

Business Incubation in Taiwan

~The Experience over the Years

**Small and Medium Enterprise Administration
Ministry of Economic Affairs
Taiwan**

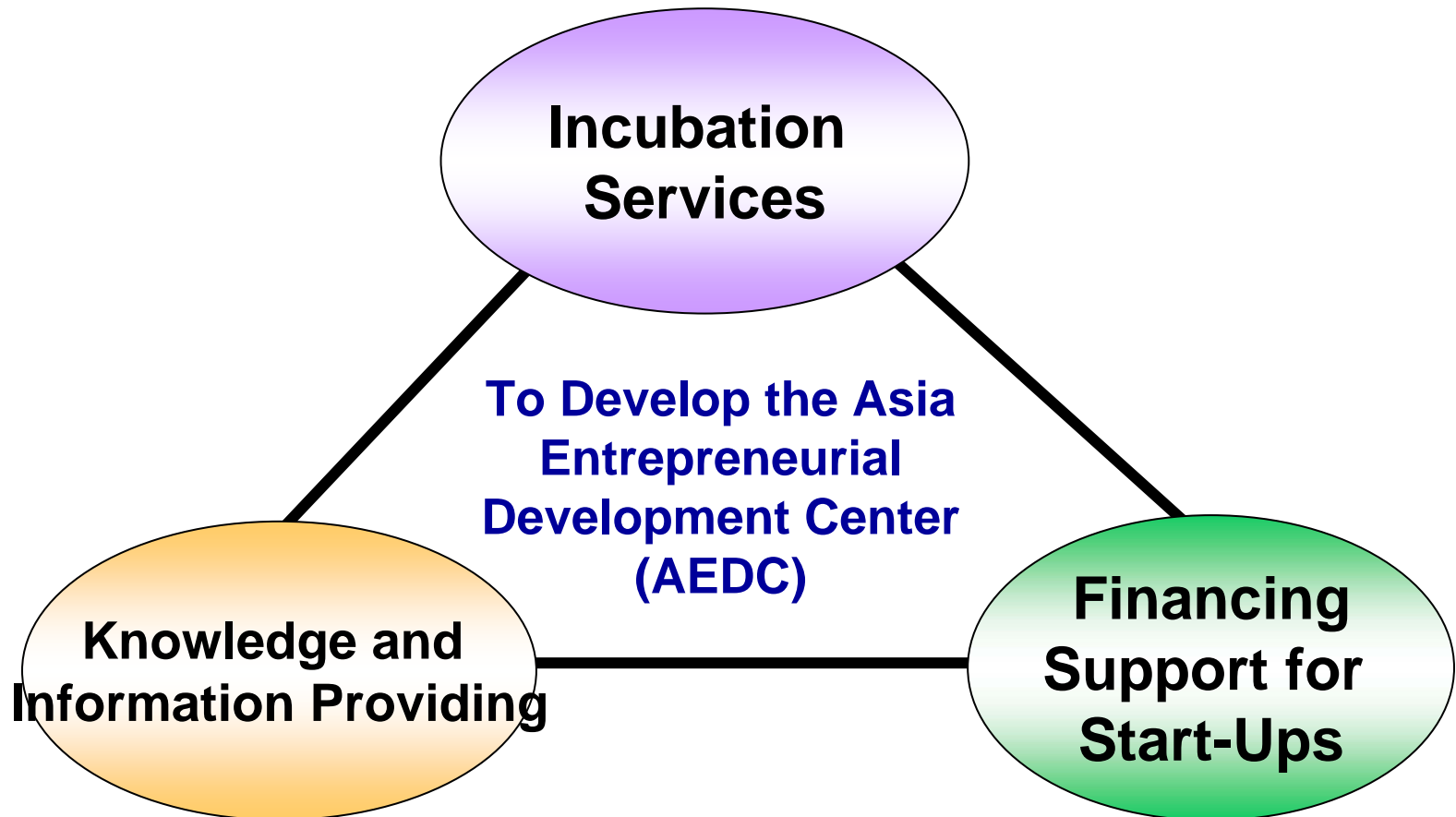
Outline of Presentation

- I. Background**
- II. Platform for Integrating Research Resources for Industry-academia Collaboration**
- III. Increase Value-Added of Incubation Through Industry-academia Collaboration**
- IV. Conclusion**

