

i.lab Incubator

WHERE GOOD IDEAS GROW

THE SUPPORT FACILITY FOR NEW TECHNOLOGY BUSINESS START-UPS

BY ANN LUND

IT'S AN ALL TOO familiar story – you have a great idea that you've been working on from home for sometime. Everyone tells you it's a great idea – you may have even carried out the relevant checks to patent your idea, but now you don't know what to do.

You haven't got the business acumen or the contacts to advise you where to go next, or how to secure funding so you can develop a prototype.

For many people this is as far as the story goes. Another good idea left on the drawing board.

Some people will sell their idea on to another company – often meaning the idea goes elsewhere, even off-shore, and with it – potential jobs. This is something the Queensland Government has been keen to address.

"In 2000 we established i.lab Incubator," Tony McGrady, Minister for State Development and Innovation said.

"It's a technology incubator which nurtures start-up companies through this difficult and daunting process. Research has shown while there is an 80% chance of failure for companies in their first three years of establishment, those companies who have benefited through an incubation experience have 70% to 80% chance of surviving the critical first five years of operation.

"It was part of our Smart State initiative to encourage investment, create jobs and stop the movement of good ideas away from the state and indeed, Australia.

"Its main purpose is to accelerate the growth of hi-tech firms and to drive growth in the local economy. Quite simply, it facilitates the development of high technology industries by bringing investors and entrepreneurs together.

"The idea is that it provides a central location where small businesses can base themselves for up to two years, surrounded by like-minded people while being mentored and exposed to networking opportunities otherwise unavailable to them.

"Sadly, developing and growing a technology based business in Australia is very difficult. i.lab very effectively provides the resources, contacts and networks to make the realisation of such a venture much more likely."

i.lab does not provide funding to any of the companies – but it facilitates business opportunities.

SO HOW DOES IT WORK?

"It's managed by a Chief Executive Officer who is supported by an extremely well qualified and creditable panel of successful individuals who are matched with i.lab member companies to whom they contribute both their time and experience. These mentors provide guidance and advice tailored to the needs of the company to which they are assigned. Having access to this level of experience and the networks that accompany the individual panel members is an invaluable advantage to any start-up company," Mr McGrady said.



[INSIDE PERSPECTIVE]

"The expertise of the panel crosses a range of fields such as venture capital and angel financing, legal, financial, and marketing and includes business champions who have significant experience in the start-up of technology related enterprises.

"Each company that applies to join i.lab has to meet certain criteria – including being able to demonstrate the product's market advantage and its commercial attractiveness to potential investors."

i.lab can house up to 17 emerging companies at any one time. Each member is provided office space together with a raft of services designed to assist in their development and survival during the early stages. Member companies also have access to board and meeting rooms and practical office equipment. We're talking about data projectors, photocopiers, and printers – equipment needed by businesses but often too costly for a small business to buy."

The business support services include mentoring and assistance to secure access to the world's best venture capital, legal, financial and marketing activities and expertise.

"It offers mentoring from experienced business people; professional advice to develop business and management skills; technical expertise to assist product development; and international networks and contacts. Essentially, i.lab is a very sophisticated support network."

i.lab offers its member companies practical business, professional and technical advice through numerous workshops, business development programs and seminars held throughout the year.

"Topics covered include financial and business management and planning, accounting and taxation, public relations and marketing, technology commercialisation and capital attraction."

In addition to this, i.lab also has external members or virtual members – who work from their own premises but still benefit from the various programs and networking opportunities offered.

"Over the past four years i.lab has seen 33 companies come through its doors. Not every company that joins will succeed or stay the two years – some fast track through – others take a different business direction, but all who have been members have praised the concept of incubation and the way it has expanded their knowledge of running a business and entering the market place.

"Companies often say to me how the networking events alone have been phenomenally valuable, and how i.lab has opened doors to opportunities that they never imagined. It's a concept that every state should be embracing."

While i.lab is a technology-focused incubator the companies cover a wide range of industries.

"It's incredibly diverse. We have companies working on wireless technology and communications, biotechnology, and software development for the hospitality, sports, medical, agricultural, and transport industries. It never fails to amaze me quite how innovative we are as a nation and one of my aims is to ensure we encourage this innovation – nurture and expand on it.

"Innovation is recognised worldwide as a driver of economic and social well being. Queensland's global competitiveness is reliant on the ability to develop and utilise new ideas and technologies.

"It's not just about high tech industry and research laboratories – it is about developing new ideas, processes and services in our workplaces, our schools, our communities and our homes.

"i.lab is only one of a number of initiatives implemented by the Beattie Government to assist innovators and grow knowledge based companies – all of which are central planks to the Smart State agenda."

To broaden the assistance provided to knowledge-based companies, particularly those at an early stage, i.lab has recently introduced an affiliates program.

Currently 2929 companies are able to access some of the business development programs it runs – although they are not yet able to meet the criteria to become members of i.lab itself.

"The idea is to develop a pool of emerging technology based companies so when a maturing member company moves out of i.lab – there is another company ready to move in.

"One of our motivations in all of this was to create jobs and i.lab has been actively involved in job creation since its inception.

"It has created more than 190 new jobs. It runs an internship scheme with more than 50 graduates – many of whom have gone on to full-time positions within the company in which they worked. There is also a work experience program for school students – giving them the opportunity to gain real experience in the high technology industries."

Incubators are not a new idea. They've been running in the United States for many years, but the concept is a relatively new one in Australia. This year the Queensland Government is building on the success of i.lab by expanding its incubation program around the entire state.

"We recognise that technology based companies do not just develop around major cities – many ideas have emerged in rural and regional Queensland and it is important to acknowledge this and extend our help and support to those people. Our new State-wide Technology Incubation Strategy will play a pivotal role in our mission to grow emerging, innovative, knowledge-based companies.

"Again, it is focused on providing assistance for high technology start-up firms to commercialise their innovative product or service in the critical early stages of a firm's development.

"It's a Queensland-wide network of interlinked technology incubation facilities based on a central 'Hub' (i.lab) in South-East Queensland, which will service a number of 'Nodes' in major regional centres where a demand for technology incubation has been established.

"The Queensland Government will provide up to \$500 000, on a dollar-for-dollar basis, over four years to successful applicants to establish a regional Node.

"I know that right now there are hundreds of Queenslanders working on original ideas that are technology based – but they're probably not aware of the help that is available.

"Some people I talk to immediately dismiss their ideas as 'not being the sort of thing we'd be interested in'. Well, I want to tell these people they might be surprised.

"We are interested and there is help out there. I urge them to contact my Department for more information. We want to work with you so that together we can make Queensland the ICT capital of our region and more importantly, create jobs for Queenslanders."

For more information see www.ilab.com.au or visit the Queensland Government at www.sd.qld.gov.au. [WFFH]

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