do we have that we can capitalise on? Which 'networks' do we already have that we can offer to industry? Which 'consultancy firms' can we partner with?

Ideon is, of course, just one example of an incubator/science park that has taken on the guiding role. Many others do it too and it will soon become a standard offer amongst many larger incubators and science parks. The role of an open innovation intermediary is to become an open innovation guide.

If you have not yet accepted your new role we expect you will be amazed when you take this natural step. Amazed at how appreciated your role as a neutral semi-public open innovation expert is. When you guide established large companies through a process of open innovation you create a win-win situation for everyone - and facilitate a truly rewarding experience for all parties involved.



Mats Dunmar is an Open Innovation Navigator and manager of Ideon Open in Lund Sweden. He loves solving complex problems to come up with valuable solutions by using open innovation. He has been an entrepreneur in several start-ups and previously worked for IKEA. Mats is experienced in managing large projects in global organizations as well. He is a certified business coach and has both worked as a business incubator coach for start-ups and trained others in marketing, business modelling and pitching. He is on the board of EBN. Ideon Open is a successful platform for Open Innovation with international industry. It has a number of well-established innovation partners associated with it, all working in open innovation. Ideon was Scandinavia's first science park in 1983, and today leads Scandinavia in open innovation.

A Torch on China

Yin Yang Lu examines the development of incubation in China and gives us a look at its entrepreneurial support landscape

Dong Hu Business Pioneers Center was China's first technology business incubator, established in Wu Han city in 1987. From that first incubator, the Chinese incubation industry has developed quite rapidly. By the end of 2010, the national statistics system showed that there were 896 science and technology business incubators, which including 346 at the national level. The numbers stated that the incubation sector comprised an area of more than 30 million square meters, with a service and management staff of more than 15,000 people. Of the 56,382 incubated enterprises featured, 7,677 were students. Certainly the numbers and figures on record show a massive interest in this sector and now it would appear that the Chinese business incubation system has entered a new stage in its development.



MOST (Ministry of Science and Technology) has some ambitious plans for 2015 - the aim is to take the total number up to 1500 incubators, with national incubators reaching at least 500 in number. Plans are in place for the implementation of a national incubator dynamic management system, as well as exit mechanisms. More than 30 percent of national incubators are looking to build venture nurseries and business accelerators, and more than 50 percent have angel investment and shareholding as part of the incubation function. More than 60 percent of the employees and service providers in this space receive professional incubator training, and 80 percent built the public technical service platform, 90 percent provide mentoring options for their clients. The numbers are impressive and it is clear that China's Ministry of Science and Technology has played a vital role in creating and developing the entrepreneurial ecosystem.

The history

The development of Chinese technology business incubators originated from 'Torch Plan'. The Torch Program is the guidance programme aimed at developing China's high-tech industry, and was approved by the State Council in August 1988, and was organized and implemented by the Torch Center. The Torch Plan aims are as follows: implementation of strategy to invigorate China through science and education, implementation of the general policy of reform, and exploitation of the advantages and potential of China's scientific and technological strength. Part of the mandate is also market orientation commercialization promotion of high-tech achievements, industrialization and internationalization based on market orientation.

The Torch Plan focuses on creating an environment for high-tech industrial development, the development of a complete package of high-tech industry development policies and regulations, creating a good support environment, establishing the management system and operational mechanism, opening up funding channels to establish venture capital mechanisms, opening information channels at home and abroad, establishing information networks and developing the long-term planning in line with the objective reality. It is this Torch Plan that has resulted in China's booming high-tech parks and technology business incubators. Establishment of business incubators is an important part of Torch Plan. Special consideration has been given to the fact that financial support is an important means for the government to help the industry and this would include assistance with the construction of incubator infrastructure and special funds support.

MOST decisive

Certainly, MOST has played a decisive role of guidance, organization, promotion and development of the technology business incubators in China over the past 17 years with the help of the specialized Torch Center that was developed. At every stage of the development of Chinese science and technology business incubators, the coordination and guidance of Torch Center are both essential and strategic - in policy guidance and financial support.

In order to standardize technology business incubator development, in November 1994, Torch Center delivered a 'comments on principle of China Hi-tech Innovation Service Center'. This 'comments on principle' provided the specific provisions on the status of the technology business incubator, the task, the conditions of the founder, preferential policies, management practices, etc. In January 1996, MOST issued the 'Measures for the determination on National Hi-tech Innovation Service Center', which stipulated that the management levers of business incubators were to be divided into national and local levels. Specific provisions were made on the conditions of the National Business Incubator. In November 1996, MOST launched the Business Incubator Ninth Five Year Plan and the 2010 development plan, which clearly outlined incubation as a key state industry, under the guidance and planning of MOST.

The 11th Five-Year Plan

In the period of The 11th Five-Year Plan (2006-2010), the State has formulated a series of policies and measures to support the technology innovation and the development of incubators. Many local policy documents established the need for the strategic development of incubators, with increased support for the technology business incubators. The scale of incubator development over the previous 20 years was further underlined by the supporting industries such as by the construction, education, human resources, social security, finance, tax departments... as well as widely recognized social organizations and foundations which helped further the cause of entrepreneurship support in the country. The launch of the Torch entrepreneurship action aided the establishment of ownership incubation methods, the birth of incubator investment funds and special funds, the establishment of science and technology innovation practice bases for students - all of which led to a significant improvement in service innovation performance. Incubator radiation from the city centres and the National High-tech Zone to the conditional counties, incubator investment diversification, professional operations, network services and internationalization development pattern has now all come together to make for a well-developed incubation model.

The 12th Five-Year Plan

In the 12th Five-Year Plan (2011-2015), the overall development goal is very clear. It is to build and further improve the science and technology innovation service system, promote regional enterprise incubating abilities for science and technology, foster emerging industries of strategic importance, train high-level and high-quality entrepreneurial teams, create suitable and sustainable environments for businesses to flourish, and form scientific and technological innovations. The overriding purpose is to drive economic growth for society as a whole, transforming the model of economic development in China and to lay a solid foundation that enables the creation of a well-developed innovation-oriented country.



Still needed...

Despite all the ongoing efforts, everything is not yet perfect and there is much work to be done. Support for the incubator and venture enterprise policy environment needs to be improved. The rapidly growing demands of technology entrepreneurship are hard to meet and entrepreneurial ability and overall service level need to be further improved. There has to be further support given to the management systems and the operational mechanisms require further innovation, linking and integrating social resources match the needs of the industry with those of the country. In conclusion, it would appear that during the period of 2011-2015, China will continue to develop and expand its innovation mechanisms in order to realize diversified development. There is the determination to expand incubators' function and improve its serviceability, to build a culture that recognises the needs of the entrepreneurial environment, to strengthen organization and leadership and perfect the policies and regulations to enable all of the above.

Fired up

An interview with Adam Chen, the manager of The Service Center of Shenzhen High-Tech Industrial Park, gives us an

It is this Torch Plan that has resulted in China's booming high-tech parks and technology business incubators.

overview of operations in a Chinese business incubator

What are the experiences and your future vision of your incubator?

Before introducing the incubator, I would like to introduce our ISTB (Shenzhen International and Technology Business Platform). There are 44 organizations from 31 countries or regions settled in ISTB, for which it is now known as a 'Folk (non-governmental) Embassy'. These organizations are actively engaged as bridges between China and the rest of the world in science and technology, commerce and trade or official reciprocal visits. With the purpose of further developing the potential capacity of these organizations and carrying out the work of 'bringing in' and 'going out', we have built the incubator to attract high-quality projects from these regions. We provide favourable offices and government services, help project companies to open up markets and maximize their influence on their targeted markets. This has won us praise, especially in the environmental and electronic sectors. There are several projects that have been applied in Shenzhen and other domestic areas. Our future plan is to introduce more high-standard overseas organizations, to improve our screening

standards of incubator projects and to enhance the specializations and skills of our service team members.

What is the focus of your incubator? Do you have any special programme to support your incubator? How do you select your incubatees?

Our incubator is funded by the government, therefore projects related to public service would be given first priority. Before introducing relevant projects or companies, we will study each industry and put an emphasis on the relatively weak links in China's industry chain. At present, our help to incubatees mainly lie in introducing more business partners to improve their market access.

What is your funding model? Do you have unique sale points?

There are financial investment organizations in the science and technology sectors that specifically work with us. In order to help companies gain access to financial support and to enable face-to-face communications with investment organizations we organise a targeted road show every month. At present, the uniqueness of our incubator is 'international' because all incubatees are involved in overseas projects. In addition, we encourage all types of local enterprises to visit ISTB, which helps to broaden their horizons internationally, and also helps foreign project investors to better understand domestic conditions in China.

What are your opinions on governmental policy regarding incubation in China?

Currently, Shenzhen municipality vigorously encourages the development of our incubator and actively creates an atmosphere of entrepreneurship. There is a subsidy of RMB30 million for each incubator annually. Besides this, the municipality also has varied support policies for specific venture programmes.

Do you closely cooperate with university?

We have really close relationship and interactions with Shenzhen Virtual University Park and work with them to spread the word and commercialise research. You can get more information from its website www.szvup.com



At present the uniqueness of our incubator is 'international'



Ying Yan LU is founder of YY Inno&Sustainable Concept, and which offers consultancy services in the area of entrepreneurship support in Brussels, Belgium. Her professional experiences include working on the EU-China incubator cooperation projects, joint technology transfer project and Chinese Invest in Europe. Her skills interest includes a focus on innovation, Chinese and international incubation development, entrepreneurship, technology transfer and IPR issues, sustainable development, a global low-carbon economy and zero emission integration solutions between EU and China.

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)

Land of Promise

Hasan Omar looks at the challenges and opportunities that exist for Palestinian entrepreneurs during the early stages and pre-incubation phase



We all know that during their business journey, entrepreneurs usually face many challenges. While, many of these challenges are common despite the economic sector, gender, the nature of the ventures, the maturity of the ecosystem and the geographical location, Palestine faces its very own set of obstacles. This article will attempt to shed the light on the challenges the Palestinian technological entrepreneurs are facing during the pre-incubation phase of their venture, and offer some possible solutions to ensure that entrepreneurial needs are met against the unique backdrop of the region.

Palestine is a small occupied country, with limited and controlled natural resources. The geopolitical and socio-economic context is very complicated, and talents and youth are the real asset given these factors. The technology sector is promising due to the available qualified human resources and the huge numbers of talented graduates in West Bank and Gaza. The first business incubator was established / launched back in 2004. The Palestine ICT Incubator (PICTI) and EBN is actively supporting SMEs development and filling a gap in the local ecosystem. It contributed considerably towards spreading the innovation and entrepreneurship culture in the country, and has also paved the way for others to enter this field. Currently, there are dozens of pre-incubation and incubation programmes and business acceleration initiatives working in this industry in Palestine. All gearing towards creating wealth in tough conditions.

During the pre-incubation phase, entrepreneurs usually suffer from a number of obstacles and challenges. As a result, few of them continue with their ventures and start-ups and progress to the point of real success. The reasons for these are as follows:

National innovation systems, related policies and



regulations: there are huge efforts toward supporting entrepreneurs and SMEs development in Palestine. However, these efforts are fragmented and distracted and on an extremely ad-hoc basis. Needs dictate this must be a game of cooperation, coordination and integration. National systems and strategies should and will be developed by the Higher Council for Innovation and Excellence which was launched by the president last year. Vision and plans on the national level will support the concept of integration and enhance the level of cooperation between all players in different sectors.

Lack of business experience: Mostly and similar to many countries in the region, technology entrepreneurs joining the pre-incubation programmes are either university students or fresh graduates with no real business experience. The university-based pre-incubation programmes and centres of excellence are doing a great job in this regard by organizing training boot camps on business planning and entrepreneurship in general. Yet, it is not enough, and the concept and philosophy of entrepreneurship needs to be

The technology sector is promising due to the available qualified human resources

systematically embedded in the education system and curricula to create a generation that looks to starting their own businesses.

Funding opportunities: Currently there is a gap in the available funding options and mechanisms. Accessing these limited funds is not an option for many entrepreneurs. The research and development funds are almost not there due to the lack of the required and allocated financial resources either by the public sector or the universities. Some of the projects are actually R&D and university graduation projects which are not necessarily commercialized, which is par for the course. Although, with the lack of dedicated funds allocated for such research projects, the pre-incubation stage alone is not enough to create success stories and successful start-up companies out of these research and development projects.

Social, cultural and gender related challenges: In addition to the above listed challenges, a high percentage of female entrepreneurs don't continue with their projects, especially those that live in rural areas. Sometimes they are hindered by financial reasons, and often for social ones. Lack of motivation can also be a real drawback. Team building and fear of failure are also barriers for many entrepreneurs when it comes go starting their own business especially with the high level of uncertainty that goes with the territory. Literally speaking, in this case.

