

# Selected Business Incubators in Middle East and North Africa region



July 2013

Benchmarking of Selected Business Incubators

iPark – Jordan's Technology Hub  
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# Selected Business Incubators in Middle East and North Africa region

## BENCHMARKING OF SELECTED BUSINESS INCUBATORS

## 1. PURPOSE

### 1.1 OVERVIEW

The project of “Benchmarking of Selected Business Incubators in MENA Region” was undertaken for the United Nations Economic and Social Commission for Western Asia Technology Center (ETC). The report is prepared by the team of iPark to fulfill the following objectives:

- Select top five business incubators in the region that have demonstrated a strong track record
- Define performance benchmarks for business incubators in the region
- Analyze the results for the five major and leading incubators in the MENA

The work carried out by the iPark involved two main phases:

- Phase 1 – Gather data of all business incubators in the MENA region
- Phase 2 – Select top five incubators in the MENA region
- Phase 3 – Develop an analytical framework to benchmark those data for five leading incubators
- Phase 4 – Utilize the framework to compare the five selected incubators.

## 2. INTRODUCTION

In recent years, the Middle East and North Africa (MENA) region has experienced high economic growth accompanied by strong job creation and declining unemployment. However, MENA is home to about 100 million young people aged 12-24 and the region must create more jobs in order to stabilize its employment situation.

One of the critical drivers of economic and social development falls under the umbrella of innovation and entrepreneurship. Hence, business incubation is an important tool to unleash human ingenuity, enable competitive enterprises and create sustainable jobs. Business incubators are instrumental in developing new economic sectors, and expose entrepreneurs to information and communication technologies that in turn help increase the productivity, market reach of enterprises across sectors, and finally enhance the chances and opportunities of success.

“Business incubation is a dynamic process of business enterprise development. Incubators nurture young firms, helping them to survive and grow during the start-up period when they are most vulnerable. Incubators provide hands-on management assistance, access to financing and orchestrated exposure to critical business or technical support services. They also offer entrepreneurial firms shared office services, access to equipment, flexible and expandable space - all under one roof”

NBIA, Best practice in Action: Guideline for implementing First Class Business incubation programs- 2001

### 2.1 BUSINESS INCUBATORS

#### a. Common characteristics

Even though the definition and infrastructure of business incubators have changed over time, there are certain defining characteristics and common services that remain the same – these are:

- Access to physical resources  
Office space, furniture, telecommunication networks, security, and other physical infrastructure and real estate requirements.
- Office support  
Secretarial and reception services, mail handling, fax and copying services, network support, book keeping and administration.

- Access to financial resources  
Funding including grants, angel investment and venture capital
- Entrepreneurial start-up support  
Accounting, legal advice for incorporation and taxation issues, formulating ownership and employee option plan structures.
- Access to networks  
Incubators identify and leverage key individuals for start-up success. This network takes years to create, but this importance is often underestimated. It has been stated that this factor is the differentiating factor for incubators to succeed.

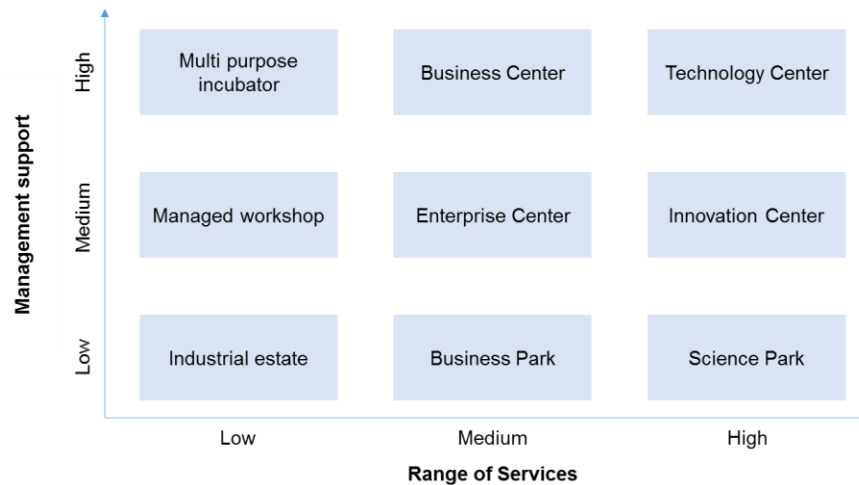
The actual mix made of these five characteristics, depends on the focus of the incubator as well as on the needs of the entrepreneurs and start-ups.

### b. Classification

Classifying incubators is based on several distinguishing features, including:

- Objectives (development, for-profit),
- Configuration (residential, virtual),
- Business model (property, venture capital),
- Lead sponsors (university, corporate (private), public),
- Type of incubated enterprises (mixed, industrial, technology, life sciences ... etc.),
- Stage of start-ups (idea, early stage ... etc.)

However, classification is not an end in itself, but provides a relevant indicator to a framework to discuss issues such as evaluation and best practice.



