



Suite 2

Business Incubator
Operations

06 Managing the Incubator



Trainee Manual Part 2



IFC
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Introduction to the Training Program

INTRODUCTION TO THE TRAINING PROGRAM

This is the trainee manual for Module 6 Part 2 – out of 11 modules in total - of *infoDev*'s State-of-the-Art Business Incubation Training Program for Business Incubator Managers in Developing Countries.

infoDev (www.infodev.org) is a research, capacity building and advisory services program, coordinated and served by an expert Secretariat hosted by the World Bank Group. It helps developing countries and their international partners use innovation and information and communication technologies (ICT) effectively as tools for poverty reduction and sustainable social and economic development. *infoDev* is a leader in business incubation of technology-enabled enterprises. *infoDev*'s global business incubation network reaches close to 300 business incubators, more than 20,000 small and medium enterprises, and has helped create over 200,000 jobs across 87 developing countries.¹

infoDev has found that high quality leadership is a key factor determining the probability of success for an incubator. *infoDev* therefore seeks to increase the capacity of business incubation managers – and their stakeholders – through one-on-one technical assistance, regional and topical peer-to-peer networks, the bi-annual Global Forum on Innovation and Entrepreneurship, and its web-based networking and knowledge-sharing tool www.idisc.net. This training program was designed in direct response to repeated requests from *infoDev*'s technology entrepreneurship community for an in-depth business incubation training program relevant to the developing country context.

This training program is the first-of-its-kind, drawing from the lessons, models, and examples in business incubation from across Africa, East Asia and the Pacific, Europe and Central Asia, Latin America & the Caribbean, Middle East & North Africa, and South Asia. More than 30 experts contributed directly to the writing of the training modules, and the materials were tested with more than 300 professionals in developing countries all of whom provided inputs to the final design.

This training program is designed for business incubation managers and other business incubation stakeholders wishing to increase their understanding and know-how of the business incubation process. It consists of 11 training modules ranging from basic introductory topics designed for professionals new to business incubation, to specialized topics such as Technology Commercialization and Virtual Business Incubation Services.

¹ Source: *infoDev* activities from 2002 to 2009 - <http://www.infodev.org/en/Article.473.html>

The modules include:

SUITE 1 – BUSINESS INCUBATION BASICS

Module 1 – Business Incubation Definitions and Principles

This module provides an introduction to business incubation. It introduces key definitions and presents the main principles and good practices of business incubation. It aims to equip current and future incubator managers and policy makers with the knowledge, skills and understanding of the fundamentals of business incubation in order to effectively foster and encourage businesses.

Module 2 – Business Incubator Models, Including Success Factors

This module aims to illustrate various business incubator models based on practical examples of incubators from all over the world. The ultimate goal of this module is to empower current and future incubator managers with a thorough understanding of the various business incubator models and their critical success factors as well as to help them identify the best model to adopt for their own incubator to be successful.

SUITE 2 – BUSINESS INCUBATOR OPERATIONS

Module 3 – Planning an Incubator

This module, which divided in two parts, covers assessing the feasibility and designing the business model for an incubator. The first part is aimed at providing a thorough understanding of developing a feasibility study. This includes the steps to undertake a pre-feasibility study, the components that it should address, as well as how to gauge the market need and decide whether an incubator is the most appropriate solution. The second part of the module focuses on business planning to establish the incubator business model.

Module 4 – Marketing and Stakeholder Management

This module is designed to support efficient and effective communication of the incubator with key customers and other stakeholders based on a good understanding of the market place. This is important since it will help the incubator to establish and increase its reputation as a sustainable organization that fulfils its mission.

The first part of the module focuses on identifying, assessing, and reaching customers/ stakeholders, as well as potential ally organizations providing business support services to enterprises; while the second part is dedicated to defining the incubator's value proposition and engaging marketing channels.

Module 5 – Financing an Incubator

The first part of this module aims to guide current and future business incubator managers through mastering the incubator's financial data (such as costs and revenues) in order to enable them to identify the financing needs of the organization as well as to explore potential sources of financing.

Building on the first part, the second part of the module is dedicated to demonstrating, to current and future business incubator managers, how to develop a fundraising strategy and to monitor the financial performance of an incubator.

Module 6 – Managing the Incubator

This module provides current and future business incubator managers with an overview of sound management practices for a successful incubator.

The first part addresses the topics of incubator policies and governance and the second part is dedicated to operations and human resources management.

Module 7 – Monitoring, Evaluation and Benchmarking

This module aims to provide incubator managers with the required information, skills and insights to develop their own monitoring and evaluation system and to carry out benchmarking activities.

The first part of the module is dedicated to helping the incubator manager understand the added value of monitoring and evaluating the performances of his/her incubator; defining relevant and adequate performance indicators; and exploring how to monitor and evaluate, notably by studying existing tools and methodologies.

The second part focuses on empowering the business incubator manager to use the data collected through monitoring and evaluation activities to compare the business incubator's performance with those of similar organizations.

SUITE 3 – ADVANCED INCUBATOR MANAGEMENT

Module 8 – Implementing a Mentoring Program

This module provides, in its first part, a conceptual framework for gaining a thorough understanding of the mentoring process and its purposes from three perspectives: that of the business incubator, the mentor, and the mentee.

The second part of the module focuses on how to implement a mentoring program.

Module 9 – Deals and Financing for Incubator Clients

This module aims to provide a thorough understanding of the alternative sources of financing for incubator clients by notably describing programs and processes that will enable the incubator manager to assist his/her clients in accessing financing.

The first part focuses on preparing incubatees to engage in the process of accessing financing while developing the capacity of the incubator to assist incubatees in accessing financing. The second part of the training module explores financing from the perspective of both the incubatees and the incubator.

Module 10 – Technology Commercialization through Incubation

This module describes technology commercialization divided in two parts. The first relating to challenges and lessons learned associated with this process as well as how to manage expectations regarding the results of technology commercialization. This part also concerns the role of the incubator in facilitating technology commercialization in the pre-incubation phase.

The second part of this module focuses on the role of the incubator in technology commercialization in both the incubation and the growth phases.

Module 11 – Setting Up Virtual Services

The first part of this module provides a conceptual framework for understanding virtual services. It is designed for current and future business incubator managers who are considering virtual incubation either as a stand-alone business model or as part of their overall incubator service portfolio to extend their current service offering.

In its second part, the module aims to guide current and future business incubator managers and help them to decide if virtual incubation is the right solution for their incubator. The module then explores the most common challenges and how to address them.

Figure 1 groups the modules by preferred level of experience and suggested module sequence.

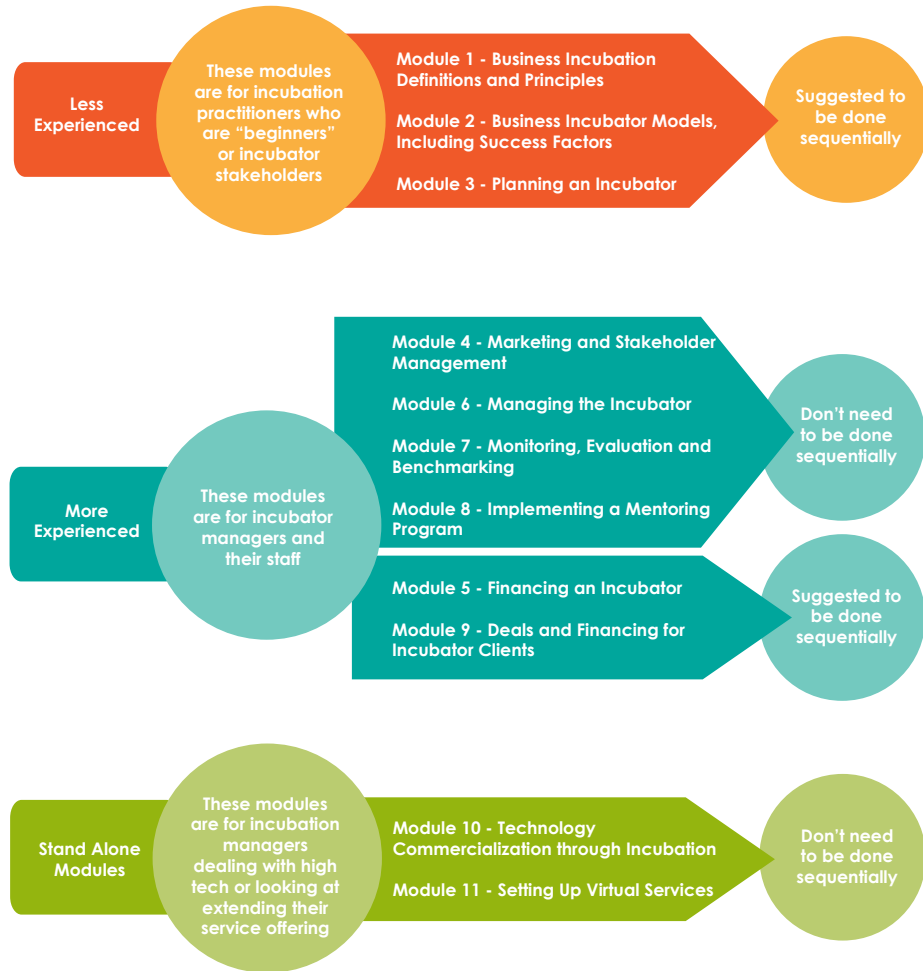


Figure 1 – Module Selection and Sequence



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Module Objectives

The overall objective of this module is to provide participants with an overview of sound management practices in a successful incubator.

TRAINEE TRAINING OBJECTIVES

By the end of this training module, the trainee will understand:

- How to formulate key incubation policies, such as entry and exit criteria;
- How to formulate, implement and maintain an incubator structure;
- How to manage a Private Public Partnership effectively;
- The roles and responsibilities of various key players; and
- How to manage and motivate the incubator's staff.



Introduction to this Module

Managing an incubator is a demanding and challenging role. On one hand incubator managers need to carefully manage the day-to-day operations of their incubator in order to meet financial and marketing targets. On the other hand, incubator managers need an entrepreneurial mindset in order to facilitate the development of and growth of products, services and businesses. These goals are sometimes difficult to balance.

Nonetheless, the incubator's success is certainly due to the way the incubator is managed in both the short and long-term. Issues relating to the incubator-incubatee relationship can have an important influence on the success of an incubator. These include for example: which businesses to select to enter the incubation program; the terms and conditions of the incubation agreement; when and why an incubatee should leave the incubator; and the governance rules that clarify the roles and responsibilities of the Board of Directors.

Such issues are discussed in this module in order to support incubator managers in successfully managing their organization in a challenging and competitive landscape.



Component 3 (Part 2 Training):

Operations and Human Resource Management

COMPONENT INDEX

Section 3.1: Internal Organization of an Incubator

Section 3.1.1: Organizational Culture

Section 3.1.2: The Legal Structure of the Incubator

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Section 3.2: Operations Management

Section 3.2.1: Invoicing/Billing

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Section 3.3.1: Gathering the Required Skills

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Section 3.3.3: Retaining the Incubator Staff

Section 3.3.4: Staff Related Issues

Section 3.4: Strategies for Developing Human Resources

Section 3.4.1: Training Programs

Section 3.4.2: Establishment of a Career Plan (Jobs and Salaries)

Section 3.4.3: Establishment of an Incentive and Benefits Program

Section 3.4.4: Establishment of an Internal Communication Program

COMPONENT OBJECTIVES

A business incubator manager must implement the incubator's policies and governance guidelines within its internal organizational framework. It is particularly important to manage the following two elements:

- The operations of the incubator; and
- The human resources of the incubator.

HELPFUL COMPLEMENTARY TRAINING MATERIALS - BUSINESS EDGE³⁷ & SME TOOLKIT³⁸

To complement the current training module, two additional training programs are available to incubator staff and their incubatees. These have been made available by the International Finance Corporation (IFC), a member of the World Bank Group. The mission of IFC (<http://www.ifc.org/>) is to promote sustainable private sector investment in developing countries as a way to reduce poverty and improve people's lives. IFC finances private sector investments in the developing world, mobilizes capital in the international financial markets, and provides technical assistance and advice to governments and businesses.

The additional training material can be useful to help trainees prepare for the training session and/or to implement the learning outcomes of the training when they return to their incubator. The additional training materials are most helpful on the topic of financial management of an incubator.

The **Business Edge** training material focuses on the needs of business owners and equipping them with managerial skills. Business Edge contributes to the IFC/PEP-MENA's objective to stimulate private sector growth through the promotion of a unique approach to management training.³⁹ IFC provides its Business Edge product range to local training providers who in turn use this training material as a foundation for designing their own training programs to enable SMEs and potential business incubator managers and staff to improve their efficiency and profitability. The Business Edge product range includes 36 self-study management workbooks, trainer manuals and train-the-trainer workshops in 5 different topics (marketing, human resources, production and operations, finance and accounting, and productivity skills).

Each series of training materials provides helpful workbooks for business incubator managers who wish to acquire additional knowledge and useful tools in order to improve their own, or those of their clients, operations and human resources management skills. More details can be found at http://www.businessedge-me.com/cms.php?id=be_training_training_topics.

As an example the 'General Operations Management' workbooks cover topics such as:

- Achieving Quality;
- Auditing Quality;
- Controlling Physical Resources;
- Planning and Controlling Work; and
- Understanding Quality – an introduction.

³⁷ Source : Business Edge - http://www.businessedge-me.com/cms.php?id=about_be_what_is_business_edge

³⁸ Source : SME Toolkit - <http://www.smetoolkit.org/smetoolkit/en>

³⁹ The IFC PEP-MENA Program (Private Enterprise Partnership for the Middle East and North Africa (PEP-MENA) is a 5-year regional technical assistance program implemented by the International Finance Corporation (IFC).

The 'Human Resource Management' workbooks cover the following topics:

- Appraising Performance;
- Job Analysis;
- Job Descriptions, Specifications and Standards;
- Recruiting, Job search and Selection;
- The Owner-Manager and the Human Resource Function; and
- Wage and Salary System.

Each workbook provides the trainees with the following helpful and complementary content to support them in implementing general operations and human resources management tasks:

- **Background information**, including details, explanations and examples of key concepts related to operations and human resources management;
- **Activities**, to help the trainee think about the concepts and topics related to operations and human resources management proactively;
- **A self assessment** to check the trainee's understanding of the concepts and topics addressed;
- **A summary** to review key points;
- **A reflect section** giving trainees an opportunity to reflect upon the learning outputs and how to apply these within their daily activities ;
- **A quick quiz** to test the trainee's understanding of the concepts presented in the workbook;
- **A case study** to apply the trainee's knowledge and skills in the analysis of a real situation;
- **A reflect and review session** to give the trainee an opportunity to measure their own achievement level upon completing the workbook; and
- **An action plan** to apply the learning outcomes at the trainee's workplace.

The **SME Toolkit** is another program of the IFC that is available in multiple languages through local partners around the world. This on-line toolkit provides free business management information and training for small and medium sized enterprises (SMEs) on accounting and finance, business planning, human resources (HR), marketing and sales, operations, and information technology (IT). The SME Toolkit offers a wide range of:

- **'How-to' articles;**
- **Business forms and templates;**
- **Free business software;**
- **Online training;**
- **Self-assessment exercises;**
- **Quizzes;** and

- **Resources** to help entrepreneurs, business owners, and managers in emerging markets and developing countries to start, finance, formalize, and grow their businesses.

Most of the information and materials provided can be used by business incubator managers and staff to improve their management skills as well as those of their clients. The many relevant templates (e.g. for cash flow projections; business planning, etc) are a useful resource for an incubator manager. More details can be found at <http://www.smetoolkit.org/smetoolkit/en>.

