

BEST BUSINESS INCUBATOR IN Hungary

1. Name of the business incubator and name of its head:

Name of the Business Incubator: Közép-Magyarországi Innovációs Központ (CHIC Central Hungarian Innovation Centre)

Budaörsi Ipari és Technológiai Park (BITEP) Budaörs Industrial and Technological Park

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2. The year when the Business Incubator was established:

The centre was founded in 2003.

The building of the business incubator was opened in 2005.

3. The size of the Business Incubator in m²: 4500 m²

4. The purpose and type of the Business Incubator

- Classical business incubator with different tenants;
- Specialized business incubator oriented for certain businesses;
- Business incubators for service industries;
- X Technological oriented business incubator;
- business incubator oriented for women entrepreneurs;
- Business incubator oriented for youth;
- Export processing incubator;
- Other type of business incubator (please specify)

5. What are the concept and the Vision of the Business Incubator?

Carrying out research and development, as well as providing services assisting in innovation activities, for small and medium enterprises operating in the Central Hungarian region, by way of ensuring modern infrastructure in line with EU expectations and an innovative environment.

In the interest of the above, CHIC provides state-of-the-art premises, functions as a business incubator, performs faith-generating and integrating roles, and also operating as a provider and mediator of services.

6. On which initiative was the Business Incubator created (Government, local authorities, business communities, others – please specify)?

The founder was the business community, more specifically the ISC Kft. of Budaörs, the Hungarian Association for Innovation, and three small enterprises.

7. Do you have a Business Plan? Y

The centre has a detailed business plan.

8. How is/are the owner(s)/stakeholders of the Business Incubator?

The owners are, to this day, the same as the founders; ISC Kft. is the 80% owner, while the three small enterprises and the Hungarian Association for Innovation each own 5% of CHIC.

9. What is the legal status of the Business Incubator?

The legal form of the innovation centre (ISC) is a Kht. (public benefit company).
The legal form of the industrial park (BITEP) is an Rt. (company limited by shares).

10. What kind of services is provided by the Business Incubator management?

- Provides premises leased on fixed terms;
- x Consulting services;
- x Training of entrepreneurs;
- x Shared office administration;
- x Provides accounting for tenant;
- x Provide access to financing;
- x Provides marketing services;
- x Provides technological services;
- Provides services in consumer protection;
- x Provides services in quality management;
- x Provides services in environment services;
- x Provides coaching;
- x Provides mentoring activities;
- Other services, please specify. product development

11. In average how many tenants do you have? ~25

There are 25 tenants in the business incubator, and 200 in the industrial park.

12. What is the incubation period – maximum year to be stay at the Business Incubator?

The plans call for an incubation period of 5 years, but the average incubation period cannot yet be calculated, as the business incubator started to operate in its current form less than 5 years ago.

The moving out of enterprises is supposed to be encouraged by a system of lease discounts, whereby the extent of the discount decreases by 10% annually, from 40% in the first year, to 30% in the second, 20% in the third, 10% in the fourth, and 0% discount in the fifth year.

13. How many businesses left the Business Incubator from the year of establishment?

Approximately 5 companies left the business incubator so far, but the incubation period was not completed in all cases; rather, the profiles of certain companies (e.g. warehouse base of trade company) did not comply with the mission of a classic business incubator model.

14. How many businesses survived for those who left the Business Incubator?

According to our information there was one enterprise that practically left the incubator because its prospects for survival have become impossible; otherwise the businesses that left the business incubator survived in the outside world.

15. How is the Business Incubator financed?

- X Renting; most important
- X Providing general consultation services;
- x Providing special services;
- x Government/local government contribution; (namely)
 - Donor contribution;
 - Additional financing sources.

16. How many people manage the Business Incubator?

The business incubator is managed by 4-5 persons.

17. How many support staff has the Business Incubator? Please specify these people.

The number of the support staff is 15-20 persons.

18. What is the education background of the Head of the Business Incubator? Please specify also his/her entrepreneurial background.

Electrical engineer, engineering teacher.
Business MBA – specialised economist

19. SWOT analyses of the Business Incubator

You are kindly requested to list the main important characteristics in each category like Strength – Weakness – Opportunity and Threat (maximum 5 in each categories) starting from the most important feature and ending in the least important one.

STRENGTH:

favourable location
potential for expanding the industrial park
complex nature of services
professional management
located within the conurbation of the capital city
well established network of contacts
owner of the title of integrator industrial park

WEAKNESS:

problems with accessibility (although located near the capital, but not inside it)
limitations for expansion in the business incubator centre

OPPORTUNITY:

becoming a member of EU networks
interconnections for regional development
closer association with the Regional Innovation Agency

THREAT:

growth of competition in the region (e.g. talent park of Zsámbék)
hectic economic policy (changes in the governmental objectives)

20. Does your Business Incubator reached the status of sustainability?

The majority of the services provided by the business incubation centre, and thereby also the continuous daily operation of the incubation centre can be regarded as self-sustaining. Further development presupposes the involvement of additional external resources, and cannot be solved from the sustainable sources.