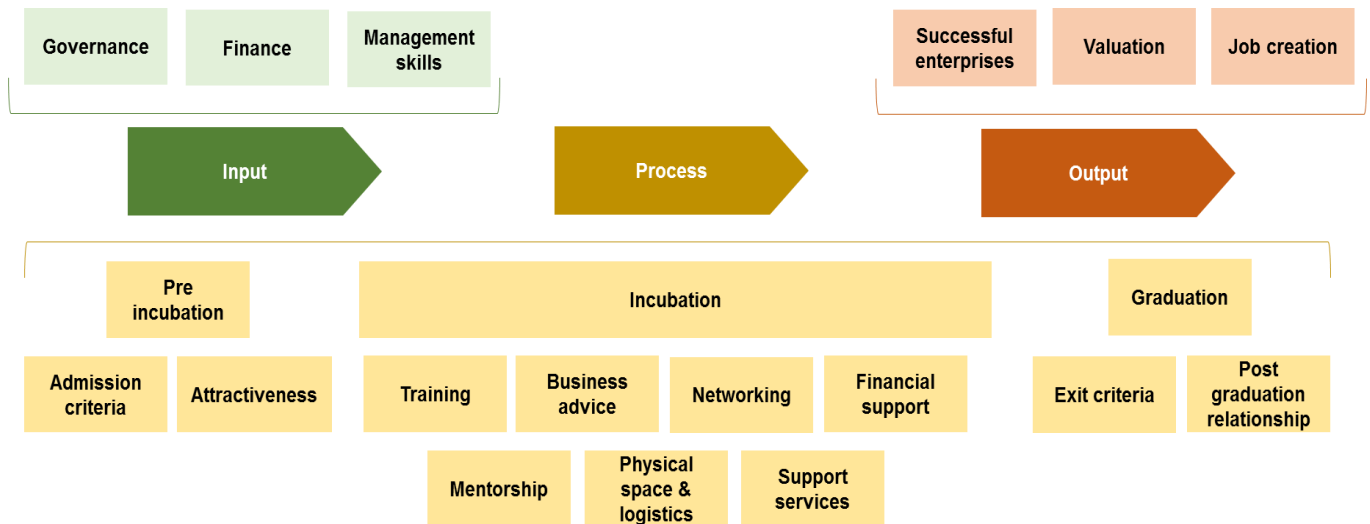
### 3. BENCHMARKING

For the purpose of benchmarking, the following steps were undertaken:

- Step 1 - Model: A generic business incubator model of input and output was developed setting out basic functions and operations
- Step 2 - Indicators: The model defines a number of indicators that provide the framework required to define benchmarks
- Step 3 – Selected incubators: Research was carried out by iPark to determine where incubators stand in relation to the various benchmark indicators

#### 3.1 BUSINESS MODEL

One of the first steps in designing a benchmark is defining a generic business incubator model. This model can be used to set out the basic functions and operating procedures of the incubators in question. A basic input-output model is the simplest way to describe the incubation process. A schematic example of such a model has been depicted in figure below.



#### 3.2 KEY INDICATORS

A number of factors exist that can influence the extent to which incubators are able to achieve best practice. These are:

##### 1. Governance

- A clear, current and relevant mission and strategic objectives
- An involved board of directors and/or advisory board
- A diverse representation from the business community, including current and former entrepreneurs
- Sufficient stakeholders of sponsors and community supporters

##### 2. Finance

- Self-sustainability and/or sufficient sponsorship to ensure continued operations
- Appropriate pricing of business support services

### **3. Management skills**

- Strong management competencies and qualifications
- Sufficient staffing to meet needs
- Community mentors, business advisors and other experts

### **4. Pre incubation services**

- Effective application and screening process
- Appealing incubator's environment and culture

### **5. Incubation services**

- Comprehensive range of services
- Business training and boot camps
- Regular meetings with incubated enterprises to assess needs and offer referrals
- Access to financing and funds
- Strong network with other ecosystem components – private and public sector
- Choice and range of incubator units to match needs
- Coaching and connection to mentors
- Start-up funding
- Wide range and types of incubated enterprises

### **6. Graduation**

- Selection graduation criteria for incubated firms
- Post incubation performance reports
- Strong incubator occupancy rates and turnover

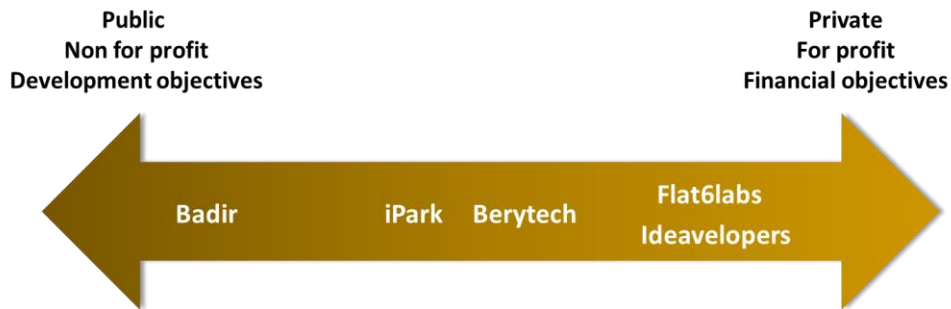
### **7. Value for the ecosystem**

- Performance follow-ups of graduates
- Strong job and wealth creation indicators

#### 4. SELECTED BUSINESS INCUBATORS

The following incubators were selected for the benchmark purposes as they stand at different positions on the wide spectrum of incubators categories.

