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For members only

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Dear Member,

The year 2007 continues to develop dynamically in business incubation. The first SPICE Update in January already provided much information about results achieved and action to come. This issue again offers spotlights on developments around the globe. As just one example, the upcoming 15th Global Summit of Business Incubation Associations again will be the place to exchange information about recent developments and discussing next steps of cooperation for strengthening business incubation, entrepreneurship, and innovation. There is an increasing number of national and international networks (associations) of business incubators – and a growing need for intensifying cooperation between these initiatives. “The Global Business Incubation Network”, formed as a network of associations, is the platform for this. Learning from each other strengthens the ability of national and international networks to promote innovation and entrepreneurship, to lobby for the concept, and to provide tools and experience for the work of individual incubators.

MENA^{inc} Business Incubation Network for Middle East and Northern Africa

The 3rd infoDev MENA Workshop, hosted by iPARK, Amman end of January 2007 was based on the agreements of the Casablanca and Hyderabad meetings and focused on practical issues of network building and content. Participants from seven countries of the region agreed on establishing “MENA^{inc}”, the network of business incubators in Middle East and North Africa. Business incubators in Bahrain, Jordan, Libya, Morocco, Palestine, Syria, and Tunisia) took initiative to cooperate for strengthening entrepreneurship and development of small and medium enterprises in the region. All incubators of the region are invited to join the network and actively take part in further developing entrepreneurship and business incubation. A network action program was agreed with a main focus exchanging information and experience, intensifying cooperation between incubators and their clients as well as raising awareness about business incubation through events, seminars, and other targeted activities. Training for incubator management will play an important role in the network for the near future.

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15th Global Summit of Business Incubation Associations, April 1, 2007 in Seattle, USA

Just a few weeks to go until the 15th Global Summit, hosted by NBIA, National Business Incubation Association, USA, on April 1, 2007 in Seattle, USA. Members of the GBIN, Global Business Incubation Network, (see www.spice-group.net/gnbi) Based on the Agreements of the Hyderabad Summit following preparation should be done by all GBIN members – no matter if they can attend the Summit in Seattle or not:

- Actualize the statistical base data describing the situation of business incubation in their country (the questionnaire is available from gbin@gbin.net)
- Prepare a short paper about the role of government in supporting entrepreneurship and business incubation in their country
- Propose topics to be discussed at the Summit. The deadline for proposals (to be sent to gbin@gbin.net) is March 10, 2007

Member's Affairs

A New National Triangle for the SPICE Art Ball arrived and is shown here first time. For more information about this piece of art, please check the special website www.art-ball.net



“left-overs”

A to-do-list for members & friends

The “Anniversary Questions” There still is time to send your answers to these questions regarding business incubation and international cooperation.

A “national triangle” for the SPICE Art Ball still is needed for covering some “white spots” on the Anniversary Art Ball of SPICE Group.

Please contact: spice@spice-group.de

MENA^{inc} Business Incubation Network for Middle East and Northern Africa

(Continued from page 1)

Raising Awareness about entrepreneurship and business incubation is one of the most important goals for MENA^{inc} activities. Especially in this field a critical role of infoDev's Incubator Initiative is seen and continued support from this program identified as essential. "Not technology is the bottleneck for business incubation, but the lack of business skills and experience" said **Omer Oz**, Bahrain. Therefore raising awareness also has to be targeted towards the (potential) clientele of business incubators. Business incubators play a critical role in bridging this gap and incubation of technology businesses is an important tool for creating qualified job opportunities and fighting high unemployment for engineering students along with low salaries. "Not everyone is an entrepreneur" stated **Laith Kassis**, West Bank, "but by business plan competitions and



other tools for raising awareness we can identify those who have the potential and help them starting their business". A country-wide initiative for promoting business incubation was realized in Tunisia through the national network of the countries' 18 business incubators. "A country wide 'road show' with a series of events and combined with 'virtual incubation' attracted also new clients for the incubators" said **Nejiba Bouzaiane** from Elgazala Technopark in Tunisia. Also joint events with other associations can help attracting other "players" to cooperate and encourage potential financiers (venture capital).