Centralisation: Similar to other countries, most of the high-tech firms are located in larger cities. It is a whole other challenge for entrepreneurs to take on when they are located in other areas, far away from the centre. It is not only due to travel and living issues and unaffordable expenses, but also due to the weak entrepreneurship context available in other districts.

Marketing and international cooperation: The beauty of this game is that the market for hi-tech start-ups, products and services is not only the local small market but, the entire globe. It must also be pointed out that the tough competition based on international and high quality standards which must be met is very doable. It has been proven by Palestinian professionals and talents in different occasions and many success stories that they are capable. But, what is not fair is that entrepreneurs in Palestine, during the pre-incubation stage, lack the opportunity to work with and practice the international standards due to many reasons. One of them is the absence of branches for international hi-tech firms. Branches and labs for Google, Intel, Microsoft for example would help a lot in enhancing the technical capabilities as well as the marketing and communications skills among youth and entrepreneurs. It will also indirectly enhance the level of innovation in the business ideas.

Investment: In addition to the above mentioned difficulties related to funding and access to finance, there is also another challenge with the available investment opportunities, either by local or international investors.

With respect to regional and international investors, many of them are not aware about the available (and enormous) investment opportunities in Palestine. As a result, more efforts need to put in towards marketing the other side of the coin, and the reality of the Palestinian people against the current perception in some international circles that have come about as a result of the political



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context and related media influences and effects. However, it has been recently seen that social media has played a critical role in fixing this issue to some extent. The Palestinian Investment Promotion Law and related regulations are effective tools that help attract investors to bring their money to Palestinian entrepreneurs and their start-ups. However, extra efforts and marketing campaigns, as well as dissemination are much needed for such incentives to take root and flourish.

On the other hand, a high percentage of local investors and business people have been investing in real estate, construction and trade -related businesses for many years in this region and can be a possible funding option for entrepreneurs. Establishment of the Palestinian Business Angel Network would be a recommended tool to change cultural issues in this field and open up new channels of investment for start-ups. The proposed network should include the Palestinians diaspora - an asset that offers some potential.

The development of a culture of innovation needs to be cultivated and it needs to be done from very early stages. It needs to be seeded into the environment, as well as the education system in order for real change to happen. It is vital to introduce entrepreneurship courses into schools and universities that will impact students before they graduate. University based pre-incubation programmes can play a critical role helping create innovators who can hit the road running as they leave their student lives. This will not be achieved without actionable, implementable and affordable national plans, policies, strategies, regulations and vision. The localization of the programmes and the design of the

initiatives, as well as their business model, will all be key to this success. 'Adoption' of international successful models will not necessarily work, but the 'adaptation' of those will work better, taking into consideration the Palestinian and MENA context and eco-system.

In the complex geopolitical context that Palestine currently operates, the road to entrepreneurship can be bumpy, paved with problems that make the journey that much more difficult for aspiring start-ups to succeed. However, there is a need, that is matched by talent and ability to create a region that taps into the intellectual capital

Needs dictate this must be a game of cooperation, coordination and integration

that exists to create wealth and to become a global example of good practice in innovation.



Eng. Hasan Omar is the founder and CEO of the Palestinian Business and Innovation Center in West Bank and Gaza, and a founding executive member of the first ICT incubator in Palestine [PICI]. He is a Certified Trainer in Business Incubation Management by the World Bank and is a Medlbtikar Innovation Expert. He founded the Palestine Network of Mentors, the Network of Entrepreneurship Ambassadors and the Palestine Innovation Initiative (Pi2)... to name just a few. He sits on the board of directors of the ISOC-Palestine Chapter as its treasurer and the MENA Incubators Network as a co-founder. He has worked in designing, fund-raising for and managing many programmes with organisations such as UNDP, DANIDA, USAID, World Bank, CISCO, Microsoft, Google and more. Born in Palestine in 1971, he holds a BSc in Computer Engineering from The Jordan University of Science & Technology, Jordan, and a Masters degree in International Cooperation & Development from Bethlehem University, and is a member of many professional engineering organisations worldwide.





Growing Good Ideas

***Elena Pérez* tells us why the sun is
shining on the incubation landscape of
Uruguay**

Uruguay is an independent country with 3,286,314 habitants, a surface of 176,215 km² (six times the surface of Belgium) and the country borders Argentina and Brazil. The weather is temperate, with long summers that makes the beaches amongst the most beautiful in Latin America, and the main industry is livestock farming; producing some of the best meat in the world.

Uruguay is a country with a high human development index according to the United Nations, the literacy rate is 98 percent, unemployment is about 6.6 percent, and according to the Institute of Economy and Peace, Uruguay is the safest destination in Latin America.

In 2013, The Economist selected Uruguay as ‘the country of the year’, and some of the reasons are that last year Uruguay approved legal marriage between people of the same sex, approved legal abortion and approved the regulation of the cannabis market. To sum up, Uruguay is a country with optimal conditions for living and for the development of projects based on the generation of knowledge-based, value-added innovation.



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From 2000 onwards, a non-stop process began in Uruguay in order to encourage the development of entrepreneurial abilities within society. In 2001 the first two business incubators in Uruguay opened shop, one promoted by the main Technology Park called 'Ingenio', and one promoted by the Faculty of Chemistry called 'Khem'. The first one, was supported by the Technological Laboratory of Uruguay (LATU), and today is the main business incubator in the country.

In 2005, with the new government in Uruguay, a new chapter began in the promotion of the generation of knowledge-based add-on value. The National Council for

Innova) and in 2011 the most recent business incubator opened in the state of Maldonado (Idear).

These initiatives are being powered by academia and the private sector which implemented several instruments to promote entrepreneurship in society, especially amongst college students. Several projects are being implemented by the University of the Republic - Faculty of Economics and Business Administration, Engineering and Social Sciences, currently formed as EMPRENUR, the ORT University of Uruguay (Centre for Innovation and Entrepreneurship), the Catholic University of Uruguay and the University of Montevideo.

Present

Over the last fourteen years, there have been many advances in terms of entrepreneurship and innovation, mainly because of the strong institutional commitment and the collaborative actions between the private sector, academia and the government, all of which has combined to make Uruguay a successful entrepreneurship example in Latin America.

The flexibility of the instruments and their adaptation to the needs of the market are some of the main features of the ecosystem in Uruguay. For this reason, there are multiple methodologies of pre-incubation and incubation for entrepreneurs. The following will serve to give an overview of the organizations and their processes

Stages of awareness and pre-incubation

In 2007, another milestone marking the promotion of entrepreneurship in Uruguay was a programme that coordinated all the institutions that worked with entrepreneurs at all the stages - this was called 'Red Emprender'. Emprender was supported by the Multilateral Investment Fund of the Inter-American Development Bank

Uruguay is a country with a high human development index according to The United Nations

Innovation and Innovation (CONICYT) was founded that year, and with it, the National Agency for Innovation and Research (ANII). This led to the efforts to drive innovation policies being coordinated between academia and the private and the public sector. In this scenario ANII has the responsibility to create and run the main innovation policies of the country.

In 2009, a new business incubator opened this time outside the capital city, in the state of Paysandú (Paysandú

(IDB-MIF), the Technological Laboratory of Uruguay (LATU), the National Development Corporation (NDC), the Prosperitas Capital Partners (PCP), the Andean Development Corporation (CAF), and ANII. Nowadays, this network is called the Support Network for Future Entrepreneurs (Rafe). It gathers 47 organizations that work in all the stages of entrepreneurship.

The related activities of these stages are: innovative ideas contest, spaces for networking between national and international entrepreneurs and international organizations, business models competitions, internationalization. One of the highlights of the years is the NOVA Awards that rewards the efforts of these organizations and entrepreneurs in different disciplines.

Added to this there are several youth initiatives through public organizations such as the National Institute for Youth (INJU), and initiatives focused in increasing the presence of women in the productive sector that powers the ecosystem. In some cases, the organizations provide business advice for young entrepreneurs and seed funding of up to USD 5,000 per project.

In this segment, the presence of non-profit organizations such as Endeavor and DESEM must be mentioned as they organize outreach activities, meetings and training workshops for entrepreneurs and encourage entrepreneurship amongst children and adults.

Business incubation

As in the previous stages there are multiple business incubation methods to be found. However, this process extends between eight to 36 months on average, depending on the characteristics of the entrepreneurs and the entrepreneurship. The main services provided at this stage are as follows: business management training, business model advice, business mentoring, commercial intelligence,

networks, and in the case of dynamic innovative ventures they also have opportunities to access seed capital. If the entrepreneurs are not native to Uruguay, or Uruguayans who live outside the country and want to return, they could potentially have access to USD 40,000 in non-refundable funds to start their business in Uruguay, plus several support services such as physical space in one of the leading technology parks of Uruguay (LATU), access to the business incubator programme in Ingenio, as well as connections with other international networks - just some of the characteristic features of this instrument.

Over the last fourteen years, there are many advances in terms of entrepreneurship and innovation,

The main seed capital is provided by ANII, which brings non-refundable capital between USD 25,000 and USD 400,000 depending on the instrument used. For the initiation of a venture, the financial system provides entrepreneurs with flexible loans for a maximum of USD 1,000,000.

The incubators that stand out are Ingenio (technological base), IDEAR, Paysandú Innova and KHEM (multipurpose incubators), Socialab (focusing on social enterprises), and of course concentrating on the biotechnology sector is the incubator of the Pasteur Institute.





Acceleration

Uruguay is a growing market for angels and VC investors, therefore over the last year several groups such as 'Club Angel de Uruguay' and 'Nxtplab' followed the steps of Prosperitas Capital Partners, the first investment fund within the entrepreneur ecosystem in Uruguay.

It is important to state that the proximity to Brazil and Argentina, both giants, gives easy access to those ecosystem and therefore to the resources installed in them. The political and economic stability of Uruguay, the presence of free zones and favourable business environment, facilitates the development of business, investment and the presence of regional funds in our country.

In 2014, we are hopeful that more international risk funds will select Uruguay as their base camp. This presence will also be driven by new international communities that have headquarters in Uruguay, such as Hackers and Founders, the largest community of entrepreneurs in Silicon Valley. Another organization worth mentioning is Endeavor. It has a presence in 18 countries and supports the internationalization of dynamic entrepreneurs. Even though there is a lot to improve upon, it is quite certain that our country has a viable environment for business, and is in an excellent position to create a thriving entrepreneurship support ecosystem and build strong relations with our neighbours and the international community.

Bright prospects

A conversation with Rafael Garcia, the Director of Ingenio Business Incubator who describes its role in Uruguay's innovation ecosystem

Ingenio is one of the first business incubators in the country and is the main technology incubator today. Rafael García

and his team provide consulting on incubation in countries like Panama, El Salvador, Paraguay and Chile. The Ingenio's incubation method is a model for the countries in the region and enjoys a privileged position in Latin America.

Based on 14 years of experience what are the main differences of this incubator in Latin America?

The incubator began as an innovative experience in the 90s, when the words innovation and entrepreneurship had only just began to ring in Latin America. Thanks to the initiative of the Technological Laboratory of Uruguay (LATU), today constituted as a major Technology Park, in partnership with ORT University in Uruguay, and with the financial support of the Multilateral Investment Fund (MIF) and Infodev, Ingenio is walking a successful path in helping entrepreneurs in early stages to have international profit ventures.

Some features of Ingenio are as follows:

- We work according to standardized international good practice with strong attention on the monitoring processes.
- It has a solid financing, in which the 20 percent comes from funds generated internally
- Infrastructure and privileged geo-location. It has a building of 1000 square metres located in one of the most important technology parks in Uruguay. This enhances the ecosystem and business networks for incubated entrepreneurs and the incubator itself.
- Ingenio has an international business network that enables business connections all over the world. This network is the result of hard and serious work, allowing companies incubated to improve their work and experience.

These characteristics allow us to organize and evaluate processes to improve activities in a very dynamic fashion. The main services provided by the incubator are, access to financial support, business consulting and mentoring, training in business management and networking. The incubator has many success stories that have benefited from their methodology such as: Tryolabs (with strong presence in Silicon Valley), Kizanaro, Locomotion, Galú and EviMed. These companies underwent the incubation process in Ingenio, and today can be considered success stories in the Uruguayan economy. It would not be inaccurate to say that these companies and others are flying 'alone' thanks to the support of our incubator.

In terms of local development, do you visualize business incubators as a valuable tool for this purpose?

Based on Ingenio's experience and the opportunity to meet other realities in Latin America, I believe that business incubators are an efficient and necessary instrument for the development of territories. Based on this it is certain that nobody gets anywhere alone. If you do not believe this, is

because you don't realize the contributions you have received. The annual budget of the incubator is USD 400,000, and the exports of incubated companies exceed more than three times this amount. Beyond this, the indirect social contributions exceed the annual budget. Therefore at the end of the year the annual balance of having the incubator running is always positive for the country. This creates and strengthens entrepreneurial skills to foster successful business practice and provides a strong cover for the Uruguayan entrepreneur ecosystem.