	Objective	Configuration	Business model	Lead sponsors	Type of enterprises	Stage of enterprises
iPark	Development	Residential	Charged services (minimum fees)	Private	Mixed	Idea and early stage
Berytech	Development	Residential	Charged services	Public	Mixed	Idea and early stage
Badir	Development	Residential	Free of charge	Public	Mixed	Idea and early stage
Flat6labs	Development	Residential	Equity	Private	ICT	Idea and early stage
Idevelopers	For profit	Residential	Equity	Private	ICT	Early stage and above



##### 4.1 IPARK

The iPark was founded in 2003 in Amman – Jordan. It was established to benefit the Jordanian market by producing seasoned early stage companies, create employment and commercialize technology for Jordanians and non-Jordanians.

iPark specializes in enabling and accelerating the growth of startup companies through its effective incubation facilities, globally recognized entrepreneurship programs, commercialization and intellectual property services, matchmaking opportunities with serious investors and unique industry networking events.

Through its range of programs, including the Queen Rania Center for Entrepreneurship (QRCE), the Intellectual Property and Commercialization Office (IPCO), and the Bedaya Business Angel Network, iPARK offers unique and comprehensive services that greatly increase the opportunities for success for technology startups through better access to markets, finance and talent.

Key aspects of the iPark model that are considered valuable are its emphasis on a strong management relationship with the tenants, flexibility in its approach to solving problems, and recognition of the fact that ultimately the incubator will not be successful if the client companies are not.

During its ten years history, it has focused technology-based companies and has consistently helped companies become market leaders. Today, the iPark is one of the oldest and most known in the MENA (Middle East/North Africa) region.



## 4.2 BERYTECH

Berytech Technological Pole is a business development center in Lebanon, providing hi-tech hosting, incubation, training and counseling to entrepreneurs. Berytech brings innovation, information and business together while helping people on the road to self-employment by assisting existing and aspiring entrepreneurs to identify new projects and business opportunities, develop their entrepreneurial skills, and help them access local and international networks as well as funding.

Berytech was established by Saint-Joseph University to be the first technological pole in Lebanon that provides a conducive environment for the creation and development of startups, through incubation, business support, counseling, funding, networking and company hosting, hence taking part in the economic revival of the country, participating in wealth and job creation, and retaining graduates and hi-level skills in Lebanon.

Berytech grew from one technology pole in Mar Roukos in 2001 to another on Damascus Road in 2007, to the creation of the first venture/seed fund for technology startups in 2008, throwing along the way several pioneering activities: Incubation Awards, entrepreneurship contests, summer schools and regional academies for entrepreneurs, "from idea to startup" courses to engineers, Micro-Entreprise Acceleration Programs, university roadshows, local and international exhibitions and workshops, Entrepreneurs Forums, startup-weekends, mentoring programs, networking events, lunch-debates, gala dinners, etc.

## 4.3 BADIR

BADIR-ICT is the first ICT technology incubator to be established in Saudi Arabia. It is part of the national BADIR technology incubator initiative of Saudi Arabia's national research institute, King Abdulaziz City for Science and Technology (KACST).

KACST launched the BADIR program in 2008 with the establishment of its first incubator, BADIR-ICT (information and communications technologies). BADIR-ICT focuses on ICT and ICT related enterprises, supporting both technology and service companies, with flexible services suited to each segment.

BADIR-ICT Business Development Services and Programs are designed to help potential and existing technology entrepreneurs surmount the challenges they face in the Kingdom. There are three tiers of programs and services:

- Tier 1 -Technology and Opportunity Entrepreneurship Awareness Program – assisting people in their skills enhancement in entrepreneurship, the development of ideas and business management, comprising a range of workshops, seminars and other events.
- Tier 2 – Pre-incubation Program - assisting people evaluate their ideas and conduct initial market research and planning to ensure their idea is a business opportunity with commercial prospects, comprising a range of workshops, seminars and individual business counselling sessions.
- Tier 3 - Incubation Program Stage 1 - assisting tenants or affiliates develop their business model, business plan and preparation for finance access, comprising intensive assistance in groups or individual sessions
- Tier 3 - Incubation Program Stage 2 - assisting tenants and affiliates with their business commencement and growth, comprising intensive individual assistance and access to other resources and networks BADIR-ICT as with other BADIR Incubators and their clients are supported by the BADIR Program for Technology Incubators and its support units - Technology Entrepreneurship Support, Technology Enterprise Finance Support and Technology Incubation Support Services. The support units provide entrepreneurship training and development programs and access to finance whilst providing a range of capacity building services for incubator managers and staff throughout the Kingdom.

BADIR-ICT was then followed in 2010 by the establishment of BADIR-BIO (bio-technologies) and BADIR-AMI (advanced manufacturing and materials technologies). Two further BADIR incubators covering NANO-technology and energy sectors are in the feasibility and concept development stage.

#### **4.4 FLAT6LABS**

Flat6Labs is a Sawari Ventures' dedicated startup accelerator for seed stage investments. Launched in Cairo in 2011, it assists and encourages entrepreneurs throughout the critical first steps of development. Every four months, it funds and mentors a number of carefully selected start-ups from Egypt and the MENA region, providing them with seed capital and physical hosting at its premises. In addition, it offers interaction-based mentorship and educational experiences, organized in conjunction with the American University in Cairo.

