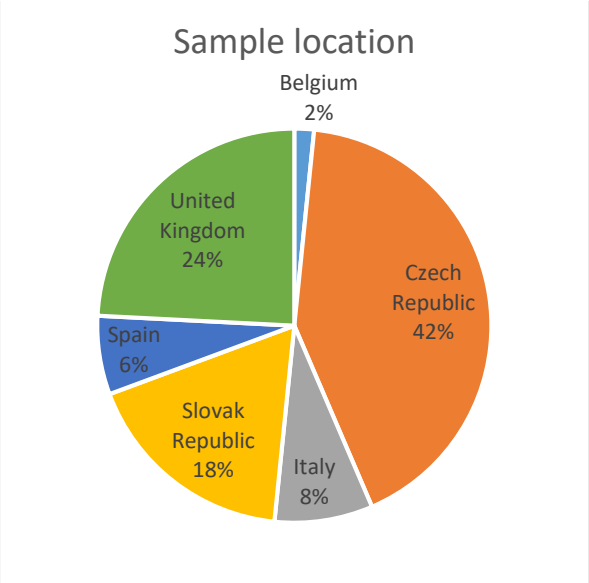
SUPER Survey Report

Between June and September 2016, we surveyed 62 incubators and accelerators across 6 countries: Belgium, Czech Republic, Italy, Slovak Republic, Spain and the United Kingdom (see Table 1 for number of respondents in each country). We developed an online survey and contacted incubator managers asking them to complete the survey. The sampling procedures differed across countries as there are no comparable lists of all incubators in each country and in most cases no lists at all which made it impossible to ensure representative sampling. As the Czech Republic and the Slovak Republic are small countries where incubation has just taken off over the last few years, we have managed to develop our own lists of incubators and get a large proportion of incubators that exist to respond to the survey. In contrast, we did not have the resources to collect a comprehensive list of incubators in Belgium, Italy, Spain and the United Kingdom as are larger countries with more developed incubation practices where the number of incubators numbers the hundreds. Indeed a survey conducted after ours has counted around 750 organisations involved in incubation or acceleration activity in the UK. Instead, we relied on established networks of incubators and entrepreneurship education to recruit participants and in the case of the UK we focused purely on university incubators.

Table 1: Location of respondents

Country	Number of respondents
Belgium	1
Czech Republic	26
Italy	5
Slovak Republic	11
Spain	4
United Kingdom	15
Grand Total	**62**

Figure 1: Location of Respondents



Founders

Just over half of the sample (n=33) are university incubators. See Table 2 for spread of university versus non-university incubators across countries. We cannot say anything about the prevalence of university based incubators over other types as through our sampling we were aimed primarily to reach university based incubators in Belgium, Italy, Spain and the UK, whereas in the Czech Republic and Slovakia we aimed to sample non-university based incubators as well.

Table 2: University versus non-university incubators by country

Country	university incubators	non-university incubators
Belgium	1	0
Czech Republic	7	19
Italy	4	1
Slovak Republic	3	8
Spain	3	1
United Kingdom	15	0
Total	**33**	**29**

Focusing on university incubators only, a number have opened their incubator in cooperation with other organisations. 4 have corporate founding partners, 1 has a private founding partner and 8 have government agencies as founding partners, with the overwhelming majority being city or regional government agencies rather than national governments (8 versus 1). There are also a variety of other organisations that have joined with universities to found incubators, including individuals, a chamber of commerce, a bank and a church organisation.

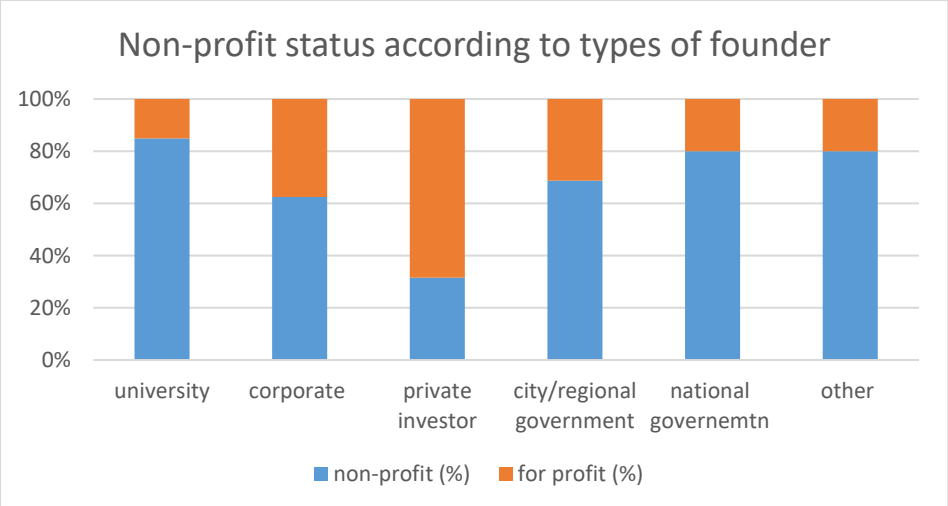
Table 3: Other founding partners of the university incubators in our sample

	Private sector		Government agencies			
Country	**Corporates**	**private investors**	**City / regional**	**national**	**other**	**No. of university incubators**
Central Europe	0	0	3	0	2	10
Northern Europe	1	0	3	0	0	16
Southern Europe	3	1	2	1	2	7
Grand Total	**4**	**1**	**8**	**1**	**4**	**33**

For profit or not-for profit status

Just under a third of organisations that responded to the survey are run on a for-profit (21 of the 62). Organisations which are founded by or with universities are least likely to be run on a for-profit basis: 4 out of 31 or 15% are for profits. In contrast, those organisations founded by or with private investors are highly likely to be run on a for-profit basis, 68% are for-profit organisations.