The contribution of business incubators strengthens the entrepreneurial skills and business opportunities in the economy, and also strengthens the entrepreneurs relationship skills, acceptance, linkage and exchange with people of different nationalities and profiles. Business incubators are not the only tool for development, but it is an indispensable one. Personally, if I thought that I was doing something that wasn't useful, I wouldn't do it.

To sum up, how do you see Ingenio in the coming years and what are the challenges ahead for the country in terms of entrepreneurship?

With respect to the business incubator the team works daily to achieve more and better entrepreneurs, and in the coming years I hope to see an improvement in the levels of sustainability and maintain a level of incubated enterprises that reach 30 ventures. Even though we are at very good levels of sustainability, in comparison to other experiences in the region, it would be optimal to achieve 100 percent of internal financing. It is vital to venture into new productive areas and position ourselves in international segments such as Soft Landings. In this sense, Ingenio is already coordinating efforts with biotechnology incubators and we have incubated our first foreign companies. We must continue working in a coordinated manner at the national and international level, generating agreements and exchanges that promote their goals.

Regarding the challenges facing the country, I believe it is necessary to strengthen the tax benefits focussed on dynamic enterprises to promote their creation and retain them in our country. On the other hand, I also believe that it is important to put more emphasis on developing entrepreneurial skills within society and thus further empower the entrepreneurial culture.

These characteristics allow us to organize and evaluate processes to improve activities in a very dynamic fashion



Rafael Garcia is Director of the main business incubator Uruguay, Ingenio. Since 2008 he has devoted himself to strengthening ties with Ingenio national and international entrepreneurial ecosystems and expand opportunities for incubated entrepreneurs. Rafael studied Chemical Engineering at the University of the Republic, has a Marketing Specialist Degree (received with honours) at the Catholic University, and a Masters in Business Administration from the Universidad ORT Uruguay. He is also a Professor at the University ORT Uruguay. He has over 30 years of experience related to the technology sector, working at places such as as IBM (where he worked as a product manager for six years), Panasonic and Pranasys, among others. He also has an extensive career as a lecturer touring Uruguay, Argentina, Chile, United States and Peru.



Elena Pérez works with the National Agency for Research and Innovation (ANII) in strategic planning of new tools to support entrepreneurs in the country. She is an Economist by profession, with strong focus on investment projects and local development of the territories. She has delivered services in Argentina, Brazil and Israel. From an entrepreneurial family herself, she worked as a strategic manager in multiple business in their own ventures and third party businesses. In 2011 she developed the strategic planning for Idear - business incubator - which won a NOVA Award in 2012 in the category Local and Human Development. She is currently coordinating many programmes to promote entrepreneurship in Uruguay.

Angels and Incubators

EBAN presents an overview of how and why incubators and angel groups should work together to create the next generation of entrepreneurs



Paulo Andrez

President of EBAN (the European Business Angels Network)

Access to finance is still one of the biggest problems for many SMEs and especially start-ups, which is why incubators should strive to develop their own business angel groups which can help overcome the financing issue.

The numbers may be up in recent months and it may seem as if Europe is finally emerging from one of the most crippling crises in decades, but for SMEs the 'access to finance' problem is far from being a thing of the past. Following the collapse of the finance sector, first in the USA and then Europe, many SMEs have experienced an almost unbearable strain when it comes to financing. The main source of funding, bank loans, has dried up, forcing a large number of them to 'close shop'. Start-ups and young innovative companies have it even worse, lacking financial

and business references to support their financing needs. Business Angel Networks (BANs) are, therefore, more important than ever, as it is precisely business angels who specialize in early stage investments and provide inexperienced market players with much needed funds.

According to data compiled by The European Trade Association for Business Angels, Seed Funds and other Early Stage Market Players (EBAN), the amount invested by business angels has topped €5 billion. Through business angels networks (BANs) only, almost 3,000 companies have been financed and 17,881 jobs created.

Broken down, it means that, on average, for every group of 100 business angels, 16 companies get funded averaging €174,000 per investment. Although the data is encouraging, especially bearing in mind that the number of BANs is steadily rising since 2006 and has reached 460, Europe's business angel market is still well behind the US where €17.4 billion has been invested.



The aforementioned inadequate access to finance underlines the importance of incubators in the launch of start-ups. However, the incubators can't reach their full potential if there are not enough sources of financing for start-ups that are, or can be, incubated. The majority of traditional sources of finance, such as government and EU grants, bank loans and venture capital have for different reasons been reduced, while crowd-funding, a relatively

novel concept, still has some way to go in reaching its potential. This leaves business angels as the main source of funding for start-ups apart from personal capital, family and friends. There are many reasons why incubators should create their own angel groups.

Those interested can get help by contacting the European Business and Innovation Centre Network (www.ebn.eu) or EBAN (www.eban.org).

Why and how the Incubators should create their own angel groups?

Many Incubators are based in regions where there are no established angel groups

Due to the fact that some regions where the Incubators are based have no established angel groups, the only option for the Incubators is to create their own.

In all regions there are individuals that can redirect some of their investments to start-ups

Incubators know their regions quite well, and are in a fantastic position to talk with successful business people and other high net worth individuals to join their angel group.

Former entrepreneurs that were incubated can now become angel investors

Incubators have helped many companies to succeed, turning entrepreneurs into successful businessmen or high net-worth individuals. The Incubators can easily talk this pool of talent, expertise and money, into joining an angel group.

Co-investment with other angel groups and venture funds

If an Incubator creates its own angel group, it will be easier to attract 'new money' from other angel groups or venture funds. In some cases there is also the possibility to create a co-investment fund by the central and local government, which will foster even more angel activity as it has been the case in many countries.

New European programmes (Horizon 2020, Cosme...)

In the 2014-2020 framework programme, for the first time, the European Commission is addressing the activity of angel groups, with the allocation of interesting amounts of money. With the creation of angel groups, the Incubators will be able to benefit from some of these resources.



Michael Culligan

Head of HBAN (the Irish Business Angels Network)

Business angel syndicates play a crucial role in the impressive performance of the Irish business angel sector. Bringing together angel investors and entrepreneurs is not an easy task, but the Irish experience may offer some clues for other business angel networks. And what better place to get them

than the horse's mouth, at the EBAN Congress in Dublin, in May 2014.

It probably wouldn't be too far off to say a vibrant business angel community played a part in Ireland's timely bailout exit at the end of last year. The country certainly did its homework, repaid its debts, undertook demanding reforms as prescribed by the 'troika' (the European Commission, IMF and the European Central Bank) and is ready to start again on a firmer foundation after being the first country to complete 'an exit' from the international financial help programme, to use business angel terminology.

"One of the outcomes of the recent macroeconomic recession is that Ireland is now highly competitive. It is also an easy place to do business with a highly educated young workforce that is increasingly multi-cultural in nature," says Michael Culligan, Head of HBAN, Ireland's federation of business angel networks. "Hosting the EBAN Congress in Ireland for the first time will help raise the profile of business angel investment on the island of Ireland and thereby attract more business angels into the formal networks."

The other reason is, as Culligan puts it, "a very vibrant start-up ecosystem in Ireland attracting start-ups from all over the world which work in symbiosis with the large multinationals such as Google, Twitter, LinkedIn, Facebook, Amazon, Intel, HP, IBM, Dell & Microsoft." These global companies, in turn, are beginning to spin off their own start-ups completing the circle and warranting a further development of the formal business angel community on the island. Finally, there's the relationship between Business Angel Networks and Business and Innovation Centres (EU|BICs) that makes for an interesting mix with business angel syndicates playing a vital role.

Interestingly enough, it is actually the Irish BICs which first established and managed formal business angel networks in Ireland. Today, HBAN has the responsibility to raise awareness of business angel investing and to establish business angel syndicates, i.e. fixed groups of business angels that regularly invest together, whereas, as Culligan explains "the Irish BICs operate a number of vibrant business angel networks throughout the country that work with large numbers of individual business angels."

The Irish BICs Angel Network is managed by John Phelan of Dublin BIC, while in Northern Ireland HBAN works in partnership with Halo NI. One other area of cooperation is investor ready preparation, something that not only impacts the ability of the company to secure funding, but also the use of the funds after the fund-raising.

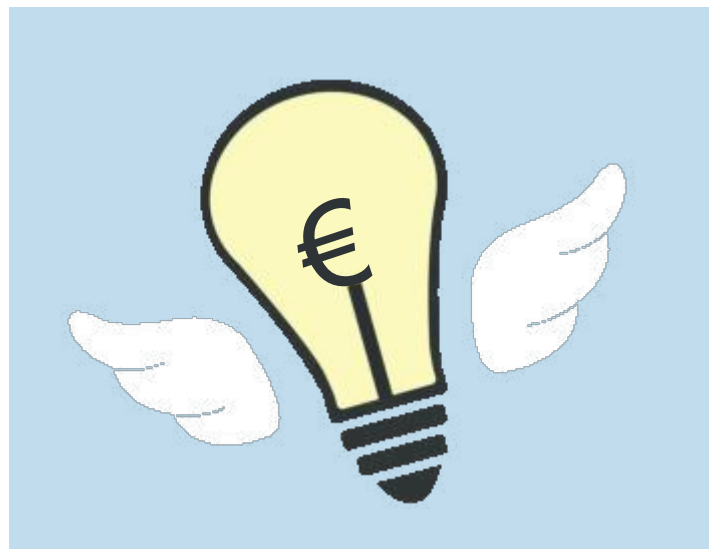
The creation of business angel syndicates seems to be of particular importance to the success of the Irish business angel model. As Culligan points out, it is not easy to bring together 15 or 20 business angels and successful entrepreneurs with strong characters into a syndicate.

To help facilitate this, HBAN prepares documentation packs which include: an in-depth syndicate guide 'Investing in Private Companies', 'Investing in Private Companies - Insights for Business Angels', and 'Raising Business Angel Investment - Insights for Entrepreneurs', available at www.hban.org/resources, as well as through EBAN. "It is also important that a software system is in place to help ensure efficient operation of the syndicates with all the companies seeking finance. HBAN uses the Gust platform for this purpose and this works extremely well," says Culligan.

Another important factor of a successful syndicate is a strong chairperson who should also be an investor, as it is this person's credibility that may ultimately attract and convince business angels to participate. Lastly, anyone joining this type of syndicate should have the necessary time, genuine interest and the financial resources. HBAN sets this at €250,000, although it varies from country to country and syndicate to syndicate. In order to insure success of a syndicate, HBAN recommends getting people willing to do at least five deals within two or three years on board.

Of course, syndicates do not guarantee success in themselves. However, as the Irish experience proves, they appear to make it easier to come by. € million invested in 2012 with a ten times average return on investment in nine percent of deals suggests they must be doing something right.

Written by Vanja Figenwald





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Interview with Dušan Stojanovic

Angel Investor of the Year and founder of True Global Ventures

Dušan Stojanovic shares some thoughts on achieving exits, picking winners and the deal flow between incubators and business angels.

To make an exit in the world of business angels is no small matter, but to make three within a week is what gets everyone's attention and, apparently awards. Swedish angel investor, Dušan Stojanovic won European Business Angels Network's 2013 Angel Investor of the Year Award after successfully making three exits within in a week in the previous year. One would, therefore, be hard pressed to find a better source of advice and information on current trends in business angels' community than Stojanovic.

You've made three exits in 2012 which is in itself a pretty impressive feat, and earned you the Business Angel of the Year award. Can you give a little bit of background on these successes?

Yes, sure. To simplify, I have two criteria: I invest in people and where I can help. You can change products and business models but not people, so it's important that this bet on the team is the right one. All in all, I have invested in 14 projects, made five exits thus far and not one of the companies I invested in went bust. All five exits have been within payments or financial services technology, an area I have got to know well after my entrepreneurial exit with an internet bank in 2004.

How do you see the deal flow between incubators and business angels? What's your take on it, your experience?

My view on accelerators, as they have been rightly renamed, and business angels, is that the only proven model that works today is the model of Y-Combinator, Techstars and 500 Startups. What is different with the incubators, as we saw during the last dot.com boom around 2000, is a much more structured approach. For example, what I like about it is that the companies get mentors from the start, some money (if I understand, though, not always) from the accelerators themselves (funded by angels), then start an intense program

and graduate, ready for more investments from Angels and/or VC or via, for example, Angellist. It's an example of the whole ecosystem working together. I also believe in the coming trend of accelerators being set up, specialized vertically like mobile, hardware, hard-core tech programming, fashion etc. I strongly believe that general advice has to be linked to specific advice, help and introductions for a specific vertical.