Flat6Labs' philosophy is centered on immersing entrepreneurs into the real-world challenges of creating and managing successful enterprises in an open, collaborative and value-added environment. In May 2012, Flat6Labs joined the Global Accelerator Network (GAN), as the first member from Africa. In 2013, it established Flat6labs-Jeddah – being the first accelerator in the Kingdom.

#### **4.5 IDEAVELOPERS**

Ideavelopers is a venture capital firm that helps innovative startups become successful companies. Ideavelopers is a subsidiary of EFG-Hermes Private Equity. The firm manages the Technology Development fund – a \$50 million fund focused on early stage technology companies. To date, Ideavelopers has invested over \$25 million in 17 companies operating inside and outside Egypt.

Their mission is to invest, and support startups with great potential. They, not only provide risk capital to our portfolio companies, but also support them with strategic advice and industry access.

## 5. ASSESSMENT

### 5.1 SELECTED INCUBATORS

#### 1. Governance

	Launched	Mission	Stakeholders
iPark	2003 - Jordan	<ul style="list-style-type: none"> <li>Not clearly stated.</li> <li>Mission: Leverage and support technology and innovative entrepreneurship and contribute to the socio economic development of Jordan.</li> </ul>	<p>iPark, registered as a for-profit company, is fully owned by the Royal Scientific Society.</p> <p>It is located in the El Hassan Science City with two leading universities in the immediate area.</p>
Berytech	2001 - Lebanon	<ul style="list-style-type: none"> <li>Not clearly stated</li> <li>Mission: To be the first technological pole in Lebanon and the region that provides a conducive environment for the creation and development of startups, through incubation, business support, counseling, funding, networking and company hosting, hence taking part in the economic revival of the country, participating in wealth and job creation, and retaining graduates and hi-level skills in Lebanon.</li> </ul>	<p>The different shareholders of Berytech are:</p> <ul style="list-style-type: none"> <li>Arab Investment Bank</li> <li>Audi - Saradar Investment bank</li> <li>Bank of Beirut</li> <li>BankMed</li> <li>Banque de l'Industrie et du Travail</li> <li>BEMO Bank</li> <li>Byblos Bank</li> <li>Crédit Libanais Investment Bank</li> <li>General Medical Equipment</li> <li>Indevco</li> <li>LibanCELL</li> <li>Murex Systems</li> <li>Recherche et Développement</li> <li>Saturn Trust Holding</li> <li>Société Nationale d'Assurances</li> <li>Université Saint-Joseph</li> </ul>
Badir	2008 - KSA	<ul style="list-style-type: none"> <li>BADIR's mission is to encourage and support technology innovators and entrepreneurs in Saudi Arabia.</li> </ul>	<ul style="list-style-type: none"> <li>BADIR-ICT and other BADIR and BADIR Affiliate Incubators operate within the BADIR Program for</li> </ul>

	Launched	Mission	Stakeholders
		<ul style="list-style-type: none"> <li>Badir objectives are: Entrepreneurship Awareness, Job Creation, Policy Impact, Profitable Enterprises, and Research Commercialization.</li> </ul>	<p>Technology Incubators which is a unit of the university of KACST.</p> <ul style="list-style-type: none"> <li>Other committee members are representatives of major stakeholders including:                             <ul style="list-style-type: none"> <li>- Saudi Telecom Company (STC)</li> <li>- Saudi Credit and Savings Bank</li> <li>- Mowhiba</li> <li>- Ministry of Commerce</li> <li>- Saudi Arabian Government Investment Authority</li> <li>- Other major private sector and government institutions.</li> </ul> </li> </ul>
Flat6labs	2011 – Egypt 2013 – KSA	<ul style="list-style-type: none"> <li>Clearly stated and shared.</li> <li>Mission: Create more entrepreneurial hubs in vibrant ecosystems</li> </ul>	<ul style="list-style-type: none"> <li>Flat6labs was founded by the:                             <ul style="list-style-type: none"> <li>- Sawari Ventures</li> <li>- The American University in Cairo</li> </ul> </li> </ul>
Ideavelopers	2001 – Egypt	<ul style="list-style-type: none"> <li>Clearly stated and shared.</li> <li>Mission: Invest, and support startups with great potential. We not only provide risk capital to our portfolio companies, but also support them with strategic advice and industry access.</li> </ul>	<ul style="list-style-type: none"> <li>Ideavelopers was founded as a subsidiary to EFG-Hermes Private Equity</li> <li>The fund managed by ideavelopers (TDF I) is \$10 million investment fund focused on early stage companies in the Information and Communication Technology (ICT) companies. The fund is led by the Ministry of Communication and Information Technology to support Egyptian Innovation and Entrepreneurship in the ICT space. TDF I was closed in 2004 and is currently fully invested.</li> </ul>