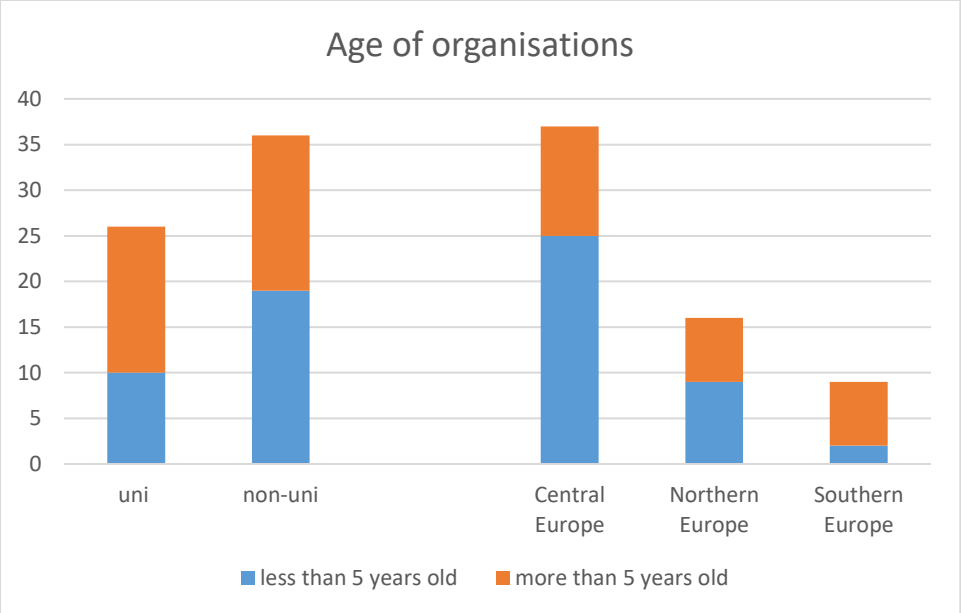
Figure 2



Age

The organisations in our sample range in age from those which have only just been set up in 2016 to those who have been in existence for 31 years. The mean organisation has been running for 6.9 years, but this age is slightly skewed by a few organisations which have been in existence for several decades. The median age of the organisations in our sample is 5 years. Many of the organisations in our sample are still relatively young as it takes a number of years to establish an incubator especially if aiming to generate a profit. We take 5 years as an approximate cut-off point for distinguishing between new and established organisations following the UKBI (2009). Given this cut-off point, more than half of our sample (36 organisations) has been established for less than 5 years. 26 organisations have been established for 5 or more years, 14 of these being established for more than 10 years. In our sample, university incubators are more likely to have been established for more than 5 years compared to non-university incubators (see chart below). Additionally, if we look at the differences across regions we see that organisations in Central Europe are more likely to be under 5 years old. Indeed, there are many in our sample from the Czech Republic and Slovakia which have been set up in the last 2 years. This is not surprising because as the country profiles in the SUPER project indicate, incubation is less established in these countries. In contrast, there is more of a balance between mature and new organisations in Northern Europe (UK and Belgium) and in Southern Europe (Spain and Italy), we have more established organisations than new ones. In both these regions, incubation is further developed. However, whilst our sample of Central Europe covers most organisations involved in incubation in this region and thus probably is reasonably representative, it is important to remember, that our sample is not likely to be representative of organisations involved in incubation in Northern Europe and Southern Europe.

Figure 3



Goals

Incubators may be set up for very different purposes. We asked respondents to indicate the top three goals of their incubator giving a list of 10 defined options (see Table X below) and also the option of indicating goals that we may not have accounted for (the option "other"). Half of the incubators indicated that one of the top 3 goals of their incubator was "to develop a regional ecosystem supporting early ventures and/or to enable people to start their business in the region". The second most frequent top 3 goal is "to select and support scalable high-growth ventures" with 45% of the

sample choosing this option. There is little different between the proportion of university and non-university incubators choosing these two goals. There is some overlap in incubators that have these two goals. Out of the 62 incubators sampled, 11 incubators (18%) indicate that both of these are part of their top 3 goals and a third of incubators who indicate that a main goal is to develop a regional entrepreneurship eco-system are also aiming to select and support scalable high-growth ventures.

Table 4: Top 3 goals of incubators

Top 3 goals of incubator	**All incubators** (n=60)		**University incubators (n==33)**		**Non-university incubators (n=29)**	
	n	**%**	**n**	**%**	**n**	**%**
To develop a regional ecosystem supporting early ventures and/or to enable people to start their business in the region.	31	50%	17	52%	14	48%
To select and support scalable high-growth ventures	28	45%	15	45%	13	45%
To help students realize their business ideas.	26	42%	18	55%	8	28%
To support regional development and job creation	20	32%	9	27%	11	38%
To support social entrepreneurship	11	18%	7	21%	4	14%
To support commercialization of knowledge and technologies developed at the university.	10	16%	8	24%	2	7%
To match start-ups to corporates who will have interest in their skills /resources/ technologies	8	13%	2	6%	6	21%
To support the development of specific sectors.	7	11%	5	15%	2	7%
To provide students with practical experience which develops life and career skills	7	11%	4	12%	3	10%
Other	6	10%	2	6%	4	14%
To help disadvantaged communities / individuals with projects	4	6%	1	3%	3	10%

The third most frequent choice of a top 3 goal is to help students realize their business idea (42%). Unsurprisingly, this is a much more common top goal for university incubators (55% have this a top 3 goal) compared to non-university incubators (28%). We see similar disparities between the goals of university and non-university incubators when it comes to supporting the commercialisation of knowledge and technologies developed at the university (24% university incubators, 7% non-university incubators). Although interestingly, roughly an equal number of university and non-university incubators indicate that one of their goals is to help students gain practical experiences that can help them to develop life and career skills.

