



MEDIA RELEASE

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Business Incubators prove popular in tough economic times

As the economic climate hits a new low, Business Incubators across Australia are continuing to provide great value and practical support to new businesses.

Business Incubators are set up to boost the potential of entrepreneurial companies through flexible office space and the support they receive from Incubator Management and the network of contacts associated.

A new publication by the US based National Business Incubation Association (NBIA Review, Volume 24 Issue 6) highlighted the following key areas in which value is seen:

1. Incubator subsidies by government pay off through the client companies generating local tax revenue
2. Incubators reduce the risk of small business failure
3. Incubators are part of a larger value chain, adding value to the local business community
4. Incubators enhance economic development in a region

The Sunshine Coast's own Business Incubator – The Innovation Centre at the University of the Sunshine Coast – encompasses all of these benefits for start-up companies and has recently expanded to accommodate more established companies as part of their Business Accelerator.

Innovation Centre CEO, Colin Graham, suggested that in the current economic conditions, with many people being made redundant, there would be more 'forced entrepreneurship' beginning. 'It is often the case that people who have been thinking about a particular business idea for a long time, may see being made redundant as their chance to get started,' he said.

The Innovation Centre began its Incubator program in 2002 and has helped over 50 companies, primarily in the IT, creative and green-technology sectors, through the introductory and growth stages of their development since then, creating over 300 jobs.

Business Incubator's also assist associate or virtual clients by providing them with similar services, without those companies being based on the premises. The Innovation Centre Sunshine Coast currently houses over 20 businesses and has four associate clients, and is assisting them through mentoring, advice and business development and networking events.

According to the National Business Incubation Association, there is no doubt that Business Incubators are a great investment and that public sector support for them pays off. Their study showed that for every \$1 in estimated public operating subsidy to an Incubator, its graduate and current companies generated approximately \$30 in local tax revenue alone. They also significantly reduce the risk of small business failure, as the success rate of companies who

complete the Business Incubation Program is about 87 percent.

The Innovation Centre Sunshine Coast's Business Incubation program includes flexible office space, fast speed fibre optic connectivity, basic business start-up mentoring, assistance with sourcing capital investment, executive development seminars, networking activities, shared administrative facilities marketing and finance assistance.

Innovation Centre Business Incubator Manager and Entrepreneur in Residence, Nigel Hall commented, 'Businesses who participate in our program have a much higher chance of success due to the mentoring, executive development, networking and lower total cost of operating they can access at the Centre'.

For more information about the Business Incubator and the Innovation Centre Sunshine Coast visit www.innovation-centre.com.au, phone +61 7 5450 2600 or email innovationcentre@usc.edu.au.

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