I. Background

1. Platform of Entrepreneurship and Incubation for SMEs

Vision: To Foster Taiwan as an Entrepreneur Society

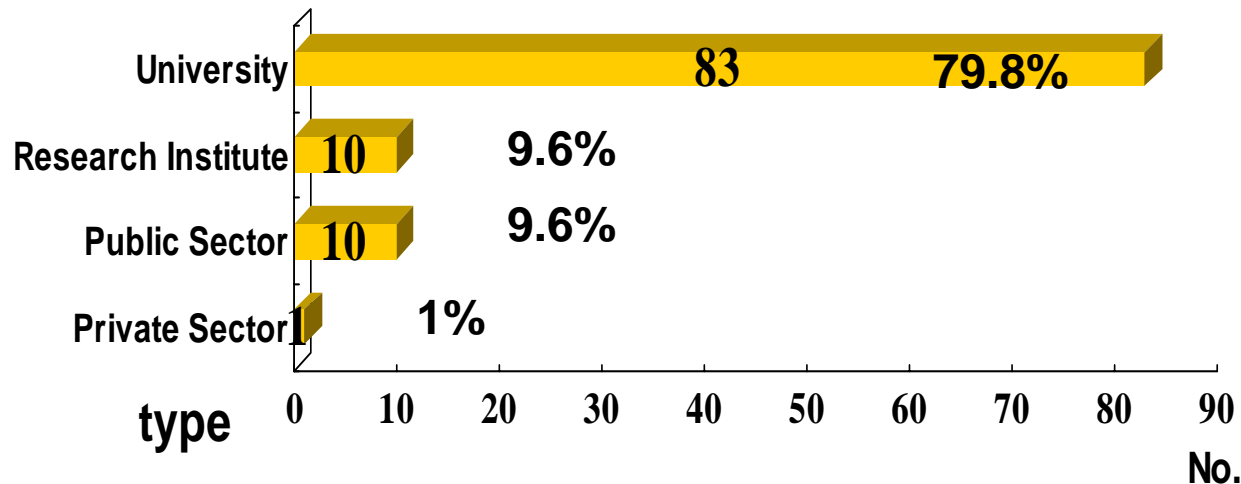


2. Incubation Services

(1) Definition

Incubation centers are locations for the cultivation of innovation businesses, products and technologies, and for helping SMEs to upgrade and transform themselves. By providing start-ups with office space, instruments, equipment, R&D technology, helping them to secure financing, and by providing management consulting and other business services, they facilitate the effective integration of resources, helping to reduce the costs and risks that start-ups have to bear in the early stages of business development, and increase the possibility of new businesses successful rates.

(2) Type



(3) Performance of Incubation Services

Performance		Year	2004	2005	2006	2007	1997~2007
		Input	1.Subsidy for Incubation Center (NTD, billion)	1.86	2.14	1.64	1.72
Output	1.No. of Fostered SMEs	1,131	1,326	1,282	1356	2986	
	2.No. of Fostered Start-ups	279	333	507	577	1000	
	3.Capital Increase (NTD, billion)	43	57	52	52	449	
	4.Multiple of Output and Input (Capital Increase/Subsidy)	23	27	32	30	27	
	5.No. of Employment being Created	11,477	22,648	25,353	27,133	65,086	
	6.No. of Patent Acquired	160	413	400	416	1542	
	7.No. of Technology Transfer	87	145	205	149	667	
	8.No. of Registered Enterprises	12	3	0	3	36	

Note : 1.Statistics Range : Incubation centers subsidized and invested by SMEA, MOEA.

2.The incubating process is limited within 3 years in principle. Statistics number of fostered SMEs and employment are based in newly incubated SMEs in the year.

(4) Measures for Enhancing the Function of Incubation Service

Strategies

Expanding service capacities of incubators

Building up fine-quality incubating environment

Training the professional managers of incubators

Facilitating the cooperation and inter-action of incubators

Popularizing the incubation information and Service

Evaluating the performance of incubation services

Measures

Guidance and assistance programs for incubators

- **Legislation**
- **Compiling the guidelines of operation for incubators**

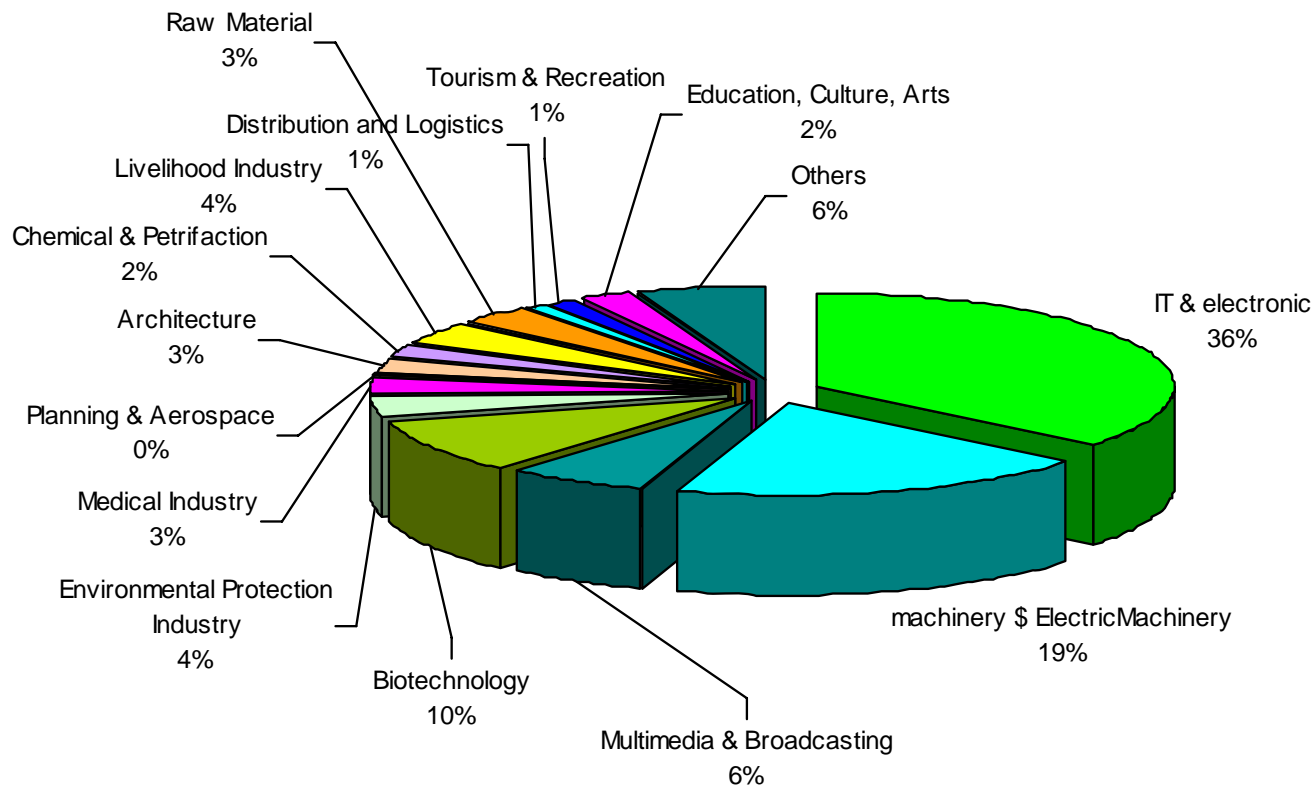
- **Training programs**
- **exchanging incubation experiences**