If we turn to analyse the goals of university incubators only, we find that the majority of university incubators are focused on supporting students (55% of university incubators have this as a top 3 main goal) rather than supporting the commercialisation of knowledge and technologies developed at the university (only 28% of university incubators have this as a top 3 goal).

We analysed how these different goals cluster together and if we can see patterns in our data. We can see that there are organisations who have goals focused in one particular area. In the table below, we label these "pure types" and we identify 4 pure types: organisations focused on regional development, supporting high growth ventures, supporting the development of entrepreneurship within the university, supporting the development of entrepreneurship and enterprise capabilities in students and those focused on social enterprise. Then there are other organisations which have more diverse objectives – our hybrid types – which combine a number of these goals. They hybrids may also aim to encourage the development of a particular sector or enable corporate match-making whereby start-ups are linked to large established companies.

Table 5: Goals of pure-type incubators

PURE TYPES of INCUBATORS	
Regional development	• To support regional development and job creation • To develop a regional ecosystem supporting early ventures and/or to enable people to start their business in the region.
High growth	• To select and support scalable high-growth ventures
University focused	• To support commercialization of knowledge and technologies developed at the university • To help students realize their business ideas OR To provide students with practical experience which develops life and career skills
Student focused	• To help students realize their business ideas • To provide students with practical experience which develops life and career skills
Social entrepreneurship	• To support social entrepreneurship • To help disadvantaged communities / individuals with projects

University incubators: who do they serve?

We asked university incubators who they targeted as incubates. Results show that most university incubators serve a range of groups – students, staff as well as individuals and firms external to the university. Almost all of our university incubators aim to help students with starting up businesses (31 out of 33 incubators surveyed), of the two that don't support students, one incubator was still in the process of being set up and the other one served external clients only.

Table 6: Types of clients served by university incubators

	University incubator clients			No. of
Country	**students**	**staff**	**external clients**	**incubators**
Belgium	1	1	1	1
Czech Republic	7	6	7	7
Italy	4	1	3	4
Slovak Republic	2	2	2	3
Spain	2	2	3	3
United Kingdom	15	9	10	15
Grand Total	**31**	**21**	**26**	**33**

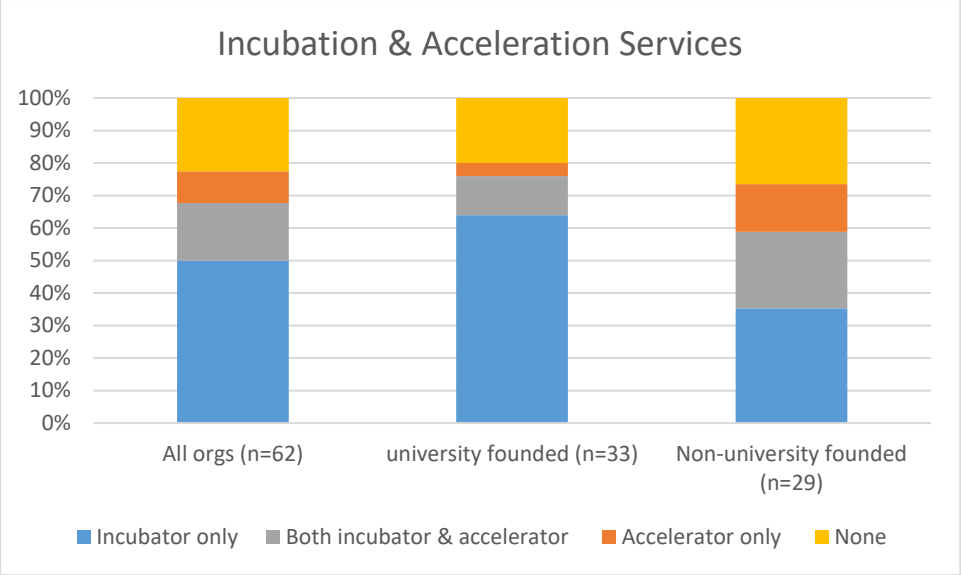
Services

We asked respondents to tell us about the services they provide to their clients. One of the problems with investigating incubation and acceleration as there are the terminology is not used consistently across the sector. For example, some organisations may call themselves incubators yet actually provide what others would call acceleration services. To ensure consistency and that we are treating similar services provision the same regardless of the label, we provided our own definition. We defined incubation as "a programme to **help venture creation** through the **provision of a range of services and assistance**" and acceleration as "a programme to help to **compress the timescales** of venture creation through an **intensive** programme of **limited duration** which provides **a range of services and assistance**." The key distinction between incubation and acceleration being that later tries to accelerate the process of venture creation through more intensive programmes which have a clear end date. Incubation is more open ended, less intense and with no clear end dates.

