



Chairman's Review

Technology commercialisation, knowledge-intensive business growth and the development of new enterprises are amongst the many developmental challenges Gauteng faces as we compete in the global Knowledge Economy. Active engagement with local and international innovations is critical for our emerging business people, scientists and high-tech entrepreneurs to effectively participate in this rapidly evolving business world. This will be a driving force behind our ability as a country to innovate scientifically and technologically to achieve the required levels of economic growth.

As a key intervention by the Gauteng Provincial Government (GPG), through the Blue IQ initiative, The Innovation Hub is making a significant contribution to the Province's vision of becoming a globally competitive smart city region.

In supporting the business growth of new enterprises and stimulating private sector investment in Gauteng's strategic economic infrastructure, The Innovation Hub's activities are also giving impetus to Gauteng's role in addressing national priorities such as unemployment and poverty reduction.



Remarkable progress from pilot to practice

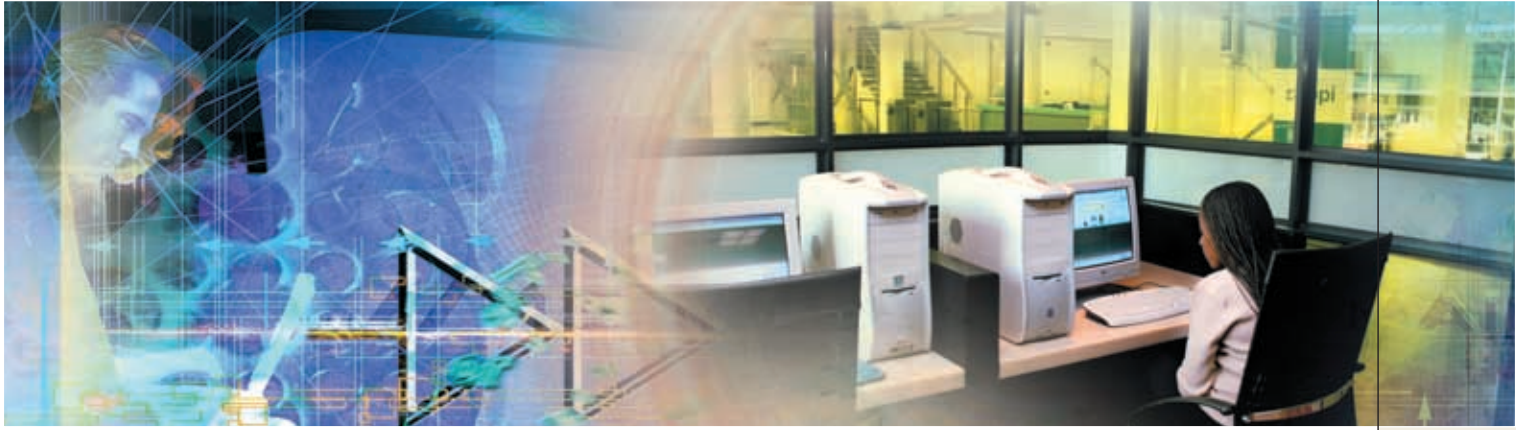
Remarkable progress has taken place at The Innovation Hub since inception in 2000. The management team used the 2000 – 2004 pilot phase not only to design and develop the precinct infrastructure, but also to test market response to the little known (in South Africa) Science Park concept. Market needs were defined and the foundations laid for creating a high-tech business cluster in one of Gauteng's richest research and development (R&D) locations.

The successes during that time included launching one of the first high-tech pilot business incubators and the unique CoachLab™ entrepreneurship and business skills development programme, and establishing the virtual, networked INNOV8 community. These pilot-phase achievements conveyed a positive message to key stakeholders in the information, communication and technology (ICT), electronics, biosciences, value-added materials and manufacturing sectors of the tangible benefits that accrue from combining strengths and experience to achieve competitive advantage.

The official launch of The Innovation Hub – Africa's first internationally accredited Science Park – in April 2005 created a landmark in Gauteng that is exceeding expectations, with currently over 50 companies and 500 people on site. In less than a year, the occupancy of the Enterprise Building reached a 90% tenancy uptake level that is impressive even in comparison with Science Parks worldwide.

