



Country Profile for Slovakia

Identification of Existing State of Business Incubation

SUPER – Start-Up Promotion for Entrepreneurial Resilience
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Executive Summary and Main Findings

Key facts:

- In Slovakia, first incubators started appearing in early 2000s, other incubators arose in the next waves, depending on funding sources availability.
- Co-working and accelerator spaces naturally appeared following the start-up scene boom that started few years ago. Co-workings appeared around 2012, accelerators around 2014.
- In most cases there is poor connection between existing infrastructure of older-generation business incubators and HEIs (except of university incubators, the remaining incubators were not designed to be connected with universities).
- Strongest start-up support scene can be definitely found in Bratislava (5 incubators, 10 co-workings, 5 accelerators).

Key figures:

- 27 business incubators in Slovakia, 4 of them located at universities
- 28 co-working spaces (3 as part of incubators, 2 as part of accelerators), 11 of them located in Bratislava
- 5 accelerators, all of them located in Bratislava
- 7 university science parks, all declare support to technology transfer through start-ups and spin-offs, 4 have business incubators



Start-up Eco-system

Timeline:

- Pre-2000: business and innovation centres (BICs) providing office spaces and some support to SMEs
- Early 2000s: First wave of incubators (PHARE, state)
- 2005-2007: Second wave of incubators (cross-boarder cooperation - CBC, state, EU funds)
- 2011-2015: Third wave of incubators (CBC)
- 2012: Rise of co-working scene
- 2014: Rise of accelerators
- 2015: University science parks and research centres (EU funds)

Mapping business incubators:

Business incubators have been created in several waves, starting in early 2000s (see the timeline above). Since they require initial infrastructure investment and provide, by definition, office space and support services to incubated companies at reduced cost, their founding was dependent on available sources of finance. These resources used to start business incubators were (almost exclusively) the EU pre-entry funds, government national programs, cross-border cooperation funds (supported by EU), and later the EU structural funds.

Most of the incubators initiated and funded in cross-border cooperation schemes were created in small towns or even villages. Connection with the remaining ecosystem and scope of available services (besides providing office space and meeting rooms) is thus questionable. On the other hand, since these incubators are located close to the border and were mostly built in pairs with cross-border partners, there is an increased potential for internationalization of the incubated businesses.

In some cases, the potential of the available office space is not sufficiently used by innovative young companies. In some incubators (especially in smaller towns and villages), the non-incubated companies prevail over the incubated tenants. Moreover, they mostly run replicative micro-businesses with little or no innovation. In extreme cases, part of offices in incubator buildings is used by government or municipality organizations.

As for the services provided by business incubators, they obviously provide office space, utilities and communication services, access to meeting rooms and office equipment. Also, almost all incubators provide basic advisory on starting and running a business (legal issues, etc.). However, business incubators network, especially in case of incubators located in smaller towns or villages, generally lacks in ability to provide sophisticated business development services. Only three of the operating incubators (except of those in USPs that have not started full operations yet) provide systematic mentoring schemes, only three of them



provide technology transfer and IP advisory, and six of them provide connections or access to sources of financing (investors etc.).

Summing up, the existing network of business incubators in the country, despite its size and spread over the regions, still don't meet its full potential in support of entrepreneurial activities. Particularly, incubators lack in ability to provide comprehensive expert services, efficient forms of business support and access to financing options. Moreover, sometimes the existing office space capacity is (mis)used by non-incubated replicative businesses with little/no innovation and growth potential. Finally, except of university incubators, there is a weak connection of incubator network to HEIs. Frequently, incubators lack also in building partnerships and networking with different types of partners, including regional governments, municipalities, NGOs, private sector, investors, professional associations etc.

Mapping accelerators:

Business accelerators in Slovakia appeared around 2014 as a reaction to growing start-up ecosystem. There are altogether 5 accelerators, all of them are located in Bratislava. Four of the accelerators are financed by private investors (successful serial or veteran entrepreneurs/business angels/venture capitalists), out of that in one case the main investor is from abroad. One accelerator (Booster by The Spot) is a part of CEE accelerator network co-funded by the EU funds, but it is also backed with private funds. Thus, by definition, there is direct link between start-ups and investors, and accelerators mainly provide pre-seed funding. Also, all accelerators provide intense business development support in terms of mentoring, training, consulting, partner search and networking. Of course, office space, equipment and meeting rooms are a must.

So far, according to information available on their website, Slovak accelerators have supported more than 30 start-ups.

Mapping co-workings:

Co-working spaces started to appear around 2012. Today, there are 28 co-working spaces in Slovakia. Most of co-working spaces are privately-owned and run by private companies or NGOs, usually with no public support. Only two co-workings are attached to universities (VTP Zilina, Trencin). Most of the co-workings are open to anyone, however some of them select members based on application and selection process. As for the support services, co-workings provide (by definition) mainly workplaces/offices, meeting rooms and office equipment, and usually also chill-out and networking area. More than half of them, especially larger and open co-workings, regularly organize different educational and networking events. Only 7 co-workings (large co-workings/co-working attached to accelerators in Bratislava, Kosice and Banska Bystrica) provide mentoring schemes to their members.

Geography of Start-up Eco-system

Business incubators:

The network of business incubators in Slovakia is spread not only among large cities, but also in smaller towns or even villages. Namely, 9 incubators can be found in main cities (regional centres), 13 of them are located in smaller towns, and 5 of them in villages. As for regional distribution, 9 incubators can be found in Kosice region, both Bratislava and Trnava region have 5 of them, 3 are located in Zilina region, 2 in Trencin and Banska Bystrica regions, 1 in Presov region and 0 in Nitra region.



Accelerators:

There are altogether 5 accelerators, all of them are located in Bratislava.

Co-workings:

Today, there are 28 co-working spaces in Slovakia. Most of them can be found in large cities (half of them in Bratislava and Kosice). In fact, only four co-workings are located outside the eight main cities (regional centres) in Slovakia. Only two co-workings are attached to universities (VTP Zilina, Trencin).

HEI Eco-system

- Only 4 HEIs (out of total 41 HEIs in the country) have their own incubators.
- Strongest university incubation/start-up/spin-off support environments are naturally organized around technical universities - they have traditionally strongest and most direct linkage/tech transfer to business practice - e.g. TU Bratislava, TU Kosice, University in Zilina.
- Some universities run start-up initiatives or projects (e.g. elective courses, events, challenges, extra-curricular activities, student start-up centres etc.) in cooperation with existing ecosystem players (entrepreneurs, mentors, service providers and other members of start-up community). However, these can be found almost exclusively on technical schools and business/economics schools. They are very rare on natural sciences, humanities or fine/performing arts schools.
- No incubators or similar support bodies can be found on fine/performing arts schools, implying poor support for creative industry.
- No incubators (and only one start-up centre) can be found on private universities, which underlines their main focus on educational process.
- Year 2015 brought opening of 14 new university science parks and research centres, with majority of them declaring support to knowledge transfer through start-ups and spin-offs. However, institutionalized incubator can be found only in 4 of them (all of them are recently starting their operations).
- University science parks with strongest start-up/spin-off/incubation support build on previous tradition of similar service infrastructure (previous existence of incubators, start-up centres/programmes).

No. of universities (& no. of students): 39: 20 public, 3 state, 13 private and 6 foreign (175 tsd.)

No. of universities with incubator / accelerator: 4

No. of universities with university science park: 7



References and Further Reading

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