Table 7: Services provided by incubators

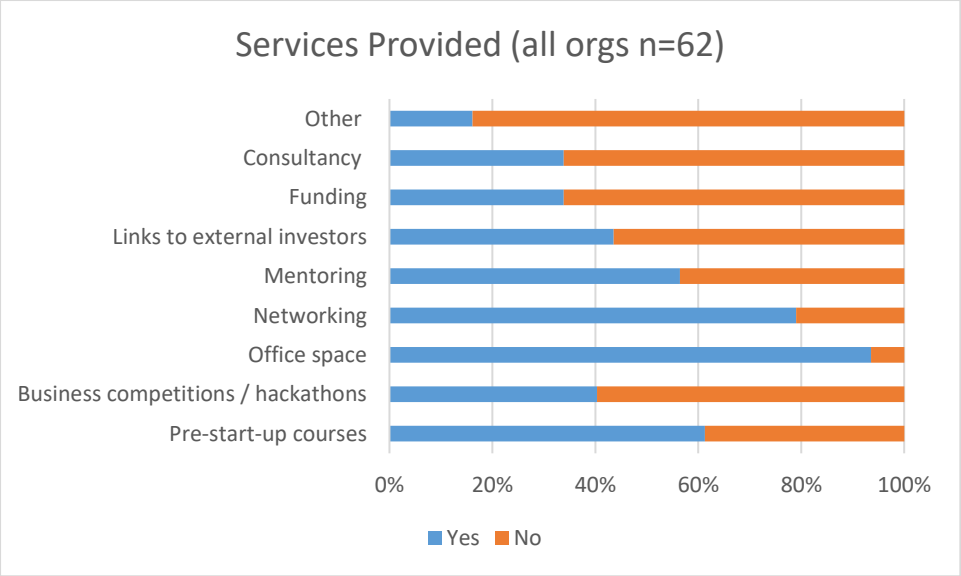
Service provided	All incubators (n=62)	University incubators (n=33)	Non-university incubators (n=29)
Incubator only	**31**	**19**	**12**
	50%	45%	41%
Accelerator only	**6**	**1**	**5**
	10%	3%	17%
Both incubator & accelerator	**11**	**8**	**3**
	18%	24%	10%
Neither incubator nor accelerator	**14**	**5**	**9**
	22%	15%	31%
Pre-start-up courses	**38**	**24**	**14**
	61%	72%	48%
Business competitions / hackathons	**25**	**17**	**8**
	40%	51%	28%
Office space	**58**	**29**	**29**
	94%	88%	100%
Networking	**49**	**28**	**21**
	79%	85%	72%
Mentoring	**35**	**19**	**16**
	56%	58%	55%
Links to external investors	**27**	**14**	**13**
	44%	42%	45%
Funding	**21**	**9**	**12**
	34%	27%	41%
Consultancy	**21**	**8**	**13**
	34%	24%	45%
Other	**10**	**7**	**3**
	16%	21%	10%

Figure 4: Provision of incubation and acceleration servcies



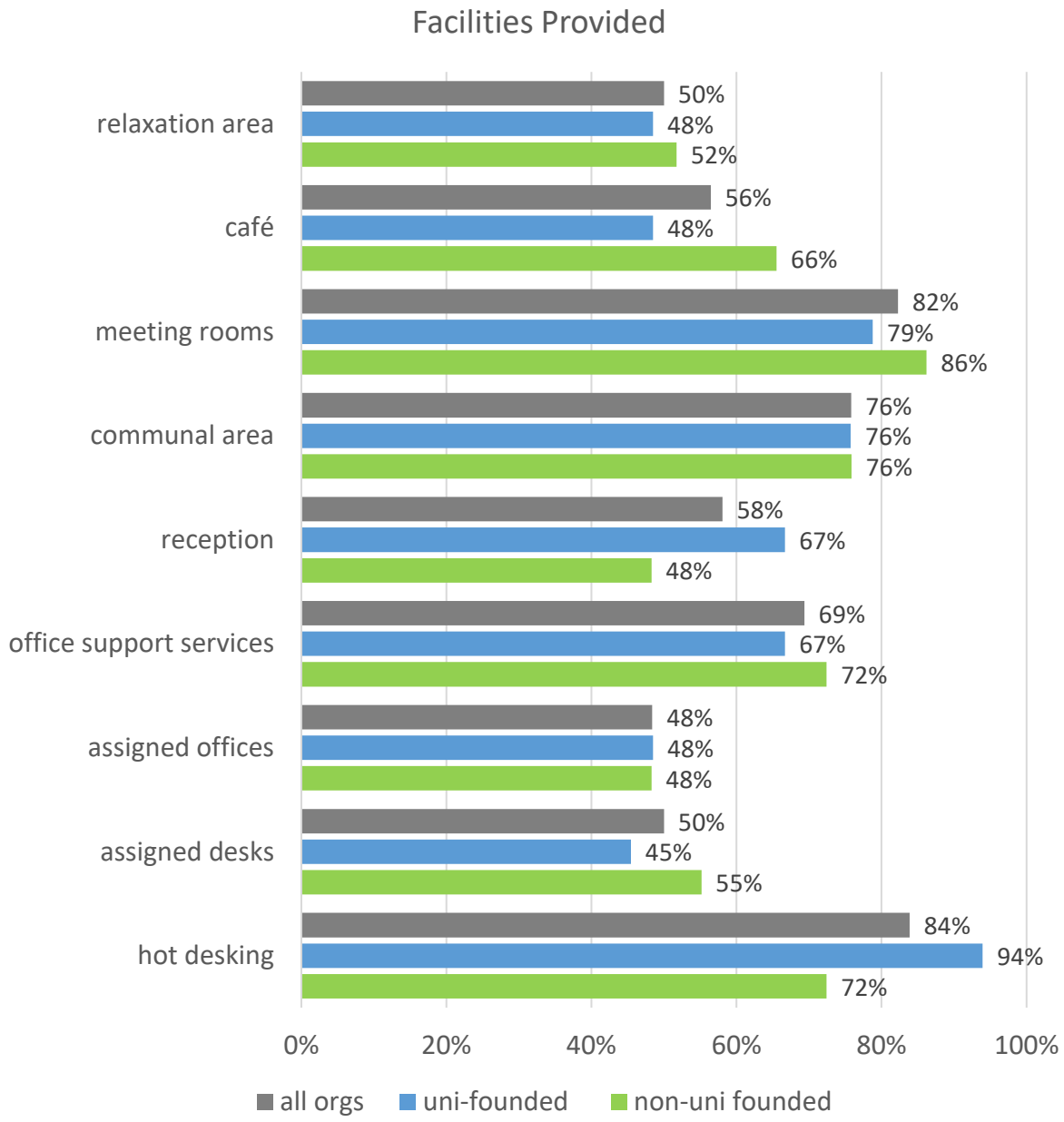
78% of the sample state that they are providing some form of incubation or acceleration services (see Figure 4 above and Table 7 above). 50% provide only incubator services, 10% only acceleration and 18% say that they run both incubation and acceleration. Non-university organisations are more likely to provide only accelerator programmes (17% compared to 3%), but universities organisations are more likely to provide both incubation and acceleration services together (24% to 10%).