Impact already evident

As a relatively young initiative, the cross-boundary impact of The Innovation Hub is already evident at all levels. Contributions locally include participation in the Tshwane Metro's economic and industrial development programmes and Smart City project, as well as strategic involvement in the Global Hub broadband network project with increasing involvement of resident companies at The Innovation Hub to pilot new activities.



Its presence contributes to evolving an innovation strategy which is critical to bridge the commercialisation chasm identified in the National System of Innovation, and supporting the challenges which still remain to optimise the commercial and social benefits from national priority R&D initiatives. It is creating contacts with the embryo developments of Science Parks in Africa and looking to assist in the creation of an African Innovation Network. The Innovation Hub's International Board membership of the International Association of Science Parks (IASP) also helped to secure its bid to host the 2008 IASP World Conference in Gauteng, a first for Africa, presenting us with the opportunity to showcase the Province, the country and the continent.

Congruency with Blue IQ strategic goals

The Blue IQ strategy was revised in 2004 to drive its subsidiaries from initiation to sustainable operation while retaining its original objectives. As a legal entity in terms of the Public Finance Management Act (PFMA), Blue IQ is a juristic entity that can attract private sector investment in its projects.

The Innovation Hub's commitment to broad-based black economic empowerment has been carried through to all its construction contracting and job creation activities, and is being applied to its programmes. The Innovation Hub has adhered to a policy of using SMME suppliers and service providers, while its Maxum Business Incubator has provided leadership in the development of high-tech start-ups through business incubation and supporting the throughput of spin-offs. It is anticipated that approximately 100 high-tech positions will be created over each three-year period by Incubator start-ups.

Driving the commercialisation value-chain

The Innovation Hub's uniquely crafted, interactive and networked environment has been remarkably conducive to accelerating SMME business growth by providing innovators and entrepreneurs with access to major industry players, key global companies and resources to help them develop new technologies and commercialise products and services.

During the period under review, the Maxum Business Incubator celebrated the graduation of seven companies which have all launched and successfully commercialised a number of innovative new products in local, regional and international markets.

This testifies to the fact that The Innovation Hub is giving effect to its role of helping to bridge the commercialisation chasm in enabling innovative endeavour, entrepreneurial ability, intellectual capital and technological capacity to take root.

Adding value, meeting and exceeding expectation

Key to the success of The Innovation Hub in attracting customers, has been the contribution of its value-adding services, which has created a strongly differentiated and enabling environment for technology companies. This includes interactive business networking events and partnering with professional knowledge workers and service providers to support company growth.

Leadership

chairman's review



Feedback from the INNOV8 community, whose membership increased from 3 000 to 4 500 during the year under review, and participants in the Innovation Forum – newly launched to shape cutting edge ideas in the high-tech sectors – indicate that business value beyond expectation has been derived from the peer interaction, shared learning, and access to established networks and business opportunities.

The successful implementation of the CoachLab™ academic-industry business leadership programme attracted MTN as a new industry partner. Postgraduates from the University of Pretoria and the Tshwane University of Technology are involved in real-time industry projects to fast track the development of business skills. The focus is on attracting students from previously disadvantaged backgrounds to participate in the programme. The success of the programme is indicative of the value of developing new ways of engaging the education sector and private sector companies to more rapidly enhance skills, and The Innovation Hub is encouraged to continue in this mode.

In appreciation

I thank all those involved in The Innovation Hub for the progress made in its establishment. I also thank our valued clients, stakeholders, partners and suppliers for their continued interest and support. To the team at The Innovation Hub Management Company, I express my appreciation for their dedication and drive during the past year that has resulted in these achievements.

Way forward

Achieving sustainability through local and foreign investment, attracting suitable entrepreneurs by reaching out to communities in other areas of Gauteng and increasing its impact locally and abroad, are important challenges for The Innovation Hub. These activities will be vigorously pursued to deploy ICT capacity to the benefit of its citizens.

We must ensure that the activities of The Innovation Hub remain aligned to our national imperatives of addressing poverty and job creation, and to helping Gauteng realise its vision of becoming a global city region competing effectively in the important knowledge sectors of the economy.

Nomhle Canca
Chairman of the Board
The Innovation Hub Management Company (Pty) Ltd
30 August 2006