## 2. Finance

	Self-sustainable sufficient sponsorship	Pricing
iPark	<p>The business model of the iPark is that it is a private (for-profit) company that focuses on economic and social development goals. Today, the iPark is fully owned by the Royal Scientific Society.</p> <p>With its new expansion and growth plans, iPark is building its sustainability to mitigate the absence of any financial support from the RSS or the government.</p>	<p>iPark offers its services for free except those related to renting the incubator facilities.</p> <p>iPark incubator does not acquire a share (or equity) in any of its serviced startups, yet it provides all its services from office space to furniture and IT infrastructure to managerial and marketing advisory for a minimal and highly competitive fee. The price of each unit varies on its size and includes all other services offered to start-ups.</p>
Berytech	<p>Saint-Joseph University has invested in the incubator / business hosting with a grant contribution from the European Union and support from the Lebanese Ministry of Economy and Trade.</p> <p>The Berytech Fund has a capitalization of 6 million USD, where Cisco Systems and Intel Capital are among its various shareholders.</p> <p>Today, Berytech is self-sustainable business development center.</p>	<p>Berytech has a commercial model under which it charges its incubated companies a steep fee for its units and services associated.</p>
Badir	<p>Badir is supported by a national initiative undertaken by the Saudi Arabia's national research institute, King Abdulaziz City for Science and Technology (KACST).</p>	<p>Badir does not charge any fees for any of its services including its incubator units or services.</p>
Flat6labs	<p>Flat6labs is established and funded by Sawari Ventures.</p> <p>In Jeddah, Flat6Labs has corporate sponsors such as Arabian Cement Co. and IKEA Saudi Arabia.</p>	<p>Flat6labs offers a seed funding (USD 10 – 15 K) for all of its incubated startups in each cycle. The incubation and funding is offered in exchange of 10% - 20% stake in those companies.</p>
Ideavelopers	<p>Ideavelopers is established under EFG-Hermes Private Equity as a VC arm investing in early stage companies. Under such definition, ideavelopers is self-sustainable.</p>	<p>Ideavelopers takes equity in their companies. This is based on a rigorous due diligence and valuation exercise during the application and early stages of negotiations.</p>

### 3. Management skills

	Management competencies and qualifications	Community members
iPark	<p>iPark's management team is highly qualified and experienced (on local, regional and international levels) in the entrepreneurship ecosystem – incubation, investments, mentorship, training, etc.</p> <p>The iPark founder has been a major factor in its development and his involvement helps make the point that a committed founder can be a key success driver in the ideal incubator.</p>	<p><u>iPark</u> has a strong network with the business community which it has built throughout the past ten years.</p> <p><u>iPark incubator</u> continues to recruit previously successful (serial) entrepreneurs in order to have a mix of entrepreneurial experience in the facility. In fact, three successful client entrepreneurs subsequently returned as investors in other tenant companies.</p> <p><u>QRCE</u> utilizes its network to recruit business savvy individuals as coaches, mentors and judges in its business plan competition. Additionally, its partnership with Mowgli has even expanded its mentors and mentees network on a national level.</p> <p><u>Bedaya</u> further capitalizes on the iPark network. It has created a strong national network due to its partnerships with Start.Alliance (Jordan's entrepreneurship network) to recruits serial entrepreneurs and angel investors in its network and matchmaking events.</p>
Berytech	<p>The management team at Berytech is highly qualified and includes a range of experiences. The management is a combination of serial entrepreneurs, investment bankers, investors, technical individuals, strategists and economists.</p> <p>Their education and experience in the region and abroad brings along a strong combination of expertise that assist startups in scaling their businesses and developing a roadmap for success.</p>	<p>Berytech regularly organizes networking, visibility and participation in national or regional technology and business events for resident entrepreneurs.</p> <p>Through various partnerships with programs (such as Mowgli), Berytech is providing a strong network of business advisers and mentors to their startups.</p>
Badir	<p>CREEDA Projects Ltd, an Australian consulting company with international incubation management experience, completed a two-year contract that assisted the establishment and initial management of BADIR-ICT and handed over to Saudi management in February 2010. CREEDA Projects continue in</p>	<p>Badir not only reaches out to local mentors and business advisers, but also invites a number of regional experts on a regular basis to communicate with its management team and the incubated companies.</p>

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	Management competencies and qualifications	Community members
	<p>strategic role for the BADIR Program in a more strategic role focused on capacity building and policy development.</p> <p>As a result, the management is highly qualified to run all of Badir’s incubators.</p>	<p>Badir program has signed several agreements and memorandums of understanding with a number of government agencies as well as pioneering organizations and companies in the Kingdom and abroad. It aims to communicate with them and develop the incubators’ industry and pioneering technology business in the country. Those include Stanford Institution for Research, the International Association for Business Incubators, Global Connect Organization, Startup Weekend, Index Company, Microsoft, Google, Ernst and Young, and Intel.”</p>
Flat6labs	<p>Flat6labs management is composed of highly qualified young executives.</p>	<p>Flat6labs has a strong relationship with other stakeholders – local and regional. These stakeholders range from investors, mentors, coaches, speakers to trainers.</p> <p>This creates the environment of knowledge sharing and open channels and networks.</p>
Ideavelopers	<p>The management team at Berytech is highly qualified and includes a range of experiences. The management is a combination of bankers, private equity managers, and fund manager and consultants of reputable organizations</p>	<p>N/A</p>