Figure 5: Services provided by incubators



The majority of organisations (61%) also provide pre-start-up courses which we defined as "a course intended to help develop entrepreneurial thinking in potential entrepreneurs, with or without an intention to start a business" (see Figure 5 above). These courses seem to be quite standard amongst university organisations with 72% stating that they provide them whereas fewer non-university organisations provide those (48%) (see Table 7 above). Given many university organisations aim develop students' entrepreneurial intentions, this disparity is not surprising. 40% of the sample also run business competitions or hackathons with again university founded organisations being more likely to run these than non-university organisations (51% versus 28%). The most common service

provided by the organisations surveyed is the provision of office space to individuals/new ventures. 94% of the sample provide office space. All non-university founded organisations provide office space where as 12% of university founded organisations do not. Only four organisations do not provide any kind of desk or office space for their clients. These are all found in the Czech Republic and 3 of these are non-university founded.



To what extent are the services provided by university incubators linked into the university?

University incubators may be linked into the university to different degrees. Some maybe very integrated, making full use of the research knowledge available and fully integrated into teaching and learning activities, however in our sample this is quite rare. Most university incubators seem to have ad-hoc relationships with academic staff both in terms of accessing research knowledge and linking in with teaching activities. The vast majority of university incubators report that they tap into academic research and knowledge sometimes, on a case-by-case basis (27 out 33), only 4 stated that they almost always make use of this resource. So it seems that most university incubators are not that closely

integrated with the research knowledge available within their university. Similarly, most university incubators state that they cooperate with some professors/faculty on specific classes/teaching projects/programmes but it happens on the initiative of individual professors (20 out of 32). 6 respondents report that the incubator is integrated in the curricula in a number of faculties and programmes, but only 2 respondents out of 32 report that their incubator is fully integrated. We defined full integration as the incubator being an important part of the entrepreneurship support system which is an integral part of teaching across the university with integration into teaching and learning activities which is structured on the basis of frameworks which define how, when and with whom engagement takes place. Thus, it seems that the university incubators in our sample are not making the most of their connections to universities.

Evaluation measures used

Evaluation is essential in order for incubators to measure their success in supporting entrepreneurs. However, there are many different measures which could be used to evaluate the success of incubation. This is partially because incubation is a complex process with many different outcomes but is also a result of organisations having different aims and goals in supporting start-ups. When looking at how these organisations evaluate themselves, the most frequent evaluation measure used is the number of individuals served with 50% of all organisations using this as one of their top 3 measures. Slightly more university incubators focus on this measure than non-university incubators (55% compared to 45%). With the other top 3 measures, there is a clear split between university and non-university incubators (see Table 8 below).

Table 8: Most frequent top 3 evaluation measures used

Most frequent top 3 evaluation measures for university incubators	Most frequent top 3 evaluation measures for non-university incubators
• No of individuals served (55%) • No of firms created (42%) • No of firms graduating from the programme (30%)	• No of individuals served (45%) • Organisation's financial performance (45%) • Occupancy rates (34%)

For university incubators the next most frequent evaluation measures cited are the number of firms created (42%) and the number of firms graduating from the programme (30%). In contrast for non-university incubators it is the financial performance of their organisation (45%) and occupancy rates (34%). These two measures of success for non-university incubators can be linked to the fact that many of these organisations are concerned with making a profit.

This is not a surprising finding as incubators supported by universities are often not required to be self-sustaining and may rely on subsidy by the university or for applying for grants such as from European Regional Development Funds. In contrast, non-university incubators often do not have a large organisation behind them to support them financially and thus need to be self-sustaining. Indeed, 18 of the non-university organisations are founded with private investors and 13 of these are for-profit organisations.

Table 9: 3 most important evaluation measures used by organisations surveyed. Red boxes are the top 3 most frequently chosen measures for each sample.

3 most important evaluation measures	All incubators		University incubators		Non-university incubators	
	n=62	%	n=33	%	n=29	%
number of individuals served	31	50%	18	55%	13	45%
annual business turnover of tenants/ graduate firms	9	15%	6	18%	3	10%
number of patent applications per firm	1	2%	0	0%	1	3%
number of firms created	17	27%	14	42%	3	10%
number of firms hosted	13	21%	7	21%	6	21%
number of firms graduating from the programme	14	23%	10	30%	4	14%
rate of firm survival	7	11%	4	12%	3	10%
number of jobs created by tenants / graduate firms	13	21%	7	21%	6	21%
number of high-growth firms	7	11%	5	15%	2	7%
size of investment raised by tenants/ graduate firms	8	13%	6	18%	2	7%
return on investments in tenants / graduate firms	4	6%	1	3%	3	10%
occupancy rates	15	24%	5	15%	10	34%
financial performance of your organisation	18	29%	5	15%	13	45%
continuous yearly growth of applicants	9	15%	6	18%	3	10%
Other	6	10%	3	9%	3	10%

Success Factors & Hindrances

We asked our respondents to indicate three factors that they thought had contributed the most to their organisations success and the three biggest hindrances for their organisation. Table 10 below lists the four most frequently factors for each for all organisations. Figures 6 and 7 below show all the responses regarding success factors and hindrances.

Table 10: Success factors & hindrances – all organisations

Most frequently mentioned success factors	Most frequently mentioned hindrances
• Business development & training activities (n=18) • Connections to business community (n=14) • Quality of applicants (n=14) • Clarity of mission & strategy (n=14)	• Availability of funding for organisation (n = 18) • Quality of applicants (n=18) • Access to finance for clients (n=15) • Location (n=12)

Whilst most frequently cited hindrances are the same for both university and non-university incubators, the top success factors vary between the two. For university incubators the business development and training activities offered still remain the most frequently cited success factor. Connections to the business community and the quality of applicants remain important but instead of the clarity of the mission and strategy, several other factors tie for third place – management team experience and competence and connections to the university. Many of these success factors emphasise the importance of human capital that the incubator can draw upon – from the expertise of the management team, to connections to the business community which would enable incubators to find higher quality mentors.