- **Fairs**
- **Visit tour of incubators**
- **NBIA 、 AABI 、 APEC Meetings**

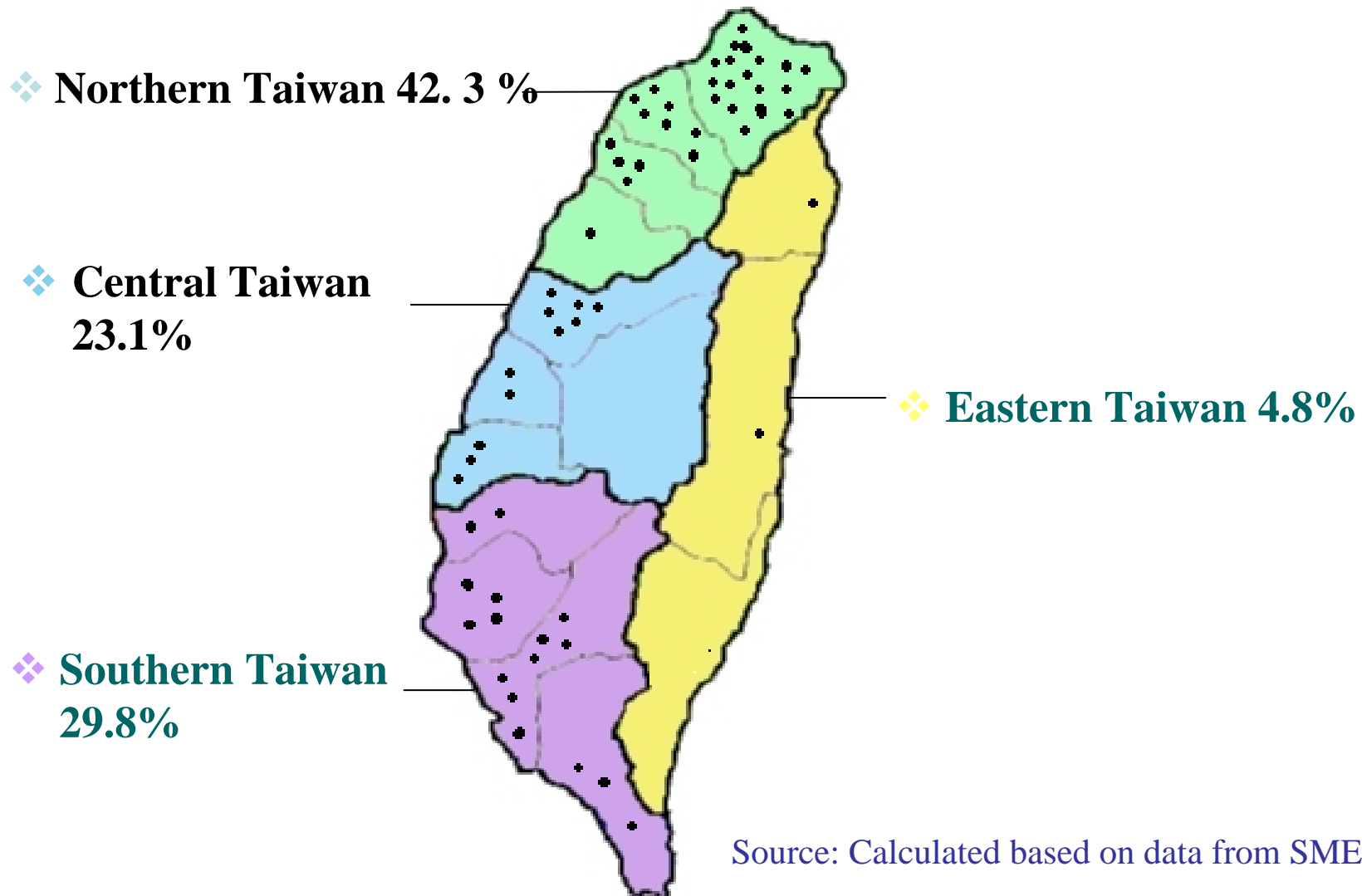
- **Year Book of incubators**
- **Incubation Journals**
- **Bi-monthly Publication**