## 4. Pre incubation services

	Application and screening process	Environment and culture
iPark	<p>iPark has an online application system. However, the committee emphasizes on conducting face-to-face meetings with the applicants.</p> <p>To get qualified to iPark, an entrepreneur needs a business plan that is evaluated by iPark; if it was not available, then iPark will provide free consulting to prepare it.</p> <p>To accept applicants, iPark looks at the business opportunity, the competitive advantage, financials, the size of the market, and scalability of the business into other markets.</p>	<p>iPark offers a strong environment that hosts many companies under one roof. Its facilities can provide incubation for 30+ companies and is currently home to fifteen.</p> <p>The benefits derived from being part of iPark are:</p> <ul style="list-style-type: none"> <li>• The ability to launch right away the business with the availability of equipment and office space</li> <li>• Being in one place with other IT startups who share the same motivation and ambition,</li> <li>• Having access to iPark strong network.</li> <li>• Gives them an insight into the market,</li> <li>• Enables them to exchange expertise with other companies.</li> </ul>
Berytech	<p>Berytech has a screening and eligibility criteria for the different stages of the startups – being:</p> <p>Project holders</p> <ul style="list-style-type: none"> <li>• Technological and scientific quality</li> <li>• Innovative aspect and proposed target market</li> <li>• Economic sustainability and viability</li> <li>• Level of motivation and implication of the candidate(s) and the quality of the team.</li> </ul> <p>Startups</p> <ul style="list-style-type: none"> <li>• Area of business and target market</li> <li>• Job creation and team building potential</li> <li>• Economic sustainability of the operation</li> <li>• Derived added-value from Berytech</li> <li>• Interaction with further companies hosted in Berytech to create synergy and clustering</li> </ul>	<p>Founded in 2001 and being the first in the region to receive EU accreditation as a Business Innovation Center, Berytech offers the right and adapted environment for the creation and development of innovative startups and SMEs, supporting and stimulating entrepreneurship, through incubation, business support, hosting in high-tech infrastructure and funding solutions.</p> <p>Berytech currently manages 3 business development centers, in addition to one technology fund and a media cluster and is still growing, playing a major role in the economic revival of Lebanon, while organizing pioneering programs, activities and initiatives for entrepreneurs.</p> <p>Berytech places at the disposal of entrepreneurs a plug &amp; play infrastructure characterized by a conducive environment and entrepreneurship programs.</p>



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	Application and screening process	Environment and culture
	<ul style="list-style-type: none"> <li>• Motivation and implication of the entrepreneur and the quality of the team.</li> </ul> <p>Companies</p> <ul style="list-style-type: none"> <li>• Area of business and target market</li> <li>• Job creation and team building potential</li> <li>• Derived added-value from Berytech</li> <li>• Interaction with further companies hosted in Berytech to create synergy and clustering</li> </ul>	
Badir	<p>The BADIR program is open to all Saudi Arabian technology entrepreneurs who have an early-stage technology based business, prototype, or proof of concept product or service that can benefit from incubation.</p>	<p>The BADIR-ICT facility based in Riyadh comprises 30 suites with over 100 rooms for up to 30 incubator business tenants.</p> <p>There are additional offices for several anchor tenants including the national headquarters of Saudi Inventors Society and a representative office for Riyadh Chamber of Commerce. A women’s incubator annex was established within the site in January 2009.</p> <p>All rooms are connected to high speed broadband and the facility includes training, meeting, video conferencing and lounge rooms as well as a prayer room and coffee shop. A mini conference centre, the Majlis has been created on the top floor which is used for training and technology entrepreneurship events.</p>
Flat6labs	<p>Flat6labs is an accelerator. It invests \$10-15K in seed funding in exchange for equity in the company. This seed funding is to help startups cover their early expenses during the program and to help attempt define their product, develop their core application, and commercialize their enterprise. Seed funding serves as a critical catalyst to specific milestone achievement, whether it is follow-on funding, first customers, or another significant breakthrough in the company’s growth.</p>	<p>Flat6labs has developed its environment such that it tcan help startups advance their companies an incredible amount in a short period of time</p> <p>Flat6Labs’ philosophy is based upon immersing entrepreneurs into the real-world challenges of creating and managing successful enterprises in an open, collaborative and value-added environment.</p>

	Application and screening process	Environment and culture
	<p>Flat6Labs acts as a due diligence for investors, and thus investors are more likely to invest in their entrepreneurs and give them favorable terms once they are selected and go through our program.</p> <p>At the end of the 3-4 months period, Flat6Labs holds a Demo Day event, where our startups are given the opportunity to showcase their products to potential investors and the media. If any of the startups have been successful in their bid to establish a fully furnished enterprise with promising market potential, it will graduate from Flat6Labs and receive additional funding to establish its enterprise.</p>	
Idevelopers	<p>When evaluating a startup, idevelopers look for strong teams with differentiated offerings that target sizable markets and can consequently realize attractive financial returns</p>	<p>Idevelopers has built its environment and culture around venture capitalists and investments. It is hence not perceived as an incubator, but rather a profit generating and demanding environment.</p>

## 5. Incubation services

	Business training	Acceleration	Incubation	Access to finance	Startup funding	Strategic support	Mentorship and coaching	Intellectual Property services	Networking
iPark	X		X	X		X	X	X	X
Berytech	X		X	X	X	X	X		X
Badir	X		X	X	X	X	X		X
Flat6labs	X	X		X	X	X	X	X	X
Ideavelopers				X		X	X		

	Technology	Energy and Cleantech	Multimedia	Health and Bio technology	Manufacturing	Nanotechnology
iPark	X	X	X			
Berytech	X	X	X	X		
Badir	X	X		X	X	X
Flat6labs	X					
Ideavelopers	X					

## 6. Graduation

	Impact
iPark	<p>The management keeps a strong relationship with the graduates as they return as investors, coaches, mentors ... etc</p> <ul style="list-style-type: none"> <li>• Hosted 50 companies and graduated around 40</li> <li>• The companies are collectively valued at over USD 50 millions</li> <li>• The companies generate millions of dollars in revenues</li> <li>• The companies provide thousands of high valued jobs</li> <li>• Bedaya has raised above USD 1 million in angel investment for its companies</li> <li>• QRCE has trained +3,500 entrepreneurs in Bootcamps, Training Workshops &amp; Mentoring programs</li> <li>• QRCE organized networking events for 25,000 people</li> <li>• QRCE organized tens of national conferences and competitions</li> </ul> <p>The graduate companies are shown on their website.</p>
Barytech	<ul style="list-style-type: none"> <li>• Assisted more than 2,000 entrepreneurs in several outreach programs</li> <li>• Hosted 150 companies and graduated 72 so far</li> <li>• Disbursed more than USD 350,000 in grants to startups</li> <li>• Invested more than USD 4 million in Lebanese technology companies</li> <li>• Oversaw the creation of 550 jobs</li> <li>• Trained 150 aspiring entrepreneurs</li> <li>• Provide USD 300,000 in grants</li> </ul> <p>The graduate companies are shown on their website.</p>
	<ul style="list-style-type: none"> <li>• BADIR is also provided feasibility studies and development support to 11 proposed incubators within universities and other institutions around the Kingdom through the leadership role in the Saudi Arabian incubation industry by initiating the establishment of a national network</li> <li>• In 2011, to ensure continued use of best practices, KACST introduced an incubator monitoring and evaluation system for the BADIR incubators.</li> <li>• Today, there are 23 companies incubated in the various incubators: <ul style="list-style-type: none"> <li>- 3 in Advanced Manufacturing</li> <li>- 6 in Biotechnology</li> </ul> </li> </ul>

## Selected Business Incubators in Middle East and North Africa region

	Impact
	<ul style="list-style-type: none"><li>- 14 in ICT</li></ul>
Flat6labs	<ul style="list-style-type: none"><li>• Flat6labs has within its 5 cycles:</li><li>• Expanded to 2 locations (Cairo and Jeddah)</li><li>• Mentored and incubated 30 companies</li><li>• Assisted 100 entrepreneurs</li><li>• Recruited 70 mentors</li><li>• Raised funding for 60% of the companies</li><li>• Created 300+ jobs</li></ul>
Idevelopers	<ul style="list-style-type: none"><li>• Invested over \$25 million in 17 companies operating inside and outside Egypt.</li></ul>

## 5.2 OTHER INCUBATORS

According to infodev statistics of 2011, the following is a summary of 40 incubators in the MENA:

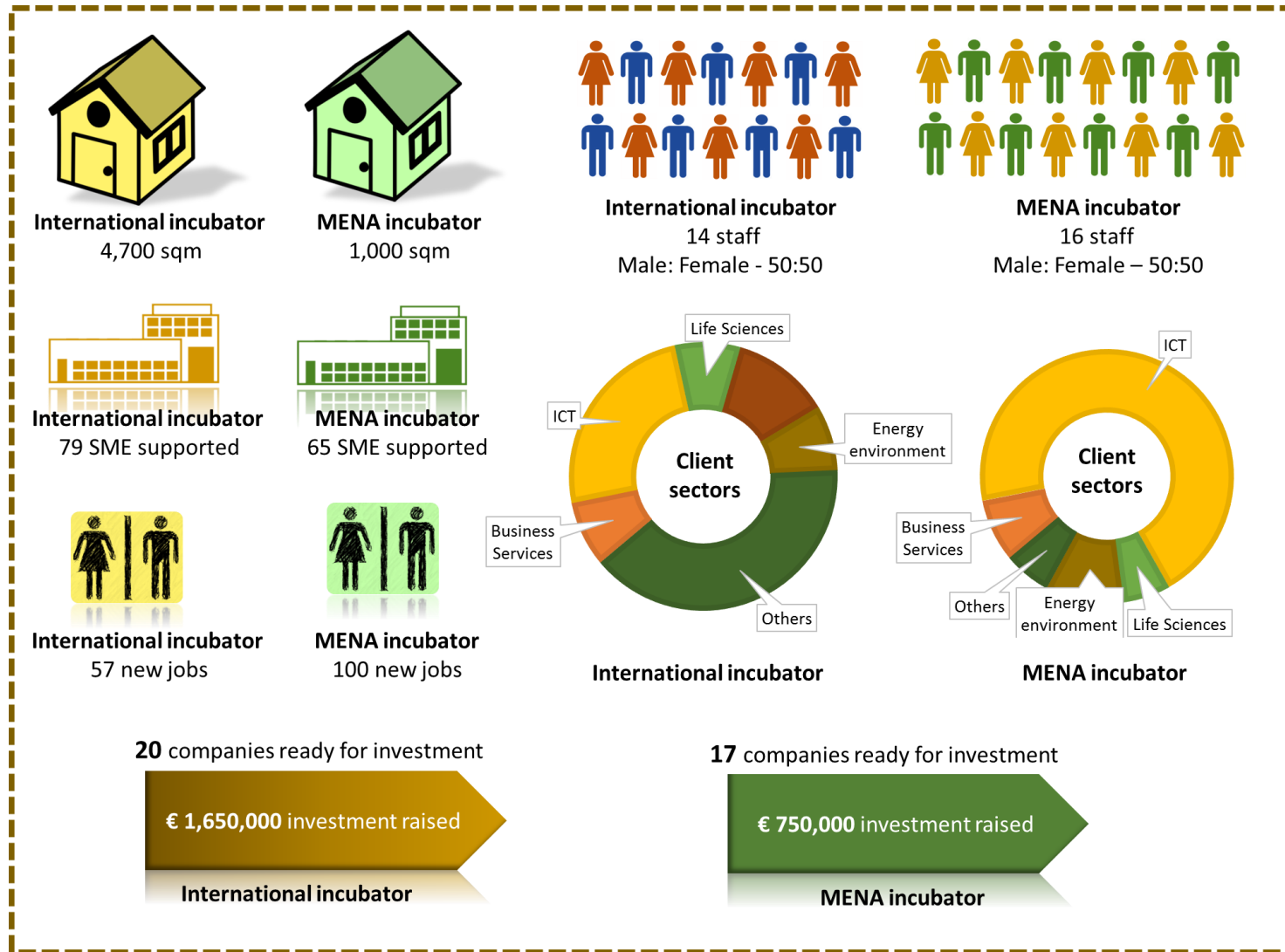
Type	Academic	15%
	Private	18%
	Other	33%
	Government	35%
Financial model	For profit	20%
	Not for profit	80%
Services	Incubation facilities	96%
	Network and finance	87%
	Technology transfer and international business	71%
Objectives	Entrepreneurship and profitable enterprises	98%
	Job creation and commercialization	77%
	Income generation and policy impact	50%
Number of clients	Clients > 21	45%
	Clients (11- 15)	6%
	Clients (6- 10)	39%
	Clients (1- 5)	10%
Number of graduates	Graduates > 14	40%
	Graduates (10 - 13)	10%
	Graduates (4-6)	20%
	Graduates (1- 3)	30%
	Jobs > 61	20%
	Jobs 1 - 30	40%