For getting public support for incubators information about the achievements is critical **Omar Hamarneh**, Jordan mentioned as an example that iPARK measured the cost of job creation: USD 500 spent for each job created by an incubatee. This is seen as an amount that can be recuperated

by additional (government) tax income from successfully incubated companies in a comparatively short period of time. For proving reliable success data from systematical monitoring and evaluation of incubator activities is needed.

Special training offers not only for those already managing incubators, but also to describe the needed qualification for selecting the right manager for a new incubator is another focus of MENA^{inc} Workshop participants agreed that the network should be informal and signed a document describing details of network organization: MENA^{inc} Structure". The network will be served by a "Focal Point" that is in the process of being



set up in Bahrain under coordination of Omer Oz. **All business incubators and technoparks as well as their stakeholders are invited to join MENAinc as members.** For more information check the website that also provide information about other regional networks under the infoDev umbrella: <http://idisc.infodev.org/en/index.html> or contact Omer Oz at omeroz1@gmail.com

More Networking

MENAinc is not the only initiative for building a Regional Network for business incubators and technoparks. InfoDev has taken initiative for creating such cooperation also for Eastern Europe and Central Asia, Africa, Latin America, and Asia. We will seek to report on these networks in coming issues of SPICE Update.

Besides supporting the development of these regional networks, the infoDev Incubator Initiative provides the "global link":

- iDISC, a portal for business incubation tools & templates, events & evaluation, information & identification – all what is needed for business incubation programs. Business incubators are not only invited to use the information available but also to provide their experience to share and develop with others: <http://idisc.infodev.org/en/index.html>

The "Global Forum on Business Incubation" as a meeting place for incubators and their stakeholders. Held in New Delhi (2002) and Hyderabad (2006) the Forum provided many impulses for further developing incubation programs and support initiative for innovation and entrepreneurship

Views & Facts

Libya *Need for many Business Incubators?*

The Libyan Government intend to lay off 400,000 people - more than 1/3 of the work force "to ease budget pressures and stimulate the private sector." Outlining a \$25 billion draft budget, Prime Minister Mahmoudi said „each public employee who is laid off will be given a full salary for 3 years or get up to \$40,800 in loans to start a business. The objective is to increase standard of living and encourage the private sector to make manufactured goods of sufficient quality to compete with imports." The government has said that the country of 5 mil people, a member of OPEC, depends too heavily on income from oil and the people are too dependent on foreigners and imports of consumer goods and make changes that will support the private sector in an effort to reduce unemployment.

This is the background for new initiatives for promoting entrepreneurship and innovation in the country. One of those is ELITE - A project on behalf of the Libyan National Bureau for Research & Development to Establish a Libyan Incubator Network for Technology and Innovation. Incubators have proven to be a very efficient approach for stimulating the setting up of new companies and for contributing to create new jobs in technology oriented companies. The role of Incubators in economic development is being recognized all over the world. An Incubator is a local or regional partnership structure with a full range of services, on favorable terms, designed to foster the growth of new and emerging companies.

Furthermore, the aim of such kind of institution is the increase in competitiveness of regions or territories by stimulating a culture of quality and innovation among its associated businesses and knowledge-based institutions, by organizing the transfer of knowledge and technology from its sources to companies and to the market place, and by actively fostering the creation of new and sustainable innovation-based companies through incubation and spin-off processes.

Mechanical Engineering, Biotechnology, ICT, Oil & Gas, Energy, Food Industry, Agriculture, Transportation, Financing, Electronics or Medical Technology have been identified as very important areas for future industrial and scientific development in Libya. In order to remain successful, an appropriate industrial infrastructure should be generated to which the establishment of the Libyan Incubator Network for Technology and Innovation will contribute to. This project is designed to fulfill a variety of objectives determined by the main funding institutions. Such objectives include training of internal and external staff, research commercialization, economic development, income generation and rural revitalization. The main thrust, however, is always to nurture early stage and start-up companies within the Incubator premises and/or on an outreach basis, to survive and grow as sustainable enterprises, thus achieving one or more of the following benefits: creating direct and indirect employment, transforming the culture of entrepreneurship and enhancing university/research/business linkages in addition to other non-quantifiable benefits.

