



STOWARZYSZENIE ORGANIZATORÓW
OŚRODKÓW INNOWACJI
I PRZEDSIĘBIORCZOŚCI W POLSCE



POLISH BUSINESS
AND INNOVATION
CENTRES ASSOCIATION

STATUS OF BUSINESS INCUBATORS IN POLAND 2005

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Enterprises registered in 2001 – 2002

Category of enterprise	Number of enterprises		Previous year	
	2001	2002	2001	2002
Enterprises registered at year-end	3,348,124	3,495,314	105.9	104.4
Public sector	105,077	117,217	113.5	111.6
Private sector	3,243,047	3,378,097	105.6	104.2
New enterprises	359,057	285,270	102.1	79.4
Public sector	18,280	13,864	119.6	75.8
Private sector	340,777	271,406	101.3	79.6

Enterprises in operation in 2002, categorised by number of employees (not including agriculture, forestry and fishing, and public administration)

Category of enterprise	Number of enterprises		Share (%)	
	2001	2002	2001	2002
Small (0-49 employees)	1,641,403	1,719,615	99.02	99.09
Medium-sized (50-249 employees)	13,419	13,086	0.81	0.75
TOTAL SMEs	1,654,822	1,732,701	99.83	99.84
Large (more than 249 employees)	2,808	2,723	0.17	0.16
TOTAL	1,657,630	1,735,424	100.00	100.00

People in work at year-end 2002

	Total	Small	Medium	Large
Total (in thousands)	10,290.2	4,725.9	2,280.3	3,284.0
Public sector	3,541.7	720.0	1,004.6	1,817.1
Private sector	6,748.5	4,005.9	1,275.7	1,466.9
Total market sector (in thousands)	8,021.7	4,022.4	1,537.5	2,461.8
Public sector	1,467.1	174.3	289.2	1,003.6
Private sector	6,544.6	3,848.1	1,248.3	1,458.2
Market sector – 100%				
Total market sector (%)	100.0	50.1	19.2	30.7
Public sector	18.3	2.2	3.6	12.5
Private sector	81.7	47.9	15.6	18.2

PROBLEMS CONFRONTING START UPS

Lack of affordable premises with just the amount and type of space required	Lack of seed capital and/or working capital
Regulatory barriers and constraints	Lack of support systems, network or appropriate business services

LEGAL FOUNDATION FOR ENTERPRISE OPERATIONS The Act of 14 November 2003 amending the act Business Activity Law

Two different paths for legalizing business activities

- Legal entity - registered partnerships, professional partnerships, limited partnerships, limited joint-stock partnerships, limited liability companies, joint stock companies, cooperatives, state enterprises, research & development units, mutual insurance companies
- Entrepreneur who is a natural person thus including also partners in civil law partnership

Certain preferences are available to natural persons who are thereby given additional incentives to form a business - primarily comprising fewer formal requirements, a simplified registration procedures, and lower costs of starting up business.

REGISTRATION PROCEDURES

Registration

- at the commune office – natural persons and partners in civil law partnership,
- in the registry court – other business entities

Entrepreneurs may file at the site of registration the three applications simultaneously:

1. the registration request,
2. the application for entry in the National Register of Business Entities of the National Economy, and
3. an identification declaration (or a change of data declaration).

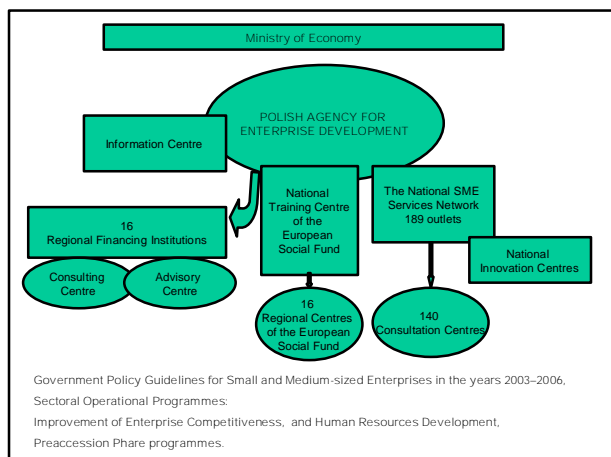
REGISTRATION PROCEDURES (continued)

Commune authorities and registry courts deliver (within three days of making the entry) the application to

- the province (voivodship) statistical office, and
- the tax office indicated by the applicant.

