

# A Sustainable ICT Incubation Environment

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## Sustainable ICT Incubator Objectives

- Safe, stable and secure place to start and grow ICT companies.
- Create employment in both ICT and other markets.
- Promote development through training and education.
- Strong management and leadership.
- Access to equipment required by the client companies.
- Focal point of entrepreneurial activity; networking; access to the business community and potential partners.
- Referrals to sources of capital.





## What Sustainable Incubator Managers Know:

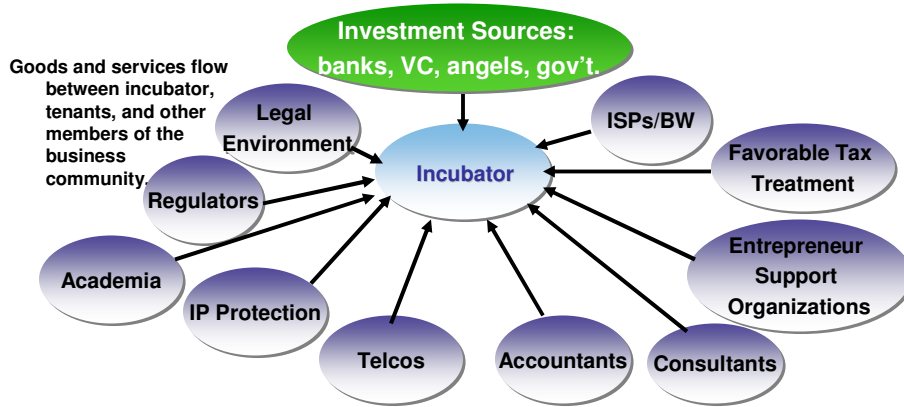
- Scalable incubator model
- Real estate is major cost driver
- Sustainability achieved by: rents, fees, equity, other innovative programs
- Companies need both working capital and expansion financing
- Corporate sponsors important
- Brand Identity = Efficient market reach
- Public and private sectors must be engaged
- Graduate support required (marketing, sales, accounting, legal, networking, other)

## Typical ICT Incubator

- Management Staff = 3 to 6
- 20-30 tenants
- 2,000 sq.meters
- Tenants stay about 3-5 years
- Financed by public sector and partners
- Post Graduate facility integral to the program
- May take 7-10 years

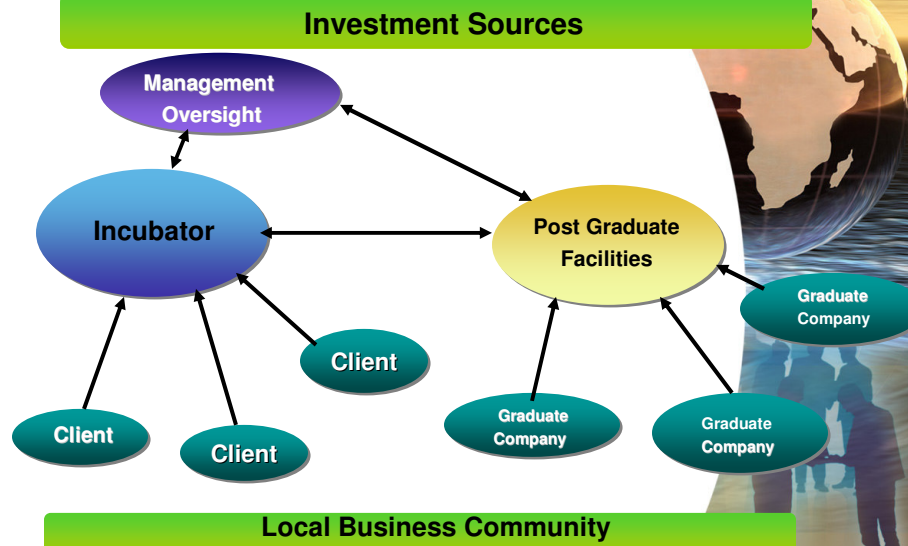


## The ICT Incubator Eco-system



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## Sustainable Growth



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## Finance Issues

- **Initial Financing of the Incubator**
  - Real Estate
  - Salaries
  - Consulting Support
- **Initial Financing for Clients**
  - From Business Plan to First Sales
- **Ongoing Client Working Funds**
  - Working Capital
- **Longer term financing for Clients**
  - Expansion capital



## Economic Impact

### Measuring Success of Incubation

Measurement of economic impact reflects:

- **Employment created / value**
  - **Year-on-Year growth of companies**
  - **Aggregate client company annual turnover**
  - **Aggregate financing raised by clients**
- Post Graduation, Year-on-Year annual turnover growth, etc.**



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## Take-aways:

- Incorporate technical assistance to client businesses
- Use management oversight and reporting
- Don't ignore the elements of the eco-system
- Plan for grad facilities
- Maintain close ties to sources of investment funding

## Q&A

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A graphic on the right side of the slide featuring a globe of the Earth and a close-up of a lion's head, symbolizing global reach and strength.

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