The “Operations” and “Human Resources” sections of the SME Toolkit provide useful material to help business incubation practitioners master the management of human resources. As an example, the “Human Resources” section is divided into eight sub-sections, which look at the following elements:

- Compensation & Benefits
- Compliance & Policies
- Contractors, Consultants & Temporary Workers
- Employee Insurance
- Employee Management
- Payroll
- Recruiting & Hiring
- Termination

Section 3.1: Internal Organization of an Incubator

Section 3.1.1: Organizational Culture

Organization culture is the collection of relatively uniform and enduring values, beliefs, customs, traditions and practices that are shared by an organization's members, learned by new recruits, and transmitted from one generation of employees to the next. Simply put, organizational culture is *"the way we do things in the incubator"*.

Identifying the organizational culture currently existing in an incubator will allow incubator managers to understand why things are organized the way they are and, if necessary, how best to change the structure of an incubator without incurring resistance from staff members. Many different types of organizational culture have been identified over the years, such as the "Tough-Guy Macho Culture", the "Work Hard/Play Hard Culture" and the 'Task-oriented' culture where more attention is focused on the tasks at hand rather than the people undertaking them. In an incubator, whose primary purpose is to promote innovation, creativity and business growth, an entrepreneurial culture should be prevalent. Within an entrepreneurial culture, it is important to have staff who can identify new ideas, staff who operate as part of a team to test and implement new ideas ("intrapreneurs"), managers who can support these teams, and influential mentors who help to guide overall activities in the right direction. Incubators demonstrating an entrepreneurial culture benefit in terms of staff attitudes towards exploitation of opportunities, higher standards of achievement among staff members, and overall the emergence of the incubator in a leadership role within the industry.

Apart from the structure of the incubator, other important factors that will influence the culture include the objectives and strategies of the organization, the size and skills of the staff members, and the legal structure of the incubator.

Section 3.1.2: The Legal Structure of the Incubator

The legal structure selected should be relevant to the nature of the incubator, the incubator's strategy, the financial model which sustains it and of course the legal requirements of the country or region in which it is operating. The incubator's strategy will determine whether the optimal legal status for the incubator should be as an independent unit or as a connected unit of an existing institution such as a university, a company or a local government body. The independent unit is a legal entity on its own. The advantages of this legal status are, for example, more flexibility regarding funding and decision-making. The advantages of a legal status as a connected unit include more interaction between institutions, use of "host" resources and more possibilities to leverage off the bigger brand to access funding.

The 2009 EBN Observatory shows that for 65% of the business incubators represented, the public sector is involved as a stakeholder at some level in their legal structure.

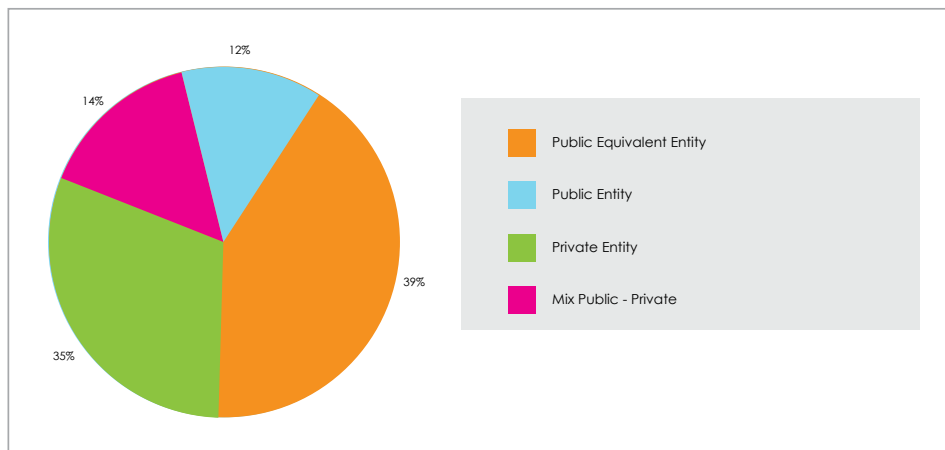


Figure 7 - Legal Status of EBN Members⁴⁰

Section 3.1.3: Restructuring Issues

Incubators are not immune to turbulence and change in their operating environment. Changes in the external environment of the incubator, changes in the stage of development of the incubator or changes in the core services being offered by the incubator may require some level of re-structuring which is never an easy process and which usually presents a particular challenge to management. It is however the responsibility of incubator management to manage change in such a way that employees will understand and support it. To simply instruct and impose change, may lead to counter-productive reactions such as shock, defense, retreat and resistance to change.

⁴⁰ Source : EBN - The BIC Network in 2008, Facts and Figures - <http://quality.ebn.be>

Section 3.2: Operations Management

Operations management is concerned with the ongoing management of the physical incubator building and the provision of related services to client companies. The objective should be to ensure a continuous high level of customer satisfaction and responsiveness to changing customer requirements.

Section 3.2.1: Invoicing/Billing

Rent and service charges

Where possible, incubators should aim to charge the same for rent and common services as those charged in the region for similar premises. This approach is justified not only for reasons of avoiding claims of anti-competitive practices, which could create major problems for public shareholders, but also because it is preferable that new enterprises learn to operate from the very beginning in 'normal' operating conditions.

Reduced rates may, however, be applied on a temporary basis, for a limited period, during the preparatory phase prior to start-up of the tenant's activities.

Billing for common services

Billing for common services is applied where economically feasible separate billing per tenant is preferable to adding an overhead charge. However for smaller incubators, separate billing may not be feasible and therefore it may be better to work out an average overhead charge per square meter and invoice common services in this manner.

Management of 'hot-desking' facilities

It may not be feasible to separate services charges for hot-desking, making desk space available on very flexible terms to entrepreneurs often during the pre-start up phase of their business. In general, most incubators have a set weekly or monthly charge for such facilities that incorporates desk rental, all services charges and the use of common services.

Section 3.2.2: Nature of Activities

Any activities that may potentially cause annoyance to fellow-tenants or place them in danger should be avoided. This applies to all forms of pollution including noise pollution and the use of toxic and dangerous products.

Section 3.2.3: Internal Regulations

Clear and details internal regulations are vital to a good incubator-client relationship. Examples of internal regulations include the following:

An upper limit should be fixed on the amount of space to be made available to a single enterprise

This will, of course, vary according to the total incubation area, which is available to rent out. As a rule of thumb, it would be inadvisable to allocate more than 10% of this space to a single SME given that the objective of the incubator is to be able to provide incubation facilities to a large number of start-up SMEs. However, in some cases, large anchor tenants provide a reliable source of income in otherwise difficult incubator environments.

An upper limit should be fixed on the duration of a tenant's stay in the centre

This should be, preferably, 2 to 3 years but certainly not longer than 5 years in most cases, unless the start-up is operating in an environment characterized by long development life-cycles e.g. some types of biotech business. In general however, the objective is to facilitate the start up of multiple enterprises and not to provide each start-up with a long-term or permanent business premises. Those who have benefited from the unique business support environment of the incubator should, after certain duration of time, make way for new start-up enterprises. To facilitate this flow of tenants, a flexible lease arrangement should work both ways. In the same way that tenants should be able to leave the premises by giving two to three months notice or less, the incubator should also be able to ask tenants to move out within a relatively short period. Apart from the natural progression of tenants out of an incubator environment, incubators should be able to ask tenants to move out if they fail to comply with internal regulations, but also for reasons of personal and/or professional behavior incompatible with the philosophy and ethics of the incubator and other tenants. It is essential to examine closely during the development stage of the incubator any limitations contained in local legislation which would prevent the incubator being able to move tenants out of the incubator premises at relatively short notice. Such limitations should be taken into account in the drawing up of lease agreements. Given the importance of this issue, it is strongly recommended to consult a lawyer who is highly-skilled in lease agreements to develop the template for the incubator's lease agreements. More information on graduation or exit criteria is contained in Component 1 of this module.

Management of parking facilities

For example reservation of space for incubator staff and tenants. This space could be let at market related rates, or subsidized rates.

Telecommunications and broadband infrastructure and equipment

Continued maintenance and upgrading of telecommunications and broadband infrastructure and equipment is essential. Incubators should keep abreast of the latest technological developments, which may create a competitive or cost advantage for the incubator or their client companies.

Appearance

The importance of the appearance of the incubator should not be underestimated. For new businesses, first impressions are all important and, therefore, the incubator should strive to convey a professional and efficient appearance at all times.

A client-incubator handbook is a useful tool for clarifying incubator policies, house rules and regulations. An example of the contents of such a handbook is provided in Component 1 of this module.

Section 3.2.4: Monitoring the Management of the Incubator Operations

In order to ensure they are meeting clients' needs, to continuously improve their performance and to provide accountability to stakeholders, it is generally accepted good practice for incubators to plan for the implementation of some form of performance management assessment from day one. Some incubators use formal quality management procedures, such as ISO9001. Many others use tools, such as customer satisfaction surveys. For a newly established incubator, such tools provide a valuable insight into how well the services provided respond to customer requirements.

Some of the key issues which need to be considered by incubators when planning a performance management system are:

- How to monitor the performance of staff in direct contact with clients? Additionally, and equally important, how to monitor the performance of partners or sub-contractors who the incubator recommend to client companies or volunteers e.g. mentors
- What criteria should be used to measure performance management:
 - Cost effectiveness?
 - Customer satisfaction?
 - Job creation?
 - Company growth rate?
 - Graduation rate?

In Europe, EBN, on behalf of the European Commission, monitors on an annual basis the quality and performance of Business Innovation Centre (BIC) incubators using both process and performance indicators as shown in Table 6.

PROCESS INDICATORS					
INDICATOR	TOTAL 2007	AVERAGE PER BIC	MEDIAN	VARIATION AGAINST AVERAGE 2006	VARIATION AGAINST MEDIAN 2006
NUMBER OF EXISTING (ESTABLISHED) SMES SUPPORTED	19,810	146	74	-0.71%	13.85%
ESTIMATED PERCENTAGE OF TOTAL PROJECTS FOCUSED ON TECHNOLOGICAL INNOVATION	-	56%	58%	2%	3%
NUMBER OF EVENTS ORGANISED IN 2007 TO PROMOTE ENTREPRENEURSHIP	4,929	36	12	20%	9.09%
NUMBER OF TRAINING EVENTS ORGANISED IN 2007 FOR EITHER NEW ENTREPRENEURS OR EXISTING SMES	4,854	40	10	0%	-28.57%
PERFORMANCE INDICATORS					
INDICATOR	TOTAL 2007	AVERAGE PER BIC	MEDIAN	VARIATION AGAINST AVERAGE 2006	VARIATION AGAINST MEDIAN 2006
NUMBER OF START-UP OR OTHER ENTERPRISE PROJECTS DURING THE YEAR	14,505	109	21	-30,13%	16.67%
SELECTED PRIOR TO FEASIBILITY STUDY	28,504	210	55	-17.65%	12.24%
NUMBER OF BUSINESS PLANS PRODUCED DURING THE YEAR	14,121	105	21	-36.36%	0%
NUMBER OF START-UPS CREATED DURING THE YEAR	5,249	39	13	25.81%	18.18%
ENTERPRISE SURVIVAL RATE	-	89%	90%	0%	0%
NUMBER OF TENANTS IN INCUBATOR	3,917	31	23	6.90%	15%
TOTAL EMPLOYMENT BY TENANTS IN 2007	21,561	171	97	3.39%	7.78%
NUMBER OF JOBS CREATED IN SMES	32,495	256	63	-1.54%	-30.77%
NUMBER OF PEOPLE THAT ATTENDED EVENTS TO PROMOTE ENTREPRENEURSHIP	203,394	1,509	500	22.88%	25%
NUMBER OF PEOPLE THAT ATTENDED TRAINING EVENTS	61,891	513	150	-5.87%	-19.35%

Total 2007: Sum of all results reported for relevant indicator by sample Average per BIC Simple average - total (above) divided by number of BIC's in sample

Median: Middle value, above and below which lies equal number of values. Median is robust estimate of centre of sample of data, since outliers have little effect on it.

Variation percentage increase or decrease compared to average reported for previous year

Table 6 - Process and Performance Indicators Used by EBN ⁴¹

Although top-level process and performance indicators are of great value to decision-makers and stakeholders, from an end-user perspective feedback from customers is essential in order to:

- Make sure that the incubator services are generally of value and meeting client expectations;
- Assess the value of the services to the customers; some services will be more important than others;
- Improve the services; and
- Identify new services required by customers.

Note: Module 7, “Monitoring, Evaluation and Benchmarking,” studies in great detail the intricacies of monitoring and evaluation of business incubators’ performances and in particular the essential aspect of customer satisfaction.



⁴¹ Source: EBN Observatory 2007

Section 3.3: Human Resources within an Incubator

The human resources of an incubator are the key to operational success. They are the ‘front line’, promoting the incubator’s skills and goals to the tenant businesses. A successful incubator will have a motivated team with relevant skills to foster business growth in their community.

Section 3.3.1: Gathering the Required Skills

The first step in the staffing process is to identify the specific skills and competencies required for each incubator function. For example, a business development manager should be able to identify potential opportunities, whereas a financial administrator should be more competent in financial and administrative matters. These skills requirements can be identified through an effective, scientific approach to recruitment and selection. However, even more critical for an incubator is to ensure that all employees have an understanding and feeling for entrepreneurship. A combination of different recruitment methods, such as evaluation of curriculum vitae’s followed by scientific profiling and competency based interviews, will ensure a higher success rate in the identification of the right candidate. Various psychometric instruments are also available on the market. Tools such as the Myers Briggs Type Indicator (www.myersbriggs.org) and the Wave profiling instrument measure specific skills required as well as entrepreneurial orientation (an example of wave profiling can be found at <http://www.savilleconsulting.com/products/wave.aspx>).

Key incubator staff skills required:

- Administration – financial, legal, HR, IT;
- Facilities Management and ICT infrastructure;
- Provision of quality business development services to clients;
- Provision of quality office and infrastructure services to clients;
- Marketing;
- Stakeholder management and PR; and
- Planning, reporting, monitoring and evaluation.

Section 3.3.2: Staffing the Incubator

The number of incubator staff required depends on the type, scale, resources and intensity of the business incubation offered. Incubators may need to outsource some services – this will depend on the professional skills and experience of the incubation management team, the needs of the incubatees, and the type of resources available from a local talent or expert pool. Some incubators may only have one manager and one or two other staff, with services such as mentorship outsourced; whereas others

(of a similar size and profile) may have 10 or more staff with fewer services outsourced. This point is illustrated by Figure 8 (the average number of employees per incubator in Europe). According to 2008 data, 25% of the incubator members of the European Business and Innovation Centre Network (EBN) employed between 10 and 14 staff, and 23% employed 3 to 6 staff. It is known that a significant number of these incubators share a similar size and profile.

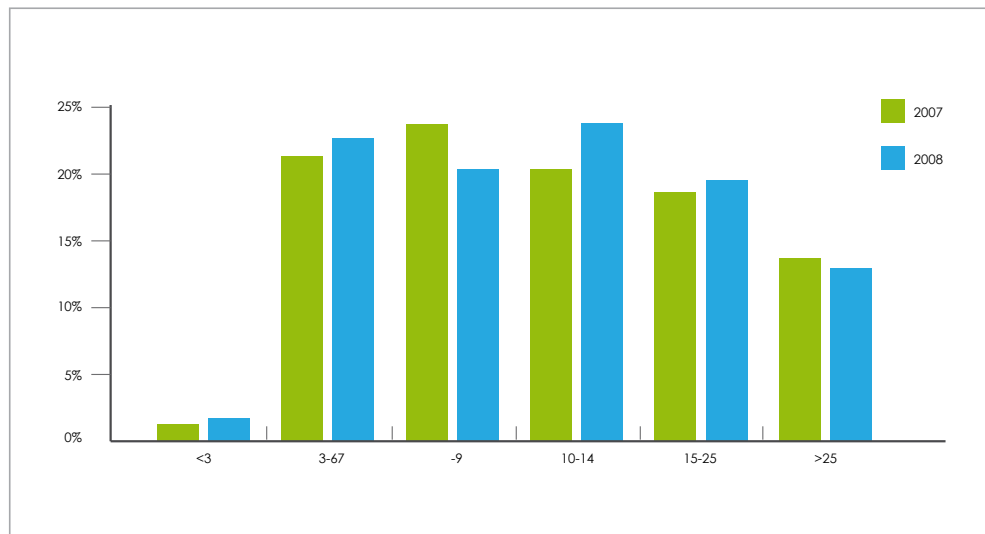


Figure 8 – Range of Staff by Percent of Total EBN Incubator Membership⁴²

Business incubators are advised to show flexibility in terms of human resources as some clients might require the services of external experts when a specific and/or technical issue arises. Figure 9 shows that incubators in Europe demonstrate a flexible approach adapting their human resources model to make use of external expertise when required.