- **Evaluation Mechanism of Performance for incubators**

❖ Incubating Domain in Taiwan

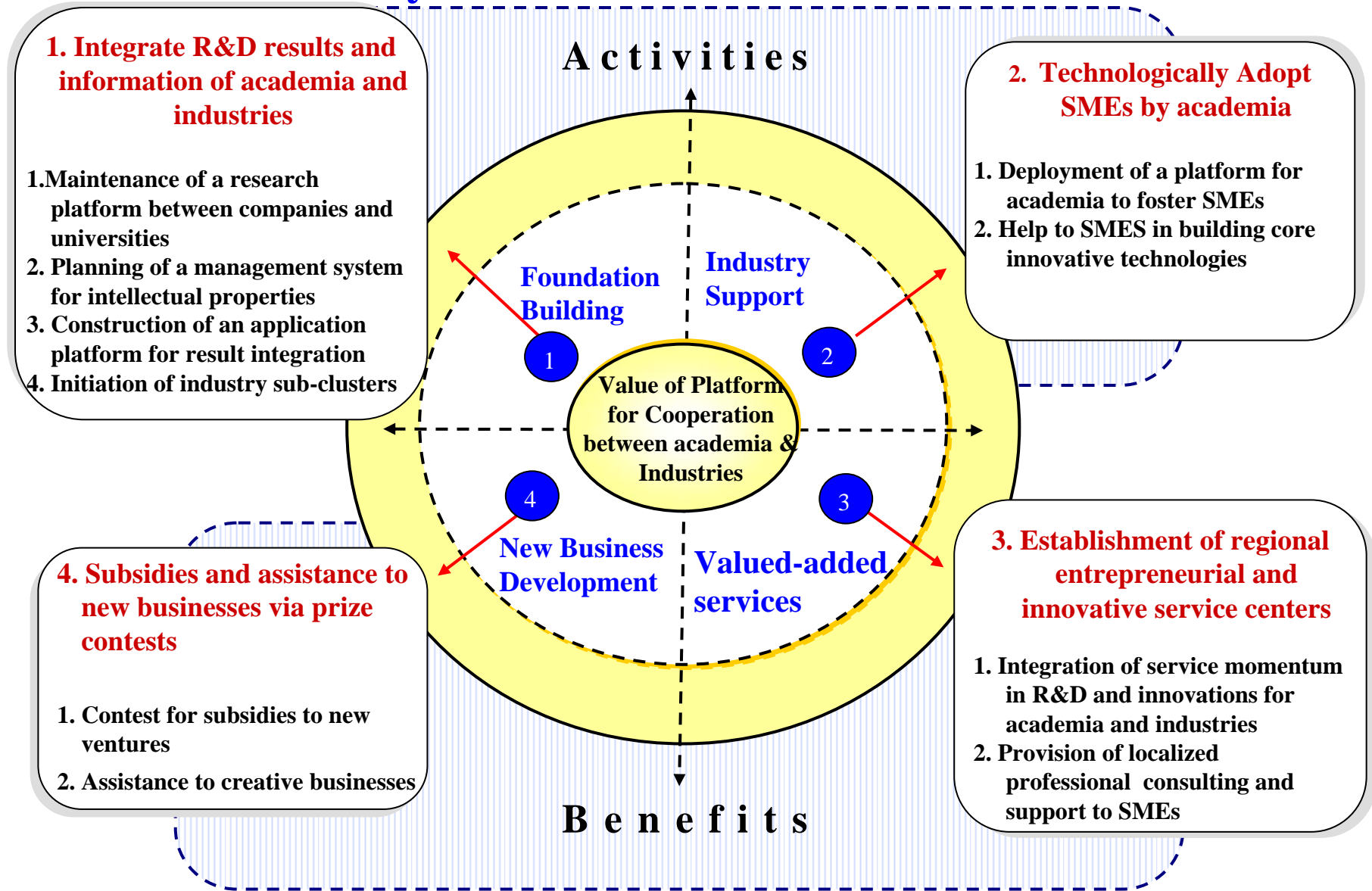


❖ Regional Distribution of Incubators in Taiwan

