Thematic Working Group
Report on

Incubators for
Creative Entrepreneurs

- based on 27 case studies

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1 Executive summary

In this report - from the Creative Growth project's Thematic Working Group (TWG) on 'Incubators for Creative Entrepreneurs' - a standardized terminology concerning incubators is developed in order to try to propose and establish a common EU-understanding of concepts, typology and processes concerning this business support mechanism.

The three main achievements of the partners in the TWG with special regards to incubators dedicated (as a whole or partly) to creative entrepreneurs are:

1) a concise cookbook on how to construct, and manage incubators
2) a comprehensive and systematic overview of the diversity of incubators – a typology based on 27 case studies
3) a proposal for standards for gathering basic data, business performance data, societal effects data and studies of why entrepreneurs do thrive better in incubators.

The general concept 'Incubator', which has been established as a term as well as an applied practice for many years by member states and regions in the EU, is in this report deconstructed and analysed as a specific business support mechanism for creative entrepreneurs. The definition proposed is:

> *Incubators consists primarily of a development programme and a range of business development services. These are basically advice and may be what constitutes a '**virtual** incubator'. A full-flowered incubator, however, also offers a **physical** location and a geographical focal point for networking, collegiate nearness and specific area coverage.*

Hereby this TWG is able to unite and conceptualise separate processes and workflows that constitute incubators dedicated to the creative sector. This was the goal for the findings of this TWG, as opposed information about incubators covering all kinds of businesses.

Research shows that small enterprises thrive in incubators and development parks. This effect could be measured based on standard definitions of SMEs in Europe and on the growth enterprise definition by OECD[1]. Please note that most small enterprises in the creative sector have 4 employees or less. The questions are then: Are there any significant and/or measurable differences in business performance and societal effects between the dedicated ones and incubators in general? The TWG answers this question by noting that not much evidence of the performance and effects of incubators dedicated to the creative sector is available. At this stage they simply are too few and to new to produce a lot of comparable statistical data. However the mapping of good practices will demonstrate lots of examples and reported cases.

To some extent this report therefore brings just as many questions up to surface as it answers. On the strategic level it poses questions. On the operational level it proposes answers. However, the operational groundwork for fulfilling the ambition of being able to clearly define practices (normal, good and best) is being cut clearly into separate steps. An *incubator value chain* that consist of identification of user need and bringing them on to the regional political agenda and conceptualisation over feasibility studies, development strategies, planning and establishing to organising and managing the incubator in order to implement services (using

[1] OECD, 2005, OECD SME and Entrepreneurship Outlook: 2005, OECD Paris.

virtual and physical assets) and then finally evaluate and document business performance and societal effects.

The TWG also demonstrates that significant differences between incubator dedication and success exist on an operational level, due primarily to regional specialisation. This is illustrated by a comprehensive typology of incubators dedicated to creative entrepreneurs. The casebook contains 27 examples reported by partners by means of a web-questionnaire. The typology includes incubators as social enterprises, private ventures, as embedded in universities, in BICs, in centres for business and culture and stand-alone institutions owned by authorities, associations and private entrepreneurs or business angels. Often their financing is very complex, and very often EU Structural Funds are part of the pattern.

However, comparisons of performance between and successes (good and best practice) of specific incubator concepts are not easy to demonstrate and/or to differentiate. In the TWG survey reported success factors, availability of performance data and data on societal effects are scarce and uneven, so that an external evaluation of their practices in terms of 'good' or 'best' does not make sense. The practices reported by the partners are 'good'. A benchmarking and ranking of 'best practices' must wait until there on an EU-level is a commonly accepted base-line for measuring performance and effects of incubators, dedicated incubators and incubators especially dedicated to creative industries.

Looking back on case studies collected and presented and during the lifetime of this TWG it has decided on a few recommendation. As a tool for growth in micro-businesses regions ought to:

- Bet on incubators in general. Entrepreneurs who establish themselves in incubators lives longer than average and have an average growth larger than average.
- Use incubators as a mean to promote entrepreneurship. Creative and dedicated business incubators can supplement the support that helps entrepreneurs to move their businesses further, through a combination of inspiration, facilities, motivation and enthusiasm.
- Bet especially on dedicated incubators – depending on regional specialization – if such clusters or pre-clusters exist. Incubators dedicated to the creative industries contribute to the growth in creative clusters and might help pre-clusters to emerge. It is unlikely that stand-alone incubators for creative entrepreneurs in themselves may create creative clusters.
- Study in more detail some of the better performing incubators for creative entrepreneurs, possibly some of the ones presented by the members of this TWG, in order to identify the interaction between artistic and entrepreneurial environments, their facilitating management and promotion of social and professional networks an correlate these factors to economic growth.
- Some of the cases represented in this report show that creative incubators are found to be effective development vehicles, and can generate other business spin-offs. It can stimulate creativity and drive improvement in the wider business community and lead to innovation elsewhere in the economy.

On the interregional level interregional, national and/or EU-bodies ought to:

- Carry out socio-economic drill-down – taking into consideration anthropological methods - in order to prepare political frameworks for incubators in general and specialized incubators in particular on an EU-level, taking into account the diversity of individual back-grounds an preferences, types of industry and entrepreneurship and regional or national conditions.
- Develop a set of quantitative and qualitative standards of reference for description and measuring of characteristics, business performance and societal effects and impacts.

Their performance could be measured by a set of key-point-indicators (KPI). The TWG proposes the following performance indicators:

- Potential: Size in sq.metre total space for rent. Total space for common use. Occupancy rate. Service range (see Mind-Map page 8). Is there a waiting list?
- Resident enterprises: Percentage belonging to creative sector. Actual number. How many in – how many out pr. year. Actual number of work places. How many in – how many out pr. year.
- Business development advice: To what categories (pre-start-ups, start-ups, early stage enterprises, students, researchers). How many each year.
- Business development projects: How many on-going. How many in pipe-line. Involving how many small, creative enterprises. How many involving businesses in general.
- Business networks: How many networks are served. How many events pr. year. With how many participants.
- Access to finance: Number of grants, loans and investments that are negotiated to an agreement. Amount of € for each category. How many positive financial exits pr. year.
- Relations: Number and character (incubator, financial body, research centre, university) regionally, nationally and internationally.

Their societal effects are visible primarily as businesses performance.

Relevant parameters that could be taken into consideration for enterprises located in incubators compared to enterprises in the region as a whole:

- Turn-over
- Growth in turn-over
- Growth in profits
- Growth in number of employees
- Start-up rate
- Survival rate

2 Introduction

In its origin the term 'incubator' may mean a medical apparatus, designed to secure survival and protection of vulnerable and preterm babies against a harsh outside world.

This concept is for some years now applied both as a metaphor for an activity aimed at entrepreneurs and a typological name for a house designated to entrepreneurs and emerging businesses.

This paper will – looking at a wide range of incubators - discuss definitions, needs of entrepreneurs, business development policies, success criteria, work-flows, examples of good (and maybe even best practices) and performance – to be found within the project partnership and in some cases throughout the range of nations. Especially interesting is the working group discussion on which conditions are the better for creative entrepreneurs, be it general incubators vs. incubators dedicated to the creative industries.

The group has concentrated its activities on:

- Understanding the term 'practice' and defining what incubators are and do
- Exploring the value chain of incubators from user needs and regional policies to performance and effects
- Showcasing examples of good practices presented by partners in the Creative Growth partner regions and countries
- Setting up a scope for comparison across regions of the EU

The main intention of the TWG was - during three interregional meeting sessions, phone meetings, mail correspondence and fact-finding in between meeting sessions - to develop a cook-book for practitioners whose task it might become to set up an incubator dedicated to creative entrepreneurs. Inside they will find overviews of ingredients, work-flows and a lot of examples.

Besides the actual findings of the TWG (delivering to the CG projects tasks of contributing to the policy-making on all levels) – they may be used by partners and other interested parties as operational inspiration, cookbook and checklists in order to establish a diversified compliance with the local/regional/national legislative framework for business support structures and mechanisms. On the services level a diversity of appellations may occur. But if one – as we did this TWG – look at them at a structural level they appear very similar. They may vary in their range and mix of services.

In this report we emphasize the methods, services and performance rendering in order to suggest a set of key indicators (KPI) that will allow on-going and planned incubators to benchmark their performance. Benchmarking societal effects are a much more complicated exercise from which this TWG decided to abstain from further investigating.

To complete recommendations we will have to look upon special environmental conditions for incubators dedicated to creative entrepreneurs. Our empirical data tend to point out physical assets and classical business development methods and tools ought not to stand alone. Social networks, creative environments and the vague definition of 'atmosphere' matter.

3 Definition of themes

In this chapter the TWG on incubators will list its general definition of an incubator and divulge in sub-themes such as understanding the term 'practice' and how to distinguish between 'good' and 'best'. The TWG will argue that it is of importance for entrepreneurs in the creative sector to have access to incubators – be they dedicated or general.

3.1 A general definition of what incubators are and do …

The term is used in business development in conjunction with the care for new, small entrepreneurs. If the prefix 'business' is added, a specific definition emerges:

'Business assistance services … are the hallmark of a business incubation program. Incubators differ from research and technology parks in their dedication to start-up and early-stage companies. However, many research and technology parks house incubation programs, and many business incubators have programs designed to accelerate the successful development of entrepreneurial companies through an array of business support resources and services. They are developed and orchestrated by incubator management and offered both in the incubator and through its network of contacts. Incubators vary in the way they deliver their services, in their organizational structure, and in the types of clients they serve.'[2]

According to this definition a business incubator consists primarily of a development programme and a range of business development services. These are basically advice and may be what constitutes a '**virtual** incubator'. A full-flowered incubator, however, also offers a **physical** location and a geographical focal point for networking, collegiate nearness and specific area coverage. Here the collegiate community and its activities such as common competencies development may promote their business focus and prosperity. It may be embedded within a BIC, a university or even a cultural centre. It may be an independent organisation, and it may be part of a more comprehensive one, and depending on a wider range of objectives.

The mind-map below illustrates the dynamics of the field. On the right side the organisational and physical categories are depictured. On the left side a large (but not comprehensive) range of methods, tools and services are listed.

[2] Wikipedia.com: > Business_incubators

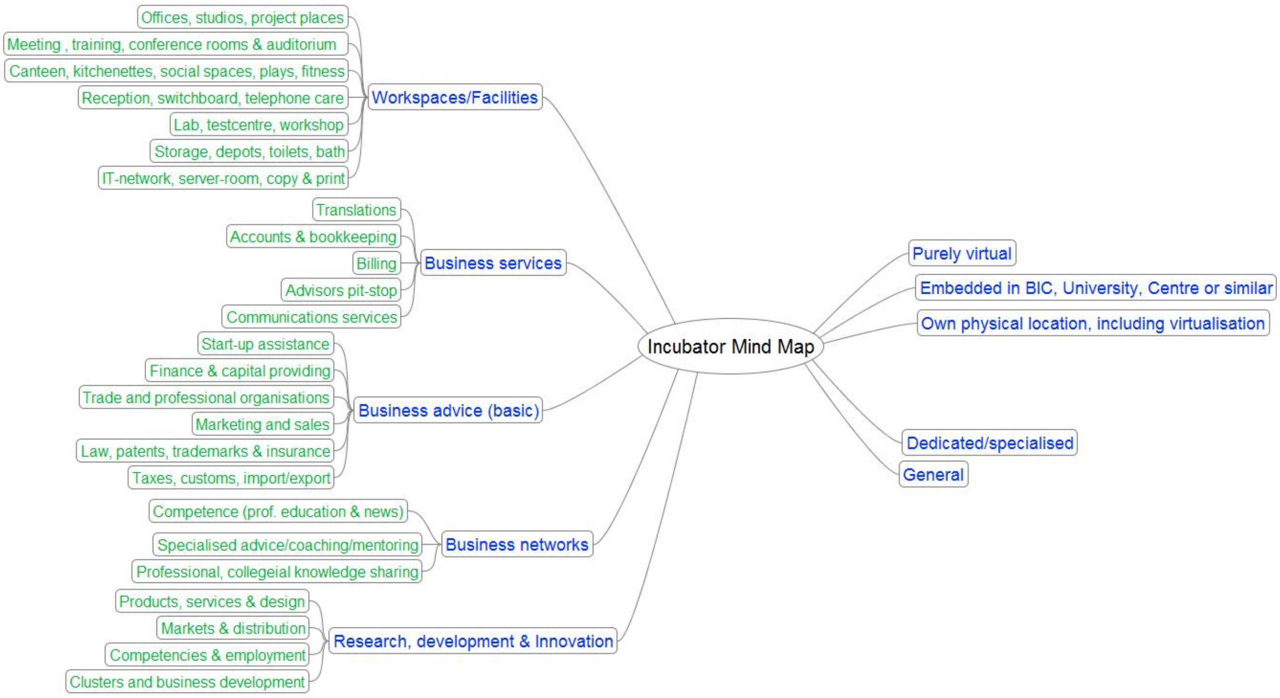

Figure 1: Incubator Mind Map

3.1.1 Physical assets

Physical assets are mainly workspaces and shared facilities. It may have its own physical location, including services etc. (Offices, studios, project places, meeting, training and conference rooms & auditorium, canteen, kitchenettes, social spaces, plays, fitness centre, reception, switchboard, lab facilities, test centre, workshop, storage, depots, toilets, bath IT-network, server-room, copiers & printers.

British research[3,4] list the following kinds of low-risk opportunities (shorter leases, lower rents than the market prices and a range of dedicated services and a professional environment):

- Easy-in-and-out office hotels - Business parks - with no specific business profile (short leases, but often higher rents than the market-level and normally only a receptionist in common)
- Development parks – some with a specific business profile and some without (short leases, rents at the market-level, a common reception and business services, that may be partly supported by public co-funding[5])

[3] The planning, development and operation of science parks. UKSPA, Cambridge. 2006
[4] Notes from iterna participation in British Embassy financed study tour in the UK, 2006
[5] Often to a start by the EU Regional Fund, granted e.g. to cities or regions in distress).