⁴² Idem

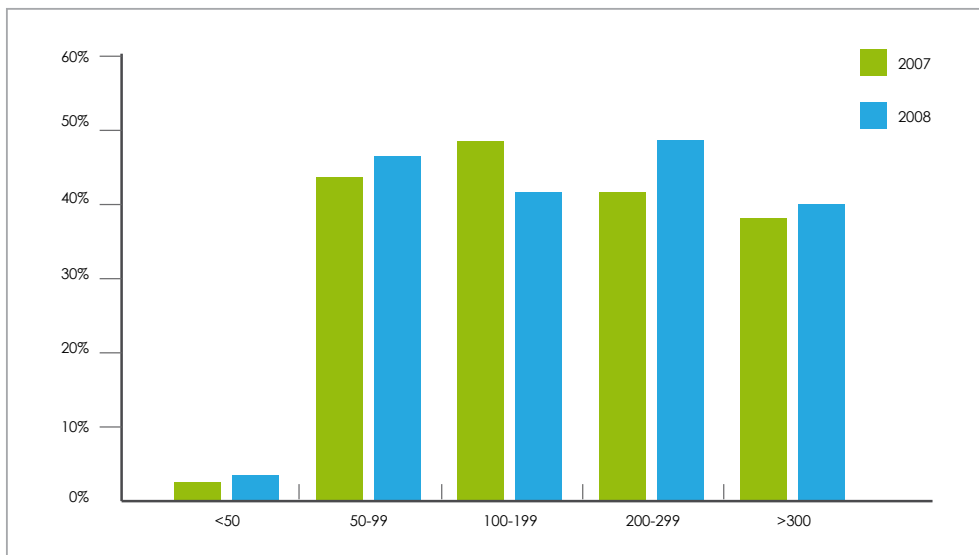


Figure 9 – Days per Year External Experts Supported Clients of EBN Incubators⁴³

The minimum staff-to-client ratio depends on the type and level of incubation services being provided. The data gathered on an annual basis by EBN shows that a full time employee of a BIC assists on average 8 clients.

	2005	2006	2007	2008
AVERAGE NUMBER OF COMPANIES ASSISTED PER FTE MEMBER OF BIC STAFF	8.30	8.69	8.00	8.72

Table 7 - Average Number of Companies Assisted per FTE⁴⁴ **Based on the EBN Membership**⁴⁵

For technology incubators following a business model of shared success with clients, venture capital benchmarks indicate that the best ratio is 1 manager to 6 - 8 clients. This allows managers to work very intensively with clients, involving other mentors and advisors as required. Rental based business models cannot afford these sorts of ratios unless significant government funding is available on an ongoing basis. For less intensive incubation models such as a mixed use incubator where the same intensive management-client ratio might not be warranted, the ratio could be as high as 1 full time employee to 30 clients, again supplemented by the use of mentors and advisors. This sort of ratio is affordable for incubators following a rental based business model without ongoing government funding. Variations within this range can often be found, but higher ratios of 1 to 100 for example, indicate that the service being provided may not actually be incubation but perhaps more general business support.

⁴³ Idem

⁴⁴ FTE stands for full-time equivalent.

⁴⁵ Idem

Section 3.3.3: Retaining the Incubator Staff

After the right staff members have been selected and appointed, it is necessary to create and maintain an environment in which they will be motivated. A motivated employee is a highly productive employee. To help keep staff members motivated, management should ensure that they are in the right job with appropriate challenges and that they are able to see their value within the broader organization.

What is the appropriate salary range for the local market? Exactly how much staff should be paid depends on the duty statement and type of incubation. Differing work cultures, remuneration systems, skill levels and other cross cultural workplace issues lead to considerable variations in remuneration levels between incubators in different countries.

As a general rule, it is advisable that salary levels should be similar to private-sector salary levels, which are generally higher than academic or public-sector salary levels. As previously indicated in Section 2.3.1 of this training module, aligning incubator salaries to private sector pay scales may cause real problems for incubators operating under the governance system of universities, governments and other public entities and this in turn may indicate serious structural flaws in the incubator design. However, this problem can be overcome if management has a very clear idea as to why higher salaries need to be paid. For instance, if success-sharing by way of equity or royalty arrangement are involved, a far higher caliber of staff are required than for traditional rental based incubators.

Section 3.3.4: Staff Related Issues

With regard to human resources, the MEIA Study reports a “*unique mix of attributes (which) is not easy for grantees to find - or cultivate - in staff members, and often demands significant resources to maintain, particularly in competitive labor markets. Only 10% of grantees reported no challenges finding, training and retaining staff. A third cited scarcity as the main issue, and more than 30% said that limited resources kept them from making needed investments in staff capacity-building.*”

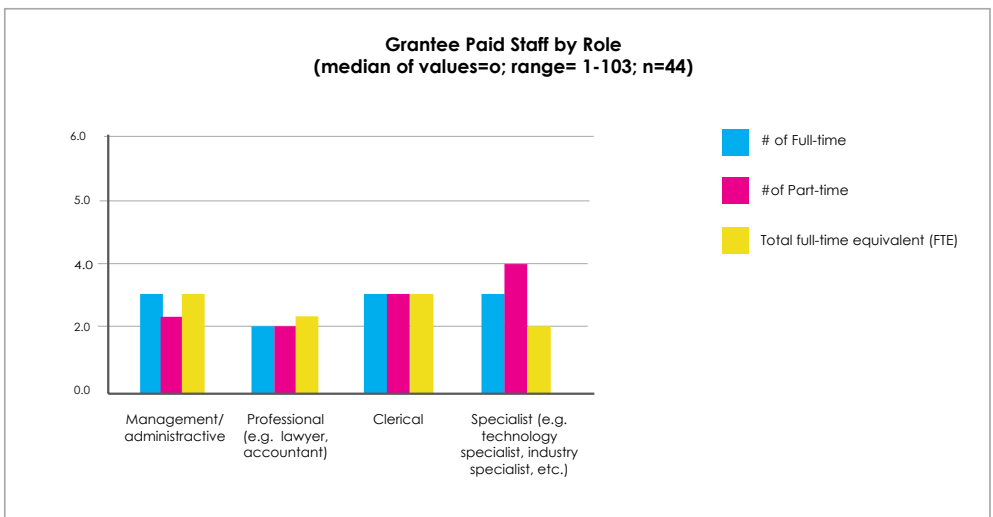


Figure 10 - infoDev Grantee Paid Staff by Role

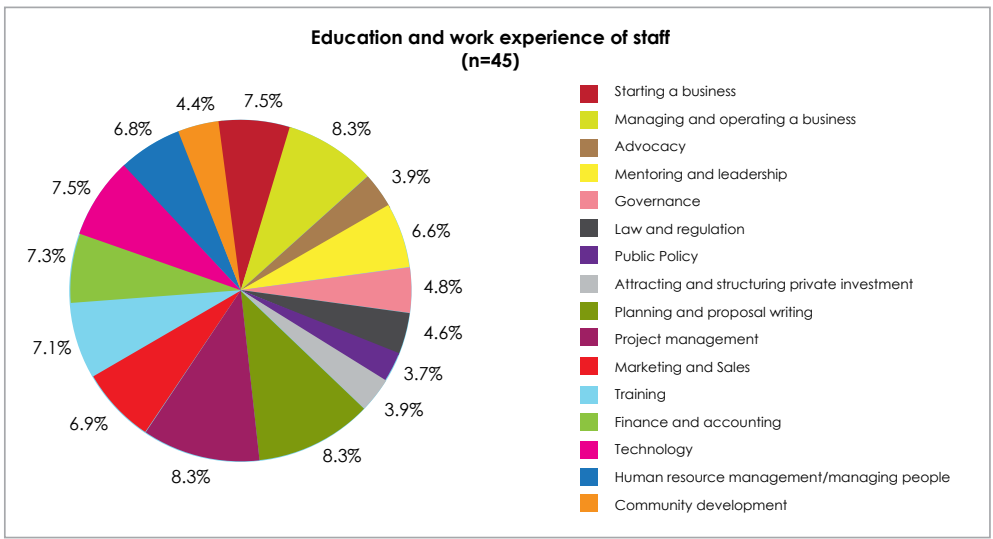


Figure 11 - infoDev Grantee Staff Background

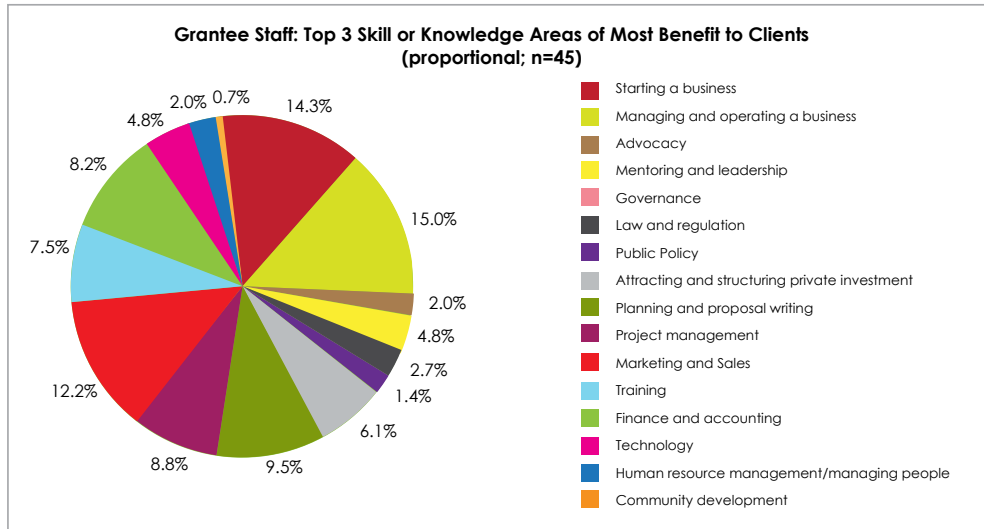


Figure 12 - infoDev Grantee Staff Top Skill or Knowledge Areas of Most Benefit to Clients

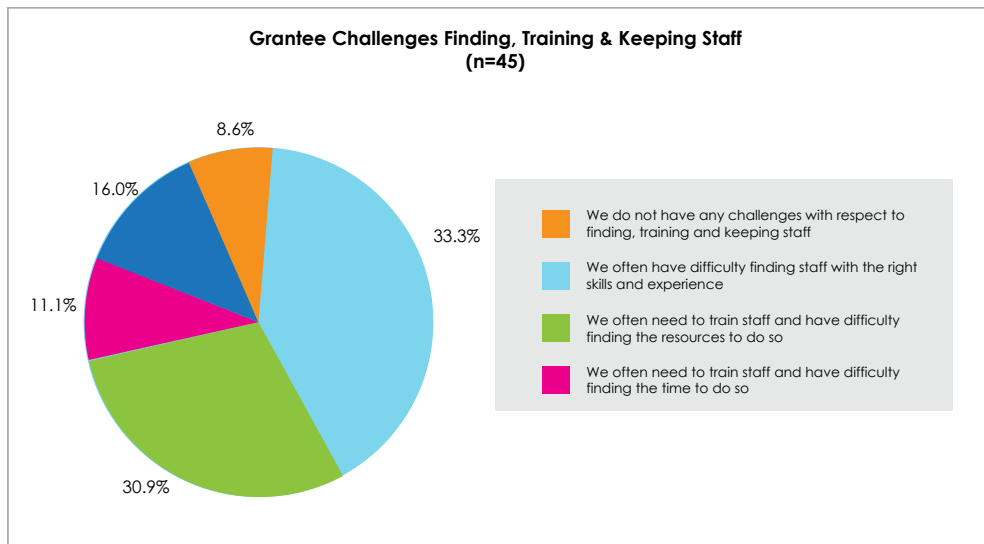


Figure 13 - infoDev Grantee Challenge in Finding, Training and Keeping Staff

High staff turnover is a particular challenge for grantees in Brazil, China and Uzbekistan, where managers reported that they did not have the resources to retain the level of talent the incubation task required. As one stakeholder of the Metutech⁴⁶ team in Turkey explained, the organization needs to “recruit managers with an entrepreneurial spirit, yet if someone had such a spirit, they’d run their own firm.” Specific skills that grantees have difficulty providing include general management, entrepreneurship, business planning, finance, marketing, legal and public policy.⁴⁷

⁴⁶ Source : <http://www.metutech.metu.edu.tr>

⁴⁷ Source : *infoDev* - MEIA Study, Business Incubation Develops Leaders in Innovation and Entrepreneurship Section: http://www.idisc.net/en/Page.MEIA.Study.Observations.html#_Business_Incubation_Develops

Section 3.4: Strategies for Developing Human Resources

Human resource development is the framework for helping employees to develop their personal and organizational skills, knowledge, and abilities. Depending on the needs of the employee, this includes opportunities such as training, performance management, development and coaching, and an introduction to business networks and peers.

Psychometric profiling of employees can be used for different purposes in the organization. The use of personality type indicator instruments can identify the preferences of an employee which can then be used to develop strengths and overcome identified weaknesses. To be effective, a performance appraisal should form an integrated part of an employee's personal and career development plan. Key performance areas against which employees should be measured must be identified together with the employee. Ideally, this process should be carried out on a continuous basis and at least twice per year.

Training should be highly focused and individually tailored in accordance with the development plan of each employee and taking into account their profile and personal/career development plan. Training should ultimately contribute to the growth of the organization.

Section 3.4.1: Training Programs

Training programs are aimed primarily at improving employees' skills and knowledge, in order to enable the incubator to achieve its objectives and establish new and more ambitious ones.

From the employees' viewpoint, training programs provide a pathway for professional progress and therefore training should encourage an employee's self-development. The training professional, in turn, should make employees aware of the importance of self-development and the pursuit of continuing education.

Training programs should aim to:

- Comply with employees' needs to improve the knowledge they require to achieve their objectives;
- Comply with managers' requirements to update the skills and knowledge of their staff;
- Comply with requirements of the Director(s) of the incubator to collaborate with all employees in the achievement of new goals; and
- Assist in capacity building in specific areas for existing professionals or for new professionals who are joining the incubator.

Initial Training

As an incubator is a relatively specialized business environment, unless staff have previous incubator experience, an initial training program is recommended for all management staff.

The goal of initial employee training can be described as the integration of new employees into the incubator team, providing them with the knowledge and behavior/skills they require to perform their job well.

This may involve:

- Desk research, for example, studying online incubator manager training courses such as the iDISC Incubator Toolkit available at: <http://www.idisc.net/en/Toolkit.html#> ;
- Study tours to other incubators;
- ‘Shadowing’, whereby a new incubator manager shadows an experienced incubator manager for a defined period of time;
- Incubator Manager Training Courses regularly run by major incubator networks such as *infoDev*, NBIA, and EBN;
- Participating in incubator training events and conferences; such events are regularly run by the major incubator networks; and
- Specialist training in areas of core competency to an incubator, such as business plan development or access to finance.

In the EBN network in Europe, adherence to the quality management system in operation is crucial. New incubator members are classified as ‘associate members’ and provided with intensive hands-on support and guidance in the establishment of their incubator. They are not officially accepted into the network as a ‘full member’ until an on-site evaluation has been completed by an independent incubation expert and their application has been approved by an independent quality management committee.

Professional growth and development

Ongoing training is important for all incubator management staff to ensure they keep up with technical developments in the field. Participating in specialist training events, international conferences or international projects not only provides good opportunities to upgrade a manager’s skill base, but such events also allow a manager to develop and consolidate their international network of contacts.

Section 3.4.2: Establishment of a Career Plan (Jobs and Salaries)

As part of a career plan, all professionals are encouraged to develop skills and to become more knowledgeable about the business environment they operate in. Although a relatively young industry,

incubator managers can potentially plot a career path and succeed in taking on more responsibilities, especially in regions where the incubators serves a large business community.

The major incentive for incubators to develop a career plan for staff is the need to organize and professionalize incubators, and structure incubators for growth.

Generally career plans aim to:

- Foster better use of personnel resources;
- Support staff personal development; and
- Avoid employee dissatisfaction.

Section 3.4.3: Establishment of an Incentive and Benefits Program

Flexible benefits packages are seen as a valuable resource for attracting and keeping talented employees, because it gives them the freedom to set-up a benefits package that will meet their own individual needs.

Benefits packages aim to:

- Maintain employee satisfaction and motivation; and
- Help improve the performance of employees.

Section 3.4.4: Establishment of an Internal Communication Program

Internal communication is one of the most important “services” of a human resources department. In most cases this task will fall to the responsibility of the incubator manager. Clear communication with colleagues will increase the chances that the incubator has employees that fully identify with the mission and vision of the organization. Consequently the staff is inclined to help the incubator achieve its objectives. In order for the external market to respond positively, the incubator must guarantee that employees and partners are capable of fulfilling the promises made to clients.

The internal effort required for this to happen depends on various factors, such as stimulating tasks and a motivational work environment. It aims to encourage collaborators to respond favorably to the organization’s requirements in terms of absolute commitment to customer satisfaction.

COMPONENT CONCLUSIONS

Efficient management of the operations and human resources of the incubator is the key to success for any business incubator manager.

The incubator manager must demonstrate flexibility in adapting its management and human resource practices to the continuously evolving needs and requirements of their clients.

Case Studies

Business management as the key to success for a business incubator

Incubator Name: Raizcorp, South Africa

Sector: Focus on micro and small enterprises

This Case Study Examines: The management model

Date: January 2010

PART I

SUMMARY

Problem

Business incubators aim to support companies to enable them to grow and become sustainable. However, many incubators are limited in their activities due to the fact that they are fragile organizations themselves struggling to become sustainable because of the limited financial and human resources available for them to carry out their activities.

Solution

A business incubator is like any other business and should be managed like a business in order to become sustainable and hence be able to provide sustainable and better support to the client companies.

PART II

BACKGROUND

IRaizcorp was officially set-up in 2002, building on the experience of Mr Allon Raiz, the “Business Development Manager” in supporting businesses. Mr Raiz started business support activities on his own initiative supporting a first business in 2000, then a second in 2001, the number continuously growing over the years. Without putting the name of “incubation” on his operations, Mr Raiz decided to move his own office, as well as those of the supported companies under one roof in order to:

- Save money on costs, such as office rent and travel;
- Promote the exchange of individual experiences between the businesses and encourage them to find sources of inspiration and solutions from one another;
- Better support the client companies by interacting more often and more easily with them through providing similar services to companies hosted under the same roof.

As manager of Raizcorp, Mr Raiz had to overcome the same challenges as his clients.

1. How to manage the financial resources?

The goal of Raizcorp has always been to run the incubator as a commercial success: “it is in the DNA of the Raizcorp model”. Raizcorp was initially funded through personal assets, initial profits and small loans from friends. The idea of incubating the first companies was driven by the need to save financial resources, such as office rental costs, for both Mr Raiz and his clients.

Raizcorp follows different models to generate the majority of their income from clients:

- Minority equity stake (33.3%);
- Profit share of net profit before tax (20%); and
- Monthly fee covering access to the full Raizcorp service offering to clients, including for instance financial and entrepreneurship training, sales and marketing skills etc. Raizcorp is recognized by the Skills Education and Training Authority (SETA) as a provider of high quality training.

Initially, running Raizcorp required additional income, a situation similar to any other business. To make up for this income shortfall, Mr Raiz sold different services and products to clients and partners including fees to participate as a speaker in different events and undertaking consulting and training assignments. It is worth mentioning, as a simple and inspiring example of alternative revenue generation, the sweets displayed for sale at the receptionist desk of Raizcorp.

2. Raizcorp approach to human resource management

Careful staff selection is one of the keys to Raizcorp’s success. High quality staff constitute one of the critical “ingredients” which contribute to Raizcorp’s performance.

- All team members recruited are entrepreneurs themselves. They have been through the whole business start up processes and therefore they have the necessary empathy that is required to be a good incubator manager along with a thorough understanding of critical business issues.
- Business incubation is a “people business” so being able to communicate with stakeholders is crucial. All staff members are good communicators.
- They have the ability to sell, including ideas, a way of thinking, new potential incubatees, and so on.

Incubator staff are identified through a screening process that enables them to exhibit their strengths and abilities notably through dialogue and exchanges with entrepreneurs.

Raizcorp staff follow an internal training program on-going throughout the year, through which they explore key issues related to incubator management. The momentum created at these training sessions is maintained through meetings held once a week that give Raizcorp staff a forum in which to exchange ideas.

3. Strategic management of incubator branches

Raizcorp is currently established in four different locations, a head office and three other incubator operations. The head office provides support for all incubator operations in terms of content, quality control, ensuring the delivery of products offered in the incubators, accounting and so on. Some common services and products are designed by the head office for the benefit of all incubator operations. However, for the most part, the services and products delivered by each incubator operation are specifically designed and developed for that operation by the head office based on specifications that may include the operating area to be served, the client base, and the opportunities offered by the area. In this regard, the head office designs tailor-made services and products for each of the other three locations.

TIMELINE OF EVENTS

- 2000:** First business supported by Mr Raiz.
- 2001:** Second business supported by Mr Raiz.
- 2002:** Official establishment of Raizcorp.
- 2006:** Second branch Incubator established.
- 2007:** Third and fourth incubator branches established.
- 2010:** Three new locations to be set-up in addition to the established four.

OUTCOME AND CONCLUSIONS

The Raizcorp team is composed of 38 people sharing the same vision of business support and committed to the same goal: to *“grow profitable entrepreneurial businesses”*.

Raizcorp commits itself contractually to increasing the profitability of their 200+ client base. If unsuccessful, Raizcorp will hand back the equity at no cost and write off any outstanding Raizcorp fees. To date, not one company has ever invoked this guarantee.

PART III

LINKS

Raizcorp website: <http://www.raizcorp.co.za/index.html>

REFERENCES

The material for this case study was contributed by Mr Raiz, “Chief Excitement Officer” of Raizcorp. The information was obtained from firsthand experience and personal involvement in the development of the Raizcorp approach.

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Planning an incubator as the solution to foster local economical development

Incubator Name: Inkubator d.o.o., Sezana, Slovenia

Sector: Generalist Business Incubator

This Case Study Examines: How the organized efforts of local stakeholders may contribute to the creation of an incubator, enterprises, jobs, and growth in the concerned area.

Date: October 2009

PART I

SUMMARY

Problem

Economic development is a local issue. In developing areas, one of the main problems faced by localities is the limited number of individuals or organizations capable of generating sufficient economic activities to lead to overall local economic development.

Solution

It is critical to foster entrepreneurship and the development of small businesses in order to enable local economic development. This has to be done at local level by local stakeholders and through a local solution, such as planning an incubator to support entrepreneurs and foster the establishment and development of businesses in a given area.

PART II

BACKGROUND

In 1991, following a crisis in the manufacturing sector, which resulted in the bankruptcy of many local industrial factories, the municipality of Sezana had to confront several major challenges:

1. High unemployment within the manufacturing sector;
2. The municipality was appointed owner of the buildings of the bankrupted companies'; and
3. A critical economic crisis in the operating area.

The initiative to set-up an incubator

The municipality of Sezana approached a leading business consulting firm for SMEs, Sloveneta d.o.o., and proposed a partnership in order to renovate the bankrupted companies' buildings and redesign them for use as a business incubator. The idea was to partner with a local institution to encourage the creation and development of small businesses with the aim of tackling the three issues mentioned above.

Securing 'buy-ins' from stakeholders

The municipality and consultancy partners received financial support from the Slovenian Ministry of Economy, which co-financed the feasibility study and business plan of the incubator to be established in Sezana.

Management of the incubator

The management of the incubator relied on the original partnership. The municipality of Sezana owned 80% of the incubator and the consultancy firm Sloveneta was the owner of the remaining 20%. The daily management of the business incubator was carried out by Sloveneta, as the managing partner of the consortium.

Funding of the incubator and its equipment

The factory buildings available for the incubator project were abandoned by their previous owners and required considerable investment in order to be renovated into incubator facilities. The owners of these new incubator buildings took the decision to sell the machinery left in the factories in order to generate income to buy the necessary equipment for the incubator to start its operations.

Due to its geographical location bordering Italy, the municipality of Sezana approached its Italian partners to set-up cross-border cooperation projects within the framework of the European Union programs. The cross-border partnership received the equivalent of 360,000 Euros, which allowed the partnership to refurbish and enlarge the factory premises to make up a total of 7,000 square meters of flexible incubation space. Over the following years, Inkubator received an additional 200,000 Euros of EU co-financing to set-up an infrastructure dedicated to small businesses within the incubator property and to create a "small business zone".

In 2006, Inkubator received funding of 1.5 million Euros from the EU and matched funding from national ministries to contribute to a total investment of 3 million Euros to build a 2,500 square meter Business and Innovation Centre (BIC) dedicated to innovative companies.

Incubation facilities

Incubation space was made available at a subsidized rate to incubatees for the first 2 years of occupancy. The rent increased over time but remained below market rates. The incubation space made available was refurbished by the incubatees themselves to suit their needs.

Services offered to the incubators' client companies

The incubator staff circulated a questionnaire among their current and potential client base to assess

their business support requirements. The results of the survey determined the types of services the incubator offered.

Based on the survey results, the incubator offers several services including:

- Analysis and evaluation of technological, marketing and financial aspects of a project;
- Package of services for developing entrepreneurial skills;
- Assistance in preparation of business plans;
- Raising financial resources;
- Coaching of companies in the first years of development;
- Establishing connections between companies and centers of knowledge;
- Cross-border cooperation in the field of internationalization of small and middle-size companies; and
- Introducing innovation to existing companies in the operating area of the incubator.

TIMELINE OF EVENTS

1991: The municipality of Sezana becomes the owner of bankrupted factory buildings.

1992: Establishment of the incubator.

1997: The incubator received EU funds in the framework of the Cross Border Connect program.

1998: The incubator was reconstructed and enlarged.

2002-2005: Graduate companies moved to the post-incubation zone.

2006: Readjustment of the incubator's focus from entrepreneurship and job creation to innovation and added value notably by joining the European Business and Innovation Centre Network (EBN) and opening the Business and Innovation Centre (BIC) of Sezana.

OUTCOME AND CONCLUSIONS

Inkubator d.o.o. has been operating since the very beginning thanks to the continuous support of both public and partner organizations, first of all the municipality of Sezana and the consultancy firm of Sloveneta, but also through international partnerships as a result of participation in European Union programs.

The results of 17 years of operations can be summarized as follows:

- 84 graduates,
- 350 jobs created,

- 10,000 square meters of incubation space,
- 40 current incubatees including 20 start-ups and 20 graduate companies,
- 235 employees/positions,
- 46 offices/service units/laboratories,
- 21 production units,
- Between 7 and 14 storage rooms,
- 3 class rooms,
- 2 seminar rooms,
- 1 conference room,
- 1 conference hall, and
- 1 restaurant.

PART III

LINKS

Inkubator d.o.o. website: <http://www.inkubator.si/eng>

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The material for this case study was contributed by the current Incubator Director, Mr Stojan Gorup. The information is based on firsthand experience and personal involvement in the establishment of Inkubator d.o.o.

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Van Tonder, C. L. (2004) - Organisational change, Theory and Practice, Van Schaik Publishers, Pretoria

Wickham, P.A. (2006) - Strategic Entrepreneurship, Pearson Education Ltd, Harlow

Wolfe, C., Adkins, D. and Sherman, H. (2001) - Best Practices in Action – Guidelines for Implementing First-Class Business Incubation Programs, NBIA Publications.

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USEFUL INTERNET LINKS

<http://www.businessincubation.com.au/incubation/business-plans>

<http://humanresources.about.com/cs/strategicplanning1/a/strategicplan.htm>

http://www.myggsa.co.za/connect/receivers/bulungula_incubator/

<http://www.shefftechparks.com/Home/Supporting-Your-Business/Entry-criteria.aspx>

http://www.savilleconsulting.com/products/wave_reportsent.aspx

<http://www.smetoolkit.org/smetoolkit/en>

SUGGESTED FURTHER READING

McKnight T. (2003) - Will it fly? How to know if your business idea has wings... before you take the leap

Annex 1: CREEDA Projects Self-Assessment Tool, Chapter 2

ARE YOU READY FOR BUSINESS?

Starting a small business and making it work can be hard. We all know people who seem to be 'natural salesmen' (and saleswomen!), or people who just seem to be able to make a good idea pay. But where do you fit?

This Chapter will help you work out how ready you are to go into business. And it will help you work out what sorts of help you might need to get yourself better prepared for going into business (Chapter 5 has the list of people to go to).

HAVE YOU GOT WHAT IT TAKES?

This Chapter is just for you, to help you work out if you would make a good small business person. Your answers to the questions in this Chapter will help you work out the kinds of help you might need. No-one else needs to see your answers in this Chapter, and you won't need to send it to anyone.

There are four parts to this Chapter:

1. The first part, *Personal Character*, is multiple choice and asks you to choose one answer that shows how you would react to the highs and lows of being in business.
2. Part 2 looks at your health and how you'll manage to keep the business going if you're off for a few days.
3. Part 3 looks at your own experiences. Have you got all the basics you need to make your business work?
4. Part 4 asks about your reasons for going into business – what do you want the business to do for you?

PART 1 - YOUR PERSONAL CHARACTER**How well will you handle being in business?**

These 21 questions ask you to choose the answers that reflect YOUR personality. For each question, have a look at all the answers and circle the one that fits you the best. At the end of the questions, look at the scores for each of your answers, add them up and see how you go!

1. Think back over the last year or so. Did you start and finish any of your own projects? A project could be anything – like going on a trip with others, building, restoring or making something, writing, doing a course. Over the last year or so I:
 - a) Started and finished some things
 - b) Started some things but didn't finish many
 - c) Didn't do many of my own things, but actively helped other people's
 - d) Was far too busy to be doing my own things!

2. Where are you going? Imagine yourself in ten years' time. Think of a whole range of things: your wealth, your security, your social situation, respect that others have for you, your knowledge.

My attitude is:

- a) I am open-minded about what I want to achieve and I am prepared to work to get the results which appeal to me
- b) I am not the sort of person who feels they have to achieve particular goals
- c) I have some ideas about what I want to achieve and it would be nice if I could get there
- d) I have a clear idea about one or two things and it is important for me to get there
- e) I have a clear idea of what I want to achieve in many things and it is very important for me to get there

3. What do you do under pressure? Imagine that you have started something you thought you could do in one evening but it is already getting late. What best describes your attitude towards finishing it? My attitude is:

- a) I've done my best and I'll just have to leave it as it is and hope that it is good enough
- b) I will reduce the project to something more realistic that I can finish soon
- c) I really want to get it finished - even if that means staying up very late and being tired tomorrow
- d) If I leave it for now, and get a good night's sleep, I will do a better job of finishing it tomorrow

4. Have you ever been in a position of leadership - for example, a captain of a sports team, a supervisor at work, main organizer of a social event such as a party or camping trip? Which of the following best describes your feelings about this position? As the person in charge:

- a) I prefer to be a team member than a team leader but am willing to accept the leadership role if I have to
- b) People accepted me as a leader but I was not always comfortable about the responsibility
- c) I enjoyed being a leader and prefer to be the one in charge rather than a member of somebody else's team
- d) I would prefer not to be the "leader" - successful projects don't usually need one anyway

5. When you are in a large social group like at a party or barbecue, which of the following best describes you? I am:

- a) Louder than average in making my thoughts known
- b) Prepared to explain my ideas when needed
- c) Happier listening to other people and then saying what I think
- d) On the quiet side, keeping my comments for my friends
- e) Pretty quiet – I like to keep my opinions to myself

6. What do you think about meeting new people?

- a) I get on with others, but I prefer to be by myself
- b) I prefer to spend time with just one or two others who I know
- c) I prefer to be with close friends and family
- d) I enjoy large groups and meeting new people

7. What would you like to do with your business? When I think about the business in the future I:
- a) Like to think about the ways in which I would run it differently from others
 - b) Think about how I would use successful ideas I've seen in other businesses
 - c) Imagine a business running smoothly like clockwork
 - d) Have an open mind about how it would operate
8. Think about the things you have set out to do in your life – across a whole range of things: in your social life, in learning new things, in making or fixing things, in helping others, in sport, and so on. I usually succeed in whatever I set out to achieve:
- a) More often than most people
 - b) About as much as anyone else
 - c) Not that often, but I am always willing to try
 - d) Not as much as most other people
9. What do you think about taking risks? My attitude to risky things is:
- a) I like to be careful, and reduce risks to a minimum
 - b) If I don't take risks, I don't stand to gain anything
 - c) Sometimes I am forced into a situation where I have to take a risk
 - d) I like to calculate the risk and the gain to work out if it will succeed
10. Are you any good at making decisions? If you had to make a big decision and, even after considering all the most important things you still weren't sure what to do, what would you most probably do? I would:
- a) Ask for advice from someone I respect
 - b) Get more information to help me choose
 - c) Look at the way successful people have made similar decisions
 - d) Take a middle road between the extreme responses available
11. Have you done something in the last year that you have had to apologize for?
- a) No
 - b) I haven't needed to because I haven't done or said anything that was wrong
 - c) Yes, a few times
 - d) Yes, many times
12. What do you think about making mistakes?
- a) I hate making mistakes – I go out of my way to make sure nothing goes wrong
 - b) If something goes wrong, I try and learn from it
 - c) If something goes wrong I'll try and find someone else to blame
 - d) I make mistakes all the time – no-one seems to care

13. Which of the following statements best fits how you react to friends' problems? When my friends have problems:

- a) I sympathize with them and give them support until they sort things out themselves
- b) I enjoy helping friends to solve their problems
- c) I think other people should be more like me and solve their problems by themselves
- d) I think that in the end, they will have to make up their own minds what to do

14. Imagine that your car has broken down but you need it for your business and want to get another one.

- a) You want to spend as much as you can afford on another car so you can get a reliable one - you depend on it.
- b) You don't know how much you can get for your old car and so it's difficult to decide how much you can afford to spend on another one.
- c) I would probably hire a car until I sell the old one and then I will know exactly how much I can afford for another one
- d) Guess how much I will get for the old one and then go ahead and buy another one
- e) Buy another car without relying on getting anything at all for the old one - that way I will have money in my pocket when I sell the old one and I need take no risk at all
- f) Do without a car until I sell my old one - even though my business might suffer a little, that way there is no risk

15. How would you balance people and business? What will you do when you have to make a business decision affecting staff or customers? I would:

- a) Do what's right for my staff
- b) Do what's right for my customers
- c) Do what's right for the business
- d) Balance the needs of staff, customers and the business
- e) I'm not sure, it would depend on the situation

16. Consider the situation where you have an argument, about politics for example, in a social situation, and most people think that you came off second best. Afterwards, thinking about it calmly at home, what is the most likely thing you would do? I would:

- a) Think about my opinion, and maybe change it
- b) Stick to my opinion, and think up new arguments to support myself next time
- c) Stick to my opinion, and think up weaknesses in my opponent's arguments
- d) Be ready to change the topic of conversation next time it looked like coming up

17. Imagine you have been asked to organize a wedding for a friend or family member. Which answer best describes how you would feel? I would be:

- a) Relaxed because it will be a great party
- b) Not too keen because it will take up a lot of my time and there are bound to be problems
- c) Looking forward to getting them organized knowing I will enjoy the experience
- d) Worried that I might forget something important
- e) Wishing someone else who is a better organizer would do it

18. Imagine that you were going to make something - such as cooking, building, doing something in the garden, fixing your car. What would you most likely do? I like to:
- a) Get started first and then go to the shops when I need something
 - b) Perhaps buy a few things, but then make do with whatever I have
 - c) Plan everything in advance so that I only need to make one shopping trip
 - d) Go to the shops whenever I need something
19. Which of the following best fits what you think about achieving success in your chosen business?
- a) It is the most important thing for me
 - b) It is quite important to me but I am not completely fixed on it
 - c) It is important to me but I am prepared to look at the situation day by day
 - d) It is important to me, but so are other things. I am not going to get things out of balance
 - e) I'm not sure yet where I want my business to go
20. What best describes the attitudes of your closest family (that is, your husband or wife if you have one, or else your parents, or your children if they are adults)?
- a) They fully support me going into business and understand it may take up a lot of my life
 - b) They fully support me going into business but are probably not aware how much time and energy it will take up
 - c) They fully support me going into business but want me to limit how much time it will take up
 - d) They would prefer me to work for someone else in a "normal job"
 - e) I don't know what they think
21. Can any of your family or friends help you in your business? How would you describe your family and friends?
- a) There are family or friends who are happy to help me occasionally without demanding a lot of money
 - b) I have family who will help me often without needing to be paid much or at all
 - c) There are family or friends I could employ on a casual or contract basis whenever I suddenly need extra help
 - d) None of the above

Scoring

People who are successful in small business often have similar attitudes to tackling the kinds of questions in this Chapter. The scores given for the answers match the kinds of answers that successful small business people usually (but not always!) give.

Give your answers the following point scores, then add up your total points and go to the next page to see how good you'd be in business.

	POINTS		POINTS		POINTS		POINTS		POINTS		POINTS		
Q1	A 5	Q2	A 2	Q3	A 0	Q4	A 0	Q5	A 5	Q6	A 3	Q7	A 5
	B 2		B 0		B 2		B 2		B 3		B 0		B 5
	C 2		C 1		C 5		C 5		C 3		C 0		C 3
	D 0		D 4		D 4		D 0		D 0		D 5		D 0
			E 5						E 0				

	POINTS		POINTS		POINTS		POINTS		POINTS		POINTS		
Q8	A 5	Q9	A 0	Q10	A 5	Q11	A 0	Q12	A 2	Q13	A 0	Q14	A 2
	B 3		B 3		B 5		B 0		B 5		B 5		B 5
	C 1		C 0		C 2		C 5		C 0		C 3		C 0
	D 0		D 5		D 0		D 0		D 0		D 0		D 0

	POINTS		POINTS		POINTS		POINTS		POINTS		POINTS		
Q15	A 2	Q16	A 5	Q17	A 2	Q18	A 0	Q19	A 4	Q20	A 5	Q21	A 3
	B 2		B 2		B 1		B 2		B 2		B 2		B 5
	C 5		C 2		C 5		C 5		C 2		C 0		C 2
	D 0		D 0		D 0		D 0		D 5		D 0		D 0
	E 2				E 0				E 0		E 0		

Your Score:

Q1		Q8		Q13		Q20	
Q2		Q9		Q14		Q21	
Q3		Q10		Q15		TOTAL	
Q4		Q11		Q16			
Q5		Q12		Q17			
Q6		Q13		Q18			
Q7		Q14		Q19			

How did you DO?

There is no simple recipe for success in small business. Many different sorts of people have proved that they can make a small business work for them. But new businesses are often a reflection of the owner's personal character – and that's where your answers to these questions can help you work out how good you might be at running a business. The questions covered a wide range of different topics from self-confidence to determination to problem solving – all things that will affect how you run your business. The scores give you an idea of what the 'ideal' characteristics might be, based on research with successful small business people.

75 or more points

In general, you have the sort of personality and outlook which are probably suited to being in business for yourself. However, you should take a look at the questions where you scored less than 3 – they might show ways in which your outlook could be changed to help you be more successful running a business. You could work on some characteristics such as your attitude to risks, or the level of support from family to improve your chances of small business success.

But some characteristics may be too much a part of you to change. If you lost points because of these characteristics, then you might feel uncomfortable with certain aspects of running your own business and you should be prepared to put extra efforts into them. For instance, if you are not a highly social person, you might put extra energy into maintaining good relations with customers and suppliers through writing, calling them or sending them cards. Or if you are not very good at planning ahead and getting yourself organized, you might think about working closely with someone else who can do the planning for you or for your business.

Being in business should be about long-term success. You will need to have commitment to make it work. But you will also need to balance the demands your business makes with other responsibilities from family and community members, as well as with other parts of your life.

50 – 75 points

Although you could still run a successful business, there are quite a few areas in which you don't match the typical personality of a successful small business person. This means that you should seriously re-consider going into business. Not everyone is suited to being in business by themselves, and you may find the demands of pushing your business towards success just too much.

Of course, you may have a good business idea - perhaps you should consider going into a partnership with someone else, and then between you, you might make a team with a great spread of qualities, skills and experience to ensure the success of your joint business.

If you do decide to form a partnership with someone else, try to work out and list exactly what sort of person would be best for the business, and choose someone based on this list. Remember that such a partnership is a business partnership more than anything, so don't take your decision lightly or base it on emotional factors such as others' expectations, duty towards friends, etc. Your decision about who to invite to be a partner is your first and most important business decision - so treat it as a business decision and be rational about it.

Under 50 points

Being in business will make a lot of demands on you personally. To make your business succeed you have to be able to do a broad range of things well, and handle a broad range of challenges.

If you scored below 50 points you may have trouble handling many of these demands. Your business idea could still be a great one; it just might be hard for you to do it on your own. See if you can find someone to be a mentor for you while you are getting your business going. Chapter 5 can help you find someone who can connect you with a mentor. Have a look at the questions where you scored 3 or less. Each one of the situations described in these questions could be hard for you to handle. You should think seriously before you start your business about building your skills to handle these situations better. Again, have a look at Chapter 5 for people you might be able to talk to, or who might help you build the skills.

PART 2 – HOW IS YOUR HEALTH?

When you start up a small business, you'll need to be able to put in time and energy to get it going. And if you are starting it by yourself, your own health is important. When you start a business, one of the most important things is building up your customers. If you have to take a lot of time off, your customers may start going to someone else. Take a few minutes to think about the following questions, and be honest with yourself about your answers.

- When did you last have a medical check-up by a doctor?
- Think back over the last year. On how many days were you too sick to work a full day?
- Can you work long hours without getting sick or run down?
- Does your body react badly to stress? For example, does it make you sick, give you stomach pains, cause headaches, cause you to lose your appetite?
- What about your family and community – are there people that you need to care for that could mean you have less time for your business?

How did you DO?

If you are getting into small business your health is even more important than normal. This is for two reasons:

- When you run your own business, you are often under greater physical stress (longer hours, travel, no time to eat well) and emotional stress (worry about the business which you can't always share with other people).
- These stresses can affect your overall health.

If your health is run down, your business could easily suffer. If you are not well, you may not be able to make good decisions, and you may not be able to maintain production. Who will make decisions and do what has to be done on a daily basis if you are sick - for one day, a week, or longer?

You need to consider these issues seriously - you won't be able to simply walk away from your business when you are sick, and pick it up again where you left off when you get better. In the mean time it might have slipped backwards. You might have missed orders, missed jobs, or lost customers. You might need to reconsider going into your own business if your health presents risks.

Whether or not you seem healthy, if you can you should also have a health check before your business starts to operate, just as you might take a vehicle in to have a service before a long and important trip.

You should also have a plan in mind to help you deal with the possibility of your illness:

- Can you find someone to stand in for you – to keep making the things you're selling, or providing the service?
- Can you find someone who can make sure the important things keep happening every day?
- Can someone tell your customers?

This plan could also help you manage any other times that you have to be away on your business. You may have to be away for any number of family or community reasons, and if you are the main person (or especially if you are the only person!) in the business you'll need a back-up!

PART 3 – SKILLS, EXPERIENCE AND EDUCATION

The next group of questions asks you about your skills and experiences in the kind of business you'd like to start. When you think about the following questions, give yourself a score between 1 and 5 depending on how good you think you are (or would be) at each thing. Try to be honest, and as realistic as you think you can be.

1	2	3	4	5
POOR	NOT GOOD	AVERAGE	GOOD	EXCELLENT

General:

1. How good are you at doing calculations with money? (Such as working out prices or discounts, or working out percentages?) _____
2. How do you score your reading skills? (For example, do you frequently read books, magazines or newspapers? Do you find this booklet easy to read?) _____
3. How do you score your writing skills? (For example, letters to suppliers, distributors or outlets, simple promotional material) _____
4. How do you score your confidence in ringing people you haven't spoken to before, and dealing with them over the telephone? (For example, getting the information you want, or getting to see them in person)? _____

Your Score: _____

The particular business idea:

1. How do you score your experience in the business you want to go into? (For example, have you worked for other people in this type of business? Have you worked in a closely related field?) _____
2. How do you score your abilities in the special skills needed in the business? _____
3. How do you score your opportunities to go to someone for good advice about this particular sort of business? _____

Your Score: _____

Being in business:

1. What is your experience like with the sorts of paperwork businesses need to do? How do you score your confidence in taking it on? _____
2. Have you ever had to sell a product before or deal with customers? How do you score your ability or confidence in these things? _____
3. How do you score your confidence in setting (and getting) prices for your work, and on asking people for money? _____

4. How do you score your level of confidence in dealing with institutions like banks, councils and government departments? _____

Your Score: _____

Running your own business:

1. What level of experience do you have in being responsible for a business-like project or part of a project? _____

2. How do you score your opportunities to go to someone for good advice about running your own business? _____

3. Score yourself on some of the main small business skills:

- Promotion and marketing _____
- Handling money _____
- Keeping records _____
- Selecting staff (if you might need staff) _____
- Managing staff (if you might need staff) _____
- Handling stock _____
- Meeting orders _____
- Following laws and regulations _____

Your Score: _____

Now add up the section scores you gave yourself: _____

How did you DO?

75 or more points

You seem to have most of the important skills and experience covered. However this in itself is no guarantee of business success. You will be competing with other businesses - probably some with more experience and skills than you - and you should look to use other peoples' business wisdom to help increase yours even more. Have a look at any questions where you gave yourself a score of 3 or less. You may be able to talk to someone and get some help and some skills to get over these possible weaknesses. See Chapter 5 for pointers to where you can go for advice, information and further education.

50 – 75 points

Before you put yourself and your savings on the line, you should think about covering some of your possible weaknesses. Your business will be operating in a competitive marketplace and to give yourself the best chance of success you will need to have as many skills as you can, across the broad range of areas covered in these questions.

It would be a great pity if your business failed because you were not quite prepared in terms of skills

and experience - especially as sometimes just a little bit more knowledge or experience makes all the difference in the world! There are probably some skills you could develop quickly which will help you make the difficult and crucial decisions you will be faced with as you work to get your business started. Have a look at the questions above where your scores were low (3 or less) to see what these could be. There are written materials, courses and advisers in Chapter 5 that you would find helpful as you “skill up” for the rough road ahead.

Even more importantly, you could gain experience by working for a small business or for a business which operates in a similar area to that in which your business would operate. You will come to see from the inside how businesses operate, learning valuable lessons and planning how you could do things better in your own business.

Under 50 points

You should think seriously about whether you should be going into business. Your idea may be good, but you don't yet have the basic skills you need to turn your idea into a working, income-earning business.

You really need to do some work preparing yourself. Try and get to a small business training course. Your local contacts in Chapter 5 will help you find out how to apply. You could also try and find a mentor to help you learn the business skills you need while you concentrate on making the goods or providing the services. Or perhaps you could go into business in partnership with someone more experienced. If you want to think about this, choose carefully as your business partner, and any agreements you have on how the partnership will work, are very important things for the business's future.

If all these options seem too hard, or too much work, perhaps you should treat your business idea as a hobby – saving you from the extra stress and financial burden of having to make a living from it as a business!