Can the creation of BANs inside incubators be one of the answers to the issue of deal flow and the general relationship between the two?

Yes, I believe so and ultimately the accelerator should be run by an entrepreneur who can invest some of his/her own money.

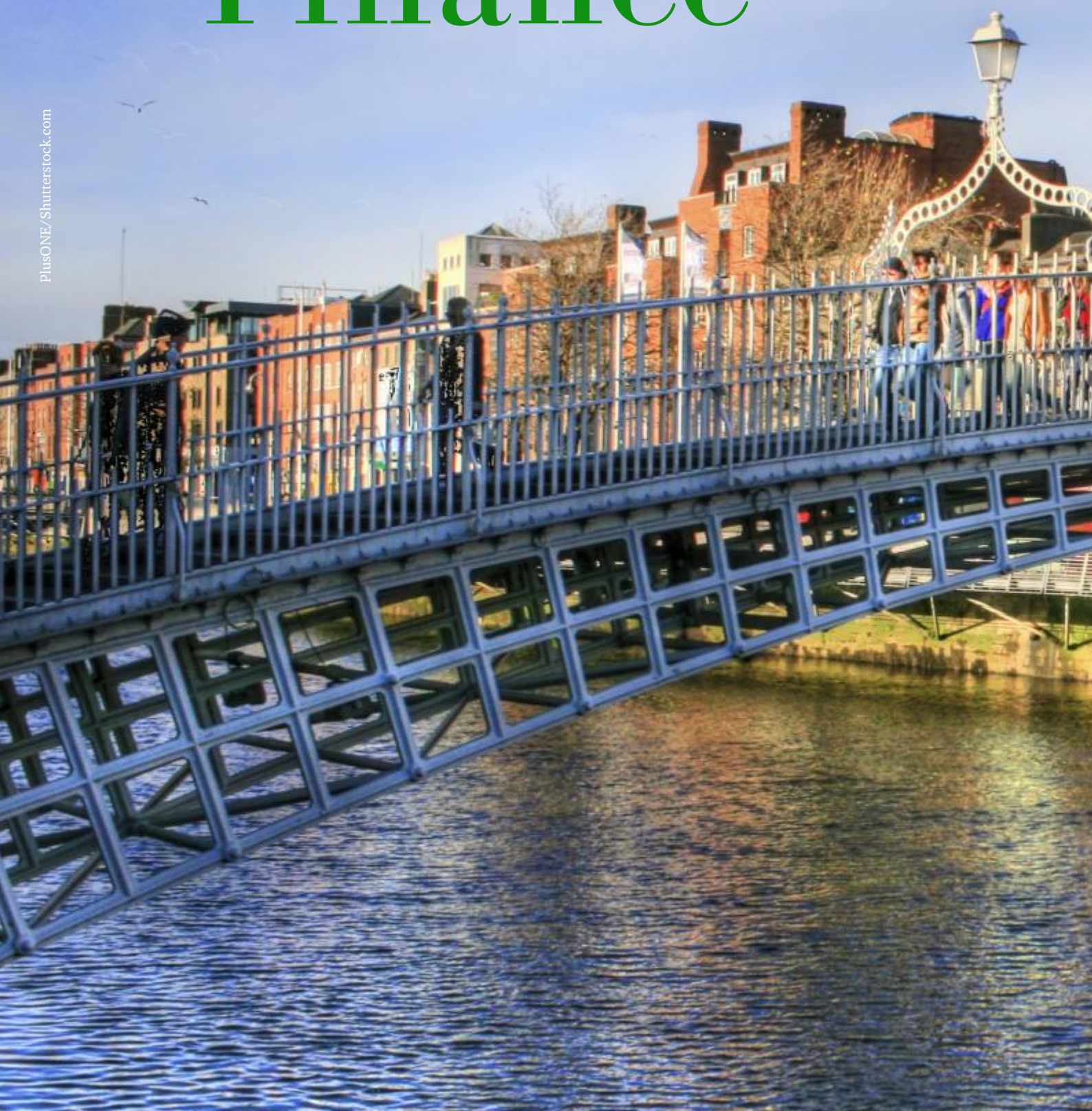
Achieving an exit is for many BAs the Holy Grail, what can you recommend? Are there any 'universal' tips and guidelines to be followed?

In all honesty, it boils down to luck as the key ingredient of success, but it's not the only one. Hard work usually precedes it. As a general advice I would say that business angels should try to spend 75 percent of their time on exiting and 25 percent of your time investing, and not the other way around. You need to network to identify buyers and understand what kind of pain you might solve for them by selling your investment to them. The entrepreneur rarely has time for this and is occupied with solving a huge customer problem, which in itself is a huge challenge, so it needs to come from the angel.



A Bridge to Finance

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Joe Greaney describes the functioning and operations of the angel investment landscape in Ireland from the perspective of the EU|BICs



The average amount invested by angels works out at around €80,000 per deal

In the year when the EBAN (European Business Angels Network) Congress comes to Ireland, we at *The Business Incubator* thought it would be an ideal time to take a closer look at what is happening on the Emerald Isle in early stage financial support.

So we interviewed someone who has been in the thick of start-up support for over two and a half decades. We put some of the key questions to Joe Greaney, at WestBIC, the longest serving EU|BIC CEO in Ireland, and one of the longest in the whole EBN network. Joe is also the immediate past President of the EBN.

So when did you first become involved in angel funding for your client start-ups?

Back in 2007. It was established by the EU|BICs in Ireland and branded as the Halo Business Angel Partnership (HBAP). This was not the first Start-up funding mechanism established by the EU|BICs in Ireland - we also established Ireland's first Seed Capital fund way back in 1989/90.

So tell us a bit about the scale and reach of angel investor activities...

The HBAP is the largest and most active formal angel funding network in Ireland. It is delivered as a national programme and network, by the quality accredited EU|BICs from the regional capitals. Though we serve the needs of the start-up at regional level, we behave as a national network on sourcing angel capital and supporting each other. For example, my region is, understandably, some way behind the greater Dublin area in general wealth and related critical mass and applied innovation indicators. We often attract investment capital from that region into the Western Region to secure the much-needed capital and jobs here. We couldn't do that without the support of our Dublin BIC partners there. It is reciprocal - the way it should be.

So you would say it's going well now?

There seems to be quite a momentum building with impressive growth. Angel investment is increasingly valued as an asset class in Ireland, and with general entrepreneurship and output of quality, investor-ready start-ups by the EU|BICs thriving like never before, there is clear evidence that private investors are choosing to join formal, professionally run business angel networks that offer pre-screened investment opportunities of a higher quality. The basic stats are worth a look. Numbers registering with us are up by 12 percent year on year. HBAP angels invested €4.5m in 29 deals in 2013, up from 25 deals in 2012. Cumulatively, HBAP registered business angels have invested in 139 deals since its inception in 2007, with the total

amount invested in excess of €25 million. So, the trend is very encouraging and our Boards want us to continue building on that. Private equity investment people are business people and they like connecting with the HBAP run by the EU|BICs, who themselves are run by the boards like SMEs. It adds greatly to credibility among this community.

Surely they like to share risk also? Are there other funding mechanisms that can co-invest with your angels in Ireland?

Of course there are. The €4.5m angel funds invested in 2013 leveraged an additional €1m into those innovative start-ups. This came from a variety of sources, state agencies like our partners Enterprise Ireland (EI), seed funds and VCs, etc. It is more common practice that a co-investment takes place and the same investor-readiness work we put in is vital across the Board. It must be remembered that angels generally prefer a spread of risk too.

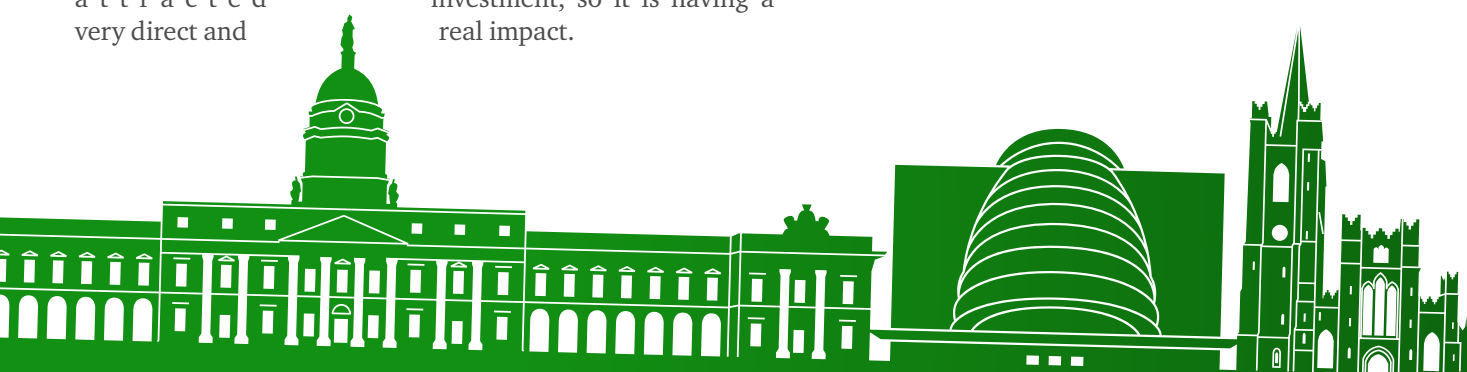
So what is the typical amount going into these client start-ups of yours? And can you tell us a bit more about the impact of this ‘leveraging’ you refer to?

Since 2007 the average amount invested by angels works out at around €80,000 per deal. This is fairly typical in scale for angels and compares well internationally from comparison figures we have seen. Across the almost 140 deals done to date there is a total of €61m invested through such leveraged funds from other sources. In addition, as a programme of support to companies and as a value-for-money exercise, the ratio of return on government funds that co-fund the running of the HBAP through the EU|BICs is estimated to be a multiple of 19. Our Boards and supporters are proud of this fairly impressive return for the Irish Government among its many targeted measures to support economic growth and job creation.

Now that you mention jobs, what is the impact there for the economy?

In general the start-ups supported by the EU|BICs are creating higher value jobs. That's our end of the jobs market, so to speak, and we work closely with EI and others there. The angel funding adds greatly to this, bringing a wider pool of start capital and giving the start-ups the courage and impetus to employ the skills they need much earlier in the process. In fact, the figures from a recent survey of EU|BIC client companies show that the average number employed in HBAP invested companies is 10, compared to two when the company first attracted investment, so it is having a very direct and real impact.

We behave as a national network on sourcing angel capital and supporting each other



So are these investors joining the boards of the start-ups?

In many cases, yes. It is important that along with cash, these investors often bring much needed and valuable knowledge capital with them. For young start-ups this is vital. I know of a current case, for example, where the angel is prepared to take an active marketing support role and involve his extensive international networks to fast-track export sales. This is invaluable to a West of Ireland start-up. You can't put a price on it and when second round capital is required, the impact of such a Board is immeasurable.

So to what can we attribute this success?

The long term, client-centric, holistic approach is everything. The market has changed completely since I first started in this line of work about thirty years ago. The innovative start-ups hoping to attract investment from the private equity market need the whole suite of supports to move from concept to that 'investor-ready' stage. The time to market is short, everybody is in the same boat. To be able to offer the appropriate response is not an overnight thing, it is built from a quarter of a century of multi sector knowledge, experience and credibility among solid private sector networks on a regional, national and, nowadays, international basis. The global benchmark of quality-accredited EU|BICs have, time and time again, proven to be best equipped to deliver on that, and this is recognised and valued by the private investment community both here, in Ireland, and among our international networks. The increased sophistication in the service offering by the EU|BICs over the years is an upward, self perpetuating curve. We are delighted to belong to the global benchmark of quality in serving the applied innovation market and grafted on to that, the angel programme had a great chance of success. It was the one other piece of the ecosystem that the innovative start-up market needed at the time, and I believe we were best placed to deliver for Government on that.

So what does this EBAN Congress coming to Ireland mean to you now?

It's really fantastic. To some extent it represents the maturity of angel funding in Ireland and we derive great encouragement from that. The umbrella group for angel networks like ours in Ireland, HBAN is to be congratulated for attracting this prestigious event here. We are glad to sponsor it and look forward to it immensely.

So what does the future hold for the EU|BICs and the HBAP?

I would expect further growth and an increase in momentum. With our partners, EI and ITI, we can continue on this upward trajectory. The current deal flow and pipeline is exciting and some angels have been exiting deals recently with handsome returns, a very encouraging sign and good news all round.