The commune authority and the registry court alike have 14 days to serve notification as regards the entry made into the business activity register or to render a decision on an application for entry

A request for entry in the business activity register is subject to a fee of PLN 100.00 (ca.\$30.00 US), and for a request for change to the existing entry the charge is PLN 50.00 (ca.\$15.00 US).



National SME Agency POLISH AGENCY FOR ENTERPRISE DEVELOPMENT (PAED)

- Governmental agency subordinate to the Minister of the Economy.
- Established on November 9, 2000
- Task

Managing the funds assigned from the State Budget and European Union for the support of entrepreneurship and the development of human resources, with particular consideration given to the needs of small and medium sized enterprises (SMEs).

PAED (continued)

- Participates in the implementation of "Government Policy Guidelines for Small and Medium-sized Enterprises in the years 2003–2006", Sectoral Operational Programmes: Improvement of Enterprise Competitiveness and Human Resources Development, as well as pre-accession Phare programmes
- Regional Financing Institutions (RFIs),
 - the PAED partners in the process of implementation of policies towards SMEs
 - for the most part are Regional Development Agencies or other institutions that have an established record in the field of SME development
 - run a Consulting and Advisory Centres

PAED Objectives

The implementation of economy development programmes, in particular with respect to the support of:

- SME development,
- Export development,
- Regional development,
- Application of new techniques and technologies,
- Creation of new jobs, tackling unemployment and
- Human resources development.

PAED Tools

- The provision of grants to SME sector companies, institutions supporting the development of SMEs, training institutions and labour market institutions,
- The rendering of advisory and expert services,
- The facilitation of access to knowledge, economic information, studies and analyses to entrepreneurs,
- The organisation of undertakings of an informative and promotional nature

PAED Activities

- Polish Product of the Future. The contest aimed at the promotion and dissemination of information on the achievements of those who are conceivers of innovative technologies, as well as the provision of assistance in their implementation into industry.
- Club of Innovative Enterprises. A forum for the exchange of information and the development of cooperation among entrepreneurs using innovative technologies and representatives of research, academic and administration circles, who support the implementation of innovative technological solutions in practice.
- Bank of Technologies and Products (BTW). BTW makes available information on innovative products and technologies from various areas of technical sciences, in order to promote them and to match potential partners
- Research and publications. The Polish Agency for Enterprise Development prepares and disseminates analyses of the SME sector and phenomena that occur in the Polish economy. Each year, PAED publishes a report on the condition of the SME sector in Poland, as well as numerous pamphlets and guides.
- Innovative Portal www.pl.gov.pl
- Human Resources Development

PAED

Human Resources Development programme

The professional development of personnel and the training of human resources based on the model applied within the European Social Fund

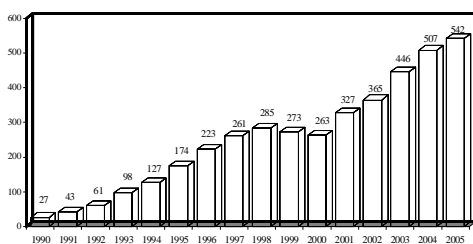
- National Educational Centre of the European Social Fund (PAED)
- Regional Centres of the European Social Fund - in 16 Polish provinces (voivodships)
- The Voivodship Employment Offices
 - (a) provide detailed information on training sessions
 - (b) direct the interested parties to companies responsible for specific projects in individual provinces

