

Incubation plans breed success

Kick-start for knowledge start-ups

INCUBATION programmes that fast-track the establishment and growth of start-up businesses and improve their survival rate, are seen as a key ingredient in assisting entrepreneurs to adapt to the challenges of a modern business environment.

These programmes help start-up businesses to become financially viable and sustainable when they leave the incubator, usually within a three-year period, says Jill Sawers, manager of the Maxum Business Incubator at The Innovation Hub in Gauteng.

Incubation creates a synergistic environment where entrepreneurs can share learning, create working partnerships and do business together, she says.

Established in October 2000 as part of the hub's pilot activities, the incubator assists in the establishment and growth of knowledge industry start-ups, including information and communication technology, biosciences, smart materials and advanced manufacturing sectors.

Sawers says it is the most mature, fully serviced incubator for companies in the science and technology research and development sector.

"We try to assist start-up companies in overcoming hurdles. Entrepreneurs with good ideas for a high-tech product or service and a good plan to implement it and build a business around it, are excellent candidates for our incubation programmes. We have been greatly encouraged by the success achieved at Maxum."

Internationally, the success rate of start-ups (defined as where the start-up is within five years after its founding) is typically as low as 30% to 40%, and this figure is even lower for SA. Sawyers says that there is evidence that the success rate improves dramatically to more than 80% when the start-up business

has been part of an effective incubation programme.

"The role of Maxum in assisting the establishment and growth of high-tech start-up companies in Gauteng is not only critically important but is also directly aligned with local and national government objectives."

She says that since the first tenants moved into Maxum at the end of 2000 there has been considerable growth both in the number of companies and number of jobs created.

Maxum has two incubation programmes: the entrepreneur programme which focuses on helping start-up companies to establish themselves and grow, and the development programme, which places special emphasis on assisting blacks and female entrepreneurs.

In the high-tech sector, linked initiatives include the SmartCity Project, which creates opportunities for qualified students without work to participate in business mentoring with the aim of establishing small businesses, and the hub's CoachLab(tm) leadership programme, which fast-tracks business skills development of postgraduate students.

The Naledi3d Factory, an associate company with the Maxum Business Incubator, recently completed their latest African community development project — the creation of virtual reality-based learning material to help train emergent beekeepers in Zimbabwe.

Meanwhile, Expertron, an associate company at The Innovation Hub, has a new networking device that optimises internet traffic.

Founding members Walter Smuts and Gavin Ehlers say the most important advantage of being in the hub environment is being in close proximity to other entrepreneurs.