- Incubators – some with a specific business profile and some without (short and even time-limited leases, project desktops, virtual desktops, rents below the market-level, a common reception and business services, that most often are supported by public co-funding)
- Pre-incubators – labs for graduates, M.Sc. students and PhD's who want to be entrepreneurs may be found as parts of ordinary incubators or within educational institutions (often combined with seed capital or governmental innovation funding or based on a business PhD.)
- Science parks – always with a specific professional or business profile (most often within the framework of a university or autonomously in connection with commercial research environments and with big (private or public or both) research projects as nourishment. (Reception and services are often shared with the parent institution).

Danish research[6] reveals that there is not such sharp functional focus in Denmark, because local and regional development programs often mix development park- and incubator-functions. Development park functions are offered to all sorts of small enterprises, whereas incubator functions are offered to new-biz and start-up enterprises. There is a fuzzy borderline here. The survey reveals that the focus mainly is on incubator functions, indicating that in this area a certain amount of public funding is present.

Several universities manage science parks, which are closely connected to financial instruments. Most development parks and incubators do not offer financial support systematically. In most other regions relationships between university environments and incubators are very close.

3.1.2 Virtual assets

Virtual assets are mainly services that may be configured especially for the target group of the incubator.

Business services are e.g. telephone care, translations, accounts & book-keeping, billing, advisors pit-stop, IT-services. An incubator will very often offer basic business advice e.g. together with a BIC. Advice will also typically comprise start-up assistance and referrals professional advice as regards finance & capital providing, trade and professional organisations, marketing and sales, law, patents, trademarks & insurance, taxes, customs, import/export.

Incubators may facilitate internal business networks or provide easy access to external networks offering e.g. specialised advice/coaching/mentoring, professional, collegiate knowledge sharing and advisory/professional boards.

The specialised advice could be concerning competence development (prof. education & news), research, development & innovation, product development, services & design, access to markets & distribution, HR and recruitment and clusters and business development.

[6] Danish Development Parks. Evaluation of Danish development parks and their services and effects on entrepreneurs and micro-businesses. By Oxford Research A/S, October 2008.

3.2 How to understand the term 'practice'

As a part of the mapping exercise the partners have described their national business support *system and its structures* in relation to the regional and/or local levels several support **mechanisms** are implemented. The framework of support mechanisms is split into at least four main areas of support: a) incubator organisation, b) financing, c) co-operations between science & industry and d) business networks. When implemented with specific mechanisms and activities the whole set-up forms a system.

In the benchmarking exercise we compare the practices of specific mechanisms or organisations, i.e. incubators for creative industries. They may be dedicated or general. 'Good practice' is equal to 'state-of-art' and 'best practice' is equal to excellence.

The figure below helps identify the level of practices, described in chapter 8. Maybe the specific mechanism - the incubator - as a whole represents good practice. Maybe its **methods** (e.g. entrepreneurial courses) and/or **tools** (e.g. course material) by which it unfolds its **services** (e.g. start-up training) are good practice. Maybe excellent services feed back to mechanism in order to provide better profitability or branding.

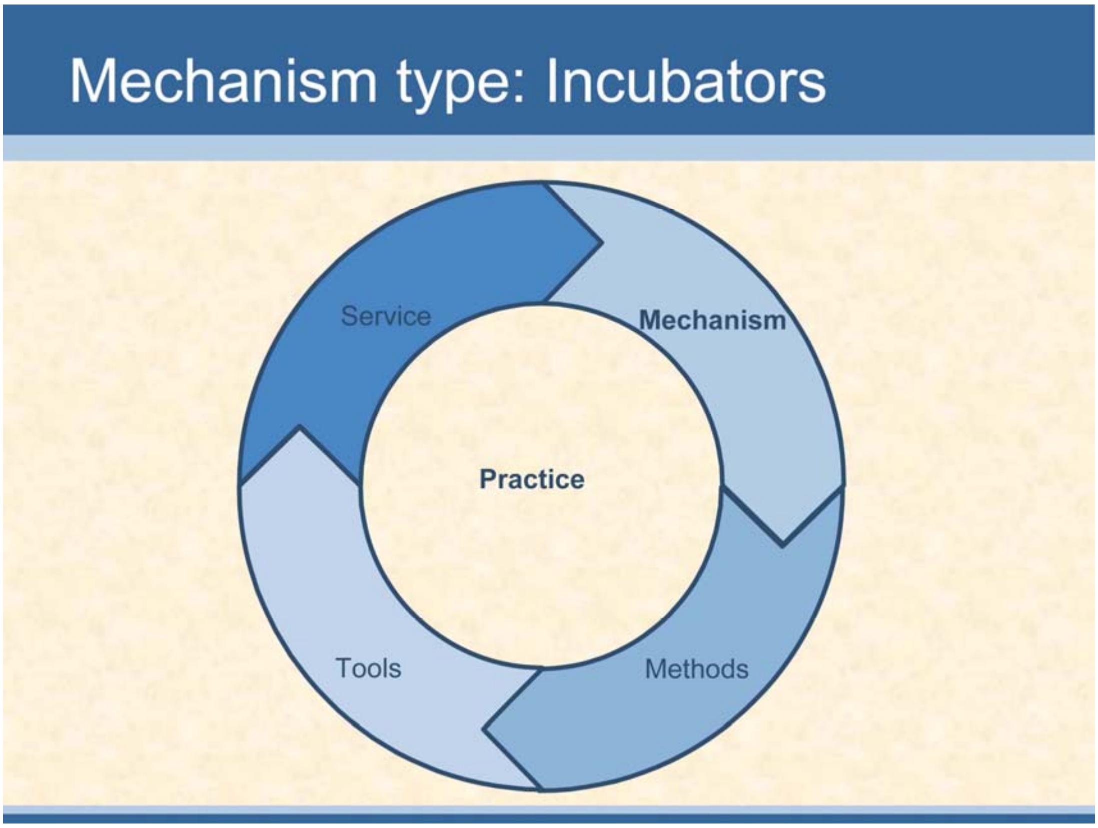

Figure 2: Mechanism feed-back loop

3.2.1 How to distinguish practice, good practice and best practice

What is the reason for aiming at the 'best'? Practitioners do so in order to inspire each other and other players to perform better than they are really able to. But when it comes down to bundling cases to practices and judge them 'good' or even 'best', this TWG is lacking commonly accepted measuring standards.

World wide proposed definitions of 'best practice' are many[7]. The chosen one to work upon as a basis might be:

- Best practice: *'A process, technique or innovative use of resources that has a proven record of success in providing significant improvement in cost, schedule, quality, performance, safety, environment or other measurable factors that impact the health of an organization[8].'[9]*
- Good practice: Might be the same as above. Good practice need not peak, only over average performance and efficiency are needed, but proven record is still needed.
- Basic practice: Doing things as usual. Average performance and efficiency

The TWG members discussed at their 3rd meeting the possibility – or rather the impossibility - of comparing and benchmarking practices, performance and effects as there as yet is no European baseline to match up with. 'Best practice' is impossible to measure without a base-line.

Group members have then argued that it must lean on specific cases representing their first-hand knowledge of 'good' practices. And advocate a convention for measuring progress similar e.g. to ISO-standards for TQM and Environmental Management systems or some kind of EU-recommendations. Good practice differ from sheer cases in that they are no merely single cases, but a bundle of cases with certain similarities. In order to be 'good' they will have to comply with a generalised, common knowledge about practices.

The partners agreed that they within the framework of the CG project have had to decide which practices are good and will leave to third parties to decide, which are 'best'.

Also the group acknowledges that being 'best' you are living constantly on the edge and risk that any new-comer to do better in performance and effects. Best practice is almost always a 'has been' story.

3.3 Importance of incubators for entrepreneurs in the creative sector

Essential questions, however, still are: Does incubators contribute to over average value creation and value adding for entrepreneurs in general and for the creative entrepreneurs in particular?

[7] 15 definitions in English by Google: Definitions
[8] Meaning peak performance and efficiency – close to excellence.
[9] www.reliableplant.com/Glossary/

All in all the above mentioned research points out that in the group of small enterprises with growth (1 – 10 employees, min. 14 K€ turn-over pr. year and growing during the last four years) you are likely to find that approx. 33 % of those with over-average growth and over-average survival rates for entrepreneurs in the Danish development parks and incubators. In total app. 24 % of the total population of small enterprises are enterprises with over average growth. These figures indicate that the small enterprises thrive in development parks and incubators. Surveys of survival rates of entrepreneurs indicate that – after 6 years – 30 % are still alive. That is the national average. But the survival rate of those who have accepted professional advice from BICs or private consultancy is notable higher – about 50 %. If they, on top of this, have started up in an incubator, indications are that the survival rate is even higher[10].

So what kind of practice, with what performance and what kind of effects could cause these results within the premises of general incubators? Could they be repeated by incubators dedicated to the creative sector? So far not much evidence of the performance and effects of incubators dedicated to the creative sector is available. They simply are too few and too new to produce a lot of comparable data.

The survey points to the combination of physical assets, moderate rents and the nearness to other small enterprises. It also draw the conclusion from respondents replies, that informal social contexts (canteen, lounge areas), the spontaneous business contacts and the daily dialogue with, advice and referrals from the incubator staff mean more to the tenants than more formalised and structured activities. A unique trait is the incubator functioning as a hub for local and regional business development services. The incubator is a ‘one-entrance-only’ to a confusing landscape of associations, public and private consultancies and advice.

[10] www.danskeudviklingsparker.dk/. Danish Development Parks’ web. Yearly account, latest for 2009.

4 TWG on Incubators – the task

This chapter contains information about the TWG objectives, its process and its members.

4.1 Objectives

The Incubator Thematic Working Group (TWG) looked at how incubators can be one way of providing business support within the creative sector. The group explored and exchanged experiences, knowledge and methods used, and:

- Showcased different incubator facilities and looked at the diversity.
- Identified how incubators work in practice, and how they provide support to creative industries.
- Discussed the impact of incubators and established some criteria for comparison. This will allow us to measure the results of incubators in a region. If possible, compare with the Creative Growth mapping results.

Denmark has a large number of incubators either publicly or privately run. A mapping exercise on Danish incubators was used as a starting point for discussion. It allowed the group to explore a wider range of other incubator environments, identifying good practice and innovative thinking. Besides business support actors, companies from the creative industries were invited to talk about their experiences with incubator environments. This was done to ensure the view from the incubator provider as well as the user is being explored within the group.

The TWG addressed questions such as:

- What identifies an incubator? Both the organisational structure and culture
- Is there a link between incubators, the creative sector and creativity?
- Who needs an incubator?
- What impact does an incubator have in a Region? Economical, political, cultural and branding values
- What are the key factors for success?
- What conditions are needed to create an incubator? Including political drivers, financial support

Key actors from the Creative Growth partners' networks were invited to take part in the meetings, highlighting their experiences in terms of the above. The TWG have compiled a report detailing and disseminating effective practice in a systematic way.

The work from the TWG will be continued with the pilot project: “moving office”. The pilot aims to establish a map of incubators across Europe. This is to allow creative industries to exchange work spaces and enter into a similar environment in a different region or country, either to work or for inspiration and knowledge sharing.

4.2 Process

During three work-shops, individual desk-research, telephone conferences and finally a web-based survey, harvesting examples of good incubator practices from all over Europe – not only from the partners' own regions - this survey created a huge mass of empirical data. This mass of data will be made available for the incubator's community[11]. The meetings and the answers have been used by the TWG leader to produce this report with its list of case studies of good practice.

4.2.1 Session agendas[12]

This TWG concentrated on incubators for *creative entrepreneurs* and had its ***first* meeting** in Bruxelles Dec 2.-3. 2009. Its sessions concentrated on definitions, user needs and determinative local/regional conditions for establishing. The last session of this meeting produced an essay trying to capture the dynamics in policy-making for the sector in question.

The ***second* meeting** of this TWG took place in Oviedo, Asturias March 9-10. 2010. Sessions here tried to describe a value chain approach to incubators in order to construct a framework for reporting good and best practices. Be it the incubator venture as a whole or certain incubator activities.

In the ***third* meeting** June 22.-23.6.2010 in Vejle, Spinderihallerne, aims of TWG 3 were:

1) to update on status and discuss the draft report.
2) study visits to 3 dedicated incubators with physical location and facilities aimed at creative businesses.
3) group members presentation of candidate practices after distinguishing what defines a practice – a good practice – a best practice.
4) discussions on how to measure performance and effects.

4.3 Members

Participants the TWG meetings, telephone conferences and mail-correspondence are listed by their signatures on registration papers.[13] Majbritt Chambers, Spinderihallerne, have had the lead during the sessions and the coordination with the other TWGs.

[11] Comprehensive survey report to be published on the CG website.
[12] Agendas reproduced as Annex A.
[13] List of names reproduced as Annex B.

5 TWG 1 findings – Defining user needs and political goals

The working group processed during its first session four themes:

- What defines an incubator dedicated to the creative sector/creative industries?
- What are the needs of creative entrepreneurs and companies?
- What local/regional conditions are determinative for creative incubator success?
- Local/Regional consequences of top-down EU or national legislation AND local/regional bottom-up contributions to national or EU legislation?

Those four themes were processed by brain-storming and mounting posters on the walls. Posters are documented by means of overview tables and a web-based photo-album.

The discussions of the group were structured by theme and each organised under five headings:

1) What kind of environment does the theme address
2) a consideration of the rationale (the 'why') for setting up an incubator
3) the topics, that a responsible incubator host must consider in order to deliver good practice (may be even best practice)
4) the preliminary prioritisation that incubator host should make when an incubator is established and managed on a daily basis
5) conclusions and advice

On the following pages environment, conclusions[14] and advice are reproduced. Posters and links to photo-documentation should be found in annexes.