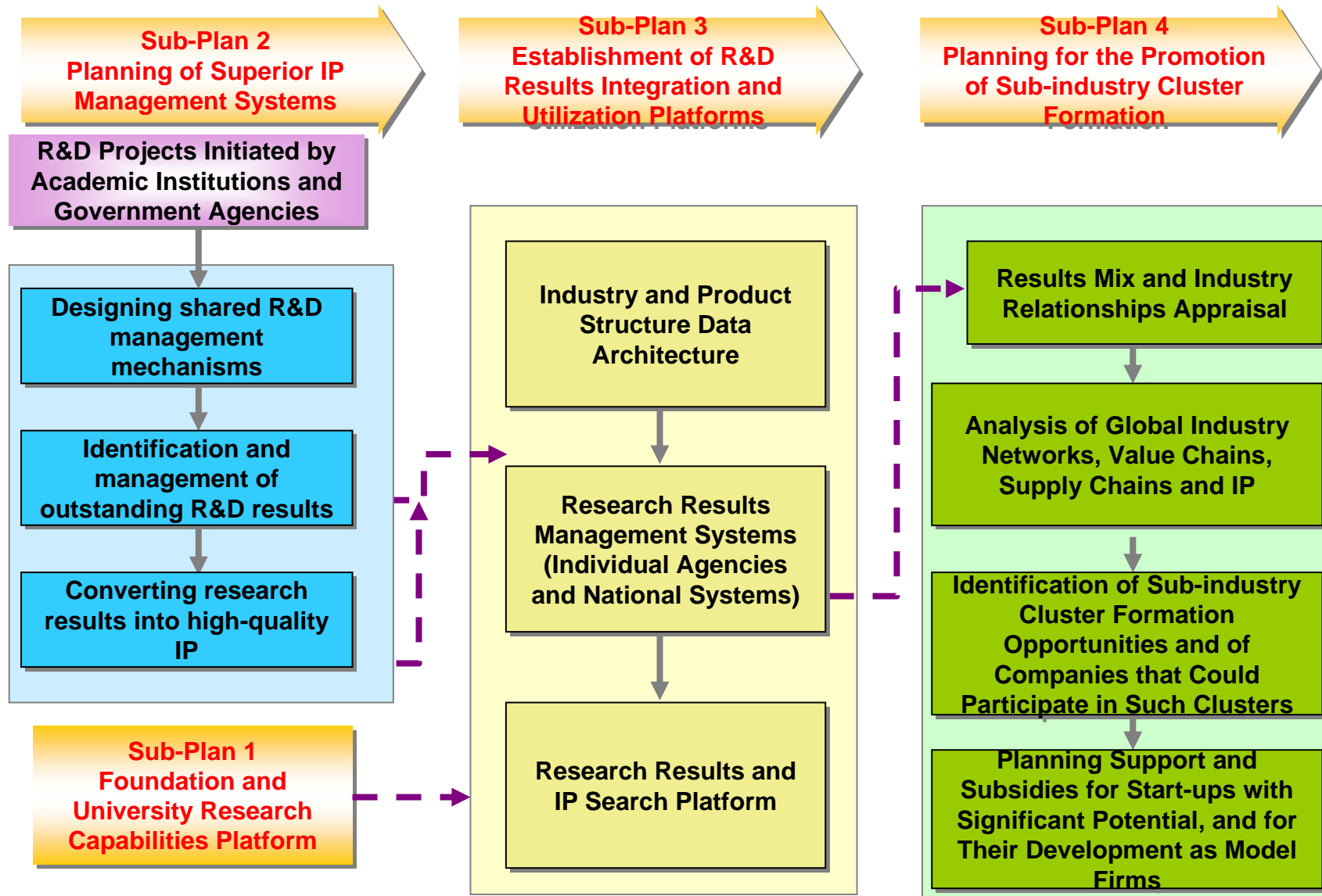


Source: Calculated based on data from SMEA

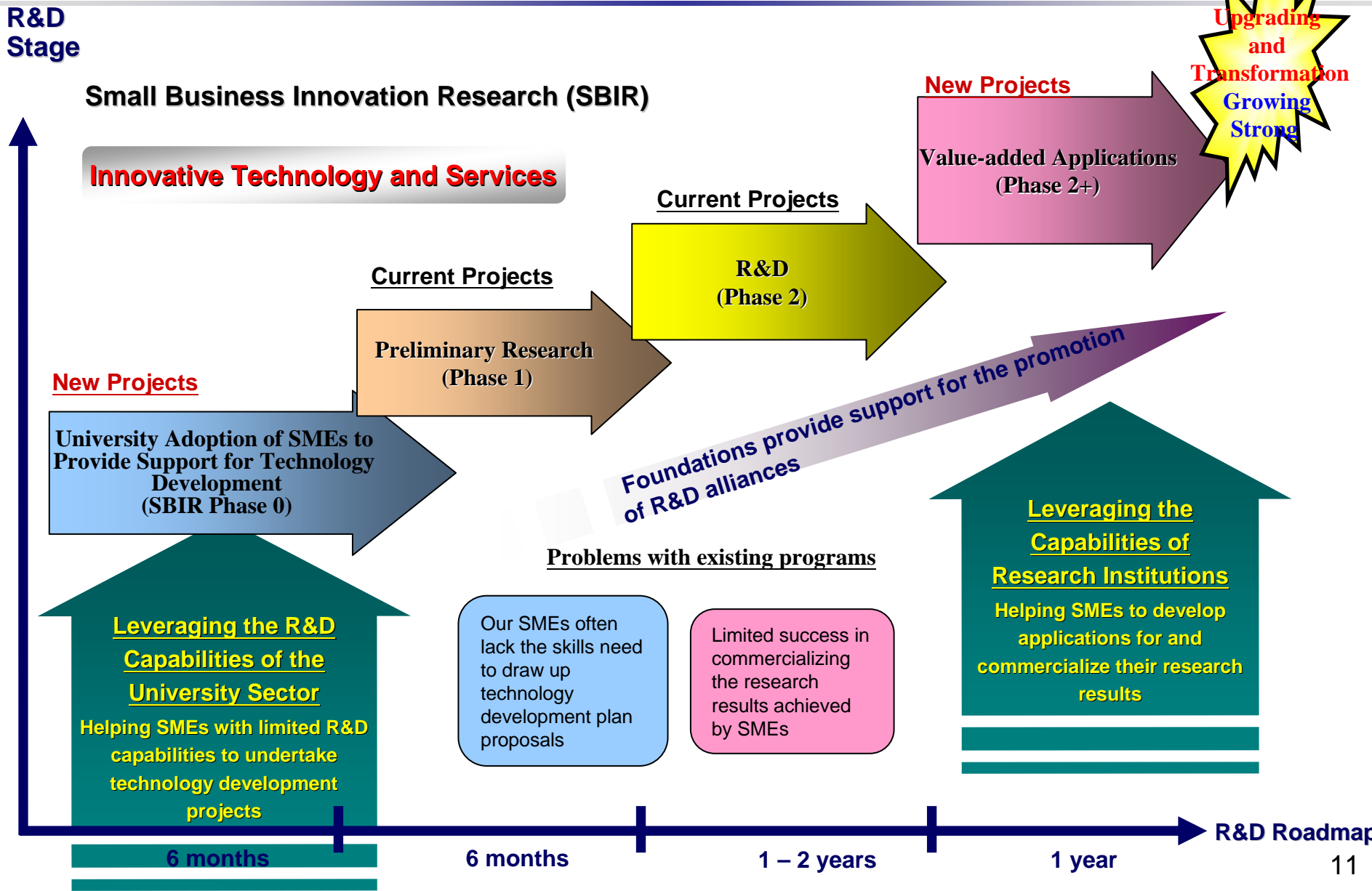
II. Platform for Integrating Research Resources for Industry-academia Collaboration