21. What are the critical success factors in a business incubator operation?

The most important criterion of success is sustainability.

22. How do you measure the performance of the tenant and the Business Incubator as a whole?

the result of the management

the number and quality of available services

the useful area and the expansion thereof

(The number of incubated enterprises is not a genuine index of measurement, since it also depends on various other factors.)

23. What kind of assistance do you need to improve the operation and services of your Business Incubator?

As one of the most dynamically developing Hungarian business incubation centre, we are not in need of continuous support and assistance; however, exchanges of experiences whereby we can find out about the solutions of others are very useful.

24. Is your incubator stand-alone or part of a national incubator network?

The incubation centre is not only the member, but also the hub of the Hungarian networks, a member of all important professional organisations, and at least 4-5 other relevant, important, operating networks.

25. Any further issues, which you consider as important why designing and establishing business incubators.

Cooperation with other professional organisations (including the Hungarian Association of Innovation, which also played a role as a founder), as well as the growing importance of international relations, should also be emphasised.

(In connection with the above, it should be mentioned that the incubator centre was set up in such a way that the building also includes three guest rooms for occasions when we have guests arriving from a distance to study our work, but cannot afford expensive hotel accommodation. High-quality auxiliary services, such as the snack bar, the cafeteria, the conference rooms accommodating common events, are important not only for the guests, but also for the community of tenants.)

26. Supplementary information

The questions of the case study questionnaire do not cover with adequate the complex support activity that the business incubator centre can provide for its clients. Therefore, we would like to briefly summarise the essence of these services.

On the basis of preliminary surveys and scientific investigations, the incubator centre considers the following areas as its priorities:

- Technologies in the service of the application of new and renewable sources of energy
- Information and communication technologies

In order to best implement these priorities, we have set up three competence centres:

- Renewable energy competence centre
- Information technology competence centre
- Suppliers competence centre

The competence centres carry out the following activities in their own professional fields:

- Consultancy (financial, legal, intellectual property protection, technology, marketing, etc.)
- Product development - technology development
- Monitoring of grant opportunities, management of grant applications
- Project management and project financing
- Searching for and mediating partners
- Technology transfer
- Quality assurance
- Organising professional events
- Training, education
- Promoting the market utilisation of the results of R&D.
- International cooperation, international knowledge transfer

The incubator centre also provides the following services for its clients:

Information and administrative services (within that, specifically)

- Mediation of manufacturing capacities and other business offers
- Mediation of development and special technological capacities
- Recommending experts
- Mediating the results of technological development
- Information on who is manufacturing what
- Special literature service
- Information on exhibitions, events, grant opportunities
- Locating websites and databases, on demand

Product development (within that, specifically)

- Protection of industrial (intellectual) property
- Designing of the product development process
- Market research
- Coordinating the manufacturing of prototypes
- Seeking development, manufacturing and marketing partners
- Locating possible investors
- Preparation of project plans
- Foundation of companies, project management

Consultancy (within that, specifically)

- Screening of companies, management consultancy
- preparation of business plans and feasibility studies
- writing and management of grant applications
- marketing consultancy
- technological consultancy
- cost rationalisation, consultancy of productivity enhancement
- financial, credit and tax advisory services
- environmental consultancy
- quality management consultancy
- technological transfer

Training, events organising (within that, specifically)

- special professional training courses
- management and financial training
- computer skills
- issues related to enterprises in the EU
- language courses
- exchange of professional experiences, study trips

Market development and contact building services (within that, specifically)

- organising development associations
- organising networks of enterprises, clusters
- organising joint ventures
- promoting international cooperation
- organising insurance clusters

Consultancy (within that, specifically)

- portals
- databases
- content service
- useful links

The provision of these services at the highest possible level and quality is made possible with the network of connections that the CHIC business incubator centre has. The list of institutions providing support for our professional activities (incomplete list)

- Budapest University of Technology and Economics (BME)
- BME National Technical Information Centre and Library
- Ministry of Economy and Transport
- Ministry of Informatics and Communications
- Association of Industrial Parks
- Small Enterprise Development Financial Ltd.
- Hungarian Association for Innovation
- Hungarian Solar Energy Society
- Hungarian Association of Science, Technology and Industrial Parks
- NETI - Tivadar Puskás Foundation, International Institute of Technology
- Pest County Chamber of Commerce and Industry
- PROMEI Modernisation and Euro-Atlantic Integration Project Office
- Strategy Research Institute
- Association of Business Incubators

Date of providing information: