

BEST PRACTICES

AT TOP UNIVERSITY BUSINESS INCUBATORS

CASES AND INSIGHTS 2014

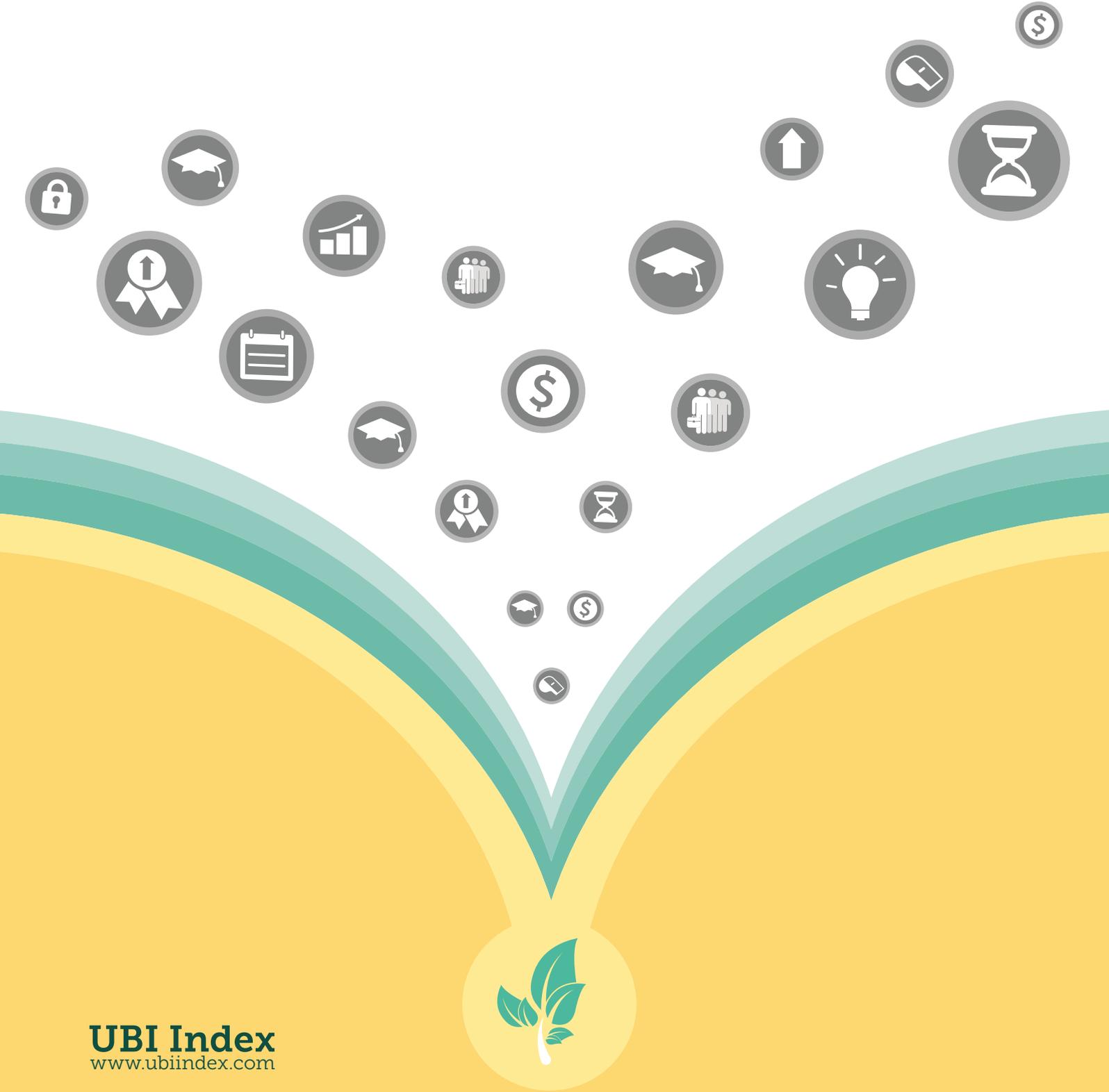


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INTRODUCTION

Whenever we talk to any business incubator manager, it eventually comes to the topic of how to run a successful business incubator program. How to make it sustainable and what is the perfect recipe to ensure that. This is largely what motivated the UBI Index team to go around the world, and build the first global benchmark of top university business incubators.