1. theme
What defines an incubator dedicated to the creative sector/creative industries?

Addressing the political environment.

Conclusions: A CREATIVE INCUBATOR should constitute a business LINK BETWEEN CREATIVE COMPANIES, peoples CREATIVITY and the POLITICAL ENVIRONMENT

Comment of the moderators: Physical appearance is important. The meeting-place is important. A virtual incubator is not enough at length. Relevant advice is essential.

2. theme
What are the needs of creative entrepreneurs and companies?

Addressing the artistic environment.

Conclusions: The brain-storm on user needs is pointing at 1) building visibility to the market and the stakeholders and 2) establishing a professional environment that supports marketing

[14] CAPITALs being quotes from posters.

and sales. As means incubators should provide access to business networks, social networks and opportunities in skills development.

Comment of the moderators: In order to make it a way of living market access and visibility is crucial. It is important that creative entrepreneurs and companies obtain business knowledge and build a business mind-set. Meeting-places where you can join collegiate and professional networks in order to meet need for social togetherness and skills development are essential. Incubators should offer a professional framework physically as well mentally. It must not by itself cover all needs for advice, but should be able to refer to trusted services

3. theme

What local / regional conditions are determinative for creative incubator success?

Addressing the social environment (local/regional community).

Conclusions: The most important community condition is the presence of a critical mass of creative people (be they specialised entrepreneurs and companies). When an organisational body and/or a soul-on-fire grasp the potential something is bound to evolve. Visualisation and demonstration of good practices are best tools. (Excite the decision makers)! In order to get acceptance from the political environment you else and normally will have to quantify the sector and its growth potential scientifically.

Comment of the moderators: Reasons for investments in the creative sector must be made obvious to shareholders as well as stakeholders. It is essential that a quantifiable link between local/regional cultural policy, economic development policy and public business development budgets are established. It is of crucial importance to find a dedicated person that can manage incubators with knowledge of the sector, based on non-orthodox, open-minded and innovative approach. Size matters. It is important to acknowledge possibilities as well as constraints. If you are in a metropolis you may cover all kinds of creative products and services. In a region you may have to specialise.

4. theme

Top-down EU or national legislation AND local / regional bottom-up contributions to national or EU legislation?

Addressing policy-making

Conclusions: From the user-level needs are being formulated in many ways and by many players and stakeholders. A few national initiatives are mentioned so far, notably those from Scotland (UK) and Denmark. On the regional and local level all partners can refer to initiatives, be they planned or deployed, smaller or bigger ventures. From the top of EU a green-paper on "Unlocking the potential of cultural and creative industries" has been launched. Target group(s) is: Individual citizens and organisations and in particular national, regional or local authorities, the European institutions and associations from the cultural and creative industries. In the green paper a common thread is 'entrepreneurial spirit. There seems to be lacking more specific input about the value of incubators as business development tools. The Creative Growth project management will on behalf of the partners contribute with project findings from the mapping and the benchmarking exercise.

Comments of the moderators: During the IRS session of the 1st Creative Growth TWG meeting we learned that Creative Growth and related projects compete to deliver policy inputs. There may be a difference between regions and metro poles here. During the last session we also learned that EU policies are underway and being defined no matter what, because new policies and strategies for this area are already underway – and that the window-of-opportunity is a narrow one. We must therefore act quickly and upon secure grounds. The suggestion of the TWG leader is that we concentrate on:

- Overview on national/regional/local legislation for incubators in general. That might be part of a broader range of business support mechanisms
- Mapping 1) incubators aimed at creative entrepreneurs and companies or 2) general incubators with a special regards to the creative sector and 3) pin-pointing those that demonstrates the best performance (number of work-places, over-average life-span of entrepreneurs, over-average of turn-over, instances of "killer-applications" etc.). Their 'Good' or 'Best practices' in entrepreneurial support activities and/or advisory methods (tools) should be described, based on the TWG regional partners' knowledge about activities and methods in their own region and if possible abroad, if they are co-operating closely with incubators abroad.

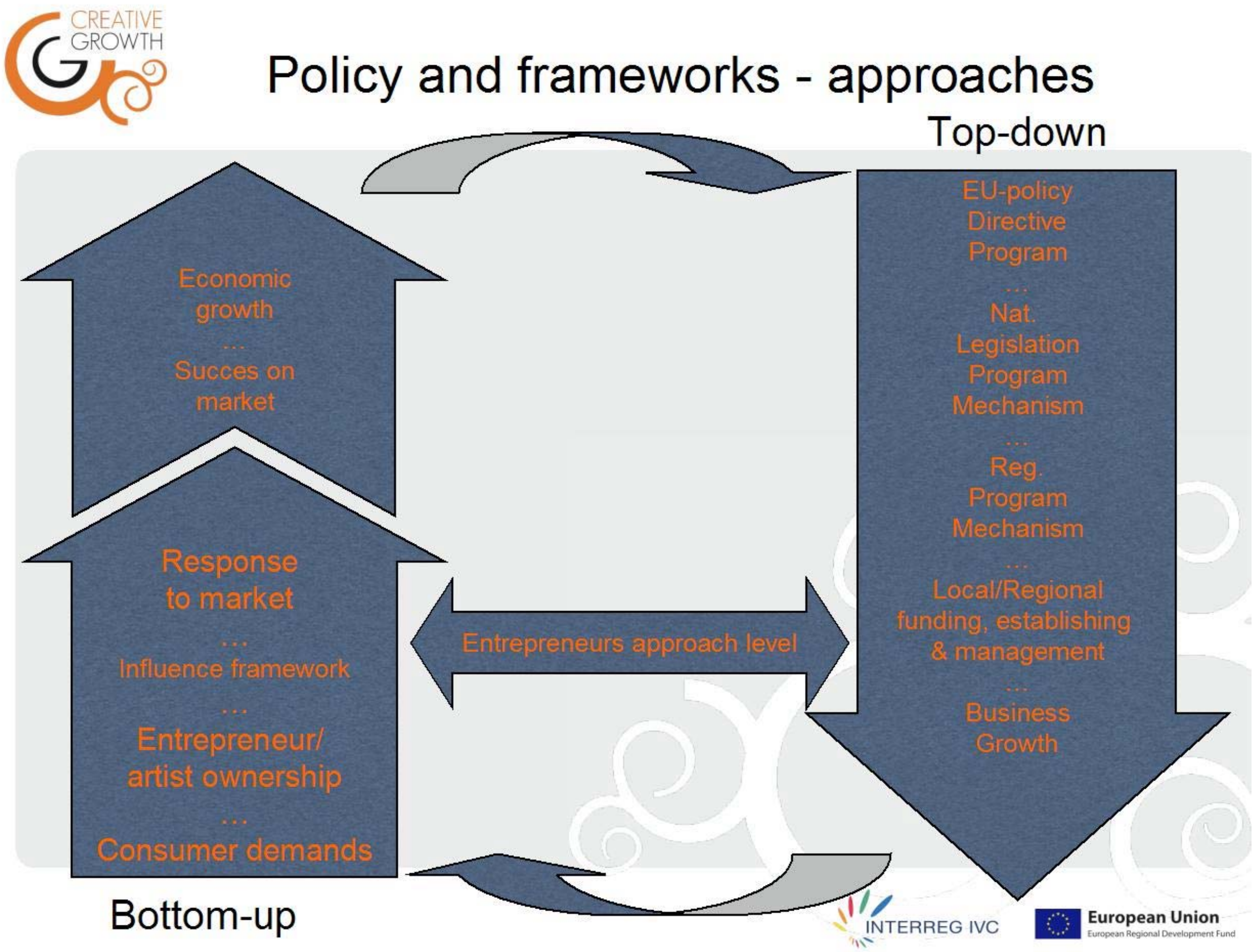

Figure 3: Policy and frameworks

6 Constructing a framework for benchmarking incubators

Between the two first meetings a discussion has taken place amongst the partners. How to decide if a practice is an everyday practice, a good practice or a (the?) best practice? During this exercise partners have argued, that you in order to decide what are 'best practices' must map 'everyday practices' and 'good practices'. 'Best practices' must be performing better than average – from the point of view of their end-users and produce better societal growth impact than the average incubator.

The obvious problem here is that there is no EU-standard for measuring performance and societal effect of incubators. There may be some attempts though, especially on national levels[15]. But this project may want a commonly accepted definition, if it should indeed produce examples of 'best practices'.

Therefore the Creative Growth project must rely on the partners' contributions with what has been characterized as 'good practice' nationally and regionally. It will then be up to the TWG itself and after that the steering committee to decide what are actually 'best practices' – seen as examples for EU-policy-making purposes.

6.1 Methodological approach: Analysing the incubator value chain[16]

As a result of the first and the second TWG meetings the working group has constructed a complex value chain image in order to illustrate processes from idea to effects.

[15] Danish Development Parks. Evaluation of Danish development parks and their services and effects on entrepreneurs and micro-businesses. By Oxford Research A/S, October 2008.

[16] This figure leans on the 'blue-ocean/red-ocean' paradigm. Not quite blue at start, not quite red in the market. 'Performance' and 'Effects' are a mixture of colours. Most incubators are public operations. Mainly therefore they are not basically in the red sea.

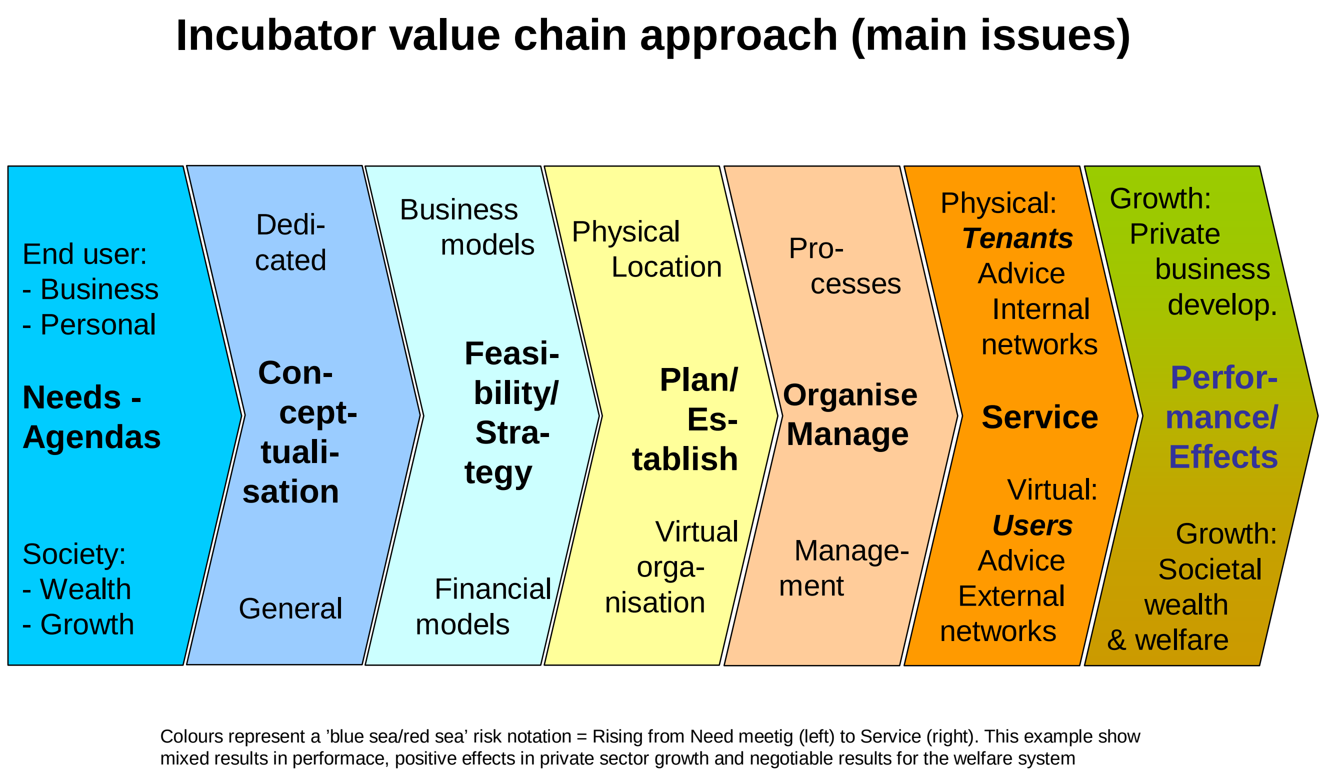

Figure 4: Incubator value chain

The value chain approach is used as a framework – a model for comparing the incubator practice as a whole or comparing a single or several parts of the chain.

7 TWG 2 findings - What constitutes good or best practice - how to measure?

During the first TWG meeting topics as 'meeting user needs' and 'conceptualisation' were processed. 'Feasibility studies' were touched. During the second TWG meeting new topics such as 'Establishment', 'Organising & Running' and 'Services' were touched.

The TWG group discussions are reproduced below according to the value chain approach and its elements. These discussions are directed to recommendations of what actions to consider, when you as a politician, an incubator manager and member of the incubator advice team are looking after good or best practices. In fact the following text parts might be used as a cookbook for making an incubator!

7.1 User needs meet political agenda

As regards the principles of creating an political agenda for setting up incubators **top-down and bottom-up approaches and strategies** are both necessary. (See figure 3 above). The group tend to be in earnest about the necessity to prioritize the bottom-up approach in particular, when speaking of the creative sector, and if a public financing of basic activity is needed. The sector does not seem to have strong and unified *NGO's or industry associations*. A group of *dedicated individuels* may constitute the difference. In order to gain attention, actual growth or growth forecasts in creative business must be demonstrated / documented from the user side itself or by their allies in local business development agencies. Cooperation with *educational institutions* may play an important role in this, as they may have the power to carry out analyses of the sector and as they may pick-up early warnings about students' preferences and preferred skills development paths. This could lead to formation of an incubator design team.