PART 4 – WHAT IS YOUR APPROACH TO BUSINESS?

Have a look at each of the 8 statements in the list below. Put a number against each one, starting with 1 being the most important to you and go on to number 8 – the least important.

What are your reasons for wanting to start your business venture?

- a) I'm currently unemployed and it will get me a job _____
- b) Working in my own business would be much more interesting than any other job I could get _____
- c) I don't want to work for a boss _____
- d) To build a better future for myself and/or family _____
- e) To prove I can be a success _____
- f) To make money _____
- g) To contribute to the community _____
- h) To work my own hours _____

How did you DO?

This question (and the next one) is not really aimed at measuring your chances of success in running your own business. Rather, it helps you look at your goals and the role you see yourself playing in your business. Look at the reasons you marked 1, 2 or 3 - the most important reasons you have for wanting to start your business. Now read about those reasons:

(a) I'm currently unemployed and it will get me a job

If you marked (a) as an important reason for starting your own business (that is, you numbered it 1, 2 or 3), you should be aware that running your own business is quite different from doing a "normal" job. You will probably find it will be more exhausting, you may well have to work longer hours, it won't be easy to fit the rest of your life around it, the money will not be as good or regular as that of a "normal" job during the first year or so, and you will have to risk savings to try to get it going. If you want to start your business because of reason (a), you should make sure that you are sure about the other reasons motivating you. Because, if this is a main reason you might well be disappointed with the difficulty of running your own business and the pay, compared with getting a job in someone else's business!

b) Working in my own business would be much more interesting than any other job I could get

Many things about running your own business can make life more interesting than what you could expect as an employee somewhere else. On the other hand, there are many tasks you will have to do to help your business succeed which you might find difficult and boring. The finances will need to be worked and reworked, taxes calculated and accounted for, customers approached and re-approached, and you will have to find out about new products, markets and suppliers. You might also need to take on staff and do a lot of paperwork on them too.

c) I don't want to work for a boss

True, working for a boss is not always rewarding or pleasant - though it can be both! It is also true that in running your own business you will get to make the decisions yourself, and that can be very satisfying. But remember that, in a way, you will still be working for other people who can be demanding - your customers! Making them happy is the price you must pay for business success. So, yes, being your own boss gives you freedom to decide your business's direction in many respects, but you will be bound by the responsibility towards your business of making the best decisions you possibly can. Some people find this responsibility too much of a burden and would rather work for a boss - and save themselves a lot of worry!

d) To build a better future for myself and/or family

Many people do build a better future for themselves and family. Not just in financial terms, but your business can give your family members valuable experience and they can share the rewards of helping to shape the business and gaining employment in it. Like you, however, they will suffer the downsides: they may have to work hard and long for little money especially during the first few years, losing opportunities elsewhere, sharing in the risk of the venture, and so on. You should talk to your family regardless of whether or not you are heavily motivated by (d) - partly because you are making a big decision on their behalf, and partly because you will need their support in all sorts of ways to see the venture through. What's more, involving family and friends by including them in discussions before you set up your business and once it's going too, will help you draw on the very good ideas they're bound to have!

e) To prove I can be a success

All of us like to be respected, and being successful in running a business is one way of proving our value - to other people, as well as to ourselves. Perhaps you have looked around and seen the sorts of people who have successful businesses and thought "I could do that - and better!" Well, it is probably true, but unfortunately business success depends on a lot of factors, and includes a good measure of luck. There are many very capable people whose businesses have failed. So, while you could prove to the world that you could make a success of your business, you might also fail. There is no guarantee for success, and this booklet shows you how best to look at and prepare yourself and your business so that you have the best chances of success.

f) To make money

It must be said that yes, you can make good money from your business and we often hear about self-made millionaires who started out small. But the reality is that more small businesses fail than thrive. Half of new small businesses fail within two years and 75% within five years!⁴⁸ And, of those that survive, most don't make their owners rich. Your business could be the exception which proves the rule, but of the reasons given for going into business, getting rich is one of the most unrealistic. You should consider yourself fortunate if your business thrives and you make a decent sort of living from it. But the first hurdle is seeing your business survive!

⁴⁸ Source: Reynolds, Savage and Williams (1994) – Your Own Business, Nelson Australia Pty Ltd p37

g) To contribute to the community

Contributing to the community is a great reason to go into business. As a business person you can create and share opportunities with others in your community and you can also get a lot of support in return. Some people might think that as a business person you are mainly interested in ripping off others in your community. But in all sorts of ways you could be doing others a favor - for example, by creating employment, bringing people into the community who might spend their money there, by raising the profile of your community, and by setting a personal or business example for others. No matter what your main reasons are for wanting to go into business, the good you can do your community might be appealing to you.

h) To work my own hours

Being your own boss does mean, in general, you can work your own hours. But, you might also have to drop everything else and give your business attention when it needs it. You will also probably have to work long hours, especially when you are getting the business going. Most small business people work longer hours than people on wages. And when they work it out, they can be surprised at the small amount of money they are getting for each hour they work. If you are not prepared for this, perhaps you should consider doing your business idea as a hobby, because business success comes more from perspiration than inspiration! You will need to be dedicated and full of energy, and you will need the stamina to keep on going when the going gets tough! So, of the reasons given, if you marked (h) as a high priority, you could be being dangerously unrealistic about what being in business demands. If you have any doubts at all about this advice, just ask someone who runs a successful small business!

QUESTION 49

You can run your own business in two main ways: either relying mainly on the technical skills in the business you will be in; or else relying mainly on your experience and ability as a manager and organizer. What would be your emphasis?

- a) Mainly technical skills (includes trade, artistic, creative, skills, specialized knowledge and abilities)
- b) Mainly skills as a manager and organizer
- c) Both technical and as a manager

How did you DO?

If you chose (a) or (b) in answer to this question, you may well need to call on someone with the other skills for help or advice to match yours. You might be able to learn about the technical aspects of your business as you go along if your skills and experience are limited, but, at least at the beginning when you are getting established, you will need a good and reliable technician to be able to compete successfully in the market place. This could be an employee, a partner or someone who is happy to help you while you learn the ropes.

Many people who are experienced in the technical aspects of a new business are not good or experienced managers and this could be a critical problem for the business. You might be the best accountant, tour guide, plumber, cook, or computer expert, and you might have a brilliant new business or product idea. But unless you can manage your business it will fail. Lack of business or management experience, skill and ability is named by 60% of failed small businesses as one of the critical factors in their failure.⁴⁹ But, again, you can team up with someone who has the appropriate abilities and experience.

If you chose (c), you are aiming to balance technical and management skills in your own role in the business. You may need to round out your skills - see Chapter 5 for some ideas about where you could go to "skill yourself up". Once your business is up and running, it might also be useful if you refresh your skills or look for useful new ones to learn. In this way you could gain or maintain an advantage over competitors and keep yourself sharp to guide your business towards success.

Of course, there is no replacement for real experience. You may decide that you could benefit by putting off your leap into a business venture until you have some more firsthand experience, which you could get by working in your chosen industry, or with another sort of business where, even so, you can get management or business experience.

Next best to firsthand experience is second hand experience. You could also attach yourself to a mentor - someone with a solid and successful background in business management or in the technical side of your business, who is happy to look over your shoulder at what you are doing, talk through things with you, and give you good and generous advice.

⁴⁹ Source: Reynolds, Savage and Williams (1994) - Your Own Business, Nelson Australia Pty Ltd, p.40



Annex 2: Badir Incubator Program Application Form

	YOUR ORGANIZATION
APPLICANT:	
COMPANY NAME:	
BUSINESS REGISTRATION NUMBER:	
BUSINESS POSTAL ADDRESS:	
BUSINESS STREET ADDRESS:	
CONTACT DETAILS (PHONE, FAX, E-MAIL AND WEB IF AVAILABLE)	
BRIEFLY DESCRIBE YOUR COMPANY:	

Preliminary Business Plan

Please answer the following questions in as much detail as possible. If you have difficulty with any of the questions, BADIR Management will provide assistance. The BADIR Pre-Incubation Program will have helped you develop your business plan and should be used for the answers in this form.

	OPPORTUNITY
What type of opportunity is it?	(e.g.: wireless technology, online/internet service)
How did the opportunity/concept come about?	Please provide us with a brief history.
Describe the product's or service's unique functionality, technical risks, limitations, etc	
Describe the company's competitive advantage	

	MARKET
CUSTOMERS	
What problem are you solving for customers?	
How are you going to solve it?	
Have you undertaken any market research?	<p>Yes/No</p> <p>If Yes please tick what the research covered:</p> <p><input type="checkbox"/> competing products</p> <p><input type="checkbox"/> similar products</p> <p><input type="checkbox"/> similar business models</p> <p><input type="checkbox"/> size of market (value)</p> <p><input type="checkbox"/> demographic</p> <p><input type="checkbox"/> other – please describe</p> <p>Please also describe what research was undertaken and use the results of the research to inform you answers to subsequent marketing questions:</p>
Have you undertaken any market research?	Yes /No
What market segment are you going to target?	
What is the size and growth rate of this market?	<p>Please detail market assumptions with factual information backing assumptions as appropriate.</p> <p>Size:</p> <p>Growth rate:</p>
How are predicted industry trends going to affect the business?	

	MARKET
What problem are you solving for customers?	
MARKETING STRATEGY AND IMPLEMENTATION	
What are your market entry strategies?	
How will you maintain and develop your market?	E.g.: pricing, product, promotion, distribution
What is your marketing Mix	
How will customers be found and retained?	
Does the market appear viable/accessible? Is it proven?	
What are the barriers to market entry, can these be overcome, and how?	
Are there existing marketing and distribution channels?	
What is your Unique Selling Proposition (USP)?	
How long will it take to get the product/service to market?	Bullet list: <input type="checkbox"/> 1 year <input type="checkbox"/> 2 years <input type="checkbox"/> 3 or more years?

	MARKET
PRODUCT OR SERVICE	
Is this product or service the first in the market?	
What is the product or service lifecycle?	
How could advancing technology change the market?	

	COMPETITORS
Who else is in your planned market?	i.e.: how are customers currently solving the problem you propose to address?
Why are customers going to buy from you?	
What are the barriers to entry for competitors?	

	INTELLECTUAL PROPERTY
Is the technology protectable?	Yes / No If yes “How is this intellectual property currently protected?”
Do you require intellectual property protection?	Yes / No If yes: <ul style="list-style-type: none"> • What type of protection? • What will IP protection cost?
What kind of intellectual property do you own?	Please provide detailed information <patent, copyright, trade secret>
Does business success depend on any external intellectual property?	Yes / No If Yes: <ul style="list-style-type: none"> • Who owns the IP? • Does the business have licenses or agreements in place? Yes/No <ul style="list-style-type: none"> o If yes, please describe:
Is there a sustainable technical or proprietary competitive advantage for the product or service?	Yes / No If yes, please describe:
Have you registered domain names?	If yes, what are they and in what countries?

	TECHNOLOGY
What type of technology are you using?	Please describe the technology you are using.
Describe how this technology applies to your target market	
Are software design and technology certification procedures in place?	Yes / No If Yes, please describe the procedures and their application:
Are product development procedures in place?	Yes / No If Yes, please describe:
Are testing procedures in place?	Yes / No If Yes, please describe:
Has the technology proven to be feasible?	Yes / No If Yes, please describe:
Please identify and describe competing technologies	Current, and anticipated future

	ACCOMPLISHMENTS TO DATE
At what stage of development is your business?	Please choose one of the following: <ul style="list-style-type: none"> <input type="checkbox"/> Undertaking pre-business research and development, or testing an idea; <input type="checkbox"/> Working on a prototype; <input type="checkbox"/> Product or service in advanced development (beta testing); <input type="checkbox"/> In the process of establishing a new business for a ready-to-market product or service; <input type="checkbox"/> If you have had any sales, please indicate gross revenues to date <input type="checkbox"/> An unofficial business; <input type="checkbox"/> Re-establishing, re-branding or re-positioning an existing business please indicate your gross and net revenue range and attach financial statements for the business
How long have you/your team been working on the concept?	

	ACCOMPLISHMENTS TO DATE
Do you have any current customers?	Yes / No If Yes, please describe: <ul style="list-style-type: none"> • How many? • Are they paying customers? • How many are repeat customers?
What recognition have you achieved to date?	Please list:
Do you have any strategic alliances?	If yes, who are they and what type relationship do you have (i.e. equity transfer, license agreement)?

	BUSINESS MODEL
How are you going to make money?	For example, advertising, transactions fees, fee for service, subscription based, etc. List all your revenue streams and their relative importance.
Who is going to pay you for the service/product?	For example, the end user uses the service for free and advertisers are the ones who pay you.
Have these assumptions been tested?	Yes / No If Yes, please provide a detailed description, examples and references from users:
Are financial projections available?	Yes / No If Yes, please attach. If No you will need to develop these with the help of BADIR management
What is your anticipated time to break-even?	

	COMPANY BOARD
Is an operation board in place	Yes / No If yes, please list your Board Include qualifications and experience: Does the company board meet regularly? Yes / No If yes: <ul style="list-style-type: none"> • List frequency of meetings • What reports are provided to the board? (provide examples e.g.: status reports, financial statements (e.g. income statement, balance sheet))

	MANAGEMENT TEAM
Please list your management team	Include qualifications and experience and complete Schedule 1
Have you managed businesses previously?	Yes / No If Yes, please provide details (business name, brief history)
Do you have Advisers to your current business?	Yes / No If Yes, please describe and provide details of experience
	TECHNICAL TEAM
Please list your technical team	Include qualifications and experience

	RISK ANALYSIS
Have you undertaken a Risk analysis process?	<p>Yes / No</p> <p>If Yes, please list (e.g.: managerial, technical, financial, market, product, development, sovereign risk)</p> <ul style="list-style-type: none"> • What are your identified risks? • What strategies have been identified to manage risks? <p>Please provide a template for risk matrix – issue – ranking (high / medium/ low)</p>

	INVESTMENT PROPOSAL
What do you require to get you to the next level?	For example, legal services, accounting services, etc. Please be specific.
How much capital has been invested in your company to date?	Include copy of Share Register if available
How was this capital used?	E.g.: Wages & salaries, insurance, product development, marketing, infrastructure (computers, tools, etc), rent and other overheads, vehicles. Please attach financial statements and a balance sheet if you have them.
Do you have a plan to raise further capital?	<p>Yes / No</p> <p>If Yes do you have a preferred mechanism for raising capital?</p> <p><input type="checkbox"/> Debt finance</p> <p><input type="checkbox"/> With interest, or</p> <p><input type="checkbox"/> With a royalty on gross sales</p> <p><input type="checkbox"/> Equity?</p> <p><input type="checkbox"/> Family and friends</p> <p><input type="checkbox"/> Other (please describe)</p> <p>If Yes:</p> <ul style="list-style-type: none"> • How much investment is required? • When do you require any additional funding? For example, at what stage does your planned business development strategy require funding? • Do you prefer a single investor / combination of investors?" • How many rounds of investment are planned?" (please describe) • How will investment funds be utilized?
What is your average cash utilization rate per month?	

	EXIT STRATEGIES
Do you have an exit strategy for the business?	<input type="checkbox"/> Yes / No <input type="checkbox"/> If yes please select one: <input type="checkbox"/> Trade sale <input type="checkbox"/> IPO <input type="checkbox"/> Redemption <input type="checkbox"/> Don't know
When do you anticipate investors would exit?	