Since its launch we have been receiving a lot of appreciation, where all of you are telling us how the global benchmark has helped you and made a significant impact on your planning and performance.

As a continuation of our efforts and to help you further, comes this addendum, which will open doors to some of the best incubators in the world and explain the story behind their success. As an ideal complement to the global benchmark it includes in-depth features on a few selected and excelling incubators globally and provide managerial insights about running and growing a successful university incubator. Here you'll learn first hand, the business models, performance boosters and operational best practices at the top university business incubators. Some of the valuable questions to which you'll find responses inside are: How to have a successful business model?, How to get maximum value from operational budgets?, How to successfully run and manage an incubator?, How to attract deal flow and talent?, How to screen and select great client companies? And how to measure the performance of your incubator? For the first time, top incubator managers are sharing their secrets with all of you in an unbarred conversation.

Just as the global benchmark, we really hope you'll enjoy this addendum and use it for the betterment of your respective incubation programs.

Cheers from the UBI Index research team!

Dhruv Bhatli

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Director, Research and Product Development

Best Practices at Top University Business Incubators

Cases and Insights 2014

Executive Summary

Incubators today have an important and ever-growing place in the innovation ecosystems around the world. They are seen as hotbeds of talent that can produce a wave of successful companies to drive and sustain growth. During our Global Benchmark 2013 many such cases came to the forefront. Auditude, incubated at Rice Alliance, was acquired by Adobe for \$120m; Pasuteria Bioscience, incubated at Sid Martin, was acquired by Sygenta for \$113m; Nanotheurpetics, another startup from Sid Martin, has attracted follow on investment of \$300m. These are just a few of the numerous success stories coming out from top performing university incubators.

A well-run incubation program can have a wider and long lasting impact on the regional economy. Then, the crucial question is: how to run and manage a successful business incubation program? and can every incubator become a top incubator? It is to these questions that you'll find responses in this report, where experienced and successful incubator managers share their stories. It is inside this report that top incubator managers give you first hand solutions to six essential queries: How to have a successful business model? How to get maximum value from limited operational budgets? How to successfully run and manage an incubator? How to attract quality deal flow and talent? How to screen and select great client companies? and How to measure the performance of your incubator? For the first time, top incubator managers are sharing their secret sauce with all of you in an unbarred conversation.

With this background, the report is built of 12 in-depth features on few selected incubators, originating in USA, Canada, UK, Ireland, Sweden, Finland, Singapore, Israel and Australia. In each feature you'll find the backgrounds of the incubators, their performance on the UBI Index Global Benchmark 2013, incredible insights into their operational best practices and some of their success stories.

The insights can be broken down into four essential themes: a) business model, b) operational budget, c) incubator management, and d) deal flow and talent.

a) Business model: When it comes to the business model, the readers would find information to many key questions, such as how to have a viable revenue model? Which are the most sustainable revenue models? How incubators generate commercial revenue? What is the role of public funding in top performing incubators? How does the context of the incubator contribute to the success or failure of its business model? What role do stakeholders play in the sustainability of the incubator model? How to best manage stakeholder expectations? How do top incubators ensure a sustainable and viable business model?

b) Operational budget: In regards to the utilization of operational budgets, the readers would relish the advice and tips from top incubator managers, as to how top incubators spend their funds. How do they extract maximum value from their limited budgets? and How does the budget optimization affect the success of an incubation program?

c) Incubator management: When it comes to effective incubator management, the insights outline the drivers of success at top incubators and the key factors which contribute to running and managing a successful business incubation program.

d) Deal flow and talent: Similarly for the deal flow, the top incubators explain how they ensure a healthy deal flow. How top incubators manage their talent pipelines and are able to attract and screen great startup clients? How managing the brand and the ecosystem is key to great deal flow?

With all these insights and more. This report will help every incubator, new or old to improve their programs and march towards being a successful and viable business incubation program. .