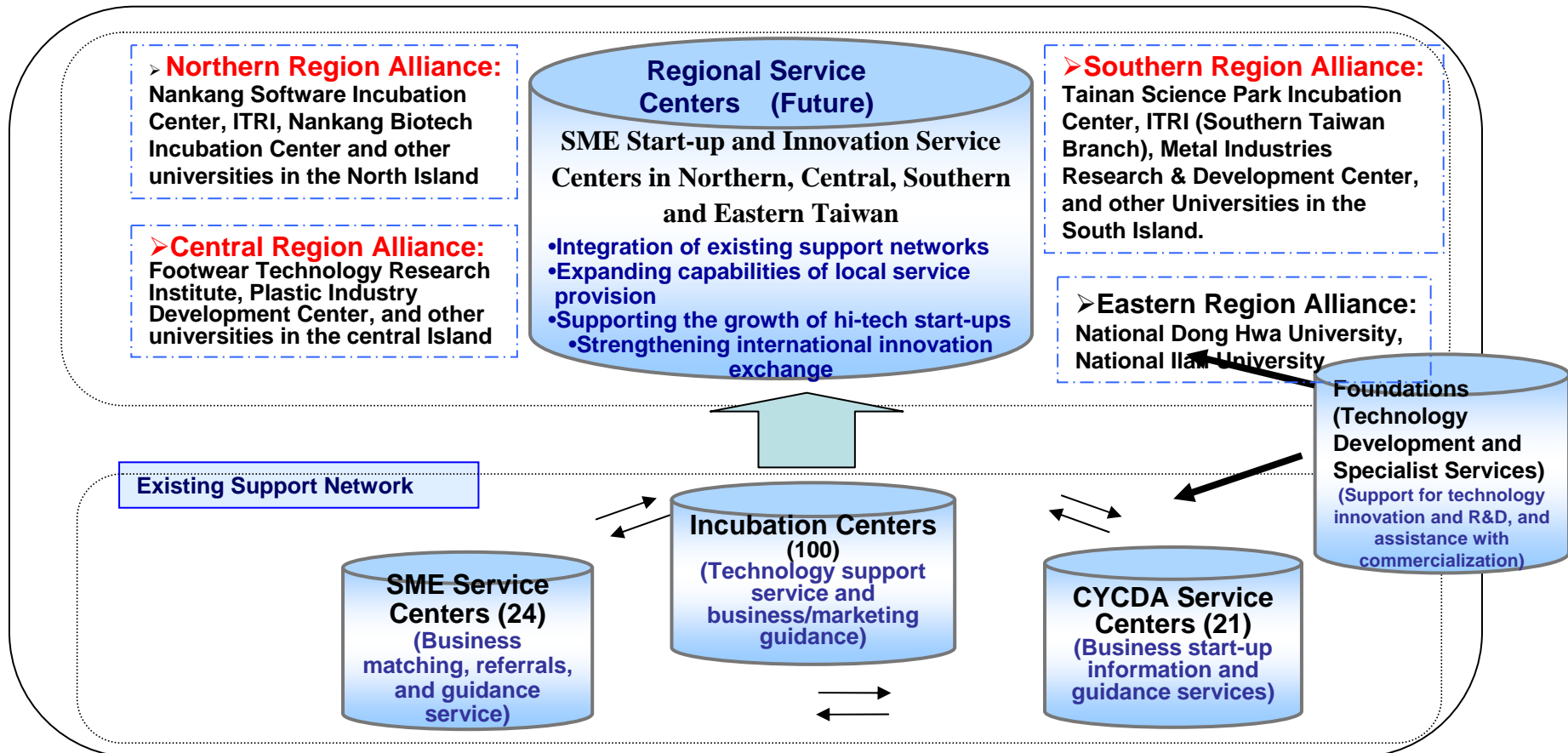
1. Integrate R&D results and information of academia and industries



2. Technologically Adopt SMEs by academia



3. Establishment of regional entrepreneurial and innovative service centers



Creation of the Regional Service Centers:

Regional service centers will be established at incubator centers that possess significant service provision capabilities, or at foundations under the supervision of this Ministry.