When the political soil is matured it is essential that the incubator design team take a **look outwards** in order to put into words and visualise the variation of actual user needs in the region. Next a credible mapping of the creative industries – e.g. in cooperation with regional authorities and universities should be performed. This mapping is known from within the CG project itself. Key figures as employment, number of companies and number of new companies are essential. A historical development line and a future forecast should be added. Data might show a growth potential, and if so, the incubator designs team might proceed preparing the regional political environment in order to persuade local and regional authorities to take responsibility – together with industries and associations – for looking outwards and transform needs into tangible set-ups.

There are certainly some challenges and problems to this co-operation as the players bring along different world views. Within the 'triple helix' the players have no general reputation for co-operating very well. If we by means of this project introduce the 'quadruple helix' incorporating very small enterprises (free-agents, free-lancers, micro-businesses) as complimentary to 'ordinary' businesses it will happen because the TWG find their creativity and innovative thinking essential to the renewal and business development of 'ordinary' businesses. Many creative micro-businesses rely on sensuality and may – in their own understanding - be compared to scientific, knowledge-based industries. An incubator for creative form a research lab in sensuality from their point-of view. How to brand that?

7.2 Conceptualisation

First step at this stage is to decide if the wanted incubator is to support a theme/concept/ dedication. If so, it will in this context be referred to as 'dedicated'. If it should have none of these qualities the concept must at least demonstrate thoughts on how to ensure business dynamics and how to ensure synergy between businesses themselves and between businesses and business development agencies.

A concept should from the beginning illustrate the involvement of many stakeholders and their expectations and demonstrate some kind of economic sustainability – based on a variety of financial components – be they local and/or regional government user payments from private small businesses.

To those who have been involved in conceptualisation of an incubator dedicated to creative entrepreneurs it is clear a deeper understanding of the mind-set of this group – sometimes on a personal level – is necessary. Their additional choices or choices to opt out are often based on extremely individual preferences that might cross any community offer.

Next step is to decide if the incubator is to be real-life, i.e. have a physical location or if it should be purely virtual, i.e. consist of mainly advice, and help finding workspace, using external networks – academia, business, and colleagues. With a physical location an incubator normally would have the virtual one built-in together with in-house business networking and competence development and –sharing.

7.3 Feasibility & Strategy

Prior to the decision-making of local/regional public authorities, institutional or private investors should be made. The long-term investment mix may depend on the concept. The sustainability of the concept must in every sense be subject to compliance tests including local/regional strength positions and specific cultural traits and values. If the skill base is not there – forget about it! The tests must also include comprehensive qualitative and quantitative market surveys of how to match user demands (which is something different from needs) with appropriate supply. For physical incubators an estimate of tenants' recruiting potential and ability to pay rent and for services is crucial. On top of the feasibility study a set of strategies for the next phases could be formulated.

The individual preferences of creative entrepreneurs increase the need for coping with diversity and flexibility in feasibility studies as well as in business strategies.

7.4 Plan & Establish

In order to supply the basic financing, supplementary private grants and loans should be acquired. For that purpose it is essential very quickly to have plans for activities, projects, physical location and equipment.

It is essential for daily operations to have good estimates of the potential incomes of the incubator based on its individual customers. If planning a designated incubator for creatives special arrangements must be foreseen to meet user needs in terms of physical facilities/ internal networks/physical work-spaces and internal/external networks facilitating co-operation and knowledge sharing. Social and professional networks are easy to work out within a physically located incubator.

There are many different examples of income structures among incubators, and it is important to evaluate the suitable setup.

Examples:

· In Scotland most of the incubators no not claim any rental fee from their tenants. Instead the creative entrepreneurs pay a yearly membership fee to be part of an Creative Entreprenuerial Network. This network provide them with 3 years free access to work-spaces in dedicated incubators as well as business and start-up support. The overall aim in Scotland is to increase growth and survivel rate among new business startup. This is made possible with the incubators that are established in the public buildings owned by the council in Scotland.

· In Portugal the tenants are required to pay rental for their work-spaces. However, the tenant (creative business) will after their 3 year incubation period be given the accumulated 3 years rental as an investment in their future business success. The tenants that have not made it through the 3 year incubation period will not receive their payment back.

· In Denmark all incubators are depending on the monthly income from the tenants. Along side the work-spaces the tenants recieve different support services and access to different facilities that the individual incubators may provide. This differ a lot. For example in Spinderihallerne in Vejle, the incubator also include workshop-facilities. In the workshop it is possible to develop prototypes and mock-ups, which allows the creative business to test new product developments and increase the possible for new investors.

7.5 Organise & Manage

Incubator staffs must function as bridges in several ways: Inwards – between colleagues in-house and the community creative grass-roots, outwards to other business sectors, local and regional administrations, the political levels and relevant authorities. Depending on concept different players with different goals or objectives must be taken into consideration. The bridge is illustrated below.[17]

The individual preferences of creative entrepreneurs increase the need for coping with special user needs, diversity and flexibility – especially in daily management.

[17] Input from Danish Development Parks. Manuals. 1) Establishment and organisation; 2) Management and daily operations, DU, 2008.

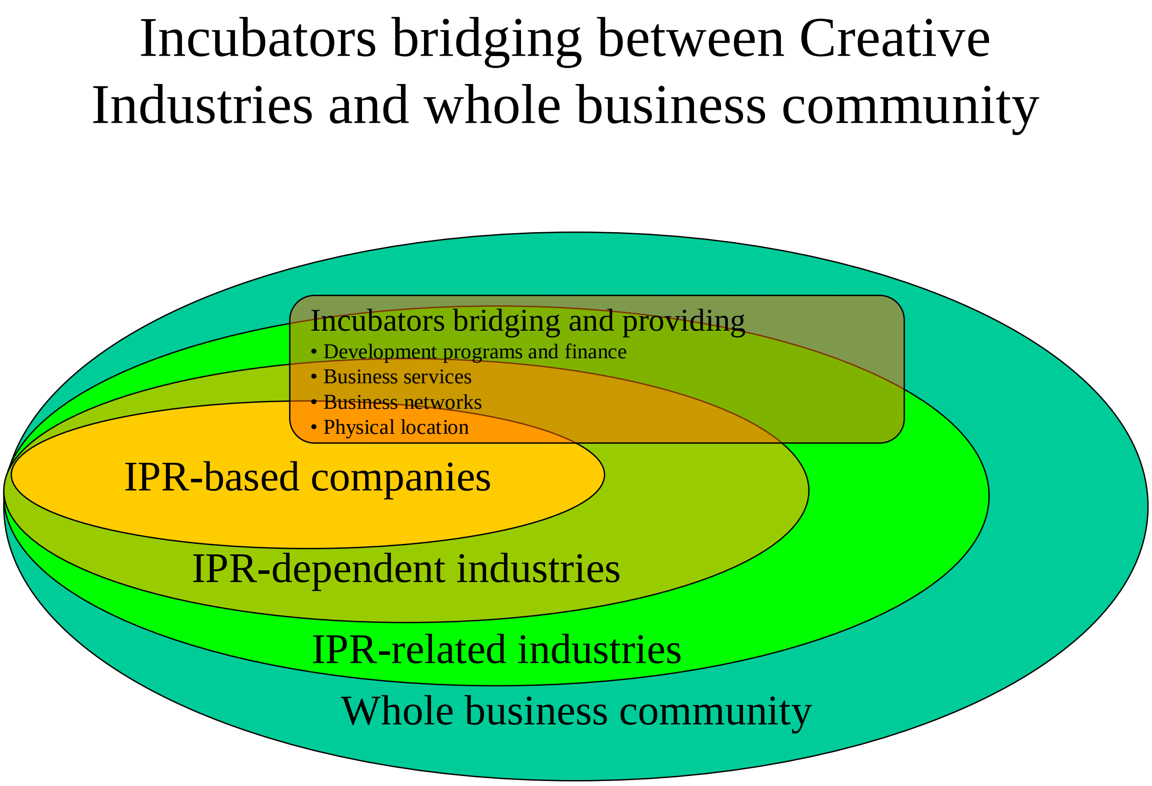

Figure 5: Incubators bridging industries

If its concept is dedicated to serve the creative sector managers must ask them: - Does business kill creativity? Does creative entrepreneurs know and respect that they cannot do it all by themselves, while on the other hand they will not give up their babies/kill their darlings. Management and advice team must be prepared to handle the complexity of individuals being creative combined with preaching business sense. The creative person's practical approach will face a business approach that may seem theoretical to them. In the case of staying in a physically located incubator their individuality will be confronted with the expectation of them showing some degree of company or corporate spirit. Incubator management must provide appropriate resources and personnel in order to facilitate advice functions and external networks that could support a specific business culture on the local and regional level and further. Incubator management and advice teams must build concepts and manuals for start-ups (micro businesses and entrepreneurs) and help them identify demand & supply possibilities.

In case of a physical incubator a whole lot of issues must be solved, e.g. the number and size of work-places, office spaces and studios together with the provision of a variety of physical assets: meeting areas (formal) meeting rooms, (informal) networking spaces: kitchen, diner, lounge (newspapers, magazines); I-technology (any kind of digital communications available) and not to forget parking lots. It will have to consider the mix of activities nursing internal networks: professional business, knowledge sharing and social interactions. And last but not least its primary task is to balance appropriate mix of micro businesses and existing enterprises in and out of the incubator. It must try to have some kind of prospect tenants in the pipe-line as it surely will be measured on its effectiveness in renting out office space and having so few empty spaces as possible.

7.6 Services

Most important of all tasks when the incubator is up and running, is the one of screening companies in order to create and sustain an optimal mix. Especially when the incubator is a physical location that you are responsible for renting out in small compartments (work places, offices, studios). Recruiting tenants is of utmost importance, not only as a task, but even more so as a service to small enterprises and micro-businesses, because their prosperity might depend on your perfect mix of facilitating co-operation and knowledge-sharing amongst micro-businesses and small enterprises in order to allow them to act as a bigger company and to complete their value chains or make way for unified business development activities. Completing value chains and unified business development are just as necessary if you run a virtual incubator, but the stress here may be much more laid on individual advice. The best situation is to secure a pipe-line. How to do that, when need is instant?

You are creating a regional creative community and a community for micro-businesses, some of whom might know very little about professional business, but a lot about professional, creative skills. Work processes, house or program rules and procedures must be formulated accordingly.

Some headlines from the discussions:

· Learning to learn from other businesses' best practice – within the incubator and from others

· Have a broad understanding/definition and target group within creative industries in order to attract different company types and secure diversity.

. Filtering the successful potential.

· Attracting micros from elsewhere

· To create and sustain a business environment for creatives regionally, moving offices/moving spaces exchange of incubator opportunities on an EU-level. (Known regionally in Spain. It is the pilot task of CG to provide such a thing on a European level).

. Individual coaching, setting up measurable (company-wise) and reaching them by taking small steps.

In some cases incubators may function as pre-incubators for university- and college environments, but be aware:

O Students far away from business understanding and employability.

O Requires a lot of resources, that incubators do not have.

O Phases: open door to business world, training sessions (business understanding), consultancy-on-demand, team-building

O Examples: WeTechOff – KataKULT (3-5 months courses vs. on-demand consultancy.

7.7 Performance & Effects

An incubator in the first place is meant to facilitate those micro-businesses and small enterprises live longer, have a bigger turn-over and produce more revenue than the average for the group. You could say this is an immediate effect: promoting added value in businesses especially by making better business synergies possible. This may be quantifiable if entrepreneurs are willing to unveil their individual economic results. Next authorities and 'investors' hope that they by means of entrepreneurship and advice will by and by grow even more, acquire other companies, employ people, look for bigger ordinary premises, pay more taxes and thus create greater societal value and sustain wealth and welfare in the local and regional community. This is really is not easy to quantify and to give documentation for, because activities are taking place in a completely open environment. You will not be able to ascertain long-term societal effects since you can not be sure, what activity cause what effect.

What is easy to measure and document however, is the resources spent (manpower, rent, equipment) and the methods and tools used (space, services, advice) and maybe income (tenants rents, hours sold) etc. This we would call performance.

Performance could be measured by simple parameters and criteria for success

- Number of projects where you have been channelling funds into pr. year and the actual amount of money
- Over-average growth in life-span, occupation, turn-over and revenue for your incubator population held against the whole comparable population in your region.

Effects should be estimated and evaluated in qualitative researches fx

- Immaterial values of using cultural traits in creative products and services and maybe quantifying (ROI in culture = Added value to community and regional authority)
- Does it support targeted o specific regional development by:
    - Augmenting visibility of regional or local strengths
    - Providing for larger involvement/interaction between creative industries, whole business community and the public
  - Promoting companies quicker adaptation and original contributions to tendencies and trends

There certainly are a lot of challenges in this. On one hand you – especially as a publicly funded incubator – are obliged to open up the environment and have an outward look. Incubators must be extrovert, relate to whole community, management must maintain a broader view than renting every sqm, and require commitment from tenants. This is very costly. On the other hand an incubator rather quickly is due to be measured on its profitability and sustainability in economic terms. In daily operations incubators will be measured on economic performance. Salaries, mortgage supply fees and taxes must be paid. Physically located incubators will be especially measured on their rental rate

In a study concluded recently the Centre for Strategy & Evaluation Services (CESS)[18] describes

[18] Study on the Contribution of Culture to Local and Regional Development. CESS, UK, September 2010

the following integrated development strategies from the cases considered by this body:

- Sufficient infrastructure is needed to create an environment in which cultural and creative activities can interplay
- Generate confidence and momentum
- Attract or develop skills and resources that provide the capacity for the developments to become self-sustaining
- Ensure good strategic leadership, at least at a local level
- Good support, both for cultural activities and business processes
- Support takes the form of buildings and facilities, the provision of professional and business advice, access to finance and investment in education and training.
- As in other sectors, the provision of dedicated incubator or business park facilities and the encouragement of networking and cluster development can be particularly effective.
- Exchange information and experience with others in a similar position and identify best practice
- Establishing good communication channels between the main actors can be very effective, especially in helping creative sector organisations to orientate themselves in the often unfamiliar environment of economic development (...)