Past President of EBN, Joe Greaney, has worked with start-ups in the West of Ireland since 1981 and is one of the longest serving CEOs of an EU|BIC across the EU. He is the founding Director of the Galway Technology Centre Ltd, the Irish BICs Seed Capital Fund Ltd, Gaillimh le Gaeilge Teo. He was twice elected as President of Galway Chamber of Commerce, is an accomplished, bi-lingual Entrepreneurship trainer and an on-time contributor to policy in Economic Development and Innovation delivery at EU level and is regularly invited to share his experience and knowledge in Applied Innovation measures in EuropeAid supported countries.
www.westbic.ie



The Irish Minister for Enterprise celebrates their 100th deal with the Irish BICs: CorkBIC, DublinBIC, NoriBIC, South East BIC and WestBIC.

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Island of Success



Born in Mozambique (past Portuguese Colony) in 1972, Patricia graduated in Economics from the Universidade Nova de Lisboa. Entrepreneurship and innovation have always been key elements in her life and have also been the area of her most recent trainings. These would include Technology Entrepreneurship Education - Theory to Practice from Berkeley University of California, the Entrepreneurship Development Program by MIT (Massachusetts Institute of Technology) and a Post-graduation in Management from the INDEG – ISCTE Business School.

Working at the BIC Madeira in Portugal from 2001, her connection to the world of EU|BICs is very strong and she became its CEO in 2005. From March 2007 till date, she has been one of the vice-presidents of BICS – Portuguese Business Innovation Centre Network, and since May 2009 she has been a board member of EBN - European Business and Innovation Centre Network, representing Portuguese EU|BICs.

Patricia has been extensively involved in European, national and regional funding initiatives for the past 14 years and has an advisory role with the regional government assisting them in the scope of their activities in the entrepreneurship and innovation space.

What is it that makes your EU|BIC different?

Not a long time ago, I was surprised when someone asked me to tell one thing that makes BIC Madeira really different! It took me a few seconds to respond to this question. One of CEIM/BIC Madeira strengths is being the masterpiece of the Madeira ecosystem of

Today if you talk about entrepreneurship in Madeira our name will naturally come up

entrepreneurship This strategic positioning started some years ago when we realized that we were, in fact, a very small team and company, and so if we really wanted to make something happen in Madeira we should maximize our know-how and experience and, simultaneously, build stronger connections and partnerships with local and national partners. Apart from that, we knew that due to the changing face of business, technology and globalization, newer knowledge and specific technical requirements would be needed to support the innovative companies in our care. Consequently our role will become more and more challenging, and we will have to adapt quickly and responsively.

The Business Incubator magazine speaks to *Patrícia Dantas de Caire* from BIC Madeira to get an overview on entrepreneurship support activities in Portugal

What steps did you implement and who are the stakeholders that work with you?

As a result we have started to animate and organize a four-folder system: institutional actors, entrepreneurial and academic institutions, business field and individuals and intermediaries.

We already knew the local, national and European institutional actors such as the regional government - CEIM/BIC Madeira, although a private company, has 80 percent of its capital belonging to the Madeira Government, and it is under the Vice-Presidency tutelage. Additionally public organizations responsible for EU support schemes, venture capital, mutual guarantee funds, traditional banks, EBN, etc... these organizations were responsible for the policies, funding and support systems we have in place. We also have strong connections to local entrepreneurial and academic institutions like the Madeira University (one of CEIM/BIC Madeira shareholders), primary and secondary schools, as well as informal education and vocational training centres that have been involved in a large project related to entrepreneurship education – rs4e (road show for entrepreneurship: www.rs4e.com) that CEIM/BIC Madeira launched in 2006. Besides that, due to our daily work in projects and assistance tasks, we have been working with established entrepreneurs, SMEs and large companies (some of them CEIM/BIC Madeira shareholders) and last but not least, we personally knew a lot of students, youth entrepreneurs and some foundations and NGOs who work alongside us.

How do you see your position within this ecosystem?

Taking into consideration that CEIM/BIC Madeira had a privileged positioning to begin with, we've started organizing and animating the entire ecosystem, always respecting the breakdown of each member's tasks. Today, if you talk about entrepreneurship in Madeira our name will naturally come up. We know that there is still a lot to do and that the whole system is very complex and very dependent on relationships, which makes it that much more vulnerable and fragile. We believe that the future, due to the smart specializations and knowledge developed in Portugal, youth unemployment, EU national and regional public policies and strategies –we will see a reinforced role of entrepreneurship in regional development. We will therefore continue our job and keep our focus while we wait for the EU funding opportunities for 2014-2020 that may support some specific actions to inject dynamism into this valuable ecosystem.

Madeira

The Autonomous Region of Madeira is made up of 2 main Islands – Madeira and Porto Santo – and some smaller islands – Desertas and Selvagens – which are natural reserves. Madeira is located in the Atlantic Ocean, 970 km away from Lisbon, the capital of Portugal. It is an insular territory approximately 800 km² in size. The population is about 267,785 (2011) and approximately 75 percent resides in 35 percent of the territory, mainly in the south.



Where it's @

Les Neumann makes the case for an increased need within the industry for virtual incubation, acceleration and commercialisation

The world is shrinking. Growing up in the Bronx, a borough of New York City, there was sheer excitement in the household when the phone rang and a live operator announced, "You have a long distance call from Uncle Alfred. Will you accept the charges?" Wow! Uncle Alfred lived all the way in Ohio; this must be really important. Now that you have an idea of my generational status, let's continue.

On July 1, 1881 a phone call was made from St. Stephen in New Brunswick, Canada, to Calais, Maine in the United States. This was the first international phone call ever made. Western Union installed the first telephone exchange in St. Stephen two years before using Edison's systems and a few days later Dominion Telegraph installed a competing but incompatible exchange. And no, I was not around for this event.

Then there was mail. International mail always came in a light weight envelope with red and blue markings. As a kid, I was always excited to see the stamps from foreign countries. Letters from abroad were seldom thrown away. For some reason they had a higher level of importance.

Changing with the times

How do these memories relate to incubation and acceleration? Simple - the world has changed, as well as how we communicate with each other. I start each working day by communicating with international colleagues via video conferencing. I send emails to individuals all over the globe expecting immediate deliveries and responses. Every other month my company stages a conference on business, technology and other issues important to developing companies. These conferences are broadcast online via webcast, feature real-time interaction and are archived in the public iCAN-Global Video Library. Virtual attendance and post-conference viewing was impossible only a few short years ago.

All industry, including entrepreneurship, is affected by the digital revolution. According to Babson College, there are over 400 million entrepreneurs worldwide; the majority of these entrepreneurs use the internet to conduct business with smartphones, tablets, laptops and wearable devices. Why then would these 21st century entrepreneurs be attracted to a traditional, location-based incubation facility that does not incorporate global connectivity in its business model?

Across the globe, manufacturers source materials, labour and expertise to reduce or maintain cost controls without sacrificing quality. Universities extend their reach and brand by offering distance learning courseware to remote and urban locations. There are even Fortune 500 companies that require employees, not engaged in manufacturing, to work remotely. As a result, these companies reduce infrastructure expenses and increase productivity. I propose a similar revolution take place in the incubation and acceleration industry.


Stating the Problem

Incubators have sprung up in record numbers from rural

enclaves within emerging nations to long-standing communities to establish clusters and stimulate economic growth. By today's standards, incubation is a mature industry. And, like every other established industry, it is time for change. Not change just for the sake of change, but because it is what our clients demand.

There is no doubt we live in an era of technological and industrial specialization. In New York, there are incubation facilities with specialized areas of expertise in medical devices, energy, food preparation and fashion. However, the majority of incubators have a more generalized scope of expertise that is used to stimulate economic growth, entrepreneurial activity and job creation in emerging enterprises. I pose the question: "In this era of specialization, how do incubators obtain the broad range of skills necessary to foster enterprise development?"

In 2005, I founded a traditional non-profit incubator in upstate New York called iCANny. A regional economic development agency asked our team to launch a new incubation facility to reinvigorate an economy negatively impacted by the closing of a major computer developer and manufacturer. This region had positive characteristics such as an educated workforce, close proximity to a major



Word spread quickly about our cleantech specialization and we were inundated with requests

metropolitan area, developed roads and infrastructure and a culture of generational job security. The negative aspects of the region included the absence of an established research-focused academic institution, inadequate sources of funding for early-stage ventures and a population unaccustomed to the travails of entrepreneurship; these factors made it difficult to retain youth and attract new technologically advanced companies.

We did not fully grasp the gravity of what we were being asked to accomplish. But it was clear that operating as a traditional technology incubator with all of the service offerings of a traditional facility (low cost rent, shared administrative services, mentoring and networking) made it impossible to help every budding entrepreneur and inventor. We needed to specialize. We needed to hone in on 'investor friendly' emerging industry sectors that could produce sustainable companies capable of generating long-lasting and wage-competitive jobs. During this period, the nation was becoming energy-conscious and we were attracting an overwhelming number of early-stage venture clients in the energy and cleantech space. Our sector focus became clear. The cleantech and renewable energy sectors met each of the criteria we addressed and more importantly, were



compatible with our existing executive, mentoring and advisory expertise.

Fortunately each member of our Board of Directors had multi-disciplined senior level experience and contacts in both technology and business development. Our ability to adapt to the cleantech sector was not difficult. From inception we recruited mentors from the Hudson Valley region (about 30 miles north of New York City) experienced in business and technology industry development fundamentals such as business plans, marketing, finance, manufacturing, etc. Word spread quickly about our cleantech specialization and we were inundated with requests for inclusion by entrepreneurs from as far away as Arkansas and Illinois. Business plans and concept abstracts were presented on wind, solar, water purification, bio-fuel, battery and fuel cell technologies. The majority of prospects we interviewed were inventors and innovators with business proposals which primarily improved on existing processes, products and services instead of scientific breakthroughs. But with our guidance, many of the concepts and products presented could be transformed into viable commercialized and licensed technologies. This new crop of prospective clients were largely inexperienced in launching enterprises and because of the national recession, found it difficult to self-fund, secure new equity funding or pay for incubator

services. As a direct consequence our company found it more challenging to obtain grants, subsidies and client service fees. Our Board was forced to make critical operational decisions; downsize, cut programmes and services or close the doors entirely. Instead, we reduced expenses by divesting the company of costly real estate and infrastructure and took full advantage of the digital sphere and became a virtual organization.

Transitioning to Virtual

As stated, the decision to transition to a virtual organization was based on the cost-effectiveness of a digital infrastructure. But we soon realized that a digital infrastructure brought other positive attributes to our organization such as a client base in favour of the transition, reduced operating costs, an increased geographic reach and the ability to recruit a global network of experienced mentors, advisors, executives and technologists who digitally engaged with clients.

It was also evident that we could not incubate and accelerate the commercialization of high-level technological innovations without academic and research support. Our newly-developed research and academic institution affiliations and partnerships along with our network of industry specific technologists, investors, professionals,



mentors and advisors exposed our clients to the best resources regardless of location.

iCANny continued to grow and gain notoriety. We were contacted by other incubators to fill voids in their mentoring staff and provide on-demand business and technology acceleration and commercialization services at attractive rates. In 2012 we extended the iCANny brand and launched iCAN-Global, an internet platform that provides expertise for the accelerated development, commercialization and globalization of energy, cleantech, renewables, information technology and potentially disruptive technologies and innovations on an international level. Through the iCAN-Global network a technology company in a rural country has access to the same human expertise as a competitor in New York or London.

Additionally, we added Business Development Executives (BDE) to the iCAN-Global team. BDEs are experienced executives familiar with incubation, economic development and the technological, import and export needs of their regions. Operationally, BDEs determine opportunities for commercialization, licensing, partnering, funding and government support within their specific regions. And because they understand the cultures, languages and methods of doing business in their regions, they are invaluable to the iCAN-Global infrastructure. iCAN-Global has BDEs in 16 countries, with additional locations being reviewed on a continual basis.

iCAN-Global provides on-demand business, technological and commercialization advisory services to clients from any location through our network of academic institutions, advisors, mentors, service providers, technologists and BDE's. To maintain a global collaborative presence, we developed the iCAN-Global Cloud, a cloud-based information management system that provides file sharing, video conferencing and data backup software. This cloud platform allows employees, clients and management in different locations and time zones to communicate and share resources securely and efficiently. The iCAN-Global Cloud, a key component of the iCAN-Global brand, provides clients with a unified and cohesive image of a collaborative and digitally connected organization.

Moving on

In summary, virtual incubation is more than just a philosophy; it is a mindset. In many cases, a virtual transition is a complete departure from the norm and is not for everyone. We have invested an inordinate amount of time and resources cultivating a geo-diverse network of experts, instituting a cloud-based collaborative information technology data management system and developing an innovative management team. We would encourage you, your incubator and most of all your clients' to consider a shift from from traditional to virtual incubation - for us there has been no looking back.