ELITE is clearly intended to contribute to a stimulation of the private sector in Libya. Creations of new companies and supporting existing SMEs will result in a strengthening of the private sector in Libya. By using a train-the-trainer approach, ELITE will make sure that the trainees will improve their professional skills and use up-to-date project management tools.

VDI/VDE Innovation + Technik GmbH has been awarded a contract by the National Bureau for Research & Development (NBRD) to carry out the ELITE project. This project will be accomplished in partnership with the Berlin Innovation and Business Incubation Centre (BIG).

Contact: Mohamed A. Alaswad, ELITE Programme Director, Email m_alaswad@eliteproject.net

Uwe Seidel, VDI/VDE-IT Berlin, Email seidel@eliteproject.net

Kyrgyzstan *Successful Business Incubation*

By Tamara Kozhomuratova

The Business Incubator Bishkek has been successfully carrying out its independent activities in compliance with the project objectives for already 6 years. It has supported 20 small enterprises which are now working independently. According to the results of GTZ project monitoring implemented during the past 10 years, as well as the findings of studies, the incubator has been highly appraised and has been recognized as the best one. We are not financially supported by either the state or donors. We are working under conditions of the full self-financing.

At present 10 small businesses are located in the incubator. That is, we are working, and pay much time to training and consultation of entrepreneurs. In addition, we closely work with UNDP and OSCE Center on establishment and development of incubators in mountain districts of Kyrgyzstan.

Contact: Business Center Bishkek, Kyrkyz Republic, Email: incub@elcat.kg

Qatar *Investor Readiness' Programme*

For supporting the development of Qatar Science & Technology Park and its clients a process to establish an 'Investor Readiness' Programme in has been started.

Whilst the overall programme will be tailored to the local market, it will include a series of modules on Business Planning subjects leading up to the establishment of an SME. This will include the development of an early stage business idea through to a comprehensive investor-orientated business plan and the growth of the business through the first cash flow-difficult several years. Module examples include Project Development, Commercial Evaluation, Management Team, Business Planning, Accessing Finance and Building the Business.

Partners interested in developing the program and exchanging information about modules (e.g. manuals, guides, training materials etc.) are invited to contact Lindsey A Jones Email: ljones@qstp.org.qa

New Zealand *Partners for Technology Transfer*

New Zealand is seeking for instruments for improving commercialization of university sourced IP. New Zealand's university's IP policies are seen as being too constraining. However, there is a willingness to change, or at least review current policies against overseas practices. Therefore examples of universities with liberal IP policies that are encouraging researchers and inventors and proving to be effective in generating spin outs and commercialization opportunities are needed. Partners willing to cooperate in this matter are welcome.

Contact: Richard White, New Zealand Trade and Enterprise, Email richard.white@nzte.govt.nz

Czech Republic *Strategic Innovation Studies*

By Petr Hladik



Vision of the new Innovation Center

One of main activities of the Technology Centre of the Academy of Sciences is to support regional development in the Czech Republic by promoting culture of innovation and conducting studies on regional innovation strategies.

Three years ago, the Technology Center finished a project that had been focused on the development of regional innovation strategies for two big cities in the Czech Republic – Prague and Pilsen. One of the key objectives was to link the entrepreneurial communities with research organizations in these cities and promote their mutual cooperation. The

project included a number of analyses and was expected to take part in creating favorable conditions for starting up and developing small- and medium-sized innovative enterprises (SMEs) including a proposal of a business service system stemming from the needs of such enterprises.

The analyses revealed among other facts that one of the priorities for development of the regional innovation capacities was a formation of integrated scientific and technological capacities, innovation centers and consulting centers. These results find a practical application with construction of an Innovation Center and Business Incubator being built in the premises of the company “CKD – New Energo”. Construction started officially on 13th November, 2006 in the Prague district Vysocany. Vysocany has deep industrial roots in its history which has been turned to modern business and residential area in last years.

The expected capacity is about 40 small start-up companies (incubator tenants) that will get the opportunity to use support services of the Center. The partnership with CKD-New Energo will be one of the benefits as the company will be able to provide start-ups with its technological equipment and experience in the field of industrial and energy engineering.

The main objective of the Innovation Center is to support entrepreneurial activities of new and already existing small innovative companies in Prague region and to contribute to supporting the commercialization of results of research institutions, improving the competitiveness of new small companies in their early stages, and revitalizing some industrial buildings in Vysocany.

Contact: Petr Hladik, Email hladik@tc.cz

Ukraine *Information Center “Manufacturers and Entrepreneurs Rights”*

By Inna Gagauz

Kharkov Technologies representatives as partners of the BOOST-IT project attended the Information Day about the 1st Call of the Framework Program 7 (FP7) held in Brussels in early February. BOOST-IT is a project being implemented by a consortium of 6 European countries: Portugal, Israel, Slovenia, Poland, Croatia, and Ukraine. The Project is aimed at creating awareness among the local SMEs towards the opportunities of FP7, and to train and assist them to fully benefit from those opportunities.

December 7, 2006 the Ceremony of Awarding the Winners of the 3rd Ukrainian Popular Science Article Competition and Scientific Photograph Competition for the year 2006 took place in Kiev in the Big Conference Hall of the National Academy of Sciences. The Competition was organized by the Kharkov Technologies Center and the National Academy of Sciences of Ukraine and was aimed at popularization of achievements of the domestic science, attraction of public attention to its problems and prospects of further development. February 26, 2007 Kharkov Technology Center jointly with Intergovernmental organization Science and Technology Center of Ukraine launched the scaled training project “Technology Management: Commercialization of Scientific Activities in Research and Development Institutions”. Within the frameworks of this Project it is planned to train 35 specialists of the National Academy of Sciences of Ukraine who are intended to take positions of innovation managers in their organizations after passing the training course.

Contact: Inna Gagauz, Email: gagauz@isc.kharkov.com

Tajikistan *Information Center “Manufacturers and Entrepreneurs Rights”*

By Valentina Spivak

A new project is aimed at creating the consultative information internet-center "Manufacturers and Entrepreneurs' Rights" is executed by the team “Tajik Development Gateway”. The project was carried out within the framework of the program “European Initiative for Democracy and Human Rights”.

The goal of the project is to promote legal protection of entrepreneurs' rights irregardless of forms of property of Tajikistan through the development of a legislative information ground covering legal and labor issues. Provision of information support and access to the required specific information at the right moment will promote assistance and protection of human rights and democracy development. As a result of the project implementation a new portal is available: <http://www.business-club.tj>. This portal offer information enterprises (products & services, search for partners), all laws and legal acts that determine production development, entrepreneurship support, and investment legislation, investment projects of enterprises, the bank system of Tajikistan, the insurance system, sources of financing. The licensing system as well as standardization and certification.

Contact: Valentina Spivak, Email: valentina@tajik-gateway.org

Macedonia *University Start-Up Center*

The Faculty of Mechanical Engineering (FME), University "Sc Cyril and Methodius" (UKIM) in Skopje has established a Business Start-up Centre (BSC) which supports students and recent graduates in their will and effort to start their own business. The Centre should also cover university curricula shortage of subjects treating entrepreneurship and small business management, by offering on-line course for small business management to all university students as an elective course. UKIM-BSC should provide the students and recent graduates with an effective tool of self-employment as another option in their professional life.