BUSINESS AND INNOVATION CENTRES DEVELOPMENT IN POLAND

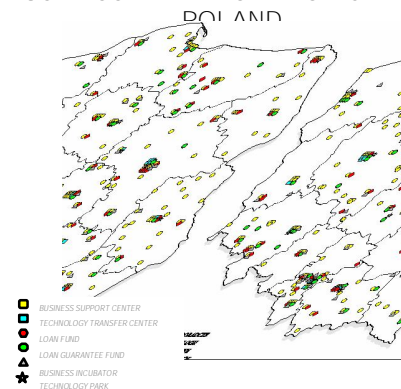
The basis for local development organizations in Poland was formed after the political and economy system changed in 1989. The first fifteen years may be divided into five stages:

- 1990-1992 The early stage. Founding the first Business and Innovation Centers during the period of economy transition
- 1993-1995 Business and Innovation Centers used as a tool for reducing of unemployment. Projects supporting the self - employment within the framework of Non - Government Organizations (NGO) activities
- 1996 - 1998 New ideas. Development of specialised organizations including Science and Technology Parks. Time when the interest, as well as public and political approval were rising.
- 1999-2000 Verification in the market. Struggle to sustain the operation which was consequence of the termination of most foreign aid programs
- 2001 -2005 Pre-accession period and Accession to European Union. Focus on innovation. Development of Technology Incubators, Science and Technology Parks, Technology Transfer Centers, Centers of Excellence, Centers of Competence, Centers of Advanced Technologies.

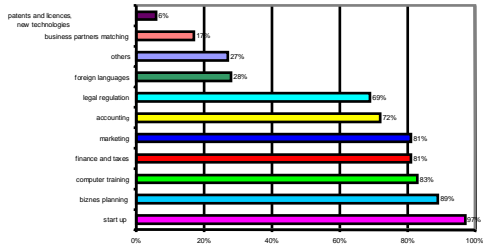
BUSINESS AND INNOVATION CENTRES DEVELOPMENT IN POLAND



BUSINESS AND INNOVATION CENTERS POLAND



TRAINING AND COUNSELLING SERVED BY BUSINESS AND INNOVATION CENTERS IN POLAND

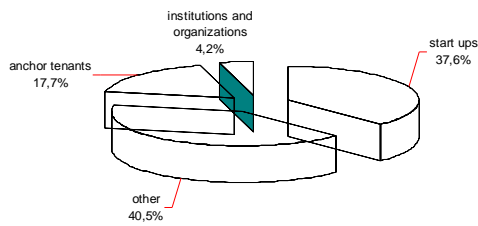


BUSINESS INCUBATORS AND TECHNOLOGY CENTERS/PARKS IN POLAND 1990 - 2005

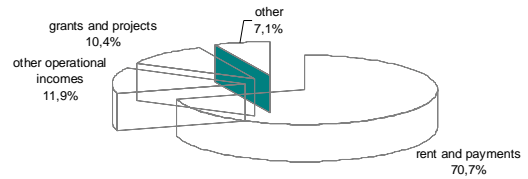
The first business and innovation incubators were focused on technology transfer and promoting innovative businesses. Then new incubators aimed at solving unemployment problems and promoting entrepreneurship. Currently Technology Incubators are created.

Date	Total	Technology Centers	Business Incubators	Science and Technology Parks
1991	2(-1)	2(-1)	0	0
1992	8(-1)	1(-1)	7	0
1993	9	1	8	0
1994	11	1	10	0
1995	30	4	25	1
1996	37	5	31	1
2001	49	2	44	3
2004	68	2	55	11
2005	100	17	55	28

