

### **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.

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<b>Banks</b>	Important to have on the board and participate so that they can understand the needs of SMEs and develop packages for them, as well as provide financing as those companies seek to expand. If familiar with your business they will also extend credit to the incubator itself in times of need.
<b>Universities</b>	Sometimes slow, but frequently a key strategic ally in providing both research and new employees to start-up companies. Incubators can also create transition paths where they take graduate students into an incubation program straight out of the university.
<b>Government</b>	Important strategically, to leverage financing and support across the community. Try to give the government a non-executive role in the running or ownership of the company. The incubator can influence them in terms of policy. Government can generate much needed publicity, awareness, credibility and financing for incubators.
<b>NGOs &amp; Donors</b>	Meet with the development community and donors and act as a clearing house for their services – a great challenge for these organizations is coordination between and among the different agencies. With a specific focus on SMEs, the incubator can be the local information point, helping SMEs recognize what assistance programs are available. Donors often have difficulty in access to the community and distributing their products and services, and the incubator can link them to a thriving innovative culture.

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## 13. Financials Needed

Ultimately the project will hinge on how impressive your financial model is. Consider different scenarios changing your assumptions sheet. Make it all in a flexible and linked excel sheet so that you can easily change occupancy rates, inflation, currency depreciation, loan repayment schedules.

See what are the key performance indicators for expenses and revenues. Play with the model at length so you understand that a small change in one critical number will dominate your business and make sure that those assumptions are safe. Find where profits lie. Your model will shape your business, indicating to you the scale of your business to reach profitability and how much subsidy you may require from the public sector to attract private participation/ownership.