In order to fulfil its goals and having in mind sustainability of the Centre, all relevant domestic institutions are included in the managerial bodies, advisory board and steering committee. From the Austrian side experienced consultants are involved in the project (WUS Austria; Austin, Pock&Partners GmbH; ZAT GmbH; Innofinanz GmbH). UKIM-BSC is designed as an incubator opened for innovative, technology-based and profit orientated

ideas. It has a selection system which starts with on-line application of business ideas, followed by selection of the best 80 ideas, training in 10 modules of entrepreneurship and small business management issues, business plan competition and finally ending with 5 newly funded companies. This cycle will be repeated twice during project duration, so at the end of the project the Centre will host at least 10 companies. The job of the Centre does not stop by establishing of these 10 innovative companies, but continues with counseling and coaching in next year, all in direction of straightening the capacities of newly established companies to successfully sustain and grow on the

market. From a wider society point of view the Centre will contribute in improvement of entrepreneurial activities and promotion of self-employment among high educated population, which will positively influence on the high unemployment rate. It will promote economy based on knowledge, a condition to GDP and social standard growth.

Contact: Prof. Dr. Radmil Polenakovic, E-mail: radepole@mf.edu.mk

Bahrain *Building a Support Structure for innovation and Entrepreneurship*

. "We want to demonstrate to all people that starting a business is an opportunity for many people", said **Sheikh Ibraim Bin Khalifa Al Khalifa**, Under Secretary for Finance, "and we building an appropriate infrastructure for supporting businesses to start and to grow". Also the Bahrain Development Bank (BDB) is taking a stake in these developments, for example by support the Bahrain Business Incubator that started operations. **Nedal S. Al-Aufan**, General Manager of Bahrain Development Bank personally takes interest in the development of the incubator and its clients and supports the development of entrepreneurship in Bahrain.



On invitation of **Omer Oz**, Managing Director of the Bahrain Business Incubator SPICE President **Heinz Fiedler** visited Bahrain for exploring potential for developing innovation and entrepreneurship in the country and discussing possibilities for strengthening international cooperation. This visit also was part of the activities supported by *infoDev* to develop a network of business incubators and technoparks in Middle East and Northern Africa (MENA^{inc}).



Nedal S. Al-Aufan, Heinz Fiedler & Omer Oz

The Bahrain Business Incubator and has developed well and now is preparing for an expansion to offer more space for growing tenants as well as new clients. The potential need for expansion has been seen already in the conceptual phase of the incubator and therefore the land needed for expansion clients to grow without having to leave the developed network of cooperation. The "pool" for business development is growing with the incubator and can develop stronger impact on the region. The Government of Bahrain also understood the need to offer business incubation facilities not exclusively to technology based enterprises. An incubator for handicrafts and art including facilities for selling the products in a small shopping arcade has been established and now is expanding with an additional building on the same site. Bahrain's concept for developing business and entrepreneurial culture is reaching out far. Plans for a light manufacturing incubator are on the drawing board as well as a medicine technology incubator that is planned to work next to a new hospital.

Contact: Omer Oz, Email: omeroz1@gmail.com



Tunisia *The Elgazala Incubator*

Tunisia - fifty years after its independence – although a natural resource "poor" nation now reached a per capita income of \$7,100, the highest in Africa. Tunisia's challenge today is to speed its economic growth rate. Information and Communication Technologies (ICT) have been identified as an engine to drive this transformation and ICT already has more than doubled from 4.5% of the nation's GDP in 2002 to 10% in 2006. ICT entrepreneurs have played a key role in this growth and the .Elgazala incubator is playing an important role. The incubator is located in the Elgazala Communication Technopark (established in 1999), the first of 10 Technoparks to be established in a national program.

The Elgazala Technopark (ETP) started officially in 2001 as a government company. On a 65 hectare campus ETP meanwhile hosts 35 companies providing about 900 highly qualified jobs; over ninety percent of the technopark companies are exporting. The Elgazala incubator is one of the incubators Tunisia has launched to create one incubator within each High Institute of Technological Studies (ISET) as well as in each techno park. The Elgazala incubator was officially launched on September 19, 2001. Its mission is supporting the creation of new ICT companies in Tunisia, and its specific goals include (1) promotion of entrepreneurship, (2) support of

the start-up creation, and (3) assistance to promoters of ICT projects. Ms. Nejiba Khalfallah describes her role as an incubator manager as being the “mother hen” or as: “a consultant, coach, friend, and contact for incubatees.” Besides providing services for its clients the incubator engages in outreach efforts, business development services (BDS) and builds and maintains linkages with external stakeholders. Future engineering and ISET graduates are actively informed about entrepreneurship as a career option. The incubator manager works with research centers and academic institutions to identify technology-based business ideas to help converting them into viable enterprises.

