

## SME - infrastructure

Macro	SME Policy Center	Ministry of economy	Croatian Bank for Reconstruction and Development HBOR	Croatian agency for SME's HAMAG	Croatian Chamber of Commerce, Crafts
Mezzo	University programmes Graduate program "Entrepreneurship" - ICES		Croatian Association of Business Support Institutions		Croatian Employers' Association
Micro	Centres for entrepreneurship	Business incubators, technology parks	Development agencies	Microfinancing institutions	Forums, fairs, networks

## II BENCHMARKING OF BUSINESS INCUBATORS

- | Type of incubators
- | Initiators
- | Purpose
- | Critical factors of success
- | Services
- | Operations
- | Manager
- | Sustainability

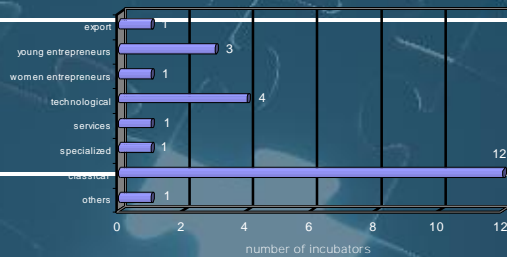
## Business incubators in Croatia

### General information:

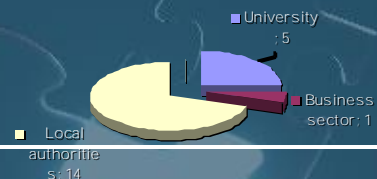
- | Average BI in Croatia is 5,63 years old
- | Initiated as public incubators (15), or private incubators (1):
- | Established as L.L.C.
- | Formal business plans: mission statement; service description; market assessment, management and financial plan (94%)



## Type of incubators



## Initiators



## Purpose

### Main purposes:

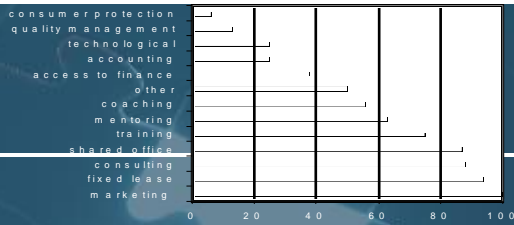
- | Knowledge transfer
- | Job creation
- | Innovations
- | Indigenous industries
- | Attraction of FDI
- | Promotion of clustering

## Critical factors of success

- | Secure, stable financial support
- | Education of the management staff for providing consulting and networking roles

## Services

### Services:



## and operations

- Incubation period:
  - Production: 5 years
  - Services: 4,14 years
- Average number of tenants: 11 (min.4 – max.20)
- Networking: BIOS d.o.o. Osijek - Printing and publishing cluster
- Size:
  - Available average: 1445 sqm
  - Occupied by tenants on average: 1273 sqm

## Management

- 3-5 persons in the Supervisory Board elected for 4 years
- Head of the incubator: 70% have Bs.S or higher degree
- 25% have entrepreneurial background
- Staff: average 3,31 employees
- Includes: administrators, receptionist, consultants

## Performance outcomes (1)

- Program growth and sustainability:
  - Growth of budgets; space; facilities, tenants; no. of programs
  - Average self financing 43% (min.10%; max.90%)



## Performance outcomes (2)

### Tenants survival and growth:

- Survivability
  - Viable/Graduated ratio
  - average = 81%

- Graduation
  - Graduated/Tenants ratio
  - average = 59%

- Tenants growth
  - Financial statement of tenants,
  - product range;
  - no. of employees;
  - quality assessment

## Performance outcomes (3)

### Community impact:

- Economic: tangible (higher survival rate, new jobs, faster product development, time to market, yet to prove...)
- Social: intangible (promote trust, collaboration, learning, visibility of the local entrepreneurs)
- Political: targeted to underdeveloped regions, disadvantaged groups (young, female, high tech)

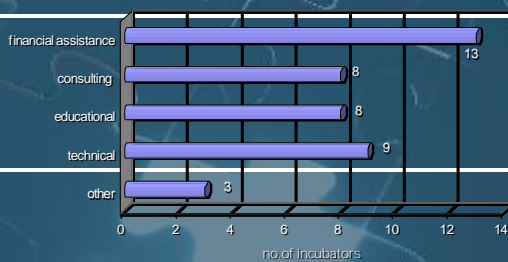
## Effectiveness of management policies and practices

- | Goals: extent of accomplishment of the stated goals – strong commitment
- | Financing: level of funding – need for more stable financing
- | Operational policies: selection, exit policies; tenants review; alumni organization – still not standardized; first come – first in basis
- | Shared incubator services – regularly monitored; utilization of the services good – marketing, rentals, consulting, training, mentoring

## SWOT – analysis

S	W
<ul style="list-style-type: none"> <li>- organization</li> <li>- wide range of services</li> <li>- human resources</li> </ul>	<ul style="list-style-type: none"> <li>- insufficient space, financing</li> <li>- weak cooperation with educational, business sector and professional infrastructure</li> </ul>
O	T
<ul style="list-style-type: none"> <li>- EU projects</li> <li>- cooperation with banks</li> </ul>	<ul style="list-style-type: none"> <li>- economy</li> <li>- changes in institutional support</li> <li>- addition to donations</li> </ul>

## Further assistance



## BIOS

- | Business incubator strategy
- | Structure
- | Performance

## BIOS General information

- | Business Incubator BIOS Ltd. Osijek
- | [www.inkubator.hr](http://www.inkubator.hr)
- | land size: 9000 m2, building: 1000m2,
- | 95% of the available space occupied by tenants
- | classical business incubator
- | initiated by Local Authorities and Centre for Entrepreneurship
- | owned by - City of Osijek
- | first tenants - March 2003.

## Mission and main purpose

- | 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.
- | MAIN PURPOSE - 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.

## BIOS tenants and projects

- | In average BIOS has 14 tenants (max 16)
- | Eight businesses left, and five of them are still operational and viable.
- | Projects:
  - | Printing and Publishing Cluster
  - | Radio show - "The First Step"
  - | "Entrepreneurial notebook"
  - | "Student entrepreneurship"
  - | Education for ex Croatian soldiers
  - | Entrepreneurship research

## Incubator performance

- | BIOS reached 35% of self sustainability
- | 65% comes from institutional support and donations
- | BIOS would welcome all kind of assistance in order to upgrade and improve the operation and services of incubator: financial, technical and educational
- | BIOS plans to reach sustainability with the construction of additional 2000m2 of business space for technology oriented production - PHARE 2005?

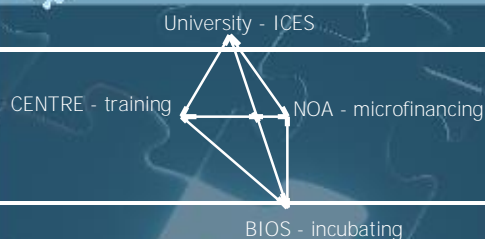
## BIOS future



## BIOS key elements of success

- | 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 organizations working on the regional development, as well as the business community.

## Osijek case



- | Links and network