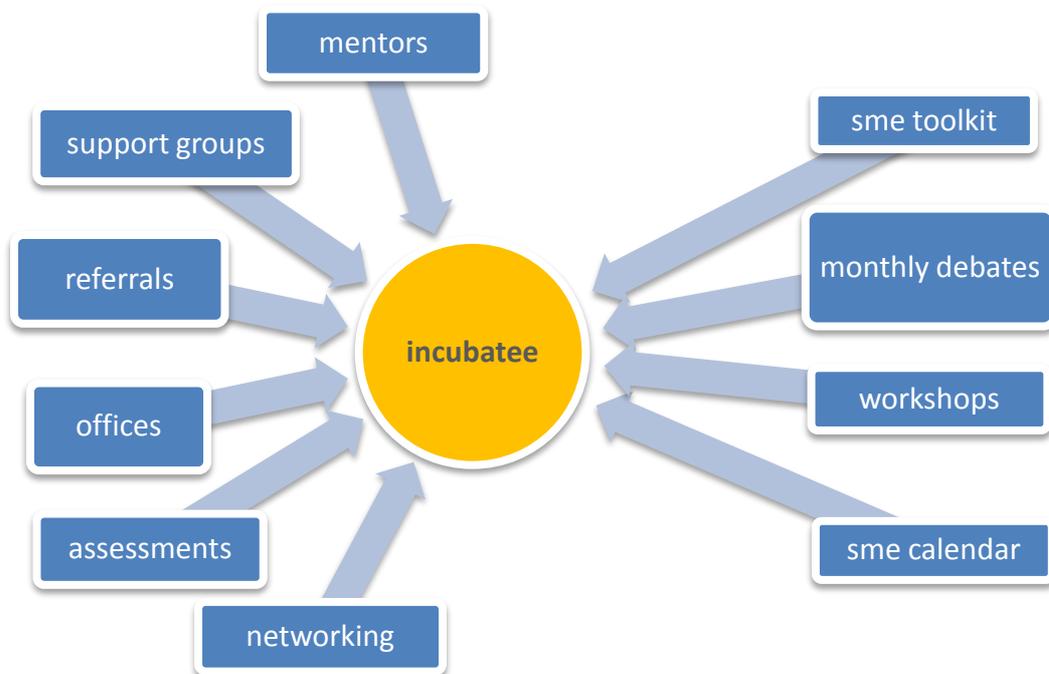


## 11. Incubate

To distinguish yourself from a pure real-estate development, consider how you will integrate any of the following services into your model. These need to be well thought through and clearly described in your plan. Having clear strategies will allow you to set clear measurements of your success.



### Offices

Provide excellent serviced office space at an affordable rate with flexible leases (or no leases). Consider a sliding scale for companies depending on their maturity and ability to pay. Leverage commercial tenant leases to subsidize the cost of these offices. Provide electricity, internet and voice. Allow tenants to contract or expand into other spaces without signing annual contracts. Provide shared access to resources like printers, faxes, reception, and voicemail.

### Referrals

The incubator program should have a series of referral services available to the SMEs in their program. Local companies that provide a broad range of business services may provide discounted initial consultations and fees as negotiated by the incubator manager. These companies participate to develop future clients and for their corporate social responsibility program. Each year, the incubator manager will meet with each company in the program and do a needs assessment and remind the incubate of the services available. This is not intended as an active intervention in these companies, more as a resource centre. The idea is NOT to attempt to manage or run these companies, but rather provide resources to remove their bottlenecks when they recognize they have some. Companies and experts would be screened and approved by the incubator team, and made available that can assist with the following areas: business plan writing and market research; marketing & sales; financial planning; legal & HR; business setup and registration.

## **Mentors**

The incubation program should match incubates with local entrepreneurs in a mentoring program. Incubates and mentors must meet every month, but it is up to the pair to determine the structure, format and content of those meetings. The program manager must carefully select and monitor these mentors. The mentors provide advice and will be drawn from the wider business community. A plan should be agreed if possible and written up by the incubate and the Mentor should help determine goals and a timescale and ensure that such objectives are being met. Mentoring can also lead to business opportunities and referrals for the incubates as the Mentor can provide much needed introductions. A simple ‘mentoring guide’ will be written and updated, giving an outline of how a mentoring program could work. Mentors are required to fill out a simple report after every meeting and to always meet with the incubator manager when they visit monthly to share the progress of the company and identify constraints. Incubates will also be required to assess the mentor and their progress after every meeting, although this report is not shared with the mentor.

## **Support Groups**

Incubates could be organized into small groups of ten or less and required to meet monthly to share ideas, experiences, frustrations, services and generally network with each other.

## **SME toolkit**

A CD could be compiled and be made available to incubates and also to SMEs in the wider community that will contain a range of useful materials, including accounting principles and tools, different government forms, lists of resources and companies, sample business plans and other materials. It will also be made available online. This material will be reviewed and updated annually, or on a case-by-case basis, and should be developed in partnership with other NGOs.

## **Monthly Debates**

The centre could host a monthly debate/dialogue where topics that combine technology and business innovation and policy are addressed. Education, health, agriculture, security, policy are among the topics that specialists will be asked to present. Vibrant question and answer sessions will be encouraged, as well as a period of networking after the event. The debates should be recorded and notes made available and online. The debates will be open to the public and should try to help any business person or professional understand the role, impact and opportunity that technology offers for improvements in their field.

## **Workshops**

In addition to the regular monthly debates, there could be a series of events held throughout the year which will focus on special areas of need for SMEs. This will be organized and funded in conjunction with other NGOs and resource centres within the community. Industry experts will be invited to provide insight into specialist needs of the SME community. Topics can range from writing business plans, financial management, human resources, marketing your product, commercial law, project management etc. Attendees will pay to attend these sessions, with discounts for incubates. These events should be collaborative with specialist organizations that have the resources, experts and materials available to deliver quality programs. The Centre will be responsible for coordinating and scheduling, and providing the meeting facilities as well as providing marketing services outreach to the community.

### **SME Calendar**

The Incubator Manager could maintain a calendar of all upcoming events for SMEs across the city, as well as coordinating with all the other programs that exist so that any SME requiring information about what programs or events or resources exist that could be of benefit to them are easily available. The Centre will be a clearing house of sorts, ensuring that the community knows where to go to find a comprehensive program of assistance. The manager will coordinate between all the agencies and organizations that provide these services, both commercial or not. This calendar will be published on the Centre's website.

### **Assessments & Contract**

The incubator manager should meet with each company at least once every two months to assess their progress against specific goals and to ensure that they are in compliance with their obligations as an incubate. Tenants in the incubation program (which can last between 12-24 months) will be required to sign a contract upon entering the incubator agreeing to monthly mentor meetings, and bi-monthly meetings with the incubator manager, as well as certain other responsibilities. If an incubate fails to meet their obligations, they will be evicted from the program and will also become liable for the associated costs of the program to date. If they graduate, the program will be provided to them at no cost.

### **Networking**

The incubation program will also provide a networking service linking incubates to other businesses and resources within the building and community. The program cannot manage that relationship, but it can use its influence and reputation, and links with the private sector and government to identify possible linkages, and to network foreign investors and companies with local companies and resources. Linkages with other incubators and programs will be part of this networking facility.

In addition to these resources and programs, additional in-house technical support can be provided at competitive rates: database and server co-location, affordable internet rates, and hardware leasing.

## **12. Partners & Investors**

**Local Businesses** Local businesses should be actively involved in the setup and ongoing activities of the incubator. They can provide services (technical, financial, legal etc.) to the tenant companies at discounted rates in anticipation of those companies becoming full-paying customers as they mature. Businesses can also leverage your centre as a location to launch, test or market goods and services to the broader market. Local investors can become involved in mentoring roles as a way of identifying potential investments, not just as potential clients. Mature companies may invest in the incubator because they recognize a corporate social responsibility, and helping SMEs to develop may also broadly help the economy to grow and thus generate tax revenues and more customers across the economy.

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**Investment Funds** Identify all the funds within the community and explain to them the goals of the incubator. Make sure you only meet with decision makers who will 'understand' the vision. Other participants are unlikely to entertain any ideas of discounted cash because of the merits of the business.