The cookbook that the Creative Growth TWG on Incubators has elaborated in this chapter reflects much of the same course of action.

8 TWG 3 findings – candidates for good practice

This chapter contains 27 case studies presented by the partners as examples of good practice in their regions. At first an overview is created, showing the diversity. Next a systematic break-down of information given be the partners in the project questionnaire.

8.1 Case studies presented as examples of 'Good practice'

After the 3rd TWG meeting and during the summer-time partners have contributed to a comprehensive web-questionnaire in order to create a comparable set of basic data on incubators (as business development mechanisms) and their services, methods and tools. If they have not contributed themselves, the SPINDERIHALLERNE team have added data sheets by means of its own desk-research.

This survey includes 27 data sheets, mainly consisting of qualitative categorisations and free-text explanations. You may compare them to structured interviews.

The case studies are (alphabetical order):

- Banks Mills Studios + Network House – Derby University (presented by Napier University, Edinburgh)
- Base Camp – Liverpool (presented by Napier University, Edinburgh, Scotland)
- Castles and Estate Houses Association in Žeimiai and Žemaitkiemis Estates – Kaunas (presented by Kaunas County Gov. Adm.)
- CEEI Asturias FINANCIA – Llanera (presented by CEEI Asturias, Asturias)
- Cockpit Arts – London (presented by Napier University, Edinburgh, Scotland)
- Craigmillar Business Incubator – Edinburgh (presented by Napier University, Edinburgh, Scotland)
- DU. Opstartsmanual. Drifts- og kvalitetsmanual | Start-up, management and quality manuals for development parks – Denmark (presented by VEU, Slagteriet, Syddanmark, member of DU)
- H-FARM ventures – Roncade, Treviso (presented by ASTER, Emilia-Romagna)
- House of Design – Kolding (presented by SPINDERIHALLERNE, Syddanmark)
- IDEA House Kolding – Kolding (presented by BIZ-ART, Syddanmark)
- Incubation Center for Creative Industries - University of Debrecen (presented by Észak-Alföld Regional Development Agency, Debrecen)
- kataKULT – Vejle (presented by SPINDERIHALLERNE, Syddanmark)
- KRE*NOVA – Umeaa (presented by Östsam, Östergötland)
- La Pillola 400 – Bologna (presented by ASTER, Emilia-Romagna)
- LEAD i Östergötland ab – Norrköping (presented by Östsam, Östergötland)
- Lynfabrikken – Aarhus (presented by BIZ-ART, Vejle, Syddanmark)

- MEDEA Collaborative Media Initiative. Entrepreneurs/Artist in Residence Programme – Malmö University (presented by Regional Council of Southern Smaaland)
- Out of the Blue – Edinburgh (presented by Napier University, Edinburgh, Scotland)
- Republikken ApS – København (presented by SPINDERIHALLERNE, Syddanmark)
- Slagteriet/Udviklingspark Vejle – Vejle (presented by VEU, Slagteriet, Syddanmark)
- Spinderihallerne – Vejle (presented by SPINDERIHALLERNE, Syddanmark)
- Spinderihallerne. design:ANDELEN | DesignCO-OP – Vejle/Kolding (presented by SPINDERIHALLERNE, Syddanmark)
- Spinderihallerne. design:VÆRKET | DesignWORKS – Vejle/Kolding (presented by SPINDERIHALLERNE, Syddanmark)
- Spinderihallerne. Rådgivning og start-op hjælp – Vejle (presented by SPINDERIHALLERNE, Syddanmark)
- Transit Kulturinkubator – Stockholm (presented by Regional Council of Southern Smaaland)
- We Tech Off - Bologna (presented by ASTER, Emilia-Romagna)
- White Space - University of Abertay Dundee (presented by Napier University, Edinburgh)

These examples of ‘Good practice’ are by the partners not exclusively picked from their own regional gardens, but from other regions and cities as well.

8.2 Good practices - A typology of incubators and services - A typology of incubators and services

This typology is mostly based upon respondents own characterisation. If in case that information did not suffice for that, the author has dared to complete. The table below represents an initial attempt to catch up with an impressive amount of substantially incomparable data – based on partners' wordings that in this context have no aligned structure.

The method to that point has included the three TWG meetings and a lot of homework on behalf of the participants in general and the TWG leader especially. This TWG on incubators started up the exercise with a brain-storm and has end up with a web-survey (supplied with pretty much desk-research), This paper represents the TWG leadership's effort to refer and to summarize the discussions of the group – be it in meetings, in mails or telephone conferences. Next it will try to analyse and synthesise findings into a typology of incubators for the creative sector. We have not been able to benchmark the cases presented, so that we could point out which one is better, because we have no European base-line for bench-marking. Which we would like to contribute to, as we in our recommendations will list a range of reasonable Key Point Indicators (KPI) that should be taken into consideration if anyone would like to have a bench-marking base-line for incubators performance and effects on a regional, national or European level.

In the benchmarking exercise we should compare the practices of specific mechanisms or full-service organisations, i.e. incubators for creative industries. Maybe the specific mechanism - the incubator - as a whole represents good practice. It may have a range of targeted services. Maybe the methods (fx entrepreneurial courses) and/or tools (fx course material) by which it develops its services (fx start-up training) are presented as good practice.

The term 'Physical incubator' always contains a virtual one as well, i.e. the business advice and in several cases the financial advice part.

1st part of table) **Brand Name**	General description	Owned & managed by:	Basic funding	Dedicated creative sector	Candidates as good practice with special:		Target group(s)
					Mechanism / Service(s)	Method(s) / Tool (s)	
Banks Mills Studios + Network House Physical incubator	Two of three BI. BMS specialises in support for CI business practices. NH specialises in ICT, new media and design led businesses	Embedded in university organisation	Public	Yes	Range of targeted services	One-to-one advice Peer group support Drop-in surgeries	Students pre-start Start-ups Early stage CB
Base Camp 3 Physical incubator	Providing space and a range of business support, advice and guidance	Social enterprise[19]	Public	Yes	Range of targeted services	Facilitate contact businesses & university In CI quarter IPR-secure zone Atmosphere EU Dev. Projs.	Early stage CB
Castles and Estate Houses Association	Association. Facilitating networks between artists an craftspeople, thereby creating conditions for future CB	Private association	Private	Yes	Single service	Thematized symposia	Start-ups
CEEI Asturias FINANCIA	Part of Regional Development	Embedded in BIC	Public	No (only	Single service - Support to define the	The service's itinerary is	Existing

[19] The official definition of social enterprise is:

'a social enterprise is a business with primarily social objectives whose surpluses are principally reinvested for that purpose in the business or in the community, rather than being driven by the need to maximise profit for shareholders and owners' (DTI, 2002). The movement is diverse and includes: •cooperatives, •credit unions, •housing associations, •community development trusts, •Social Firms, •community businesses. There is no single legal form used by social enterprises

Physical incubator	Agency – focus on technology and innovations			including ICT)	financial needs - Support to define the type of financing that best suits to the project - Formal Validation of the project	structured in 5 stages very well defined: Pre-feasibility, Agreement, Business plan's development, Validation, Formal Application. Each phase has specific guide and support documents, some of these: Analysis of pre-feasibility, Agreement, Work's Schedule, On-line tool for projects monitoring, Technical Report, Sheet inspection, certificate etc. Key points and principles: Formal Analysis, agreement consensus with applier, planning, quality principles, results-oriented.	Early stage Start-ups
Cockpit Arts Physical incubator	While Cockpit aims to provide affordable workspace to designers and craftspeople, it offers support to develop their	Social enterprise	Public/ Private	Yes	Full Service. 1.A managed studio in a creative environment 2.Open Studios public selling events 3.Promotional and selling opportunities	Mixture of one-to-one business support, professional and business development. The focus for the	Existing Early stage Start-ups Free-lancers

	commercial independence. Provides access to business support.				4.Office facilities and resource room 5.A team of on-site coaches 6.One-to-one business support 7.Workshops & seminars 8.Cockpit Arts Business Growth Loan Scheme 9.Access to our online networks 10.Broadband access	Business Incubation is “growth on the designer-makers' own terms. On-site business development managers act like a kind of account manager. They know quite a lot about the type of business that they are coaching. Other services include referrals to specialist advice and access to a loan scheme. Cockpit also currently run a programme of workshops which are open to creative businesses both in and out with Cockpit - the Professional Development Programme, seeing it very much as topping up on your business knowledge.	
Craigmillar Business Incubator Physical incubator	BD advice and support to users with no tradition to approach targeted BD services	Social enterprise	Public	No, but services CB as well	Range of targeted services	Business advice on development. Development fund and micro-loans. The client requires a viable well	Existing Locals Early stage Start-ups Free-lancers

						researched business plan and financial projections, while CBIP provides specialist support and advice during the planning process.	
Danish Development Parks. Manuals for establishing and managing Tool	Værktøj til kortlægning af forhold, der skal tages højde for i forbindelse med planlægning og start af en udviklingspark, herunder tidshorisonter. Værktøj til støtte for implementering i daglig drift. Kvalitetsstyrings-håndbog.	Association	Private	No	Description and check-list to establish and manage full-service incubators and development parks by 3 managers from Danish development parks.	Gennemgår alle faser i planlægning og etablering. Gennemgår strategisk og daglig ledelses behov for analyse, retningslinjer og dokumentation over for ejere, lejere og interessenter	Existing Early stage Start-ups Free-lancers
H-FARM ventures Physical incubator	H-Farm provides unique support to start-ups, from capital resources to a full range of services and logistics to enable rapid growth. We invest in selected ideas, providing capital support from the seed throughout the early stage.	Private enterprise	Private	No (only including ICT)	Full service: Incubator services include office space and facilities and support for marketing, financial advice, human resources, legal, accounting and business development.	Most importantly, H-Farm provides advice on strategy, branding and corporate structure.	Early stage Start-ups

House of Design Physical Incubator	Iværksætterhus for design-relaterede virksomheder. Design og business går hånd i hånd. Gode idéer bliver til gode forretninger.	Embedded in municipal BIC and cultural centre. Closely connected to IDEA House	Public	Yes	Range of main-stream services. Del af Nicolai komplekset. Her er café/restaurant, art cinema, Nicolai for børn (arkitektur i børnehøjde), udendørs scene, koncertsal og lækre mødefaciliteter. House of Design drives af Business Kolding, der er er den kommunalt støttede erhvervsfremmeorganis ation, til dels også finansieret af projekter og brugerbetaling.	N/A	Existing Early stage Start-ups
IDEA House Kolding Physical pre-incubator	Væksthus med lokationer over hele DK for studerende og dimittender fra de videre-gående uddannelser. Bibringer studerende kompetencer, mindset og netværk, der skal til for at skabe fremtidens succesfulde entrepreneurer. Det kan ske gennem etablering af nye virksomheder i eget	Embedded in university, BIC and cultural centre. Closely connected to House of Design.	Public	Yes	Range of targeted services. Project spaces.	Development projects. Idea Pilots, Business Pilots og Co-Pilots, for at illustrere, at man her kan komme ud at flyve i overført betydning og møde mange, der er i samme situation og som har de samme drømme. Man møder også et hold af entusiastiske undervisere/coaches og virksomheds-ledere, der er	Pre-start-ups Start-ups

	regi eller inden for en eksisterende virksomhed/ organisation eller gennem innovation.					ildsjæle, og som ønsker at hjælpe kommende iværksættere.	
Incubation Center for Creative Industries Science park	The University of Debrecen established a limited company (DIP Ltd.), whose role is to coordinate and manage the creative industries – especially those working in information and communication technologies – on the human resource basis of the University in the Észak-alfold region. On the other hand the aim of this company is to develop furthermore the benefits of two previous projects: the “audiovisual media cluster” and “regional IT cluster”.	Owned and managed by university	Public	Yes	Range of targeted services. Under construction	The good practice nature of this project will be backed by the following aspects: • LOCATION: it will be located next to the University, so the cooperation between the university and the incubator is given • DEVELOPING NICHE: the ICT sector is growing rapidly and this means incubator systems are getting more and more important • HIGHLY QUALIFIED HUMAN RESCOURSE: due to the high level education at the university there are a lot of ICT experts and this is the reason several companies were	Existing Early stage Start-ups University Depts.

						founded in the ICT sector in the region • COMPETITIVE SERVICES: the incubator should provide the most important services for the companies for free or at low cost (infrastructure, IT, accounting, tools, instruments, call centre, marketing activity, building, partnership, etc.) • MANAGEMENT: proactive and qualified management is needed.	
KRE*NOVA Physical incubator	Development of the creative industries and connecting creative and cultural competence with already existing industries. Keeping the creative and cultural competence in the region that the local and regional educations generate is a crucial factor for the	Owned by municipality and region	Public	Yes	Range of targeted services. Within the artist community, as well as in many other sectors, there is often little interest in the more bureaucratic sides of running a company. To overcome this obstacle, KRENOVA provides especially designed education for keeping a business as an artist, and provides	It has turned out exceptionally successful to develop companies within the business and at the same time expand the market for these with project inputs. It is in the cooperation between artists and industries that the creative industries can be born. Through working	Existing Early stage Start-ups Free-lancers

	region's development and attractiveness.				coaches to assist them along the way. KRENOVA also has an incubator that offers a desk, a phone, a computer and most important: colleagues. By providing the artists with a place to be and assistance from experienced staff, their companies can be started up and developed together with other artists that are in the same situation.	simultaneously with strengthening artists in their business and preparing the market for the creative competence, one will achieve a sustainable and sound market where the actors do business with each other without any middleman.	
La Pillola 400 Physical incubator	Co-working space, that offers services and spaces to creative entrepreneurs	Owned by	Public	Yes	Range of targeted services.	- Exhibitions - Events - Co-working spaces	Existing Early stage Start-ups Free-lancers
LEAD i Östergötland ab Science park	High growth potential. LEADs affärsidé går ut på att coacha företagare med idéer, som har stort tillväxtpotential, till starka företag	Owned and managed by university	Public	No	Range of targeted services such as - Affärscoaching - Netvärk - PR&Kommunikatio - Internationale partnere - Kapitalf	Special acceleration programme – 36 months	Existing Early stage Start-ups University depts.

					ormidling - Kontor miljö - Labotari er		
Lynfabrikken Physical incubator and shop	Iværksætterhus på private hænder støttet af en række sponsorer og en vennekreds. Et sponsorat kan både rette sig generelt mod LYNfabrikkens arbejde, og mere specifikt i forhold til f.eks foredrag, udstillinger, workshops, undervisningsforløb mm. Der er 7 sponsorer og 15 venner. Fokus er at inspirere folk og bringe folk sammen. LYNfabrikken har til huse i en gammel fabriksbygning.	Private enterprise	Private	Yes	Range of targeted services. - Kontorh otel - Butik - Kaffebar - BOX vinduesgalleri - Events - Platform for inspiration og netværk. - Venues - Netværk sskabelse	Development projects Events	Existing Start-ups Free-lancers
MEDEA. Entrepreneurs / Artist in Residence Programme Method	Located on university premises, with a large studio for experiments, workshops, events and creative work in general. Our work is built on co-production where	Owned and managed by university	Public	Yes	We develop products, services and productions as well as theories in the field of new media. The main focus is on new communities, publics and forms of expression.	University researchers and external partners work side by side with MEDEA artists-in-residence and entrepreneurs-in-residence to explore and shape	Early stage Start-ups University depts. Research centres

	academic researchers work together with other actors outside the university: companies, organizations, institutions and individuals.				The MEDEA Talks series is a popular venue for the public to learn about our work and meet with highly skilled thinkers.	the new media. MEDEA has two residency programs: entrepreneur- and artist-in-residence. The idea is to bring exciting skills to the centre for a short period. The program seeks entrepreneurs and artists highly skilled in working with new media and new innovation models. Each year one entrepreneur and one artist will be selected.	
Out of the Blue Physical incubator	An Arts&Education Trust which supports artists and breaks through barriers to creativity by providing space and access to creative projects.	Social enterprise	Public	Yes	Full service It provides studio, performance, exhibition, office and educational space and offers artistic classes and workshops, consultancy and arts and community-oriented events and projects. It also covers environmental issues and realises carbon-reduction projects and educational activities on this topic.	Out of the Blue follows a holistic approach in terms of promoting arts and creative industries in its neighbourhood	Existing Early stage
Republikken ApS	Republikken is committed to	Private enterprise	Private	Yes	Range of targeted services.	Har bl.a. faglige kurser i vores	Early stage Start-ups

Physical incubator	creating unique environments to invoke the imagination and evoke the collaboration of unconventional thinkers and doers. Vi tror på værdien i miljøer kendetegnet ved et særegent fysisk udtryk, stærke personligheder og en kreativ nerve i spidsen for husets kontorfællesskab				Kontorfællesskab, studie, tegnestue, møderum, legeværelse og værksted, hvor der er adgang til de ressourcer, der er brug for i et moderne arbejdsliv. Arrangementer, konkurrencer, events.	interne Republikskole (her er der hjælp til udvikling af kompetencer indenfor 3D, sociale medier, storytelling mm.), inspirationsarrangementer og så stiller vi værksteder og digitale Fabrikations-maskiner til rådighed.	Free-lancers
Slagteriet/Udviklings-park Vejle Physical incubator	Development park covering all industries and stages in business lifecycle	Embedded in municipal BIC	Public	No	Range of targeted services, fx - Reception - Meeting rooms - Meeting services - Canteen - Business networks - General supplier agreements - Common colour printer/ - Photocopier	A broad range of operational services and facilities, strategic supervision, business networks and social activities are offered.	Existing Intl. Depts. Early stage Start-ups Free-lancers
Spinderihallerne – Vejle Physical incubator	Spinderihallerne is a centre containing an incubator, artist's work-hops,	Embedded in municipal business- & cultural	Public	Yes	Aimed at full-service. •Et iværksætter-rådgivningspanel (advokat, bank,	• Business advice and start-up coaching • Open facilities –	Existing Early stage Start-ups

	associations, cultural institutions, a conference and exhibition area and a brasserie. The incubator is therefore an embedded service.	centre and city dev. area			forsikring, markeds-føring og revision) •Arrangementer og events •Møde- og konferencelokaler •Store fællesområder: Tekøkken, atriumgårde, café, hygge- og læseområder •400 m2 værkstedsfacliteter •De store fællesområder til at udfolde sig, bygge modeller, afprøve opsætninger, arbejde og holde møder.	coaching for inventors • DesignWORKS – business network • Development projects - DesignANDELEN - Kids 'n tweens - Art-Built - Creative Growth	Free-lancers
Spinderihallerne. design:ANDELEN Method	Med udgangspunkt i klassiske andelsværdier som selvstændighed, selvstyre og fællesskab, at skabe en ramme, der kan forene de kreative virksomheders grundlæggende ambition om selvstændighed med en nødvendig professionalisering. Projektet har kommercielle mål	Embedded in municipal business- & cultural centre and city dev. area	Public	Yes	Developing range of targeted services. Designandelen er åbent og gratis for alle designrelaterede virksomheder. Som partner i andelen kan der gratis trækkes på alle projektets ressourcer, der fx omfatter: • Formidling af design og kompetencer ift. potentielle kunder • Bistand til opstart og udvikling	4 primære indsatsområder: 1. Designmarked: Matchmaking og formidling af designs forretningsmæssige potentiale, bl.a. i samarbejde med Dansk Design Center. 2. Forretningsudvikling: Branchespecifik udvikling af kreative mikrovirksomheder, herunder udvikling af særlig design:	Existing Early stage Start-ups Free-lancers

					• Fælles webplatform • Adgang til værksted med 3D-printer Man forpligtiger sig at bidrage til udviklingen af Designandelen gennem aktivt deltagelse i projektets udviklingsaktiviteter i et omfang på 50 timer/år.	INCUBATOR 3. Regionalt design: WEB: Udvikling af fælles webplatform til formidling af opgaver 4. Lokale design:HUSE: Koordinering og understøttelse af lokale platforme	
Spinderihallerne. design:VÆRKET Method	Knowledge sharing network. DESIGNværket er et fagligt forum med fokus på aktiviteter, der styrker virksomheder i Spinderihallerne kommercielt og fremme videndeling og faglig inspiration. Forumet har kommercielle mål.	Embedded in municipal business- & cultural centre and city dev. area	Public	Yes	Single service (example) •Aktiviteter: Arrangementer, møder, workshops, seminarer, konferencer. Visitering af opgaver, evt. konkurrencedeltagelse, evt. fondsansøgning.	•Organisation: DESIGNværket administreres af Spinderihallerne - Center for Kultur og Erhverv	Existing Intl. Depts. Early stage Start-ups Free-lancers
Spinderihallerne. KataKULT Method	Iværksætterforløb af et halvt års varighed, som satte kreative iværksættere i stand til at etablere og drive egen virksomhed. Projektet støttedes af ESF og Vejle Kommune i årene 2005, 2006	Embedded in municipal business- & cultural centre and city dev. area	Public		Single service (example) - Experimental environment - meeting twice a week - Differentiated plan - Concluding test - Business plan	Metoden gik ud på: 1) at etablere et skræddersyet forretningslæringsforløb for potentielle og nyetablerede kulturelle/kreative iværksættere 2) at skabe et iværksættermiljø i de tidligere	Pre-start ups Start-ups

	og 2007. Projektet videreføres i form af rådgivning til og one-to-one coaching af iværksættere. Projektet med hold på ca. 12 pre-start-ups vil blive genoptaget 1. halvår 2011.					spinderihaller i Vejle, hvor initiativet skal forankres og fortsættes efter projektperioden 3) at skabe netværk mellem potentielle og etablerede kulturelle/kreative iværksættere 4) at styrke iværksætterrådgivningen for denne målgruppe, ved at give rådgiverne/konsulente en viden om målgruppens særlige behov. 5) at så mange som muligt bliver selvforsørgende, eller øger indtægts-grundlaget.	
Spinderihallerne. Business advice & Start-up coaching Method	Very much a translation and next generation of kataKULT arranged as a mix of group meetings and one-to one exercises	Embedded in municipal business- & cultural centre and city dev. area	Public	Yes, but no solely	Single service (example) Regular meeting once a week Start-up meetings once a month Open Facilities meetings once a month	**Advisors' Panel** Rådgivningspanelet kan give dig indspark til din markedsføring, hjælpe til med udfyldelsen af din selvangivelse, afklare om du har behov for en	Pre-start-ups Start-ups Inventors

						erhvervsforsikring, afklare finansierings-muligheder sammen med dig og meget mere. **Start-up coaching** Overvejer du at starte virksomhed, så benyt dig af de månedlige informationsmøder, som kan hjælpe dig med til at få en god tart og undgå de fejl, som andre har begået! Derfra er der individuel vejledning. **Open facilities** Har du en ide, som du gerne vil have afprøvet foran et panel, mangler du sparring og idéer til at komme videre, så er Åbne Faciliteter stedet.	
Transit Kulturinkubat or Physical incubator	Transit Kulturinkubator vill bidra till bättre förutsättningar för kreatörer och kulturutövare att utveckla sina verksamheter.	Owned and managed by universities and estate companies in creative cluster	Public	Yes	A range of targeted services. Creative entrepreneurs and free agents in culture (visual arts. movies, music, design, crafts and theatre may apply for space in Transit Kulturinkubator.	Coaching and advisory methods aim at making creative entrepreneurs and free agents self-sustaining, so that they – with support – may develop and	Start-ups Free-lancers University depts.

					It is situated in the creative cluster at Telefonplan. The incubator offers offices spaces shared with colleagues, coaching and business advice regularly – individually as well as in groups, sharing of knowledge, contacts, ideas, tips&tricks and guidance on a daily basis, access to specialised expertise in business and professional advice.	pitch their ideas and their business. Starting with a mapping of competencies, experiences, inspirations and incentives a foundation is laid for building and developing the business as well as the entrepreneur. Any question or challenge that requires specialist knowledge will be handled by professionally skilled experts (lawyers, accountants, fund-raisers etc.).	
We Tech Off Virtual incubator	Promotes the entrepreneurship culture sustaining projects with strong innovative characteristics.	Owned and managed by regional BIC	Public	No, but CI are richly repr. (31%)	Pre-incubation Training sessions Tutor support Advisory services (team building, Business Plan, on demand) Moreover: Access to facilities (meeting rooms and offices for limited periods) Business Plan Networking (contacts with banks and	The development path: Pre-incubation evaluation of the feasibility of the business idea and elaboration of a Business Plan Incubation Start of the business activity Post-incubation Business growth	Existing Early stage Start-ups Pre-start-ups University depts. Research centres

					investors, with clients, participation to expositions, fund raising, personnel research) Communications and public relations (newsletter, website, publications, press releases) Incubation Business management kit (ERP and CRM) and hardware tools (PC)	Financial support (up to Euro 25,000) Competition: yearly contest that grants a scholarship to attend a Business Course (Ignite – University of Cambridge)	
White Space Method	Knowledge sharing environment. White Space is a learning environment and creative incubator like no other, one that will give you the edge in the global knowledge economy when you graduate from Abertay.	Owned and managed by university	Public	Yes	Single service with a lot of projects and facilities offers, such as - Digital Arts - Dare to be Digital - The White Space Solutions team - Cultural Projects - Tutorial/seminars - Digital Media - HIVE - Recording/ broadcasting Studio - Video conferencing suite	Open, flexible working spaces Abertay has developed ways of teaching that focus on building these general skills alongside the subject-specific knowledge to support your career and life objectives. White Space thinking is also reflected in the way that we are approaching our future estates development and our research and enterprise centres have led the way in creating open,	Early stage University depts.

						flexible work areas with the minimum of rules for how they are used. Essentially White Space is a creative learning and working environment that will shape the way the University develops.	

(2nd part table) **Brand Name**	Connection to other TWG topics	Availability of performance data	Success factors/ Availability of societal effects data	Transferability (from sellers point-of-view)
Banks Mills Studios + Network House	Science&Industry	Residents number	N/A	Sub deliverables
Base Camp 3	Business networks Science&Industry	Residents number Qualitative: - Feedback forms and on-line survey - Monitoring of outputs - Stakeholder meetings - ‘focus groups’ - Matrix accredited Quantitative: - Monitoring of outputs around GVA, jobs created, jobs safeguarded, BME, graduates etc. - all standard monitoring stuff that RDA’s and other funders expect	Regional dev./ N/A	Whole package
Castles and Estate Houses Association	Business networks	N/A	N/A	Sub deliverables

CEEI Asturias FINANCIA	Access to finance	Qualitative: This service as good practice has been transferred to different lines of funding, and has been implemented with different partners. Quantitative: TOTAL FINANCING GENERATED 2006: 1.810.178 € TOTAL FINANCING GENERATED 2007: 2.242.659 € TOTAL FINANCING GENERATED 2008: 1.661.886 € Total Financing generated 2009: 3.576.664,16 €	Regional dev./ N/A	Whole package Negotiable parts EU-tenders Tools

Cockpit Arts	N/A	145 designer-makers resident. 13 different groups of creative and business activity are represented by the designer-makers at Cockpit Arts, dominated by Jewellery, Ceramics, Fashion, Knitwear, Millinery & Related, and Textiles. Help 165 resident designer-makers to grow their businesses and hundreds more through our dedicated professional development workshops. 71% of firms at Cockpit Arts now have a formal business plan compared to approximately 13% in 2005.	Regional dev. Competition for studio space with Cockpit Arts is competitive and rigorous. Aside from evidencing craft skill or a craft approach, the key thing is a commitment to developing business. In 2009, our makers reported an average 158% increase in profit. According to research by UKBI, on average, 98.7% of businesses working with an incubator succeed, with 87% still operating after five years. In contrast, less than half of all businesses nationally will achieve long-term success. 2008 of Cockpit designer-makers with almost double the amount reporting profits of up to £10,000 and £20,000 as compared to 2005 figures.	Sub deliverables
Craigmillar Business Incubator	Access to finance Business networks	Grants nr.	Regional de. Qualitative indicators & Performance refers to case study of some of the businesses that we have helped Quantitative indicators & Performance refers to numbers of businesses and individuals supported.	Whole package
Danish Development Parks. Manuals for establishing and managing	N/A	Out of app. Danish incubators and development parks 20 are members and using these manuals	Regional dev. Evalueringens hovedresultat er at nystartede virksomheder i udviklingsparker/iværksætterhuse har større overlevelsesrate og større indtjening end gennemsnittet.	Whole package

H-FARM ventures	Access to finance	N/A	Profitability	Whole package Negotiable parts
House of Design	Business networks	Residents nr	N/A	Sub deliverables
IDEA House Kolding	Science&Industry	Residents nr	Regional dev.	Sub deliverables
Incubation Center for Creative Industries	Science&Industry	N/A (New)	N/A (New)	Whole package
KRE*NOVA	Business networks	N/A	Regional dev.	N/A
La Pillola 400	Business networks	N/A	N/A	Sub deliverables
LEAD i Östergötland ab	Science&industry	Residents nr	Proof of excellence Profitability	Whole package
Lynfabrikken	Business networks	Residents nr. and shops nr.	Profitability Regional dev.	Sub deliverables
MEDEA. Entrepreneurs/Artist in Residence Programme	Science&Industry	Entrepreneur-residents nr. Emerging businesses. Businesses in MEDEA network. It is too early to talk about concrete results.	N/A	Whole package

Out of the Blue	Business networks	Studios; 103 artists/creative industries in 82 studios at The OOTB Drill Hall. 45 artists/ creative industries in 30 studios at Portobello. Café; OOTB run the Drill Hall café as a resource for the local community and as training project for young people Estimated 36,110 customers. The OOTB Drill Hall Refurbishment and restoration: 21,000 sq feet studio space. 1,000 sq feet Rehearsal/ workshop/meeting space1,000 sq feet exhibition/event space. Classes; 500 multi art form classes per annum5,500 participants. Events and performances; 60 per annum OOTB Drill Hall as venue in Edinburgh Festival, Edinburgh Fringe Festival, Peoples Festival, and Leith Festival. Exhibitions; 18 per annum - Local, national and international artists work viewed by total of 5,000 members of the public. Training/Seminars; Regular seminars 18 annually. Markets; Bi - monthly selling opportunity for OOTB Drill Hall artists. The Park Life project; an OOTB initiated community engagement project to improve Dalmeny Street Park. Projects; Participatory projects using the arts as a catalyst in Leith The Bongo Club;90,000 visitors annually to performance including live music,club, theatre, spoken word / poetry, film/video art, dance and comedy.	Regional dev.	Negotiable parts

Republikken ApS	Business networks	Residents nr.	N/A	Sub deliverables
Slagteriet/Udviklingspark Vejle	Business networks	Residents nr. Annual qualitative and quantitative assessments due to result contracts	Proof of excellence Profitability Regional dev. Faster and better development of small new growth businesses.	Whole package
Spinderihallerne – Vejle	Business Networks Science&Industry	Residents nr. Artists nr.	Regional dev. Proof of excellence	Whole package Negotiable parts EU-tenders
Spinderihallerne. design:ANDELEN	Business Networks	Partners nr. Har man en lille kreativ virksomhed, eller vil man gerne i gang, er der derfor ikke meget at betænke sig på, og 35 små kreative, virksomheder har allerede meldt sig som partnere. Større virksomheder (20) er med i projekt Kids 'n tweens.	Regional dev. Shared BD.	Negotiable parts
Spinderihallerne. design:talks	Business networks	4 events with internationally known speakers from design industry pr. year with 30-40 participants. Close co-operation with Lynfabrikken and Republikken.	Profitability	Negotiable parts

Spinderihallerne. kataKULT	Business networks Access to finance	During 6 courses over three year approx. 70 pre-start-ups attended entrepreneurship classes, many of whom have their own small enterprise today and many of whom are residents in Spinderihallerne to this day. Comprehensive internal evaluation of performance – quantitatively and qualitatively - available	Profitability Comprehensive external evaluation of effects – quantitatively and qualitatively - available	Whole package Negotiable parts EU-tenders
Spinderihallerne. Rådgivning / start-hjælp	Business network	N/A	Regional dev. Profitability	Negotiable parts
Transit Kulturinkubator	Science&Industry	Residents nr.	N/A	Sub deliverables

We Tech Off	Access to finance Business networks	September 2008 – January 2010 Pre-incubation: - Pre-incubation 1: 18 applications, 12 selected - Pre-incubation 2: 17 applications, 9 selected - Pre-incubation 3: 17 applications, 12 selected Incubation: - Incubation 1: 15 applications, 9 selected - Incubation 2: 12 applications, 7 selected Total number of applications: 79 projects presented by 248 applicants Total number of projects selected: 49 projects presented by 154 applicants	Regional dev. Profitability	Whole package EU-tenders
White Space	Science&Industry Business networks	N/A	N/A	Sub deliverables

9 How to compare performance and effects

This chapter contains the Creative Growth Thematic Working Group on Incubators' observations and considerations concerning how to measure incubator performance in their own right and their societal long-term. It does *not* contain a benchmarking or a ranking of the 27 incubator practices reported by the partners. This is not possible as there is no base-line on a European level to compare to. The above mentioned practices must stand as 'good' because the partners reported them so. However examples of comprehensive or partial reporting of performance and effects are drawn from the material and highlighted in this chapter

9.1 What to compare?

The web-questionnaire explores the access to some basic data about incubators dedicated to creative entrepreneurs. They are important to gather before you even think of measuring their performance or benchmarking their performance in a systematic way. Next step is measuring performance. In the case studies reported by the CG partners examples of very well documented performance is to be found. However, the project has not been able to align all case studies. Finding and reporting performance data falls out as uneven. As regards societal effects it is possible to monitor business economics and statistics in order to find out if enterprises located in incubators and development parks do better than the national and regional average for enterprises with similar properties. Such effects have been reported only in a few cases.

9.1.1 Basic data

By means of the project web-questionnaire the TWG has gathered basic data regarding incubator properties, including:

- What are the characteristics?
    - a physical space, also offering a range of business development services
    - a virtual environment, based on offering a range of business development services
    - a single service – linked to an incubator.
    - a method or a tool developed by this incubator
- What kind of top-down legislative framework (business development structure) or bottom-up democratic moves did give way for this activity (mechanism (a whole incubator), service (range of targeted services), method or tool?
- Who did start your incubator up and with what purposes?
- Which industries are covered and who are the specific target groups? (e.g. picking NACE-codes from the CG mapping exercise)
- What is its funding pattern in the planning and establishing phase and what is its funding pattern in the on-going phase (public, private, and end-users, mixed)?

- What constitutes the incubator in terms of its range of services whose joint output should be measurable in quantitative and qualitative terms (performance as measured by Key Point Indicators (KPI))?
- Is it possible to extract some kind of qualitative assessment on how incubators have societal effects?

9.1.2 Performance

In quest of parameters to form a European base-line for benchmarking you might look through the reported practices – especially the columns containing services, methods and performance. Next step would be to pick the relevant range of key point indicators (KPI). A proposed and preliminary input is given below (not to many and not to few) and illustrated with the examples following thereafter. The key point indicators have been grouped.

Potential: Size in sq.metre total space for rent. Total space for common use. Occupancy rate. Service range (see figure 1, page 8 Incubator Mind Map). Is there a waiting list.

Resident enterprises: Percentage belonging to creative sector. Actual number. How many in – how many out pr. year. Actual number of work places. How many in – how many out pr. year.

Business development advice: To what categories (pre-start-ups, start-ups, early stage enterprises, students, researchers). How many each year.

Business development projects: How many on-going. How many in pipe-line. Involving how many small, creative enterprises. How many involving businesses in general.

Business networks: How many networks are served. How many events pr. year. With how many participants.

Access to finance: Number of grants, loans and investments that are negotiated to an agreement. Amount of € for each category. How many positive financial exits pr. year.

Relations: Number and character (incubator, financial body, research centre, university) regionally, nationally and internationally.

9.1.3 Examples

Certain examples stand out in systematically **documented** performance and/or effects reporting: Out of the Blue, Cockpit Arts, CEEI Asturias, We Tech Off and Spinderihallerne.

Out of the Blue is an example of a full-service incubator dedicated to creative industries in the small metropolis of Edinburgh with a history starting in 1994. It has an impressive performance, documented by quantitative assessments:

> *Out of the Blue (Quantitative)*
>
> *Studios;103 artists/creative industries in 82 studios at The OOTB Drill Hall. 45 artists/ creative industries in 30 studios at Portobello*
>
> *Café; OOTB run the Drill Hall café as a resource for the local community and as*

training project for young people Estimated 36,110 customers

The OOTB Drill Hall Refurbishment and restoration: 21,000 sq feet studio space.

1,000 sq feet rehearsal/workshop/meeting space1,000 sq feet exhibition/event space

Classes; 500 multi art form classes per annum5,500 participants

Events and performances; 60 per annum OOTB Drill Hall as venue in Edinburgh Festival, Edinburgh Fringe Festival, Peoples Festival, and Leith Festival

Exhibitions; 18 per annum - Local, national and international artists work viewed by total of 5,000 members of the public

Training/Seminars; Regular seminars 18 annually

Markets; Bi - monthly selling opportunity for OOTB Drill Hall artists

The Park Life project; an OOTB initiated community

engagement project to improve Dalmeny Street Park.

Projects; Participatory projects using the arts as a catalyst in Leith

The Bongo Club;90,000 visitors annually to performance

Cockpit Arts is an example of a full-service incubator – still expanding – dedicated to creative industries in the mega-metropolis of London with history starting in 1993. It has an impressive performance and effects, documented by quantitative assessments:

Cockpit Arts (quantitative)
145 designer-makers resident. 13 different groups of creative and business. 165 resident designer-makers to grow their businesses and hundreds more through our dedicated professional development workshops.71% of firms at Cockpit Arts now have a formal business plan compared to approximately 13% in 2005.

Spinderihallerne is an example of a full-service incubator in the making – just officially established 2010 and quickly expanding – dedicated to all creative industries in the so-called 'micro polis' of Vejle (comparable to a borough) as well as the region with a history starting in mid nineties in squatting-like circumstances 1993. It has documented impressive performance and effects already as seen by external qualitative assessments. To the TWGI it has candidated as 1) a incubator as a whole dedicated to creative industries, 2) business advice to pre-start-ups, start-ups and early stage enterprises with half year courses and course-ware for pre-start-up entrepreneurship classes, professional advice for small-groups and one-to-one coaching (planned resumption 2011), 3) business development projects involving big industry and micro-businesses, 4) building professional knowledge sharing networks for all kinds of micro-businesses in co-operation with incubators all over Denmark.

Spinderihallerne (quantitative)
The number of residents is well beyond 40 small enterprises (room for 60) and 8 artists/craftspeople.
During 6 courses over three year approx. 70 pre-start-ups attended entrepreneurship classes, many of whom have their own small enterprise today and many of whom are residents in Spinderihallerne to this day.
60 small creative enterprises, 3 universities (School of Architecture, School of Design and South Denmark University) and 20 businesses from all kinds of industries participate in two development projects with a total turnover of 8 mio. €.2 lesser development projects (among those CG) are served as well, contributing to international and national networks.
Four events with internationally known speakers from the creative sector and the design industry pr. year with 30-40 participants at each event. Close co-operation with Lynfabrikken and Republikken – privately run incubators for creative entreprenuers.

Yearly, teen monthly incubator-advice panels provide one-to-one advice service to new start-ups and new entrepreneurs. The panel consist of lawyers, auditors, PR and media, insurance- and financiel advisors. They advice 4 creative entreneurs every month.

Spinderihallerne (qualitative)

External evaluations of pre-start-up entrepreneurship classes

Spinderhallerne lacks an 'access to finance' service.

CEEI Asturias and WE Tech Off represent examples of incubators with a range of targeted services. We Tech off is the only example in the data that operates purely as 'virtual'. They are not dedicated to creative industries, but with an ICT focus and the character of incoming applications these none-the-less constitute up to one third of their activity. They are mentioned here as examples of high level of coherence between incubation and micro-financial investment in technology-driven and innovative small enterprises.

CEEI (Qualitative)

CEEI Asturias states that from their point of view in order to promote the creation of creative companies and improve their competitiveness it is highly necessary that a greater role of the incubators as providers of supporting services is developed, emphasizing the role that the incubator is to play as a "bridge to finance".

Quantitative:

CEEI (Quantitative):

TOTAL FINANCING GENERATED 2006: 1.810.178 €

TOTAL FINANCING GENERATED 2007: 2.242.659 €

TOTAL FINANCING GENERATED 2008: 1.661.886 €

TOTAL FINANCING GENERATED 2009: 3.576.664 €

We Tech Off (Quantitative)

We Tech Off (September 2008 – January 2010) covering pre-incubation and incubation

Total number of applications: 79 projects presented by 248 applicants. Total number of projects selected: 49 projects presented by 154 applicants. Picked for advice and micro-financing up to 5 K €.

9.1.4 Societal effects

Societal effects are visible primarily as businesses performance. Research shows that small enterprises thrive in incubators and development parks. This effect could be measured based on standard definitions of SMEs in Europe and on the growth enterprise definition by OECD[20]. Please note that most small enterprises in the creative sector have 4 employees or less. Enterprises tend to leave incubators and parks when they reach 10 employees.