	GENERAL
How did you hear about BADIR ?	<input type="checkbox"/> Web search (which engine) <input type="checkbox"/> Referral (by who) <input type="checkbox"/> Newspapers (which one) <input type="checkbox"/> Networking events (which one) <input type="checkbox"/> Other (please indicate)

Schedule 1: Current and Planned Organisation and Management Structure

Please fill in the table below, and forward CV's of current Directors and staff:

STAFF NAME	ROLE	CURRENTLY IN THE BUSINESS?	FULL TIME /PART TIME?	QUALIFICATIONS	EXPERIENCE	SALARY EXPECTATION



Annex 3 (I): Nursery
Entrepreneurs Agreement
TRECSTEP

AGREEMENT TO BE EXECUTED BY THE STEP WITH THE ENTREPRENEUR

This Agreement made at _____ on the _____ day of _____ One thousand Nine Hundred and _____ between TIRUCHIRAPPALLI REGIONAL ENGINEERING COLLEGE-SCIENCE AND TECHNOLOGY ENTREPRENEURS PARK, a Society registered under the Tamil Nadu Societies Registration Act 27 of 1975, and having its registered office at Tiruchirappalli hereinafter referred to as “the Society” which expression, unless repugnant to the context thereof, shall include its Successors, Administrators and assigns.

AND

Shri./Smt. _____ Son of _____
_____ age _____ years, residing
at _____
_____ hereinafter referred to as
“the Entrepreneur”, which expression shall, unless repugnant to the context thereof, shall include his Heirs, Legal Representatives and assigns.

WHEREAS the Society has been incorporated with the main object to encourage entrepreneurship amongst the Science and Technology Graduates with the sole idea to strengthen technology base of industries. For that purpose the Society offers assistance to the prospective entrepreneurs by way of rendering the use of common facilities and other amenities available with the Society, for a limited period. The Society is seized and possessed of, and/or made arrangements with other institutions to provide the facilities such as Library, Laboratory, etc., (hereinafter referred to as the said “Common facilities”), more particularly described in the First Schedule hereunder written. The common use of which can be offered by the Society to the prospective Entrepreneurs during the limited period as may be required by the Entrepreneurs to develop their respective projects. For the same purpose the Society is absolutely seized and possessed of various structure/s consisting of Nursery Sheds situated at TREC-STEP Complex (hereinafter referred to as the “Nursery Shed”) more particularly described in the Second Schedule hereunder written.

AND WHEREAS the Entrepreneur has requested the Society to extend all possible assistance to enable himself to develop and produce Hi-tech and Innovative Product namely _____
_____ (hereinafter referred to as “the Project”) more particularly described in the Third Schedule hereunder written. For the said project the Entrepreneur intends to use the common facilities as made available by the Society, and accommodation similar to the said nursery shed possessed by the Society for his project for a limited period of 3 (three) years. For that purpose the Entrepreneur has approached the Society with a request to make available to him the said common facilities and the said Nursery Shed for developing his project, for a period of 3 (three) years.

AND WHEREAS the Society having considered the said request of the Entrepreneur has agreed to allow the Entrepreneur to use the said common facilities available with the Society and the nursery shed more particularly described in the Second Schedule hereunder written.

AND IT IS HEREBY AGREED BETWEEN THE SOCIETY AND THE ENTREPRENEUR AS UNDER:

- I. The Society hereby agrees to allow the Entrepreneur to use the said common facilities available with it for the specific purpose of enabling the Entrepreneur to develop his product during the period of completion of his project which involves Design, Development, Prototype Manufacture and Lab Testing of Prototypes or till the expiry of period of 3 years from the date of this Agreement whichever is earlier.
- II. During the currency of the Agreement the Society hereby agrees to allow the Entrepreneur to occupy and use the said Nursery Shed solely for the purpose of developing his product under the said project and not otherwise.
- III. The Society further agrees that during the currency of this Agreement the Society will allow the entrepreneur free access to the common facilities available with the Society subject to usual restrictions regarding working Office Hours, Holidays etc. and to render him all the possible assistance in order to enable the Entrepreneur to develop the said project.
- IV. In consideration of the Society allowing the Entrepreneur to use the said facilities and also the said Nursery Shed, the Entrepreneur hereby agrees that during the currency of the agreement he will pay to the Society a sum of Rs.1500\ -per month by way of monthly license fee and further agrees to pay a license fee 3 times the normal license fee for the overstaying period for the use of the Nursery Shed and shall avail the use of the said common facilities at the rates to be prescribed by the Society from time to time towards the additional license fee for use of other services/ assistance/other facilities such as Common Lighting, Maintenance of Approach/surrounding roads, Garden Upkeep, Common Security, etc., rendered by the Society to the Entrepreneur during the currency of this Agreement.
- V. The license fee for the compensation payable by the Entrepreneur to the Society is payable by Cheque in advance on or before 30th (or) last working day of each month.
- VI. The Entrepreneur further agrees that upon the completion of his project/commencement of commercial production of the product developed by him under the said project, he shall pay to the Society 'the Royalty (i.e.) ½% on turnover (or) equivalent lump sum in respect of the project on such terms and conditions as may be mutually agreed by and between the Society and the Entrepreneur. The Entrepreneur further agrees that in case of disagreement or dispute between the Society and the Entrepreneur pertaining to such terms and conditions regarding the Royalty, the decision of the Governing Body of the Society shall be final.

VII. The product/technology developed by the Entrepreneur with the assistance of Society shall not be made available in any form/name to anyone else without the Society's prior written approval. In respect of the same the Entrepreneur shall pay to the Society any fees as may be stipulated/required by the Society for according its approval for doing so.

VIII. During the currency of this Agreement the Entrepreneur shall pay all charges for consumption of Water, Electricity and Power in accordance with the bills prepared by the authorities and if any of these connections are cut-off by such authorities for any default on the part of the Entrepreneur, the charges for the restoration of such services will be borne by the Entrepreneur.

IX. The Entrepreneur agrees and undertakes not to enter into any other contract or agreement between him and any other management till this Agreement is in force. The Entrepreneur further confirms that prior to the date of execution of this Agreement; he has already disengaged from any prior contracts if any.

X. The Entrepreneur hereby agrees that he will be using the said nursery shed and the common facilities covered under this Agreement only in his capacity as a Licensee during the pleasure and sweet will of the Society and that the Society or its authorized agent, official will be having a right to have unobstructed access to the Nursery Shed for the purpose of verifying that the Entrepreneurs' project is being conducted properly as also to verify that no term or condition of this Agreement is being/has been violated by the Entrepreneur.

XI. The Entrepreneur will not sub-let, assign or otherwise part with the possession of the whole or part of the premises without the previous consent in writing of the Society.

XII. The Entrepreneur will keep the premises in good order and condition; reasonable wear and tear and damage due to earthquake and such other calamities over which entrepreneur has no control, excepted.

XIII. The Entrepreneur will not remove any fixtures, fittings, electric light and power and water connections attached to the said premises.

XIV. The Entrepreneur agrees to permit the Society or its agents, workmen or surveyors, etc., to enter into the nursery shed at any time for the purpose of either viewing the condition or for doing such works as may be necessary for carrying out the repairs, alterations or improvements and shall provide all necessary assistance to carry out the same.

XV. The Entrepreneur agrees to make good any damage to the properties of the Society or its agents, that may arise due to any acts of the entrepreneur.

XVI. The Entrepreneur shall abide by and follow the terms and conditions of the Society as stipulated from time to time.

XVII. The Society is not responsible for any accident or damage arising out of and in the course of the product development by the Entrepreneur and he shall make necessary provision for meeting the unforeseen circumstances.

XVIII. All the facilities and assistance offered by the Society through this Agreement will be made available subject to the satisfactory performance of the Entrepreneur as judged from time to time by the Society and are liable to be terminated by the Society through the decision of its Governing Body if the performance is considered not satisfactory.

XIX. The Society and the Entrepreneur hereby agree that the period of this Agreement shall be 3years on such terms and conditions as the Society may deem and consider as fit and proper.

XX. In case the Entrepreneur desires to terminate the Agreement before the expiry of the stipulated period, the Entrepreneur can do so by giving three months prior notice to the Society.

XXI. At the termination of the tenancy, the Entrepreneur will restore the premises to the Society in its original condition along with the Society's fittings and fixtures as per inventory at Fourth Schedule hereunder written. Damages and breakages, if any at the time of vacation will be payable by the Entrepreneur and decision of the Society in this regard will be final and binding.

XXII. For any breach of the covenants on the part of the Entrepreneur including the monthly compensation, etc., payable falling in arrears for two months or more the Society will be entitled to terminate this Agreement by giving 3 (three) months prior notice to the Entrepreneur.

XXIII. In case the Entrepreneur fails to vacate or avoid to deliver to the Society the said premises on the expiry of the period of this Agreement or on termination of this Agreement, or upon the completion of the Entrepreneurs' said project whichever is earlier, the Society shall be entitled to take possession of the same by removing the Entrepreneur and his article found in the said premises in such manner as may be deemed fit and proper by the Society. In any case the expenses if any incurred by the Society for removing the Entrepreneur from the said premises under such circumstances will be fully recoverable from the entrepreneur.

XXIV. The Society and the Entrepreneur hereby agree that this Agreement is subject to the approval of the Board of Governors of the Society and further agrees to make necessary amendments as suggested by the Board of Governors.

FIRST SCHEDULE

(Description of Common Facilities such as Library, Laboratories, Computer Terminals, Central Facilities, etc.)

Library/Laboratory facilities at NITT – formerly RECT

Computer facilities at NITT – formerly RECT

SECOND SCHEDULE

(Description of Nursery Shed/Work Spot)
'A' Type Nursery Shed (Area: 228.2 Sq. Mtrs.)
'B' Type Nursery Shed (Area: 136.2 Sq. Mtrs.)
Central Workshop/Tool Room/Testing facilities at TREC-STEP

THIRD SCHEDULE

(Description of Project of Entrepreneur)
to be filled by the Entrepreneur

FOURTH SCHEDULE

(Inventory of the Society's fittings and fixtures in the Nursery Shed/Work Spot)
Civil Building with a plinth area of 136 Sq. Mtrs. With glass paneled doors and windows.
Power supply connections with points for lighting
Power Supply Main Switch with fuse
Power Supply Energy Meter
Water \ Sewage pipe connections with taps

IN WITNESS WHEREOF THE PARTIES HAVE EXECUTED THIS AGREEMENT ON THE DATE, MONTH AND YEAR FIRST ABOVE WRITTEN

(1)

(2)

SIGNED AND DELIVERED

By the within named
Society by the hand of

Authorized Official of STEP

SIGNED AND DELIVERED

By the within named

Entrepreneur _____

Annex 3 (II): Example of Incubator House Rules⁵⁰

1. Client shall not make any room-to-room canvas to solicit business from other clients in the Building and shall not exhibit, sell or offer to sell, use, rent or exchange any item or services in or from the Premises unless ordinarily included within Client's use of the Premises as specified in the Lease.
2. Client shall not make any use of the Premises which may be dangerous to person or property or which shall increase the cost of insurance or require additional insurance coverage.
3. Client shall not paint, display, inscribe or affix any sign, picture, advertisement, notice, lettering or direction or install any lights on any part of the outside or inside of the Building, and then not on any part of the inside of the Premises which can be seen from outside the Premises, except as approved by Landlord in writing.
4. Client shall not use the name, logo, trademark or pictures of the Building in advertising or other publicity, without Landlord's prior approval.
5. Client shall not obstruct or place objects on or in sidewalks, entrances, passages, courts, corridors, vestibules, halls, elevators and stairways in and about the Building.
6. Client shall not place objects against glass partitions or doors or windows or adjacent to any open common space which would be unsightly from the Building corridors or from the exterior of the Building.
7. Bicycles shall not be permitted in the Building other than in locations designated by Landlord.
8. Other than seeing-eye dogs and animals used for experimental or research purposes, Client shall not allow any animals in the Premises or the Building.
9. Client shall not disturb other clients or make excessive noises, cause disturbances, create excessive vibrations, odors or noxious fumes or use or operate any electrical or electronic devices or other devices that emit excessive sound waves or are dangerous to other clients of the Building or that would interfere with the operation of any device or equipment or radio or television broadcasting or reception from or within the Building or elsewhere, and shall not place or install any projections, antennae, aerials or similar devices outside of the Building or the Premises.
10. Client shall not waste electricity or water and shall cooperate fully with Landlord to assure the most effective operation of the Building's heating and air conditioning and shall refrain from attempting to adjust any controls except for the thermostats within the Premises. Client shall keep all doors to the Premises closed.

⁵⁰ Source: Incubator Client Handbook, University Technology Park at IIT (2007)

11. Landlord shall furnish two sets of keys and access cards for all doors to the Premises at the commencement of the Term. When the Lease is terminated, Client shall return all keys and access cards to Landlord and will provide to Landlord the means of opening any safes, cabinets or vaults left in the Premises.
12. Except as otherwise provided in the Lease, Client shall not install any signal, communication, alarm or other utility or service system or equipment without the prior written consent of Landlord.
13. Client shall not use any draperies or other window coverings instead of or in addition to the Building standard window coverings designated and approved by Landlord for exclusive use throughout the Building.
14. Landlord may require that all persons who enter or leave the Building identify themselves to security personnel, by registration or otherwise. Landlord, however, shall have no responsibility or liability for any theft, robbery or other crime in the Building. Client shall assume full responsibility for protecting the Premises, including keeping all doors to the Premises locked after the close of business.
15. Client shall not overload floors; and Client shall obtain Landlord's prior written approval as to size, maximum weight, routing and location of business machines, safes, and heavy objects. Client shall not install or operate machinery or any mechanical devices of a nature not directly related to Client's ordinary use of the Premises.
16. In no event shall Client bring into the Building flammables such as gasoline, kerosene, naphtha and benzene, or explosives or firearms or any other articles of an intrinsically dangerous nature.
17. Furniture, equipment and other large articles may be brought into the Building only at the time and in the manner designated by Landlord. Client shall furnish Landlord with a list of furniture, equipment and other large articles which are to be removed from the Building, and Landlord may require permits before allowing anything to be moved in or out of the Building. Movements of Client's property into or out of the Building and within the Building are entirely at the risk and responsibility of Client.
18. No person or contractor, unless approved in advance by Landlord, shall be employed to do janitorial work, interior window washing, cleaning, decorating or similar services in the Premises.
19. Client shall not use the Premises for lodging, cooking (except for microwave reheating and coffee makers) or manufacturing or selling any alcoholic beverages or for any illegal purposes.
20. Client shall comply with all safety, fire protection and evacuation procedures and regulations established by Landlord or any governmental agency.
21. Client shall cooperate and participate in all reasonable security programs affecting the Building.

22. Client shall not loiter, eat, drink, sit or lie in the lobby or other public areas in the Building. Client shall not go onto the roof of the Building or any other non-public areas of the Building (except the Premises), and Landlord reserves all rights to control the public and non-public areas of the Building. In no event shall Client have access to any electrical, telephone, plumbing or other mechanical closets without Landlord's prior written consent.

23. Client shall not use the freight or passenger elevators, loading docks or receiving areas of the Building except in accordance with regulations for their use established by Landlord.

24. Client shall not dispose of any foreign substances in the toilets, urinals, sinks or other washroom facilities, nor shall Client permit such items to be used other than for their intended purposes; and Client shall be liable for all damage as a result of a violation of this rule.

25. Client shall not smoke nor permit its employees, guests, invitees or others to smoke in non-smoking areas of the Building.



Annex 4: Terms of Reference for the Maputo Business Incubator Manager



República de Moçambique
Ministério da Ciência e Tecnologia
Mozambique eGovernment and Communications Infrastructure Project (MEGCIP)

TERMS OF REFERENCE FOR THE MAPUTO BUSINESS INCUBATOR MANAGER

CONTEXT

The Ministry of Science and Technology, together with Ministry of Transport and communication, is in the process of initiating the implementation of the World Bank funded Mozambique eGovernment and Communication Infrastructure Project (MEGCIP), which intends to support the Government of Mozambique in the implementation of key priority initiatives in the area of ICT.

One of the activities under the project is the establishment of a business incubator in Maputo to support 35 companies with high growth potential. Business incubation lowers the cost of business and increases business survival rates through: access to shared resources and building infrastructure; access to finance and markets through credible support, guidance and business management; targeted mentoring and coaching, and networking opportunities to access markets.