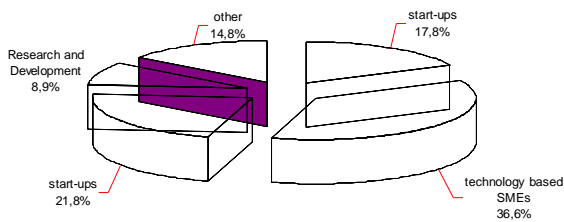
BUSINESS INCUBATOR RESIDENTS



BUSINESS INCUBATOR REVENUES



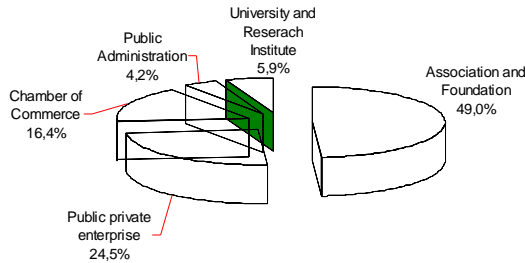
SCIENCE AND TECHNOLOGY PARK RESIDENTS



LEGAL STATUS OF BUSINESS INCUBATORS

- There are no special regulations on creation of Business and Innovation Centres in Poland
- Any form is welcome
- They are based on the different legal acts depending on the interest of founders
- When they expect support from public funds Technology Incubators/Parks should be non profit entity and meet some general criteria
- Nowadays according to Polish law any structure can state in the charter not for profit activity

BUSINESS AND INNOVATION CENTRES IN POLAND
LEGAL STATUS



POLISH BUSINESS AND INNOVATION CENTERS
SUCCESS FACTORS

- Political and economic transformation in 1989-1990
- Friendly environment and involvement of local governments
- Benefits from governmental and foreign aid programs as well as auxiliary funds for business support infrastructure and technology transfer
- Market analysis, adjustment to demands, complexity of operations
- Quick self-financing and sustainability
- An effective organizational structure
- Leaders and human resources
- An extensive local, national and international support network
- Development of training and consulting programs
- Meeting market standards and operations

POLISH BUSINESS AND INNOVATION CENTRES
ASSOCIATION (PBICA)
ACTIVITIES

- Annual PBICA Conferences – Seventeenth Conference held in May 2006
- Spring thematic conferences, including international conferences in other countries : Ukraine, Kazakhstan, Russia
- Books and guidelines on SME, entrepreneurship, Business and Innovation Centers, and Technology Parks (15 titles, with a press-run of at least 500 copies for each title)
- Information packets published abroad: 4 in Germany, 1 in the United States, 1 in United Kingdom
- Lectures and presentations by Polish Business and Innovation Centers in several dozen international conferences both in Poland and abroad (including throughout Western Europe, China, Mexico, the U.S., Central Asia, India and Brazil)
- Training for developers and managers of Business and Innovation Centers
- Network of cooperation with government institutions and other organizations in Poland

PBICA
ACTIVITIES (continued)


- Website <www.sooipp.org.pl>
- PBICA Newsletter on line
- Development of a database on events dealing with the promotion of entrepreneurship, innovation, technology transfer and local development.
- Network of international cooperation – International Group Science Park and Innovation Centers Experts SPICE Secretariat in Poznan
- International projects – European Union, Ukraine, Kazakhstan
- Participation in exhibitions and fairs
- Study tour to Europe and the U.S. for managers of Business and Innovation Centers
- Training and study tours in Poland for managers and developers of Business Incubators from Uzbekistan, Ukraine, Russia, Kazakhstan, Tajikistan, Bulgaria, Mongolia.

PBICA
STUDIES AND CONSULTING EXPERIENCE

- Studies commissioned by the Polish government: "Feasibility Programme for the Establishment of a Technology Incubation Centre and Master Plan for a Technology Park in Poland" (1990), "Action Program for the Development of Business Incubators, Business and Innovation Centres and Technology Parks in Poland in the Years 1991-95" (1991), "Local Institutions Supporting Technology Transfer to Small and Medium-sized Enterprises" (1995), "Development Program for Regional Institutions Supporting Technology Transfer to SMEs" (1995), "Regional Innovation Centres," (1996), "Analysis of the Potential for Technology Parks in Poland on the Basis of the Decree of Special Economic Zones" (1998), "Best Practices of Organization Supporting Local Development in Poland" (2000), "Success factors of Selected Innovation and Entrepreneurship Centres in Poland" 2001, "Report on institutions supporting innovation and technology transfer in Poland" 2005, "Report on university related entrepreneurship in Poland" 2005
- Participation in the implementation of the "Micro-Enterprise Development Programme – TOR #10," Ministry of Labour and Social Policy, financed by the World Bank, 1993-97.
- Strategic partner in the USAID/Fabrykat 2000 Manufacturing Technology Transfer Project, 1999-2000.