4. Subsidies and assistance to new businesses via prize contests

A. Funding Support for New Business Development Competitions

B. Guidance and Training Provision for New Business Development

Goals

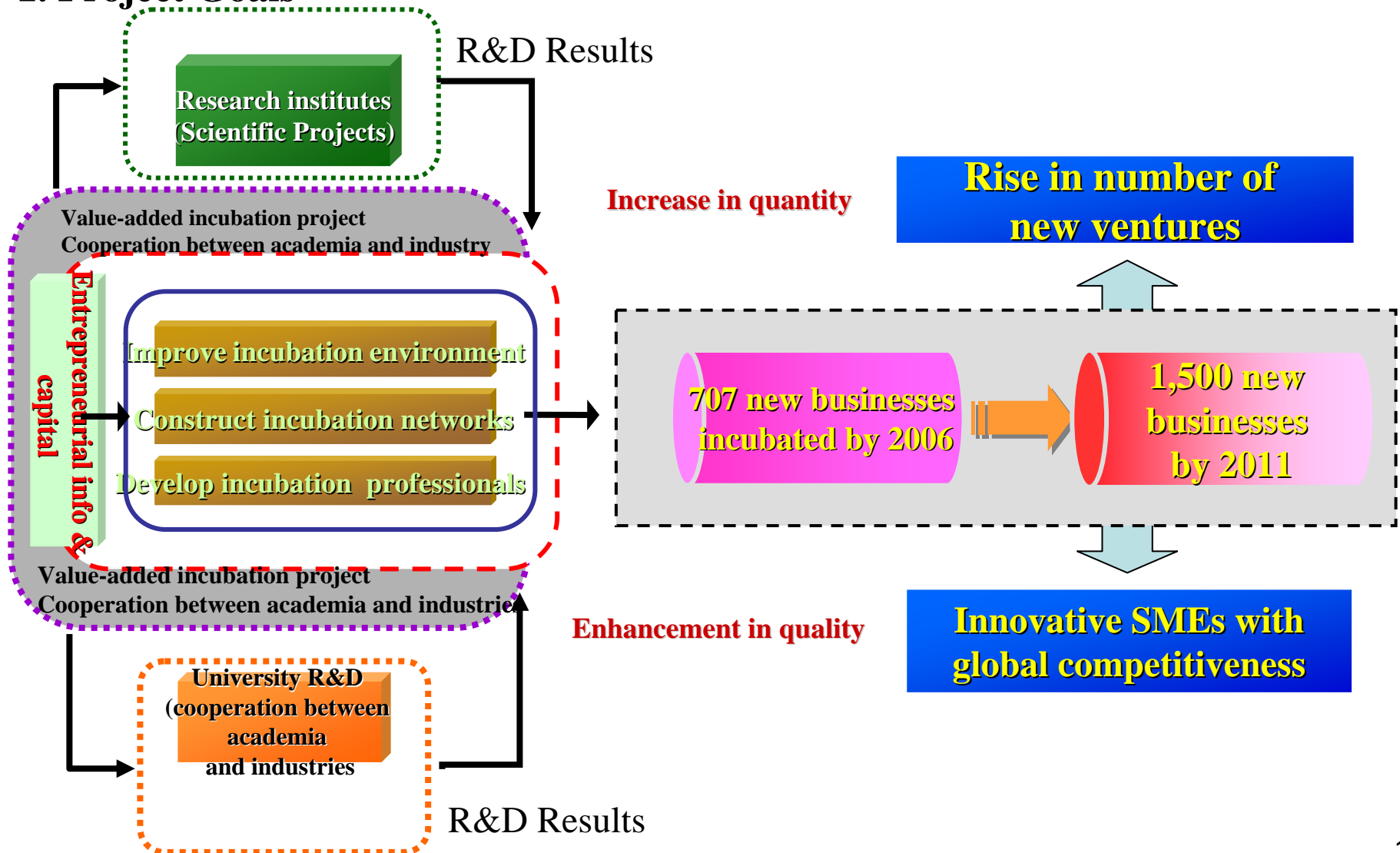
- 1. Transforming the new ideas and research results achieved in industry-university collaborative projects into new businesses that can create new value.**
- 2. Establishing mechanisms to integrate the activities of competitions for new business establishment.**

Targets

- 1. Helping 100 innovation projects to receive guidance and training support.**
- 2. Creation of 15 new start-ups.**

III. Increase Value-Added of Incubation Through Industry-academia Collaboration

1. Project Goals





2. Project Structure

Value-added incubation project
With cooperation between
academia and industries
(2008-2011)

Construct incubation networks

- Enhance service capacity of incubation networks
- Establish cooperation model for academia and industries
- Increase the number of new businesses

Improve environment for development of incubation

- Draw the Strategy in improvement of incubation
- Establish an expert community of innovation and entrepreneurship
- Promote incubation policies and benefits

