

BEST BUSINESS INCUBATOR IN Croatia, OSIJEK – BIOS D.O.O.

BIOS – business incubator in Osijek, is the business incubator located in the north-east part of the Republic of Croatia, established in 1996, but not fully operational until 2003. Hereafter, general information, strategy and performance of the business incubator are presented.

3.1. General information about business incubator BIOS

Name of the Business Incubator:	Business Incubator BIOS D.O.O.
Head:	Master of science IGOR MEDIĆ
Address:	J.J.Strossmayera 341, 31000 Osijek
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E-mail: bios@osijek.hr	web page: www.inkubator.hr

Established: 1996.

Size of the Business Incubator in m ² :	9000m ² (total size), 1000m ² available for renting 950 m ² occupied by tenants 50 m ² free
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3.2. Strategy of the business incubator

BIOS is the classical business incubator with the various production and service orientation tenants.

The mission to enhance and participate in the development of the local economy, to decrease the unemployment rate in the region and to support creation of the entrepreneurial climate.

The main purpose of the BIOS is as follows:

Supporting small and medium entrepreneurship by providing preferential business facilities lease price,

Providing organizational and business consulting assistance in the most critical phase of business development.

Business incubator BIOS have been initiated by the local authorities and local Centre for entrepreneurship. City of Osijek is the main stakeholder (97%) while 3% holds Institute for Economical and Technological changes. BIOS is registered as the Limited Liability Company, and started with the carefully prepared business plan.

Since the 2003, after the management turnover, the new management started by agile fund rising and service value adding. Today, business incubator offer different services, and provide a number of activities, such as:

- 1. Favourable leasing rates for new and young entrepreneurial ventures;**
- 2. Consulting services;**
- 3. Training of entrepreneurs;**
- 4. Shared office administration;**
- 5. Provides marketing services;**
- 6. Provides services in quality management;**
- 7. Provides coaching;**
- 8. Provides mentoring activities;**
- 9. Other services like**
 - a. equipment rent,**
 - b. business correspondence translation,**
 - c. organisation of local fairs,**
 - d. visiting and exhibiting at the regional and international fairs**
 - e. university consultants**
 - f. study tours for high school, universities, etc.**

In average BIOS have 14 tenants. The maximum incubation period differs for various businesses:

- a) Production - 5 yrs
- b) Services - 3 yrs

Eight businesses left the business incubator since its establishment, and five of them are still operational and viable.

Incubator is financed from dispersed financial sources:

- 1. Renting;**
- 2. Providing general consultation services;**
- 3. Providing special services;**
- 4. Government/local government contribution;**
- 5. Donor contribution;**
- 6. Additional financing sources.**

BIOS is managed by the manager who holds the master degree in Economic sciences, and has an entrepreneurial background himself, and has consultancy experience in working with the entrepreneurs. Management staff includes three employees: operations supervisor (1); administrator (1); special projects supervisor (1).

Entrepreneurial background of the head of the incubator include experience in the marketing sector; family firm; digital printing company; coaching and training entrepreneurs through consultancy programmes and lecturing at the local university.

- Marketing Agency Manager / family business 1996. - 2002.
- Digital print company owner 1999. - 2003.
- Graduate program Entrepreneurship, University of Osijek – Lecturer: Modern Business Activities / Identification of Business Opportunities

- Centre for Entrepreneurship Osijek – Lecturer: Start your Business, Franchising, Business Growth and Development

SWOT analysis of the Business Incubator

<p>Strengths clear mission and goals, human resources potential, huge available space for production activities, strong local community image, decreasing obstacles in starting a business, wide range of services, strong collaboration with the Centre for Entrepreneurship, institutions and organisations of local development, and as well as business community, international cooperation with the regional incubators, strong entrepreneurial culture, providing discounted office space rent, creating network among entrepreneurs, fair exhibitions</p>	<p>Weakness space constrains, lack of specialised seminars for the tenants, insufficient cooperation with the University, noise in production facilities, insufficient number of sponsors, location for service companies, infrastructure (isolation, heating, sanitary facilities)</p>
<p>Opportunities Providing consultancy services to the entrepreneurs - beginners not residing in BIOS (virtual incubator), participation in EU projects, intensifying international cooperation with the regional incubators, decreasing rate of unemployment, increase of the tax payer number, involving volunteers,</p>	<p>Threats BIOS dependence on donations, uncertainty of institutional support programs, insufficient interest and low quality of potential tenant's projects, establishment of new support agencies and programs for the entrepreneurs beginners, economic situation in country,</p>

<p>collaboration with the banks on credit loans for the tenants, implementation of advanced technology in tenant's operation, visits of the potential young entrepreneurs (while in the high schools; university)</p>	<p>increasing value of the BIOS real estate</p>
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3.3. Incubator performance

BIOS did not yet reached the level of self sustainability. It depends on institutional support and donations. At the present moment, BIOS has reached 30-40% of self sustainability.

Critical success factors in a business incubator operation are perceived to be self sustainability with the continual providing of the services to the tenants, as well as their success on the market after they leave the incubator.

BIOS plans to reach sustainability with the construction of additional 2000m² of business space. The estimation has shown that the size of 3000m² is sufficient for the long term self financing, through providing services to the greater number of tenants and space rent.

Performance of the tenants is measured by the insight in final business accounting, usually once a year, but if needed even semi-annually. Incubator performance is measured by the percentage of tenant's survival on the market after leaving the incubator, as well as by the quality of external projects directed to the wider group of beginner entrepreneurs (Graphic cluster BIOS, MORH-SPECTRA Project (coordinated with the Ministry for defence), student entrepreneurship – BIP Norway, publishing activities in the field of entrepreneurship, business DVD set – collaboration with local TV station, business research, radio show "First step to the entrepreneurship", project "Stop talking! Become an entrepreneur", and other projects aimed at the creation of better conditions for the entrepreneurs).

BIOS would welcome all kind of assistance in order to upgrade and improve the operation and services of incubator:

1. **Financial** – for the construction of new facilities on the existing location, so the incubator can host new tenants
2. **Technical**
3. **Educational**
4. **Consulting**

BIOS is the member of UHIPP-a¹ (Croatian Association of Entrepreneurship Supporting Institutions). National Incubator Network does not exist.

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The key elements for the establishment and work of the business incubators are the support of the local community, interest of the target group, clearly stated mission and operation goals, quality of the management – proactivity and engagement directed to the tenants, permanent supervision of the hosted firms, continual education of the management and the tenants, management flexibility, collecting feedback from the tenants about the incubation process and their needs, creating network with other institutions and organisations working on the regional development, as well as the business community.

¹ Association has stopped operating in last year.

During the three years of operation under the new, entrepreneurial management BIOS succeeded in establishing a strong brand name for a local community, inter-organizational culture and strong network of the supporting and partnering institutions. Therefore, BIOS is the role model for entrepreneurially managed and vibrant business incubation model.