KALISZ BUSINESS INCUBATOR FOUNDATION
Case study www.kip.kalisz.pl

Founder	City of Kalisz
Established	1994
Space	5,600 m2
Tenants	24
Graduates	30
Staff	20
Sustainable	Yes



KALISZ BI SERVICES OFFERED

- Space – office, production, warehouse
- Business Support Centre
- Entrepreneurship Loan Fund
- Entrepreneurship Guarantee Fund
- Regional Centre of the European Social Fund
- European projects: Kalisz Energy Protection Agency (SAVE), EuroInfo Centre, EUR Desk, Europe Direct
- EU Regional Information Centre

KALISZ BUSINESS INCUBATOR SWOT ANALYSIS

STRENGTHS <ul style="list-style-type: none"> •10 years of experience •Young, well educated staff •National and international network •Strong position in the local social and economical strategy •BI facility, infrastructure and equipment 	WEAKNESSES <ul style="list-style-type: none"> •Small number of universities and R&D institutes in the City •Limited territory of surrounding BI facility •Lack of resources for new investments •Limited number of high qualified local experts
OPPORTUNITIES <ul style="list-style-type: none"> •New activities focused on technology and innovation, including intelligent energy •EU membership •International cooperation •Innovation network in the region and in the country •More funding from EU 	THREATS <ul style="list-style-type: none"> •Changes in political situation in the city and the country •BI depends very much on City authorities •Salaries not high enough to hire the best experts •Growing competitiveness of business and technology consulting firms

PERSPECTIVES FOR DEVELOPMENT OF BUSINESS AND INNOVATION CENTERS IN POLAND

- The main task of Business and Innovation Centers in Poland in near future: Supporting competitiveness of Polish economy through assisting technology based and innovation oriented businesses which develop high quality products and technologies;
- Use of modern tools and methods:
 - Information and Communication Technologies: including distance learning and consulting
 - Local, national and international networks including European Union Technology Platforms
- Development of: Technology Incubators, Technology Parks, Science Parks, University Business Incubators, Technology Transfer Centers, Centers of Competence, Centers of Excellence, Centers of Advanced Technology, Innovation Relay Centers
- National Development Plans for 2004 –2006 and 2007 – 2013 include all above-mentioned directions

CONCLUSION 1

There are many objectives that all incubators share upon which evaluation can be based

- Attaining financial self-sustainability
- Increasing the odds of business survival
- Reducing the likelihood of business failure
- Shortening the time it takes for enterprises to become established and begin to grow
- Increasing of likelihood of significant growth by a larger proportion of assisted enterprises
- Saving time and money in the processes of business formation and development, enabling these processes to be more cost-effective

CONCLUSION 2

BI Sustainability criteria

- Sustainability by mission: effective network of partners and good governance
- Financial sustainability: social venture capital at start and self-sustainable business model through mixed revenues sources (facility, training and consulting services)
- Sustainability by motivation: learning organization, international aspects as incentives
- Strong image and positioning in the local business environment

CONCLUSION 3

Business Incubator should have facility to survive in the market, and to compete with consulting companies and real estates.

It is extremely important in countries where money for financing incubation programmes is limited. Foreign aid programmes terminate, foreign experts leave the country and BI management stays alone with all contradiction problems related to business incubation (for example – business generation versus collecting revenues, etc.), competition of commercial service providers, lack of external financing, high expectations of local community, etc.

However big facility very often makes BI managers lazy, and they do not care about services other but rent. They easy survive with collecting rent. This is a threat to many business incubation programmes.

CONCLUSION 4

Financial analysis of BI investments should be conducted professionally from the very beginning.

Next financial issues should be monitored very carefully.

Thus it will allow to justify and balance qualitative and quantitative measures of Business Incubator performance.

**Winners
find
ways.**

**Losers
find
excuses.**



Thank you for your attention

Krzysztof Zasiadly