Figure 6: Top 3 success factors

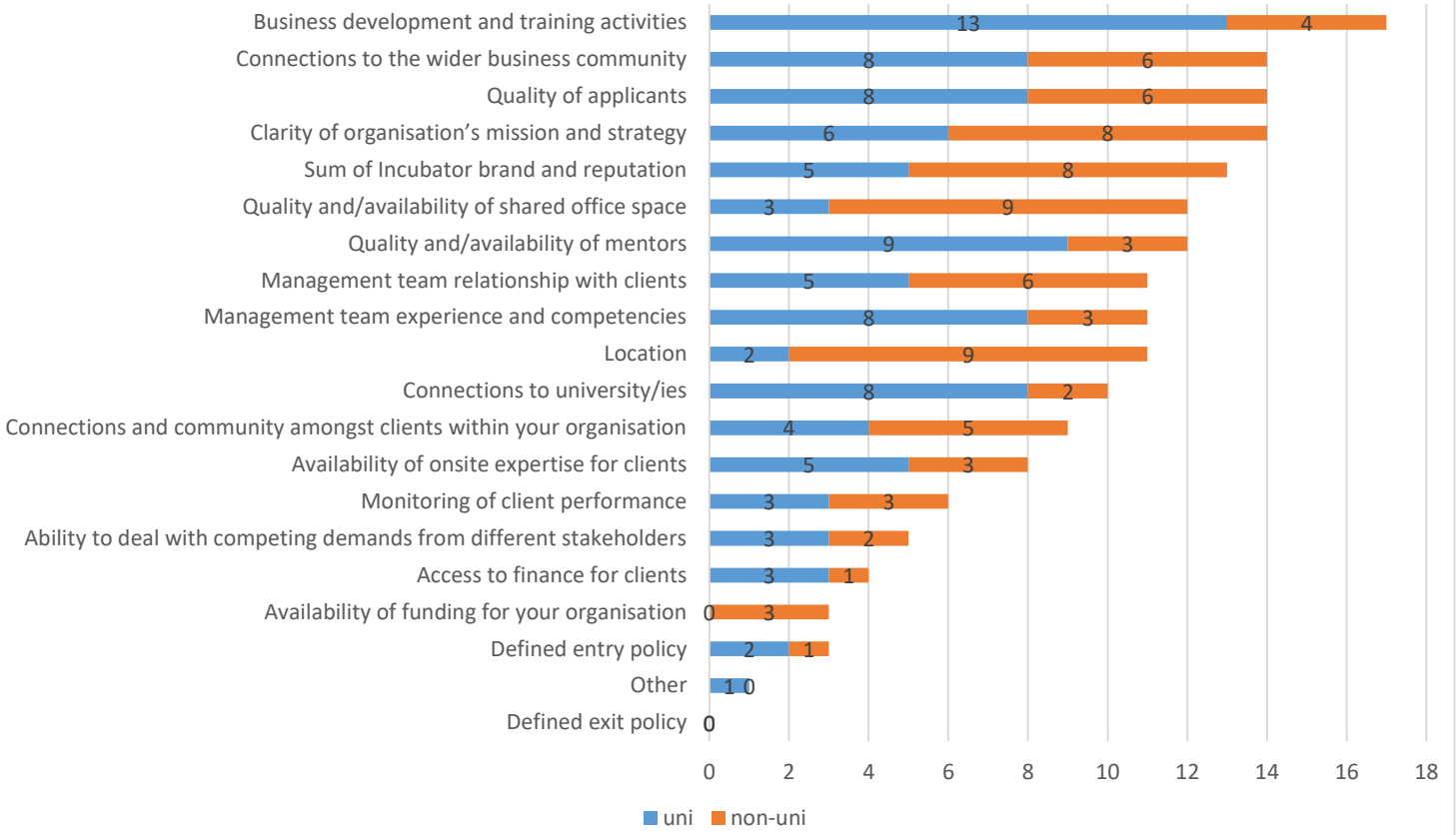


Figure 7: Top 3 hindrances (n = 54)

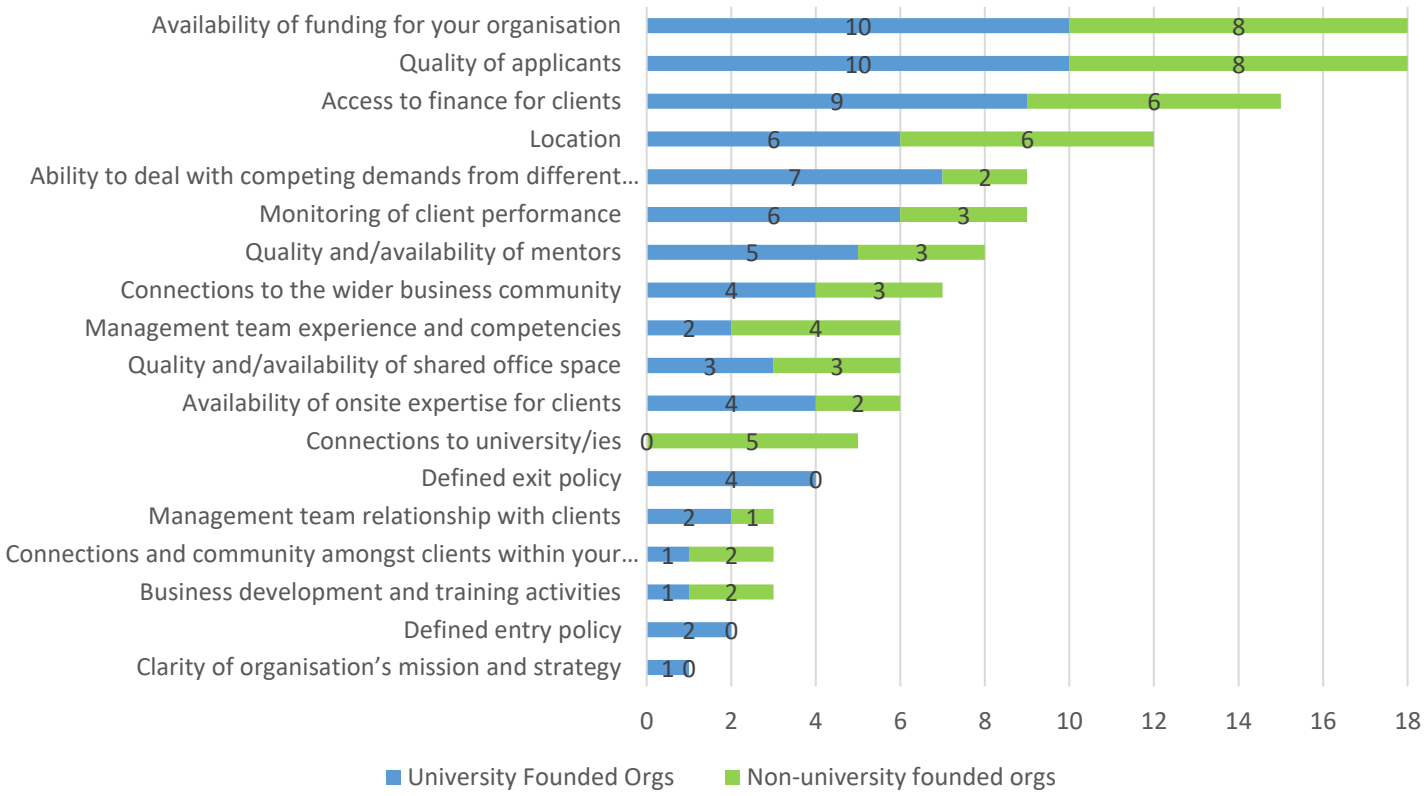


Table 11: success factors for university incubators versus non-university incubators

University incubators	Non-university incubators
• Business development & training activities (n=13) • Quality and availability of mentors (n=9) • Connections to business community (n=8) • Quality of applicants (n=8) • Management team experience and competence (n=8) • Connections to the university (n=8)	• Location (n=9) • Quality and availability of shared office space (n=9) • Incubator brand and reputation (n=8) • Clarity of organisation's mission and strategy (n=8)

In contrast, no success factor linked to human capital makes it into the top 3 success factors for non-university incubators. The top 2 success factors are about the physical environment – the location of the incubator and the availability of shared office space. This is likely to be due to the fact that non-university incubators are more likely to be run on a for-profit basis and are much more likely to rely upon fees and rental incomes to fund themselves in which case the attraction of the office space that the incubator provides is important to attracting tenants or fee-paying members. This also fits with the evaluation measures which emphasise occupancy rates and the financial sustainability of the incubator. It may also be that university incubators have little choice in the location and type of office space available as these factors are constrained by the location of the university and office space is often found within existing university buildings rather than being specifically chosen for the incubator. Another top 3 factor for non-university incubators is the incubator brand and reputation which again will enable them to attract tenants or members. Again, this is likely to be less important to university incubators as many are aimed at supporting their own students and staff so in some senses they have a captive audience. The final top success factor for non-university incubators is the clarity of the organisation's mission and strategy.

Table 12: success factors for new versus established incubators

New incubators (less than 5 years old)	Established incubators (5 years and older)
• Connections to business community (n=10) • Business development & training activities (n=9) • Clarity of organisation's mission and strategy (n=9) • Quality and availability of shared office space (n=9) • Management team relationships with clients (n=9)	• Business development & training activities (n=8) • Quality and availability of mentors (n=8) • Incubator brand and reputation (n=7) • Quality of applicants (n=7) • Connections to university(ies) (n=7)

When examining for differences in top 3 success factors by age of the organisation we see differences in the success factors identified. Both new organisations (less than 5 years old) and established ones (5 years and older) state that business development and training activities are important for support, but newer organisations stress the importance of developing connections to the business community, the clarity of the organisation's mission and strategy, the quality and availability of shared office space and management team relationships with clients. In contrast, established organisations stress the importance of good quality mentors, the incubator brand and reputation, the quality of applicants and connections to universities. Developing an incubator brand and reputation takes time and enables incubators to attract good quality applicants as well as good quality mentors, this may be why these

are picked as important to success by the older organisations in our sample. In contrast the success factors picked by new incubators should be possible to put in place quite quickly.

Conclusions

We surveyed 62 organisations in 6 EU countries involved in business incubation in the broad sense of supporting entrepreneurs to start and grow businesses. 33 of these organisations were founded by universities and 29 had no university involvement. From the survey we have discovered that university incubators have a variety of goals. Whilst many are set up to support students, this is by no means the only type of university incubation. There are some incubators which do not focus on students but rather external clients. Furthermore, even for those organisations where students are the main client, it is rare for supporting students to be sole purpose of the organisation. For example, many universities have support business incubation as a way to link into and support the development of their local region. Also, many organisations claim to aim to select and support scalable high-growth ventures. However, interestingly the evaluation measures used by organisations do not really help organisations to measure whether they have met these aims.

The most important evaluation measures used by organisations in our survey are quite modest. For university incubators the top three measures mentioned are the number of individuals served, the number of firms created, and number of firms graduating. These figures have the advantage of being easy to collect, but if universities are aiming to support local economic development we know from the entrepreneurship research that what is not the number of start-ups but the number high growth and innovative firms. Furthermore, if university incubators are not interested in regional development but on the development of individual students and their employability, then shouldn't organisations measure employability somehow? It appears from our research that evaluation of existing incubation organisations needs to be further developed in order to produce meaningful evidence of their success.

Turning to the services provided by the organisations surveyed, it is clear that incubation is still based on having a physical presence rather than being virtual. All university incubators have some sort of office space provision. However, not all have an incubation or acceleration programme. Support to entrepreneurs can be provided without such programmes through other methods, such as providing access to mentors and networking outside of a formal incubation or acceleration programme. We also see that is important for universities to have pre-start-up courses. These courses enable universities to build awareness of entrepreneurship as a career option for students and help to build a pipeline for later support activities such as incubation and acceleration. Hackathons are another awareness raising activity that universities quite often employ. Thus, universities interested in support student entrepreneurship do not necessarily need to put in place an incubation or acceleration programme. They might like to consider these other options.

We have also found that many university incubation organisations are not that integrated into the university. They tend to be ad-hoc in tapping into research knowledge and integrating into teaching. This seems to be a missed opportunity by the incubators to take advantage of their links to universities. Stronger links could help the commercialisation of academic knowledge, enable the development of more innovative businesses. They could also help develop the entrepreneurial talents of the wider student population with greater integration into teaching.

We have uncovered several common hindrances for the incubation organisations we surveyed. The most challenging aspect of incubation for our respondents is the availability of funding for organisation. This suggests that any university thinking of setting up an incubator needs to think careful about how to fund it. Many of the incubators we surveyed relied on grants and subsidies which often bring uncertainty as to whether they will be renewed and reduces the sustainability of such organisations. It may be worthwhile for university incubators to look at for-profit models in the private

sector for inspiration on ways to generate income such as by charging fees for office space or services. The quality of applicants is also a hindrance in the success of incubators as is access to finance for clients and the location of the incubator. Poor location and a lack of access to finance is likely to reinforce the inability to attract good quality applicants.

In comparison to the relative agreement about hindrances, here is more diversity in what our respondents see as factors which contribute to the success of their incubators. For all types of organisations, one of the most commonly identified success factors is the business development and training activities they provide. This makes sense as these activities are one of the main ways that incubators claim to add value to their clients. The quality of these offerings is also likely to impact on the quality of the applicants – a success factor identified by a good number of university incubators. Higher quality development and training programmes enable incubators to attract higher quality applicants which then allows the incubator to be more selective about who it incubates.

Other than the training and development activities, university incubators tend to stress the importance of human capital for the success of their organisations. They point to connections to the business community, management team experience and competence as the quality and availability of mentors as important to success. Interestingly, many recognise the usefulness of connections to the university even though they do not always take advantage of them.

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