Relevant parameters could taken into consideration for enterprises located in incubators compared enterprises in the region as a whole

- Turn-over
- Growth in turn-over
- Growth in profits
- Growth in number of employees
- Start-up rate
- Survival rate

[20] E.g. High-Growth Enterprises: What Governments Can Do to Make a Difference. Centre for Entrepreneurship, SMEs and Local Development. 2010.

This could be complemented by socio-economic or anthropological qualitative surveys on the impacts of incubators on local communities and regional business clusters.

Cockpit Arts as example has been evaluated for its effects by of *UK Business Incubation:*

> *Cockpit Arts (quantitative)*
>
> *According to research by UK Business Incubation, on average, 98.7% of businesses working with an incubator succeed, with 87% still operating after five years. In contrast, less than half of all businesses nationally will achieve long-term success.*

In 2008, Cockpit designer-makers with almost double the amount reporting profits of up to £10,000 and £20,000 as compared to 2005 figures.

> *In 2009, our makers reported an average 158% increase in profit.*

The Danish government agency The Business and Building Department (EBST) had the performance and effect of Danish development parks/incubators evaluated in 2008:

> *Danish development parks/incubators (quantitative)*
> *In the group of small enterprises with growth (1 – 10 employees, min. 14 K€ turn-over pr. year and growing during the last four years) you are likely to find that app. 33 % of those with over-average growth and over-average survival rates for entrepreneurs in the Danish development parks and incubators. In total app. 24 % of the total population of small enterprises are enterprises with over average growth. Surveys of survival rates of entrepreneurs indicate that – after 6 years – 30 % are still alive as a national average. But the survival rate of those who have accepted professional advice from BICs or private consultancy is notable higher – about 50 %. If they, on top of this, have started up in an incubator, indications are that the survival rate is even higher than 50 %.*

Spinderihallerne was in its establishing phase evaluated by the Danish Ministry of Social Affairs on the basis of its community work, its pre-start-up courses and its preliminary incubation facilities, where the incubator was seen as part of an active urban planning and renewal scheme in order to strengthen the local community and connect it with future growth businesses and cultural traits on all regionally, nationally and internationally:

> *Spinderihallerne (qualitative)*
> *In the western part of Vejle city centre, with the transformation and renewal of the 100 year old spinning mill (Spinderihallerne), the aim is that housing should be attractive for youth, students and the creatives. The dwellings in this area shall signal a creative urban environment. The architecture, materials and mix with other urban functions are to give Vejle a new city experience. By developing new housing projects in this area a more colorful, diverse and interesting urban environment will take advantage of the existing buildings. Schools and colleges in the municipality are working to stimulate entrepreneurship in the entire city. The cultural work is to create a city characterized by cultural diversity. It does this by supporting artists and cultural environments, including underground culture and experimental artists in the style of other entreprenuers. Efforts to create a diversity of experiences and new urban spaces, urban environments, all of which contribute to more life and creativity. In the process used artists from the outset.*
>
> *The development of an innovative business incubator, combining support for the art form with business facilities and advice, has stimulated both the enterprises that rent premises and the wider business community. This culture and business centre has contributed to social and cultural development and to the quality of life in Vejle and its region. In this respect it is helping to modernise the wider regional economy, introducing new business*

models, innovative business development and new ways of working and promoting the broader development of the knowledge economy across the region, not least through its networking with the region's institutes of higher education – Design School in Kolding, South Denmark University, and the School of Architecture in Aarhus (placed in region of middle Denmark).

Spinderihallerne exemplifies a bottom-up approach that builds on the capacity to exploit creative potential. The local authority has provided a clear strategy that involves a political focus, cultural agenda as well as an investment in tourism facilities. It also active promotes of innovation and creativity though a dedicated centre for culture and business for creative and design related businesses, with an incubator and a support centre for creativity and innovation. Such a clear strategy is critical in generating the momentum and excitement that characterizes the successful development of an economic policy focus/strategy and wish to promote the knowledge economy.

10 Recommendations

This chapter contains the Creative Growth Thematic Working Group on Incubators' (TWGI) recommendations – based on its findings in three work-shops, individual desk-research, telephone conferences and finally a web-based survey, harvesting examples of good incubator practices from all over Europe – not only from the partners' own regions. This survey created a huge mass of empirical data. This mass is now available for the incubator's community due to this report. We emphasize the services, methods and performance rendering in order to suggest a set of key indicators (KPI) that will allow on-going and planned incubators to benchmark their performance. Benchmarking societal effects is a much more complicated exercise from which this TWGI decided to abstain from allthough it has had some consideration about indicators.

Besides the actual findings of the TWGI – pointing at the policy-making context – they may be used by partners and other interested parties as operational inspiration, cook-book and check-list in order to establish a diversified compliance with the local/regional/national legislative framework for business support structures and mechanisms. On the services level a diversity of appellations may occur. But if one – as we did in our TWG sessions – will have a look at them at a structural level they appear very similar. They may vary in their range and mix of services. A few incubators candidates for a full-service range, dedicated to creative industries.

To complete recommendations we will have a look upon special environmental conditions for incubators dedicated to creative industries. Our empirical data tend to point out that physical assets and classical business development methods and tools ought not stand alone. Social networks, creative environments and the vague definition of 'atmosphere' matters. However this seems to be an anthropological approach. This was not he task of this TWG.

Amongst other excluded topics the questions about 'private vs. public' and 'metropolis vs. Region' are only touched upon. This TWG recommends anyway that these topics should be pursued: 1) Dynamics of privately managed incubators for creative industries as opposed to publicly managed incubators and 2) Balance between metropolises and regional initiatives. This TWG knows about 'Creative Metropoles' (a parallel INTERREG project), but has established no formal connection.

Looking back on case studies collected and presented and during the lifetime of this TWG it has decided on a few recommendation. As a tool for growth in micro-businesses regions ought to:

- Bet on incubators in general. Entrepreneurs who establish themselves in incubators lives longer than average and have an average growth larger than average.
- Use incubators as a mean to promote entrepreneurship. Creative and dedicated business incubators can supplement the support that helps the entrepreneurs to move their businesses further, through results, inspiring ideas, excitement, motivation and enthusiasm.
- Bet especially on dedicated incubators – depending on regional specialization – if such clusters or pre-clusters exist. Incubators dedicated to the creative industries contribute to the growth in creative clusters and might help pre-clusters to emerge. It

is unlikely that stand-alone incubators for creative entrepreneurs in themselves may create creative clusters.

- Study in more detail some of the better performing incubators for creative entrepreneurs, possibly some of the ones presented by the members of this TWG, in order to identify the interaction between artistic and entrepreneurial environments, their facilitating management and promotion of social and professional networks an correlate these factors to economic growth.
- Some of the cases represented in this report show that creative incubators are found to be effective development vehicles, and can generate other business spin-offs. It can stimulate creativity and drive improvement in the wider business community and lead to innovation elsewhere in the economy.

On the interregional level interregional, national and/or EU-bodies ought to:

- Carry out socio-economic drill-down – taking into consideration anthropological methods - in order to prepare political frameworks for incubators in general and specialized incubators in particular on an EU-level, taking into account the diversity of individual back-grounds an preferences, types of industry and entrepreneurship and regional or national conditions.
- Develop a set of quantitative and qualitative standards of reference for description and measuring of characteristics, business performance and societal effects and impacts.

Their performance could be measured by a set of key indicators (KPI). The TWG proposes the following performance indicators:

- <u>Potential:</u> Size in sq.metre total space for rent. Total space for common use. Occupancy rate. Service range (see Mind-Map page 8). Is there a waiting list?
- <u>Resident enterprises</u>: Percentage belonging to creative sector. Actual number. How many in – how many out pr. year. Actual number of work places. How many in – how many out pr. year.
- <u>Business development advice:</u> To what categories (pre-start-ups, start-ups, early stage enterprises, students, researchers). How many each year.
- <u>Business development projects:</u> How many on-going. How many in pipe-line. Involving how many small, creative enterprises. How many involving businesses in general.
- <u>Business networks:</u> How many networks are served. How many events pr. year. With how many participants.
- <u>Access to finance:</u> Number of grants, loans and investments that are negotiated to an agreement. Amount of € for each category. How many positive financial exits pr. year.
- <u>Relations:</u> Number and character (incubator, financial body, research centre, university) regionally, nationally and internationally.

Their societal effects are visible primarily as businesses performance.

Relevant parameters that could be taken into consideration for enterprises located in incubators compared to enterprises in the region as a whole:

- Turn-over
- Growth in turn-over
- Growth in profits
- Growth in number of employees
- Start-up rate
- Survival rate

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Annexes

A. Group member's overview

1st meeting in Bruxelles, dec. 2nd and 3rd 2009

Majbritt Chambers, SPINDERIHALLERNE, Syddanmark (group leader)
Maria Börjesson, Östsam Regional Development Council, Entrepreneur, Östergötland
Márta Fábian, Észak-Alföld Regional Development Agency
Cristina Fanjul, Business and Innovation Centre of Asturias (CEEI), Asturias
Per Hein, Slagteriet – Udviklingspark Vejle, Syddanmark
David Lockhard, Scottish Music Centre Glasgow, Scotland (Napier)
Silvia Nardella, ASTER (We Tech Off), Emilia-Romagna
Ina Pukelyte, Vytautas Magnus University, Kaunas
Knud Erik Serup, SPINDERIHALLERNE (supp. by iterna knoware), Syddanmark

2nd meeting in Oviedo, Asturias, March 9th 2010

Majbritt Chambers, SPINDERIHALLERNE, Syddanmark (group leader)
Lisa Bergman, Regional Council of Southern Småland, Södra Småland
Maria Börjesson, Östsam Regional Development Council, Entrepreneur, Östergötland
Márta Fábian, Észak-Alföld Regional Development Agency
Cristina Fanjul, Business and Innovation Centre of Asturias (CEEI), Asturias
Per Hein, Slagteriet – Udviklingspark Vejle, Syddanmark
David Lockhard, Scottish Music Centre Glasgow, Scotland (Napier)
Silvia Nardella, ASTER (We Tech Off), Emilia-Romagna
Ina Pukelyte, Vytautas Magnus University, Kaunas
Knud Erik Serup, SPINDERIHALLERNE (supp. by iterna knoware), Syddanmark
Eva Lundgren-Stenbom, Östsam Regional Development Council, Entrepreneur, Östergötland
Soqui Bruces, Business and Innovation Centre of Asturias (CEEI Asturias), Asturias

3rd meeting in Vejle, Denmark, June 22nd and 23rd 2010

Majbritt Chambers, SPINDERIHALLERNE, Syddanmark
Lisa Bergman, Regional Council of Southern Småland, Södra Småland
Maria Börjesson, Östsam Regional Development Council, Entrepreneur, Östergötland
Cristina Fanjul, Business and Innovation Centre of Asturias (CEEI), Asturias
Per Hein, Slagteriet – Udviklingspark Vejle, Syddanmark
David Lockhart, Scottish Music Centre Glasgow, Scotland (Napier)
Iyke Ikegwuonu Edinburgh City Council
Silvia Nardella, ASTER (We Tech Off), Emilia-Romagna
Knud Erik Serup, SPINDERIHALLERNE (support by iterna knoware), Syddanmark
Daiva Murienė, Kaunas County Governor's Administration
Eva Lundgren-Stenbom, Östsam Regional Development Council, Entrepreneur, Östergötland (part-time)
Szabó Lajos Észak-Alföld Regional Development Agency (part time – replacement for Marta Fabian)

B. TWG meeting sessions

1st meeting in Bruxelles, Dec. 2nd 2009

- 14.00-14.30 Welcome and presentations by participants
- 15.00-16.00
  - Expectations and introduction to the theme
  - Aims of today and tomorrow
  - Participant’s expectations
  - Presentation of Denmark and its incubators
- 16.00-17.00
  - EU Policies and regional policies

1st meeting in Bruxelles, Dec. 3rd 2009

- 9.15-10.15
  - What defines an incubator?
  - What conditions/resources are necessary?
- 10.30-11.00
  - The needs of the creative companies
- 11.00-12-00 Conclusions – Aims achieved

2nd meeting in Oviedo, Asturias, March 9th 2010

- 11.15-13.15
  - Welcome and presentations by participants
  - Achievements/Findings from 1st meeting Dec. 2009
  - Discuss the guide ‘Steps to developing a best practice Incubator’
- 14.15-16.15
  - Evaluate cases of good and best Incubator practice
  - Compare cases with the guide
  - Draft our own Best Practice Incubator for Creative Industries
- 16.15-16.35 Conclusions – Aims achieved

3rd meeting in Vejle, Denmark, June 22nd 2010

- 8.15 Welcome by Anna Jacobson and Majbritt Chambers
- 8.30 - Welcome to the Incubator group. Presentation of new participants around the table. Agenda for the TWG meeting. Define expectations and aims of our 3rd TWG meeting. Talk about draft report
- 9.15 - Study Tour- Bus transfer to Kolding (30 minutes south of Vejle), Visit to 'House of Design' and 'Idea House Design Incubator'.
- 10.00 – 1) Presentation and tour of House of Design by Ulrik Jungersen, Head of House of Design, 2) Heidi Kunst project manager, Idea House Design Incubator will show us their facilities within House of Design and talk about their work with new design companies.
- 12.00 – 14.30 Individual presentations of your chosen incubator examples continued. After each presentation we will talk about the example before the next one is presented.
- 14.30 - Talk about and discuss 'performance' and 'effects' of an incubator
- 15.15 -Talk about and discuss 'practices' and 'criterias'; 1) what is a practice , 2) what makes a good practice 3) what makes a best practice
- 16.30 - Conclusions – Aims achieved

3rd meeting in Vejle, Denmark, June 23rd 2010

- 8.15-9.30
  - Presentation of practices
  - Did we archive the aims set out yesterday?
  - Timetable and deadline for finishing the report
  - Filling out the online web questionnaire: Step-by-Step