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



The European Trade Association for Business Angels,
Seed Funds and other Early Stage Market Players

EBAN is the pan-European representative for the early stage investor community, gathering 111 member organisations in 39 countries today. Established in 1999 by a group of pioneer angel networks in Europe, EBAN represents a sector investing 7 billion Euros a year and playing a vital role in Europe's future, notably in the funding of SMEs and creation of wealth and jobs.

Business Angels,
BA Networks &
BA Federations

Early Stage
Venture Capital
Funds

Equity Business
Accelerators

Electronic
Funding
Platforms

Other Early Stage
Market Players

Our mission is to lead the representation of Business Angels
Networks and other Early Stage Investors in start-ups in Europe and
to be a platform of exchange and professionalization for them.



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Why it Matters



Ana Greif looks at how perspectives of incubation have changed across Latin America and the challenges that the industry faces globally

During a training session at the first Latin American Conference on Business Incubation in 2011, the presenter asked the group of around 120 attendees, mostly incubator managers from Mexico, what industry they belonged to. Their responses revolved around 'education', 'engineering', and 'computer tech'. Not a single incubator manager responded that he or she was part of the business incubation industry, or even the entrepreneurship support industry. Participants had not considered these as viable answers, and they had never thought of either as industries. Only three years ago, few incubator managers in Latin America had held that title more than once in their careers or longer than a year or two. These incubator managers were learning skills and gaining valuable experience that could be transferred to other roles helping start-ups, yet they had never considered this field as their industry.

A very different story emerged out of the most recent Latin American conference, organized by the National Business Incubation Association (NBIA) and hosted by the Autonomous University of Nuevo Leon in Mexico. Incubator managers who had started in the industry a few years ago had shifted to new positions with higher authority, and started to view themselves as professionals and experts in the field. Attendees participating in the conference for the first time found role models with whom they could establish connections. Attendees from opposite coasts of Mexico who had met at previous events were now established presenters. A mature business incubation industry became evident, ready to participate in the global entrepreneurship scene.

Why should this integration of support professionals matter to entrepreneurs? What is the value of this new entrepreneurship support industry to them? To answer these questions, one must first look back at why entrepreneurs need help in the first place.

Full circle

Entrepreneurship is not a new idea. Young and old countries alike are full of stories of hard-working men and women improving their lives through trade and commerce. Children grew up around their father, sometimes their mother, tending to customers, making whatever would be sold or going great distances to procure the items. There was an infrastructure in place for young people to apprentice with an experienced professional to learn a trade, which they would later practice independently. That independence was a milestone of adulthood that most young men (and a few women) would eventually reach. Being an entrepreneur was the social norm and there existed an infrastructure to support it.

The industrial revolution changed this however allowing firms to grow very rapidly and to require large numbers of employees. It only took a few generations for the idea of being self-employed to become obsolete. Education systems were put in place to teach young people new skills, but these were narrow skillsets relevant in the context of an organization that takes care of all other business activities and pays the professional for his time spent performing that

one specific task. The benefit to the employer/employee relationship is the financial security that comes from a 'steady paycheck'. The loss was the freedom that comes with being an entrepreneur.

After decades of an employment-centric society, the tide is turning for entrepreneurship, as the desire for freedom overtakes the need for security. However, this lifestyle that many want, few know how to achieve. Over the last 30 years the world has been inundated by research to explain every aspect of entrepreneurship: why it's good, what makes it work, who should do it and how it goes wrong. Yet, an academic paper cannot possibly prepare the average person for the uncertain, risk-filled world of a start-up. This is where business incubators play their most important role.

Why it matters

To articulate the value to entrepreneurs of business incubation and other tools for entrepreneurship support, we refer to a spin-off of the Business Model Generation methodology developed by Alexander Osterwalder and Yves Pigneur and published in a book by the same name in 2010. Based on the ideas of Clay Cristensen and Tony Ulwick, Osterwalder is developing a new canvas aptly named the Value Proposition Canvas (to be published in the fall of 2014). The premise of this new approach is a deep dive into the target market and value proposition frames from the business model canvas in order to ensure that the business model being created is addressing a real problem and will therefore have value to its potential customer. The Value Proposition Canvas comprises the following process: Step one, put yourself in your customer's shoes. Step two, figure out what task she needs to accomplish. Step three, identify what would make doing that task easier (or less painful). Step four, create a product or service around that solution.

Following the VP Canvas, put yourself in the shoes of an aspiring entrepreneur; not an experienced entrepreneur with a successful track record, but a person completely unfamiliar to the start-up world. He has worked in his industry for many years and identified a problem no one has solved. He made the decision to build a business that addresses this problem while allowing him the personal freedom and fulfilment he cannot get as an employee. The entrepreneurship support professional looks at the tasks this aspiring entrepreneur has to do on the road to starting up, and the pains associated with each. Here are some examples of the entrepreneur's perspective:

Job 1 – I (the entrepreneur) need to identify the best business model and I don't know where to begin. I know what I need to do: collect data, make assumptions and predict outcomes, but I don't know how to actually do it.

Job 2 – I need to secure the funds to start my business. I will require financial statements that I do not know how to create and an understanding the various options available to me and how they work.

Job 3 – I need to assemble my team. I must figure out the roles I need to fill, find the right people and convince them to join in spite of ambiguity, low pay and high risk.



Peter Hermes Furian/Shutterstock.com

This is a short list of typical 'jobs' an entrepreneur has to do in the early stages of the start-up journey. Other tasks specific to entrepreneurs your programme might include: Tech entrepreneurs who must learn management skills; Scientists who have to develop and test their discovery; or a business-oriented entrepreneur who needs help with software design. Of course starting a business will require many additional tasks that span from understanding legal issues, finding a suitable location, marketing..too many to list here.

Pain relief

After analysing the tasks this entrepreneur has to do, and some of the pains associated with each job, the next step is to identify what would make those tasks easier or relieve those pains. Successful entrepreneurship support programmes base their value proposition, its service offer, on directly addressing those needs. The solutions might come in the form of a training programme to help the entrepreneur learn a set of business skills. The programme may offer workshops to help him draft a first business model. It may also provide an experienced mentor who can walk the entrepreneur through the process of hiring the first employee. The value of providing support to entrepreneurs is in understanding their needs, and delivering those products and services that truly address them.

Entrepreneurship, however, is not a static notion. As technology advances, markets shift and new possibilities emerge, the way people do business also changes. Those who support entrepreneurs must continually adapt their



programmes to meet new needs ensuring they continue to provide value to the entrepreneurs they serve. In order to keep up with the changing business world, managers must continually re-evaluate a programme's business model and keep asking: who is my customer? What is her pain? How can my programme help? Are the activities my programme engages in helping my clients or are they irrelevant to their needs?

Global challenges

At the Latin American Conference, as in many similar conferences around the world, attendees attempt to answer these questions, not as individuals but as an integrated industry. Fortunately, technology has made communication easier for the organizations that connect them around the world to provide a pathway to extend expertise beyond borders. The Latin American Conference is one such example of collaboration. Similarly, NBIA helps organize the yearly

Russian American Forum on Business Incubation in Russia, bringing together experts from both countries; and the European Business and Innovation Centre Network (EBN) encompasses programmes from all over Europe, and its annual Congress is a trove of international knowledge. Similar events, hosted by networks in every part of the world, attract professionals who travel ever-greater distances to participate in the sharing of ideas and knowledge.

This globalization of the entrepreneurship support industry provides the means for managers to benchmark their programme's value proposition and stay current with industry trends. Examples of recent trends include seed acceleration, co-working, and start-up weekends, all of which quickly spread around the world. Time will tell which of these evolving models will endure and which will not stand up to the rigours of entrepreneurs' demands. Either way, this connected and globalized industry will be ready to respond.



Ana Greif holds a Master's in Public Policy and Management from Carnegie Mellon University and is the President of Varela Consulting LLC. Ana specializes in business incubation as an economic development tool, providing consulting services, leading trainings and performing studies on Business Incubation in the US, Mexico, Uruguay, Australia, Africa, Singapore and Russia. She is also the National Business Incubation Association's (NBIA) main point of contact for Latin America.

Start-up Heaven

「*Jörgen Eriksson and Cecilia Magnergård take a
look at the incubation scene in Sweden*」



Entrepreneurial Climate

These days, many people start each morning by reaching for their tablet or iPhone. We go through the e-mails received the previous evening, glance at the latest news or simply catch up on one of the many social platforms.

As we get out of our homes and commute to our workplace, we get updated on new posts on Facebook by our friends and family. If we commute by car we pay for our parking using a smartphone app and we get a reminder when the parking time is running out. Then, arriving in our workplace we check in on Foursquare. For many the first activity in the office is to take a look at new posts on LinkedIn.

The internet has become an exceptional tool that has given rise to a daily economy of interaction, collaboration and sharing.

Small start-ups can instantly reach out across the world market and compete with the gigantic global players. Innovation is more global than ever, and the Nordic countries seem to be at the forefront of this development.

In 2007, the Swedish capital, Stockholm, developed a clear vision – Stockholm 2030 - to become the ultimate city for individuals to live and develop knowledge intensive new businesses.

Based on this vision, the city has successfully attracted talented and driven students, researchers and co-workers from all parts of the world. Stockholm has become a place where the right-brained dreamers could meet the left-brained doers, and this blend has resulted in a number of successful new companies.

The city is on the right track. The Price Waterhouse Coopers global survey 'Cities of Opportunity' in 2012, saw Stockholm and Toronto top the rankings for intellectual capital and innovation.

The Swedish start-up scene has exploded with massive global successes such as iZettle, Wrapp and Mojang, and already mature companies like Spotify are proof that the city produces winners. It's party time for entrepreneurs in Sweden!

Business incubators

As Sweden is a small and highly export-dependent country, future prosperity in the age of globalisation depends on the country's collective ability to develop the knowledge economy and compete in knowledge-intensive industries.

For this, incubators have a central role in enhancing the competitiveness and growth of young companies.

Today, Sweden has 46 business incubators scattered all over the country and funded from several different sources. They are an important component in the implementation of Sweden's national innovation strategy and the government has tasked the incubators with increasing the number of incubated businesses and help them with early internationalisation.



The public benefits of the business incubators in Sweden are indisputable

A Swedish business incubator supports new companies in preparing and handling the difficulties in early business development stages that can otherwise often lead to failure, to serve as a guide for external funding and help to develop the specific entrepreneur's ability to run a business. The incubators act as catalysts that offer favourable environments for young business growth.

Minc

Malmö-based Minc is a good example of a Swedish business incubator. Minc is a creative hotspot for meetings between young entrepreneurs, venture capitalists, industry, research and innovation. Minc use something they refer to as the Minc Method that combines the latest business development tools with personal coaching. The Minc Method has shown to be a great success. The two companies, Polar Rose and AlgoTrim, that have now been bought by Apple, were both clients of Minc. The business incubator offers full support from idea generation to actual implementation of market-ready products or services.

LEAD

LEAD is another example of a successful Swedish business incubator, located in Linköping in East Sweden. LEAD provides entrepreneurs (with innovative and scalable ideas that have strong growth potential, both from academia and industry) with an efficient process to quickly and safely develop these ideas into strong and expanding companies.

ALMI Incubation

ALMI is a nationwide organisation owned by the government and regional public owners, with the task to develop SMEs in Sweden. One of its activities is the ALMI Incubation Programme, which is actively involved in financing and quality assuring incubators. The incubation programme BIG Sweden is aimed at incubators working with the development of newly-started companies with a focus on growth and exports. The programme consists of skills development, performance-based financing for selected incubators that have demonstrated the best results, and financing of innovative projects in incubation. There are also various projects within Incubation for developing methods to accelerate the process of companies reaching customers and the market, both in Sweden and internationally.

Source: www.almi.se



mtkang/Shutterstock.com

LEAD has numerous success stories, and it is not uncommon to see companies that stem from LEAD achieve high places in prestigious rankings for companies that are rated for addressing market needs or that show high probability of growth. One example of this is ALMIs Big 29-list that rewards business incubator companies with exciting business ideas and growth potential. Last year, as many as four of the LEAD alumni ended up on this prestigious list.

Ideon (an EU|BIC)

Many Swedish incubators are co-located with science parks. One example is Ideon Innovation, located at Ideon Science Park in Lund. It is a general business incubator that also embeds several other incubators, namely The Creative Plot, Venture Lab and the service incubator LIFT. They all have separate staff and separate brand profiles but collaborate on IDEON Innovation's backbone of infrastructure. (See P 24)

New ventures

In addition to the basic allocation of 50 million Swedish kronor (about €5.6 million), the Swedish government announced, late last year, that they will invest a further 30 million SEK (€3.4 million) on Swedish business incubators in 2014. The initiative is a part of the national innovation strategy that includes an aggressive agenda to boost the innovative force and ability to further grow and develop business ideas in all parts of Sweden. This is driven by the Swedish minister of Enterprise, Annie Lööf, who claims that

business incubators are important tools for generating a creative and dynamic business environment. The offering includes support and counselling for knowledge-intensive and high-growth companies in early stages to develop and further expand into international markets.