Hence, the following general conclusions can be drawn:

- Government type of incubation remains to present the highest percentage of the benefits, 35%.
- A high percentage of existing incubators, 80%, follow a non-profit business model.
- The highest percentage of the number of client and graduate companies are 45 and 40%, respectively. Those companies created 40% of the jobs.
- The services offered by the incubators, about 96%, were mainly incubation business development and facilities.
- 98% of the incubators objectives are entrepreneurship and profitable enterprises.

## 5.3 INFOGRAPH

As part of this study, the iPark conducted a comparison between a typical international incubator and a typical MENA incubator. The results are graphically portrayed in the image (infograph) below:



## 6. CONCLUSION

The following chapter summarizes the key conclusions of this report:

### 6.1 GOVERNANCE

#### 1. Support of a strategic framework

Business incubators should support and be part of a broader strategic framework – e.g. geography, policy priorities (e.g. development), or a combination of these factors. In other words, incubators should not be stand-alone entities but rather work alongside other organizations and schemes to promote broader strategies; whether developmental or for-profit...etc.

#### 2. Public and private partnerships

Incubators are more successful when promoted by inclusive partnership agreements of public and private sector stakeholders. Hence, leading incubators are promoted by a wide range of organizations from the public and private sectors including local authorities, universities, companies, etc.

### 6.2 PRE INCUBATION SERVICES

#### 1. Target industry

It is important for incubators to reflect their target market and industries in their eligibility criteria. Experience suggests that the most successful incubators have a particular technology and business focus.

#### 2. Selective criteria

Although achieving high occupancy rates is important for any incubator (whether for-profit or non-for profit), this must be balanced against the importance of maintaining selective admission criteria.

### 6.3 INCUBATION SERVICES

#### 1. Physical space

The provision of physical space is central to the incubator model. From experience, it is shown that physical clustering remains important for entrepreneurs as they learn from each other, support each other and are all clustered in one location for mentors, advisors and investors to visit.

#### 2. Support services

The value added of incubator operations lies in the type and quality of their business support services provided to clients. Developing the following operations is a key priority for all incubators: entrepreneur training, business advice, financial support, and technology support. These services may be provided by the incubator management themselves, or they may rely on networking with other organisations.

### 6.4 GRADUATION

Adopting exit or graduation criteria is important to ensure turnover of client companies, even if such criteria makes reduces income from rental and other services. Graduation may be a result of:

- Deadlines (or time companies can stay in the program)
- Limited space needed for growth
- Increasing rental rates over time



However, specialized incubators, like biotechnology or life science incubators, may have longer tenancy periods reflecting the nature of business activities.

## **6.5 IMPACT**

The performance of business incubators should primarily be judged in terms of the results achieved, i.e. the impact on businesses, rather than on short term measures such as occupancy rates.

Impact can be measured for young incubators (or those less than 5-years old). However, for those that have had a longer time span, impact indicators that may be measured are: job creation, wealth creation, number companies established, revenues and exports, total valuation created, etc.



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