This initiative is being led by the Ministry of Science and Technology, in collaboration with private sector companies, universities, and other development partners namely the World Bank, IFC and *infoDev*.⁵¹

OBJECTIVE AND SCOPE

The main objective of the position of the Incubator Manager is to lead and manage the establishment and growth of the Maputo Business Incubator, as a self sustaining organization and provide services

⁵¹ *infoDev*, the Information for Development Program, is located within the World Bank and has supported innovation and entrepreneurship through business incubation since 2002. Over 80 incubators have been supported across the developing world.

for new and growing Mozambique businesses. This is a challenging position that requires an entrepreneurial approach and a commitment for helping new and emerging businesses in Maputo. Nonetheless, with good funding to establish the incubator, the position offers exciting long-term prospects and growth for the right person. Key responsibilities will include:

Essential Duties and Responsibilities:

1. Development of the initial business plan of the business incubator based on a sustainable business model and stated objectives of the incubator and continual development of the strategy for the incubator.
2. Leadership in the implementation of the incubator including the appointment and management of a small staff complement; financial oversight; operations oversight etc.
3. Management of good incubation practices including the processes for selecting clients; growing client companies; accessing financing; networking and graduating clients.
4. Building and managing strategic stakeholder relationships including the raising of additional funds and representation of the incubator to the media, speaking engagements etc.
5. Working with the Maputo Business Incubator Board to meet the strategic objectives as defined by the Board and funders and being accountable for good governance practices.

REQUIRED QUALIFICATIONS, KNOWLEDGE AND EXPERIENCE

The ideal candidate will have the following knowledge, skills and experience:

- A business degree (B.Comm and/or MBA) from a recognized educational institution.
- Demonstrated understanding of issues relating to entrepreneurship. It will be an advantage for the candidate to have been involved in the management of a business incubator or SME support organisation.
- Entrepreneurial experience in having successfully started and/or run a business
- At least 10 years of middle to senior management experience either in a small, medium or large business. A proven track record of general management must be evident in the career of the candidate, including:
 - Strategic management including demonstration of substantial responsibility for strategic direction setting and implementation.
 - Evidence of business growth resulting from managerial activities.
 - Human resource management (including career development; mentoring and coaching experience).
 - Financial management.
 - Operational management.
- Proven leadership skill and ability to motivate and lead teams and engender trust.

- Evidence of networking ability. It will be an advantage for the candidate to have established networks with the business community in Maputo.
- Fluency in English with the ability to speak, read and write in Portuguese being an advantage.

The ideal candidate will be able to demonstrate the following personal attributes:

- Motivated, highly energetic and self-starter
- Commercially minded with an entrepreneurial approach
- Innovative problem solver with tenacity to find solutions under trying conditions
- Visionary with both flexibility and “out-of-the-box” thinking
- Determination and tenacity to follow an issue through to resolution
- Confident, self sufficient and results orientated
- Sincere, trustworthy and capable of networking and building relationships with people
- Articulate negotiator with excellent communication skills with individuals and groups.
- Excellent interpersonal skills

DURATION OF CONTRACT

The post requires a full time resource based in Maputo with occasional travel in and outside Mozambique. The contract period will be for three years with the possibility to extend this contract for a further two years. A probation period will be required to assess suitability.

Remuneration will be negotiated against qualifications and experience and will be market related. The structure of the package will consist of a basic salary and an annual performance bonus based on the performance of the incubator against targets.

The starting date will be 1st April 2010 or before.

Interested applicants can forward a covering letter titled “MEGCIP Maputo Business Incubator Manager”, motivating their suitability for the position, along with their resume (in English and/or in Portuguese) to the address below, by 5th February 2010 at 15h30. Applications by post must be clearly marked “MEGCIP Maputo Business Incubator Manager”. Applications by e-mail will also be accepted.

Ministério da Ciência e Tecnologia

Avenida Patrice Lumumba n.º 770

Maputo - Moçambique

Telefone: (+258) 21 352800

Telefone: (+258) 21 352860/ 80

E-mail: secretariado@mct.gov.mz



Annex 5: Terms of Reference for the Maputo Business Incubator Deputy Manager



República de Moçambique
Ministério da Ciência e Tecnologia
Mozambique eGovernment and Communications Infrastructure Project (MEGCIP)

TERMS OF REFERENCE FOR THE MAPUTO BUSINESS INCUBATOR DEPUTY MANAGER

CONTEXT

The Ministry of Science and Technology, together with Ministry of Transport and Communication, is in the process of initiating the implementation of the World Bank funded Mozambique eGovernment and Communication Infrastructure Project (MEGCIP), which intends to support the Government of Mozambique in the implementation of key priority initiatives in the area of ICT.

One of the activities under the project is the establishment of a business incubator in Maputo to support 35 companies with high growth potential. Business incubation lowers the cost of business and increases business survival rates through: access to shared resources and building infrastructure; access to finance and markets through credible support, guidance and business management; targeted mentoring and coaching, and networking opportunities to access markets.

This initiative is being led by the Ministry of Science and Technology, in collaboration with private sector companies, universities, and other development partners namely the World Bank, IFC and *infoDev*.

OBJECTIVE

The main objective of the position of the Maputo Business Incubator Deputy Manager is to assist the Maputo Business Incubator Manager to establish and grow the incubator. This is a challenging position that requires an entrepreneurial approach and a commitment for helping new and emerging businesses in Maputo. The position offers exciting long-term prospects and growth for the right person.

Essential Duties and Responsibilities:

The essential duties and responsibilities listed below will be carried out in the context of providing support to the project and ensuring efficient management processes.

- Assisting the incubator manager to develop the initial business plan of the business incubator
- Implementing the annual business plan
- Assisting the incubator manager in applying good incubation practices including the processes for selecting clients, growing client companies; accessing financing, networking and graduating clients
- Assisting in the building and management of stakeholder relationships

REQUIRED QUALIFICATIONS, KNOWLEDGE AND EXPERIENCE

The ideal candidate will have the following knowledge, skills and experience:

- A university degree from a recognized educational institution. Preference will be given to candidates with a commercial degree.
- At least 5 years of management experience. A proven track record of general management must be evident in the career of the candidate, including:
 - Evidence of business growth resulting from managerial activities.
 - Human resource management
 - Financial management.
 - Operational management.
- Demonstrated understanding of issues relating to entrepreneurship. It will be an advantage for the candidate to have been involved in a start-up company, the management of a business incubator, and / or SME support organisation.
- Evidence of networking ability. It will be an advantage for the candidate to have established networks with the business community in Maputo.
- Fluency in English and the ability to read, speak and write Portuguese will be an advantage.

The ideal candidate will be able to demonstrate the following personal attributes:

- Motivated, highly energetic and driven personality
- Commercially minded with an entrepreneurial approach
- Innovative problem solver with tenacity to find solutions under trying conditions
- Determination and tenacity to follow an issue through to resolution
- Confident, self sufficient and results orientated
- Sincere, trustworthy and capable of networking and building relationships with people
- Good communication skills with individuals and groups
- An eagerness to learn

DURATION OF CONTRACT

The post requires a full time resource based in Maputo with occasional travel in and outside Mozambique. The contract period will be for three years with the possibility to extend this contract for a further two years. A probation period will be required to assess suitability.

Remuneration will be negotiated against qualifications and experience and will be market related. The structure of the package will be on a cost-to-company basis.

The starting date will be 1st April 2010 or before.

Interested applicants can forward a covering letter titled “MEGCIP Maputo Business Incubator Deputy Manager”, motivating their suitability for the position, along with their resume (in English and/or in Portuguese) to the address below, by 5th February 2010 at 15h30. Applications by post must be clearly marked “MEGCIP Maputo Business Incubator Deputy Manager”. Applications by e-mail will also be accepted.

Ministério da Ciência e Tecnologia

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Annex 6: Job Description for Key Incubator Management Positions

The EBN Vademecum⁵³ provides the following sample job descriptions for managers of B.I.C. incubators across Europe. Clearly they are intended as a reference only and should be adapted to the specific needs of each region.

B. TRAINING EXECUTIVE

B.1. BASIC FUNCTION

- Ensures that each entrepreneur or entrepreneurial team selected can acquire the necessary planning and management skills within a short period of time.
- To this end, he carries out tasks inherent to training, and takes responsibility for these.

B.2. DETAILED JOB DESCRIPTION

- Draws up a training program for each entrepreneur tailored to his needs.
- Seeks and selects the most appropriate self-training courses.
- Keeps an up-to-date inventory of all training courses in the region likely to be of interest to and to suit entrepreneurs.
- Maintains good contacts with the organizations providing these courses.
- Keeps abreast of developments in training techniques so as to ensure entrepreneurs benefit from progress in this field.
- Devises and organizes, where necessary, training courses within the B.I.C. To this end, seeks out qualified organizers and negotiates the terms of their assistance.
- Organizes a library of books and courses to meet additional training needs of entrepreneurs, and negotiates, where possible, to obtain access for the latter to existing libraries.
- Organizes conferences and debates on subjects of general or specific interest to SME managers.
- Plans training activities.
- Ensures, and participates in, adequate promotion of training courses and conferences organized by the B.I.C.
- Manages the training budget.
- Assesses training efficiency and its financial profitability.
- Adapts program on the basis of evaluations.
- Maintains close contacts with training executives in other B.I.C.s

⁵³ Source: EBN Vademecum 1996

B.3. POSSIBLE ADDITIONAL TASKS

As mentioned above, the training executive will not necessarily work full-time in this area.

It is desirable that he also take part in one or more of the following fields:

- Promotion
- Assessment/selection;
- Business planning consultancy.

B.4. HIERARCHIC RELATIONSHIP

Reports to the General Manager.

- Basic training and experience:
- At least 5 years' experience in company management and training is required; basic training not very important.

B5. PERSONAL PROFILE

- Personal aptitudes :
 - Organizational and training skills are the main aptitudes required.
- Languages:
 - In addition to the language of the region, fluency in English (and/or French) is essential.

C. TECHNOLOGY MANAGER

C.1. BASIC FUNCTION

- Assumes the tasks and responsibilities inherent in the “innovation and technical assistance” provided by the B.I.C.
- Ensures that the handicaps in the area of technology and innovation specific to entrepreneurs in the SME sector are effectively made good by the activity of the B.I.C.

C.2. DETAILED JOB DESCRIPTION

- Assists his colleagues in the technical assessment of entrepreneurs' projects.
- Constitutes a technological “talent-pool” within the region and directs prospective entrepreneurs towards members of this pool.
- Maintains a permanent inventory of all private, institutional and public bodies likely, to provide support to innovation and technological developments and maintains ongoing contact with them. When necessary, puts entrepreneurs into contact with these and intervenes as advisor in any negotiations between them.
- Organizes the systematic detection of as yet unexploited ideas, products, and technologies, in universities, polytechnics, research centers and enterprises in his region

- Maintains a permanent inventory of useful technological data-banks and organizes access by entrepreneurs.
- Maintains a permanent inventory of public aid and subsidies available to support technological development and prototyping and assists entrepreneurs in obtaining them.
- Assists entrepreneurs with technology transfer and negotiating licensing agreements.
- Assists entrepreneurs in obtaining legal protection for their technological specialties, putting them in contact with competent legal advisors and/or specialist bureau.
- Keeps up with the general development of technology by visiting fairs and exhibitions in this area and by reading appropriate publications.
- Maintains permanent contact with Technology managers in other B. I. C.s

C.3. POSSIBLE ADDITIONAL TASKS

As explained above, the Technology Manager will not necessarily work full time in this area. It is desirable that he should also work in one or more of the following areas:

- Promotional/Detection
- Assessment/Selection
- Business planning consulting

C.4. HIERARCHIC RELATIONSHIP

Reports to the General Manager

C.5. PERSONAL PROFILE

- Basic training and experience:
 - A basic technical and scientific training is essential. The candidate should have acquired a multi-faceted approach to these areas. Good basic knowledge of management (in particular marketing) is essential. At least 5 years' experience working in an enterprise is required.
- Personal aptitudes:
 - A high degree of technical and scientific curiosity and considerable intuition are necessary, as are also realism, and a sense of business.
- Languages:
 - In addition to the language of the region, fluency in English (and/or French) is essential.

D. FINANCIAL MANAGEMENT EXECUTIVE

D.1. BASIC FUNCTION

Advises and assists entrepreneurs and his colleagues in accounting, financial planning and financial management. Searches for optimal financing solutions for projects and, to this end, assists the General Manager in obtaining risk capital. Assumes the financial management of the B.I.C.

D.2. DETAILED JOB DESCRIPTION

Ensures that the B.I.C. has sufficient and adequate financial planning and management software and helps entrepreneurs in using this.

- Maintains a permanent inventory of possible sources of finance for entrepreneurs (“seed-capital”, “venture capital”, investments and short and medium-term operating credit).
- Maintains ongoing relations with bodies providing financing and aid subsidies in order to create a favorable atmosphere for B.I.C.-supported entrepreneurs and to facilitate the materialization of their wishes.
- Assists entrepreneurs in negotiating with providers of funds and aid subsidies.
- Provides financial supervision of new SMEs and of diversification after the start-up stage.
- Assists the General Manager in resolving the problems of financing the B.I.C., in particular via public-sector subsidies.
- Organizes and supervises the general and analytical accounting of the B.I.C., manages the cash situation.
- Participates in preparing budgets.
- Provides the General Managers with all information necessary to ensure budget control.
- Maintains his ongoing relationships with Financial Managers from other B.I.C.s

D.3. POSSIBLE ADDITIONAL TASKS

As explained above, the Financial Manager may not necessarily work full time in this area. It is desirable that he should also work in one or more of the following areas:

- Promotion/Detection
- Assessment/Selection
- Business Planning consulting

D.4. HIERARCHIC RELATIONSHIP

Reports to the General Manager of the B.I.C.

D.5. PERSONAL PROFILE

- Basic training and experience:
 - A good basic financial training, and at least 10 years’ practical experience of financial management in companies, are essential. Experience in banking is a valuable complement.
- Personal aptitudes:
 - A good analytical mind and confined negotiating skills are the main qualities required.
- Languages:
 - In addition to the language of the region, fluency in English (and/or French) is essential.

E. ACCOMMODATION AND COMMON LOGISTICS SERVICES MANAGER (B.I.C. WITH ENTERPRISE ACCOMMODATION FACILITIES)**E.1. BASIC FUNCTION**

Assumes the tasks and responsibilities inherent in the “accommodation” and common-services” function of the B.I.C.

- Supervises all the administrative and logistic functions of the B.I.C.

E.2. DETAILED JOB DESCRIPTION

- Ensures that suitable common premises and services are made available to prospective entrepreneurs and SMEs eligible for B.I.C. services.
- Assumes the administrative and data-processing management of the B .I. C.
- Organizes, directs and supervises management of enterprise accommodation facilities and common services.
- Takes responsibility for leasing contracts and for the use of common services, the application of suitable Internal Regulations and all the administrative and accounting procedures linked to the management of the building and common services.
- Recruits and manages common lower grade and auxiliary personnel.
- Negotiates and supervises, where appropriate, the sub-contracting of logistics services.
- Negotiates acquisitions of common equipment and ensures their rational use and maintenance.
- Assists SMEs not wishing to set up in the common building, or having to find premises outside, in looking for premises and negotiating lease contracts.
- Assists the General Manager in all B.I.C. promotional activities taking place inside the B.I.C. premises (exhibitions, open days, conferences and so on).
- Contributes actively to developing a good atmosphere between SMEs who have set up shop in the “enterprise hotel” by setting up a tenant/SME manager’s club and organizing joint activities for them.
- Maintains ongoing relationships with logistic managers from other B.I.C.

E.3. HIERARCHIC RELATIONSHIP

Reports to the General Manager of the B.I.C.

E.4 PERSONAL PROFILE

- Training and experience:
 - The basic training is of little importance, providing the candidate has good administrative skills. At least 10 years’ experience in organizing and managing logistic services is highly desirable.

- Personal aptitudes:
 - A sense of organization, the ability to obtain a high yield from subordinates in a good working atmosphere, firmness along with a good measure of diplomacy and a high degree of availability are the main qualities required.
- Languages:
 - In addition to the language of the region, fluency in English (and/or French) is essential.

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