The public benefits of the business incubators in Sweden are indisputable. They foster sustainable business growth and are persistently stimulating Swedish entrepreneurship.

The incubators act as catalysts that offer favourable environments for young business growth

33-list

For the seventh year in a row, the magazines Ny Teknik, New Technology, and Affärsvärlden, Business World, launched a renowned list of Sweden's hottest young technology companies. Over the past years many have had connections to Swedish Incubators and Science Parks, and this year is no exception - 16 of the 33 companies were spun directly out of an incubator or a connecting Science Park.

The Swedish Innovation Strategy

In 2012, the Swedish Government decided on a national innovation strategy, with the purpose to achieve the best possible conditions for innovation in Sweden, by 2020. Within the guidelines of the strategy, people and organisations in industry, the public sector and civil society will be able to develop and more effectively contribute to new or improved solutions meeting future needs and demands.

Source: www.government.se/sb/d/2025/a/202558

The purpose of the 33-list is to highlight companies that have the potential to become tomorrow's export successes and stock exchange giants. Anyone can nominate companies to the list, but the ranking is defined by a common thinning by both Ny Teknik and Affärsvärldens editors based on a number of explicit and business specific criteria. In order to

Innovation is more global than ever, and the Nordic countries seem to be at the forefront of this development

be considered for the list, the company must have existed for a maximum of seven years, the company's product must be based on technological innovation, the company cannot be listed on any form of commerce, and the company must display the potential to make a significant mark in the international arena.

As outlined, at this year's list no less than 16 out of the 33 companies came from Swedish Incubators and Science Parks. It is a strong feat and worth emphasizing as these growth companies represent only 0.5 percent of the Swedish companies. Conclusively, once again, the list demonstrates that Swedish incubators continue to play an important part in stimulating the development of successful entrepreneurs and companies. Companies that present research have shown that incubation creates more jobs and contributes to strong growth in Sweden.

Start-up heaven

It has not been proven that stand-alone innovations, initiatives or educational systems enhance or stimulate cooperation, commercialisation or innovation to the desired levels. It is, therefore, important to promote communication, transparency, and collaboration between all involved parties. This will enhance the outcomes and benefits to reinforce cluster capabilities and competitiveness, adding incentives for a quicker and better market uptake.

World-class companies are located where development is happening. Without doubt, Sweden is at the cutting edge of innovation environments and business incubation facilities and services, where the main focus is on knowledge-intensive, growth-oriented companies. Strong governmental support, high levels of general innovation capacity, a public environmental awareness and a constant desire to apply technological insights to environmental challenges and successful business incubators are some of the reasons why Swedish entrepreneurs tend to create knowledge-intensive companies that are taking a lead, over and over again. All of this serving to underline the fact that for entrepreneurs and start-ups few places in the world can match Sweden.



Jörgen Eriksson is the founder of the management consultancy firm Bearing Consulting. Since 2001 he has successfully expanded Bearing into covering projects across four continents. He is also Adjunct Professor of Innovation Management at the International University of Monaco and at Universitat Politècnica de Catalunya in Barcelona, and he is responsible for the Strategic Management course at Företagsekonomiska Institutet in Stockholm



Cecilia Magnergård has a BSc in Economics from Stockholm University and a Master of Science in Engineering with a degree programme in Industrial Engineering and Management from the Royal Institute of Technology in Stockholm, Sweden. Cecilia has an extensive experience and knowledge of accelerators, incubators and science parks that she has gained mainly through being project manager for a number of complex development projects at the Association for Swedish Incubators and Science Parks. As a consultant Cecilia has correspondingly helped a diverse number of incubators and science parks with strategy management with the aim for them to become regional nodes in the national innovation system.

Tower Power

Jean-Claude Rey describes an innovation identified by the IDEASS programme as replicable and sustainable methodologies for social territorial development

Agricultural towers are an answer to the management and preservation of water and soil.



They provide solutions for the lack of cultivable grounds and use solar energy. The main purpose of these towers is to allow local populations in developing countries to be self-sufficient with the production and preservation of their food, optimizing their use of water. Agricultural towers generate social and economic hubs; they are an answer to rural exodus, thus avoiding depopulation. They become a staging post for nomadic people to find water, food and energy. These towers generate employment and improve local economies by creating short supply chains. This technology employs local labour capable of working in the towers - the local populations are trained for the set

up and the maintenance of these installations.

Adapted to every need (cultivating, pre-cultivating, tree nurseries, experimentation), the agricultural tower is totally self-sufficient and can even provide energy above its own needs. For large production units it's possible to equip them with elevators to make harvesting easier. They can also be converted into greenhouses for the winter using reinforced plastic sheeting fixed to the structure. Similarly, netting can also be used to protect from insects and the raised position prevents rodent attacks. Therefore, the number of production failures due to disease, pollution, bad weather, animals and insects is considerably reduced.

The success of this innovation was made possible with the support of the EBN network and the EU|BIC Thésame in Annecy (France) following the values of sustainable development. These multilevel towers are patented and have won many international prizes. In January 2010 they got the first prize of the EBN-UNDP IDEASS competition for innovation in human development oriented towards technologies in sustainable development.

IDEASS grew out of the major world summits in the 1990s and the Millennium General Assembly and it

gives priority to cooperation between protagonists in the South, with the support of industrialised countries. The aim of IDEASS is to strengthen the effectiveness of local development processes through the increased use of innovations for human development. By means of south-south cooperation projects, it acts as a catalyst for the spread of social, economic and technological innovations that favour economic and social development at the local level.

Agricultural towers are the ideal solution for countries lacking cultivable grounds or subject to natural disasters. Climate change, the sudden rise of prices for raw materials and oil, will lead to a strong development of this type of farming. Governments, councillors, professionals, private associations and NGOs are the potential users of this type of structure in order to be autonomous with respect to production of a part of their food supplies. This innovation enables small and big producers to create their seedling, vegetables and fruits for their own use, for schools, refugees, etc.

IDEASS is a UN-supported initiative.

More info at www.ideassonline.org

Access Innovation

Philip Piatkiewicz gives an overview of REDINN's activities in the arena of innovation and entrepreneurship



effort and journeying into other disciplines or places; from active networks with open boundaries that form associations between ideas and motivations. This increases the chances of 'configurations' or ideal combinations, resulting in solutions to a particular problem.

By collaborating with Universities, SMEs and government agencies and partners with clients in Italy, Europe and around the globe, REDINN recognises that this is the future for business growth, implementing winning innovation strategies and achieving sustainable results. REDINN works within the European Union's scientific cooperation policy, addressing the needs and opportunities of an interconnected world, contributing to solving some of the most fundamental societal challenges in the name of prosperity for all.

REDINN's headquarters are located in the Eternal City – Rome – and the company has branch offices in Brussels and Barcelona, as well as a business network that stretches throughout Europe and beyond. The company has over a decade of experience and a range of successful international cooperation RTD projects, providing legibility assessment for innovative products and service and creative development of international and EU funding roadmaps. REDINN's projects

cover a broad range of topics, especially: food security, water and energy sustainability and nanotechnology that focus on raising the research capacities of organisations as geographically diverse as Southern America and Northern Africa.

The latest EU funding programme, 'Horizon 2020' is the biggest Research and Innovation European programme ever, with nearly €80 billion of funding available over seven years (2014 to 2020). In combination with national measures, Horizon 2020 will continue to support the advances in Italy's Research, Innovation and Industry, by removing barriers to innovation and improving the cooperation between public and private sectors. Moreover, in 2015, Milan will play host to 'Expo Milano 2015' which underlines how public institutions, private companies, charities, non-governmental organizations, representatives of consumers and producers will together promote, along the entire food supply chain, the development of economic and social systems of the entire planet. REDINN is proud to be in a position to support these values with its experience and project work and help in enhancing the lives of people worldwide.

REDINN
Rete Europea Dell'Innovazione

Any conversation about innovation starts with the ultimate goal, said, Sergey Brin, co-founder of Google. This vision is certainly being shared in Europe, where increasing Innovation has been proclaimed as potentially the most important target by European policy makers - supporting start-ups and providing incentives to stimulate and improve this economic driver.

There are a number of organisations in Italy that understand the underlying importance of innovation and REDINN is one of them, specializing in three distinct areas of expertise: Innovation policies and Research & Technology Development (RTD) studies, Project Management for Innovation and RTD related projects Consultancy services – all of which accelerate the innovation potential of SMEs.

REDINN believes that fostering innovation can only come through gathering information from new connections, through collaborative

Seeds of Change

Julia Micevska describes new incubation facilities that will change the entrepreneurship landscape in Macedonia



A new concept for business development is born in the Balkans, one which goes beyond hubs, incubators and co-working, and which represents innovation in the business support sector. This Business Complex, CoSeed, has been developed by entrepreneurs for entrepreneurs to create an ecosystem for established businesses and aspiring entrepreneurs. The facilities and services provided empower entrepreneurs to achieve their full potential using the experience, knowledge and networks of those who have been there and done it, and who are still doing it. whilst at the same time, holding out their hands to bring others up to the same level.

The 21st Century is the Era of 'Co': co-working, collaboration, community and collateral, maximizing human capital, and so the CoSeed Complex has been designed to represent this. The facilities have been created to be

fun, fast and focussed in bringing together different sizes of companies, at different stages and in different sectors. Hence, the CoSeed offers maximum opportunities for all of them to not only develop within the CoSeed Complex, but within the region and

internationally.

Growing the companies of the future, this centre of excellence will be unique in the Balkans as it is based on a commercial, and therefore sustainable, model from the private sector which cooperates with partners and stakeholders at all levels to bring maximum benefit to the tenants of the CoSeed Complex and to the business community outside.

As the entrepreneurs who created the concept are aware, business is not just about start-ups, indeed the most difficult times of business are the growth stages, attracting investment, conducting R&D and additionally succession planning, business transfer or company sale. Hence the CoSeed Complex has plans to have all the facilities from virtual offices through to manufacturing facilities. An innovation lab and on-site business support centre will be available for all enterprises in

the Balkans. Furthermore, the CoSeed Complex contains a few special services: a Phoenix Office - to support those experienced entrepreneurs rising from the ashes; a Job-Ready Community –preparing people for jobs and locating opportunities to create employment; an Investment Portal –a collection of investors looking for prospects; and a Holistic Zone – a health and relaxation area

The CoSeed Complex has been realised through an established partnership between Seavus and the MADI Group. This facility will be Macedonia's and the Balkans Centre of Excellence for business development. This Business Complex is designed to stimulate employment, creativity, innovation and sustainable growth in the Balkans region and by fulfilling this mission, the CoSeed Complex will create a generational change to provide an environment conducive to promoting the entrepreneurial spirit. CoSeed recognises the entrepreneur as the 'agent' of change - the person who can creates value from an innovative idea in a world of change and uncertainty.



Cloud Control



Richard Graham walks us through the strategic benefits that cloud accounting offers to incubators and their clients

Cloud accounting systems are revolutionary. How do I know? Well, my accounting practice has been using the cloud for a number of years, and we have shared this passion with many of our business clients. 90 percent of our clients now use cloud accounting

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

systems too. We have seen first-hand how the cloud accounting systems impact our business clients' lives. How? The cloud solution has reduced or eliminated redundant, time-consuming work that - let's face it - is the bane of most businesses. Mostly, cloud

accounting allows greater access to real-time data, which increases engagement with businesses financials and assists in making decisions. You have probably seen or heard yourself about all the cloud accounting systems that are now available for you to utilise in your business, including Xero and FreeAgent.

So now I would like to share with you some reasons clients and accountants love working in the cloud. I have grouped these into three key areas:

1. Software, Security, Support and Time Savings

The software is designed to be used by business owners - which means it is incredibly easy to use and intuitive. I have clients who have been able to get up and running in less than an hour, with logos on invoices, automatic bank feeds, etc.

Cloud Accounting is Software as a

Service (SaaS) and is charged as a monthly subscription, thus avoiding the large upfront capital investment needed for PC-based accounting systems. This makes it ideal for several start-ups I advise whose cashflow is tight.

Cloud Accounting systems, in general, are far more secure than online banking, and also PC-based software, which have a high risk of viruses. Files are automatically backed up - so even though one of my clients spilt coffee on their PC, they did not have to re-input all the data. Also, nearly all online cloud accounting software updates are free of charge, whereas previously desktop vendors would have charged for an upgrade. I have several owners who like to travel and so they are really glad they can keep tabs on their sales, invoices payable and receivable, and pay or receive monies on the move with their laptop, tablet and mobile devices.