The Elgazala incubator in total has 550m² of space and provides its tenants each with 15m² of office space (with furniture, PCs and internet broadband access). The incubator also makes the technopark environment available to its tenants. An important component of the support provided to incubator clients is access to companies (SMEs, multinationals) as well as higher education and research institutions (teachers, students, graduates).

Much has been achieved – and much has to be done. As for (almost) all incubators financial resources for providing the needed services to the client companies could be improved and more space for client firms would help. Being a government entity the incubator is submitted to administrative procedure and procurement procedures that do not always allow acting in the form and speed business clients expect. The incubator seeks to strengthen its public private partnership network. The eight members of the board of the incubator are civil servants and academics and involvement of private sector representatives is seen as necessary.

Contact: Nejiba Bouzaïane Khalfallah, Email: n.khalfallah@elgazalacom.nat.tn

International | **INSME 3rd Anniversary**

The month of February marks the third anniversary of INSME, which was officially set up as a non profit international Association three years ago, initially founded by organisations from Italy, Romania, Spain and Switzerland. Since then, the Network has grown up to 82 Members and now represents a multi-stakeholder and multicultural community of institutional and economic players building relationships and partnerships to help Small and Medium-sized Enterprises (SMEs) compete and thrive globally through innovation and knowledge. With its networking activities INSME has contributed to stimulate the creation of linkages people; to foster the identification of common priorities and common tools to solve common problems; to set up joint project proposals raising funding; to build a bridge between the private and public sector promoting a shared vision and a shared approach on the governance of innovation challenges.

Contact: Ms. Simona Marzetti, Email marzetti@ipi.it

Network Evaluation and Perspectives - the SPICE Group 15th Anniversary Report:

Countries
already in the
Anniversary Report

**Armenia, Australia, Belarus
Croatia, Estonia
France, Greece
Ireland, Korea, Latvia,
Lithuania
New Zealand
Romania, Tajikistan
Ukraine, Vietnam**

Meanwhile we received more answers to the “Anniversary Questions from SPICE Members and friends. However, to provide a general evaluation of networking during the last decade and for describing the potential for future action we still welcome more comments on these matters. The replies are being summarized under the lead of **Barbara Harley** and discussion will be continued at coming SPICE meetings. This process will lead to a “**15th SPICE Anniversary Report**” containing brief abstracts describing the development of business incubation in different countries (reports available are listed in the box). Other parts of the report will deal with an introduction to SPICE, the Anniversary Activities (Workshops and SPICE Art Ball), and a summary of answers regarding networking experience and perspectives.

If your country is not yet listed in the box please send us your reply to the Anniversary questions as soon as possible. Attached please find another copy of the set of questions to be answered. We aim at getting a draft report ready soon and your country should not be missing in this report on development of business incubation globally.

Please send comments or questions to the SPICE Secretariat at spice@spice-group.net

A new service for SPICE members

Travelling much? Having difficulties finding the right hotel for business or pleasure? What seems to be good is quite expensive – what seems to be affordable is far from where you want to go or what you need? Members can help members.

We begin building a data base of hotels that have been used by members and can be recommended – partly with special prices available to members only. This information will be made available through the SPICE Group website. If you can recommend a hotel wherever around the globe, please send an email to spice@spice-group.de

And finally...

“Letting others know” is key for generating synergy in the SPICE network. If members do not know about activities, projects and plans of other members they hardly can have ideas how to work together, what the burning issues are, or who could be the right partner for a joint project. Certainly direct email communication is a fast and efficient tool for finding cooperation possibilities. However SPICE Update and the “Actual Information” section on the SPICE Group website are tools serving this purpose on a wider basis. We therefore (again) invite members and friends to provide information for publication within the network.

With best regards from the SPICE offices in Berlin and Poznan

Heinz Fiedler & Larisa Brovarska