2. Your Virtual CFO

The really significant benefits of cloud accounting are in your ability to work closely with your accountant, management team and other stakeholders (for example, banks and tax authorities) knowing you have an up-to-date set of financials that reflect the very latest position in your business. Several of my clients are now much more proactive in contacting me and have access to me wherever I am in the world, and on a 24/7 basis.

As most of the cloud accounting systems have a user-friendly financial dashboard (graphs, pie charts, cashflow, profit and loss, aged debtors/creditors, etc), I often find I can have an educated conversation in real time. I can drill down into details of the data quickly. Compare this to traditional accountants of yesteryear, who would have spent several weeks requesting information from you, taking up your valuable time and then sending you an invoice for several thousand pounds. This helps business owners in three key areas.

Financing the Business: One of our clients required a restructure of his finances, as we identified his business was incurring high finance charges as it was being funded through working capital sources. The bank insisted on receiving the latest profit and loss, balance sheet and cashflow financials, as well as other key performance indicators before they would lend. The Cloud Accounting system allowed, us as chartered accountants, to quickly update the accounts, pull out the relevant numbers and produce accurate business projections on future sales, gross margin, overheads, break-even and cashflow forecasts. Such was the bank's confidence in the numbers we were able to negotiate better financing terms by one percent which was a saving of £5,000 in interest per annum for our client

Strategic Tax Planning: The robust financial projections also allow forward-looking tax planning. taking advantage of research & development tax credits, personal tax allowances, inheritance tax and extraction of cash from a business through dividends and



salary, and tax-efficient staff payroll incentives, to name but a few. It is essential if an owner-managed business has accurate financial projections, most good accountants can save them tax.

Strategic Business Planning and Real Time Decision Making: As part of all the above, a good accountant can now help you write a detailed business plan, setting achievable, yet stretched, goals. This can help you monitor progress against your quantitative KPIs and take corrective action before it is otherwise too late. Many small businesses who have seen the advantage of cloud accounting were previously basing decisions on their accounts which were at least twelve months out of date, without the support of a commercially-minded accountant.

3. Significant Cost Savings

In many cases, there is no need for a bookkeeper at all, nor an in-house finance manager. Most of my clients have saved between £10,000 and £30,000 in staff salaries. There is no need for a large upfront capital spend on servers within the business as everything is in the cloud, paid for on a monthly subscription. This also reduces

overheads on IT staff and repairs and maintenance on an ongoing basis. Remember you are also creating a paperless office (within the accounting function at least) which will reduce stationary bills – it is not unheard of – again I have a client who is now saving £3,000 per year.

So could your small business afford not to be considering Cloud Accounting Software. If you also like the idea of having a cloud accountant to refer to for key decisions, then this is a no-brainer. Ultimately your business will increase profits, improve cashflow and reduce taxes.

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 help start-ups raise finance, become more tax efficient and drive business profits.

Money Talks



Alexia Hengl tell us about the measures being put in place to ensure entrepreneurs have better access to finance

Do you have an innovative idea to develop? Do you want to start a new business? Then it's time to find the money... but how? And where? After you've worked on your project and understood that it could be a viable business, your parents and friends probably invested in you, but now you might now have to find an investor or simply get money from a bank.

Simple? No! At least, that's what the data about SMEs' access to finance tell us.

It is considered that most start-ups manage their transition from start-ups to SMEs relying, at a very first stage, on equity financing, the initial capital being provided by the family, friends and business angels.

Since 2008 access to finance has been one of the biggest problems for businesses and the situation gets worse every day. Even though this problem pervades all kinds of enterprises, the situation is far more difficult for SMEs as they do not issue bonds or sell their equities on the market as larger companies do.

In the euro area, companies face very different situations when it comes to borrowing money. Even if the interest rate on a loan is based on the European Central Bank set interest rate, in reality, local situations and policies vary a lot across the European Union. Once, the gap between the interest rate set by the ECB and what companies had to pay was fairly stable.

Consider a hypothetical loan of €500,000 - we can be certain that it will cost more to companies in Italy and Spain than to their colleagues in France or Germany. And apart from the difficulty in obtaining the loan from the bank, differences at the national level will result in a fluctuation of interest rates from three to six percent in Spain and Italy. Moreover, SMEs in countries such as Spain, Italy and France appear to face a financing gap above the euro area average.

In its survey on the access to finance of SMEs, the European Central Bank (ECB) reports that between five and nine percent of SMEs at the euro area level have an increased need for

bank loans and bank overdrafts. It has been seen that, generally, financial resources diminish more rapidly for small businesses than for larger ones in times of economic crises. Between 2009 and 2013, almost 25 percent of SMEs in the euro area faced some problems when applying for a loan, where the rejection of the loan had been reported as being the most significant factor that hindered an SMEs' expansion and growth.

According to the European Commission, and based on the aforementioned ECB survey, only one-third of SMEs that apply for credit receive the full required amount. In Greece, for example, only one third of SMEs applying for credit receive the full amount, whereas in Italy and Spain the average is one company out of two. On the contrary, more than four out of five German companies succeed in obtaining credit, with an average that exceeds 80 percent of submitted requests.

To boost its economy, the European Commission published two

communications on long-term financing of the European Economy and on Crowdfunding, in March 2013 after the European Council called for a European 'industrial renaissance'. Building on the results of the Green paper on long-term financing published in March 2013, the European Commission now presents a set of concrete actions to develop long-term financing measures by mobilising non-bank sources and alternative forms of financing for SMEs.

The EC communication on long-term financing identifies a set of actions to tackle many of the current problems of the financial system by providing a well-defined action plan affecting the vast majority of stakeholders.

With regard to banks, for example, the Communication establishes that the European Commission will assess the effects of the new Capital Requirements Regulation (CRR) on long-term financing in 2014 and 2015. The EC wants to assess whether the CRR, that entered into force in June 2013, and that sets various prudential requirements for investment firms (such as requirements on initial capital and own funds) and, along with the Capital requirements Directive IV, (CRD IV), requires banks to hold higher levels of capitals to be able to absorb potential losses and sudden liquidity shocks. This could affect the capacity of EU banks to lend at long maturities.

Insurance companies, pension funds and private savings account will not be left behind; the European Commission will verify, in the second half of 2014, a number of incentives to stimulate long-term investments by insurers, create a single market for personal pensions to funnel pension savings for long-term investments and verify the opportunity of introducing an EU savings account.

The Commission is also planning to assess whether the EU project Bond Initiative (PBI) that was designed to attract private finance for the realisation of infrastructure projects in the sector of transports (TEN-T), energy (TEN-E) and information and



communication technology (ICT) can be improved and extended beyond the sectors previously identified.

With regard to SMEs, and to support their much-needed access to finance, the European Commission envisages that the European Structural and Investment Fund (ESIF) could invest up to €100 billion of public funds in support of European enterprises and that a major part of it should be channelled to SMEs in the form of subsidies for start-ups, investments in Research and Technology Development (RTD), innovation and ICT.

To channel funds to long-term financing, the EC will also focus on corporate governance through the possible revision of the Shareholder Rights Directive and the publication of a recommendation to improve the quality of corporate governance reporting with a specific focus on environmental, social and governance information (ESG).

Accounting standards, with a focus on SMEs, (for example, through the possibility to enable simplified accounting standards for the consolidated financial statement of listed SMEs) along with the tax and legal environment (for example, with regard to early restructuring of viable businesses and a real second chance for honest bankrupted entrepreneurs) are critical elements of the future actions of the EC as listed in the March Communication.

All these actions and measures will certainly improve the financing environment for businesses. But we will have to wait and see how the new European Parliament and the new Commissioners will further these plans and initiatives...

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



Where' s the pool?

Let' s take Stanford and a handful of other similar universities out of the picture, and consider them as outliers. Let' s even take off the list some famous Facebook-like case, where actual young geeks have actually set up impressive businesses. Hat-tip of course! But I wouldn' t consider them as representative of the academic world found in average universities. It is not a problem related to the role of universities per se. Indeed, many professors and rectors to whom I have extensively talked would like to see their institution become more entrepreneur-friendly. But normally on a conventional life path (birth, elementary school, high school, university, work, retirement, death), people are generally readier to create ventures at some point during the long work phase rather than the shorter university phase. Let' s face it, most students (and I was definitely among this very representative groups) are just not ready and experienced enough.

I believe that the 10,000 hour rule is generally a reasonably correct one. You need talent to become an entrepreneur and manage complex tasks that entrepreneurship requires, but talent alone is not enough. Talent without experience will just lead to a higher probability of failure. The 10,000 hours (which are approximately 5 years of work on a 8-hour work day), is the minimum needed to really get to know the sector you are working in, understand how and to what it shifts, grasp the real needs of potential customers, spot the gaps and build a viable answer. Then you may need another 10,000 hours to build up your managerial experience if you haven' t attended an entrepreneurial university.

Universities could play a fundamental role in spotting and feeding talent, but instead of using resources to build direct entrepreneurship support systems, energies could be more wisely used if they were put into building real occasions to gain hands-on practical work experience.

Universities should focus also on awareness-raising to instil the curiosity to become an entrepreneur. Sadly, apart from some specific cases, entrepreneurship awareness raising is yet to be a priority in the academic world. SMEs are still outsiders who are studied as external economic agents who react to some specific policy change in some particular and forecastable way, following theories and economic models that sound nice when studied. But in practice they need to be proven right all the time. SMEs are obviously considered as major employers, but not yet seen as the ' next step' on the entrepreneurship path for young graduates. This is a missing link in the chain that still needs to be addressed.

Maybe roles should be reconsidered and the whole entrepreneurship support system would perform better if universities established stronger links to industry to provide job-experience opportunities. Maybe industry could leverage talent and expertise to launch new ventures with all their vested interests with the support, of course, of the incubation industry.

Should incubators therefore shift their gaze from academia to industry? Yes, to a degree and with a smart approach.

What we need to do in our role as enablers of sustainable entrepreneurship is to work with both, academia and industry by supporting the awareness-raising activities that should be delivered mostly in the academic sphere, and by creating strong ties with the industry. This is where, I believe, lies the pond of new entrepreneurs with smart ideas, bright talent, and useful experience to launch exciting start-ups.

Giordano Dichter

Giordano Dichter

Giordano Dichter is Head of EU|BIC Services at the EBN. He is passionate about incubation and innovation and always seeks ways to introduce the latter into the former.

Quality is not an act, it is a habit.

Aristotle

EU|BICs are quality-certified business support organisations, which dedicate their efforts and resources to help entrepreneurs with innovative ideas, turn those ideas into viable, successful and sustainable businesses.

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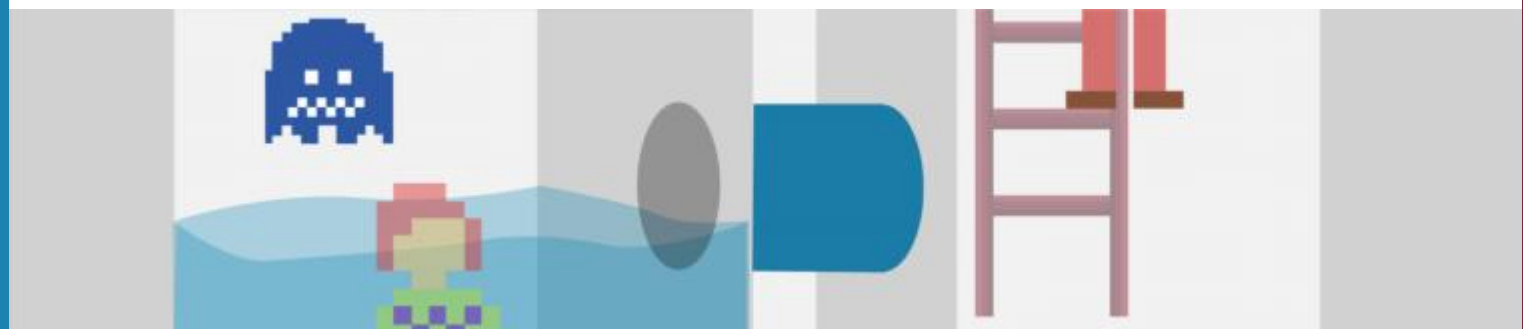




EBN is pleased to announce its **23rd Annual Congress** jointly organised with CEEI Lleida, with the support of Diputació de Lleida and Global Lleida.

At this Congress **young entrepreneurs** will be placed at the centre of the discussions, in Lleida a city located at the heart of Catalonia, Spain (only one hour from Barcelona) from 25th to 27th June.

Join us in Lleida and listen to real stories of young **entrepreneurs**, smart **territories** implementing policies to boost young entrepreneurship, **EU|BICs** stimulating collaborative ecosystems and collaborative **projects** accelerating entrepreneurship. An international, inspiring event, reaching new frontiers for European entrepreneurs.



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