Develop Incubation Professionals

- Manage talent pools of incubation managers and professionals
- Develop certification system for professionals
- Establish best practices in innovation and entrepreneurship



- Platform for incubation networks
- Incubation network for green industry
- Incubation network for digital life industry
- Incubation network for healthcare industry
- Incubation network for wireless broadband industry

Subsidies to incubation centers, public and private

- Introduce businesses into incubation centers
- Assist in applying for external resources
- Organize seminars and workshops

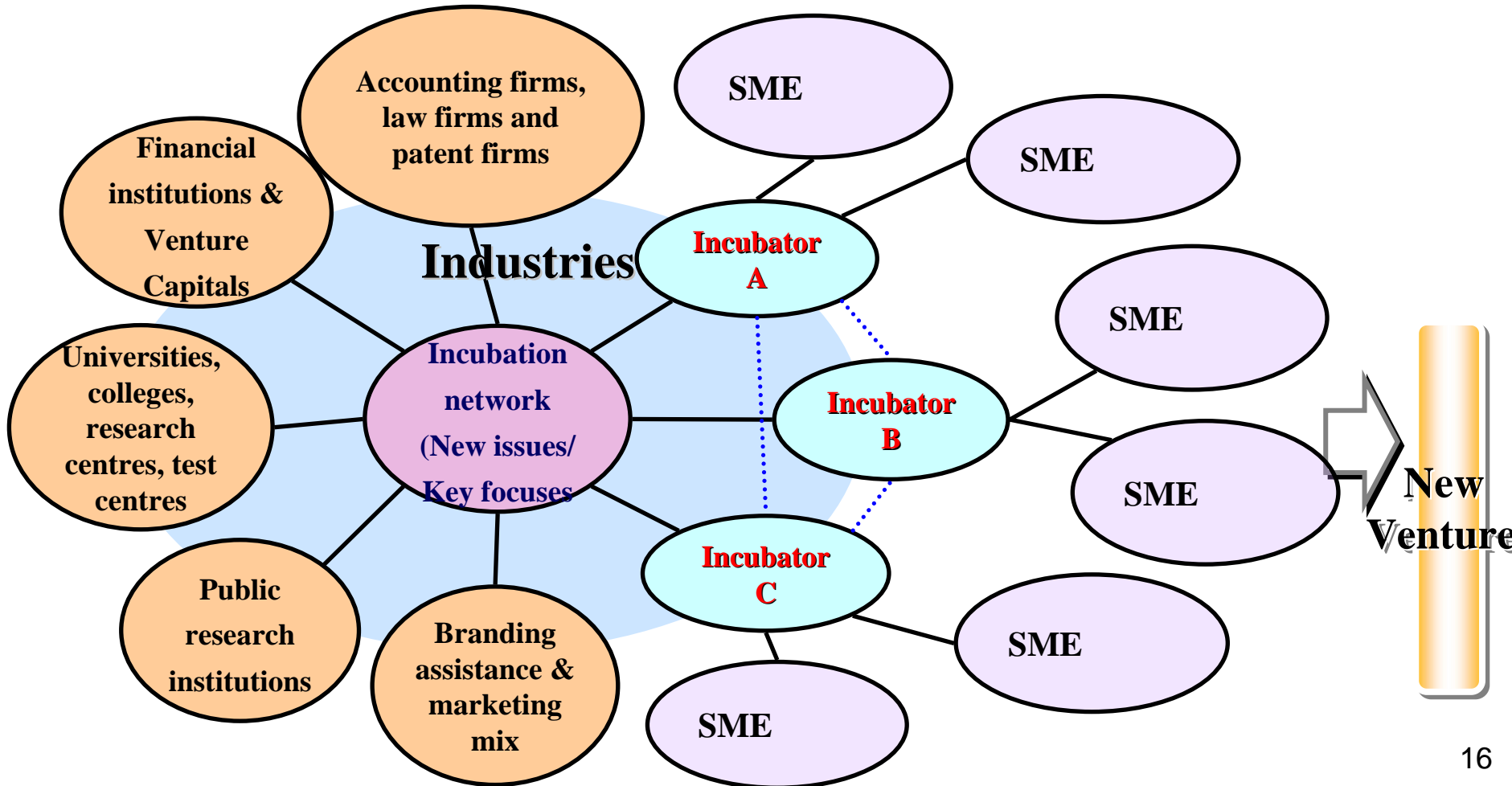
Administration & Management



3. Project Contents & Expected Outcomes

(1) Construction of Incubation Networks

Incubation Networks





(2) Improvement of incubation & development environment

Structure

Strategies in improvement of incubation results

- Betterment of the relevant regulatory environment for entrepreneurship and incubation
- Promotion of classification of incubation services
- Initiation of an optimal business model for incubators

Establishment of an expert community for innovations and entrepreneurship

- Construction of a community platform for experts
- Improvement of information and knowledge sharing mechanism for innovation and entrepreneurship
- Assistance in matching of resources for new businesses

Promotion of incubation policies and benefits

- Deployment of a mechanism to introduce quality start-ups to incubation centres
- Publicity of success stories for innovation and incubation
- Experience sharing with international incubators

Improvement of incubation & development environment

Incubators

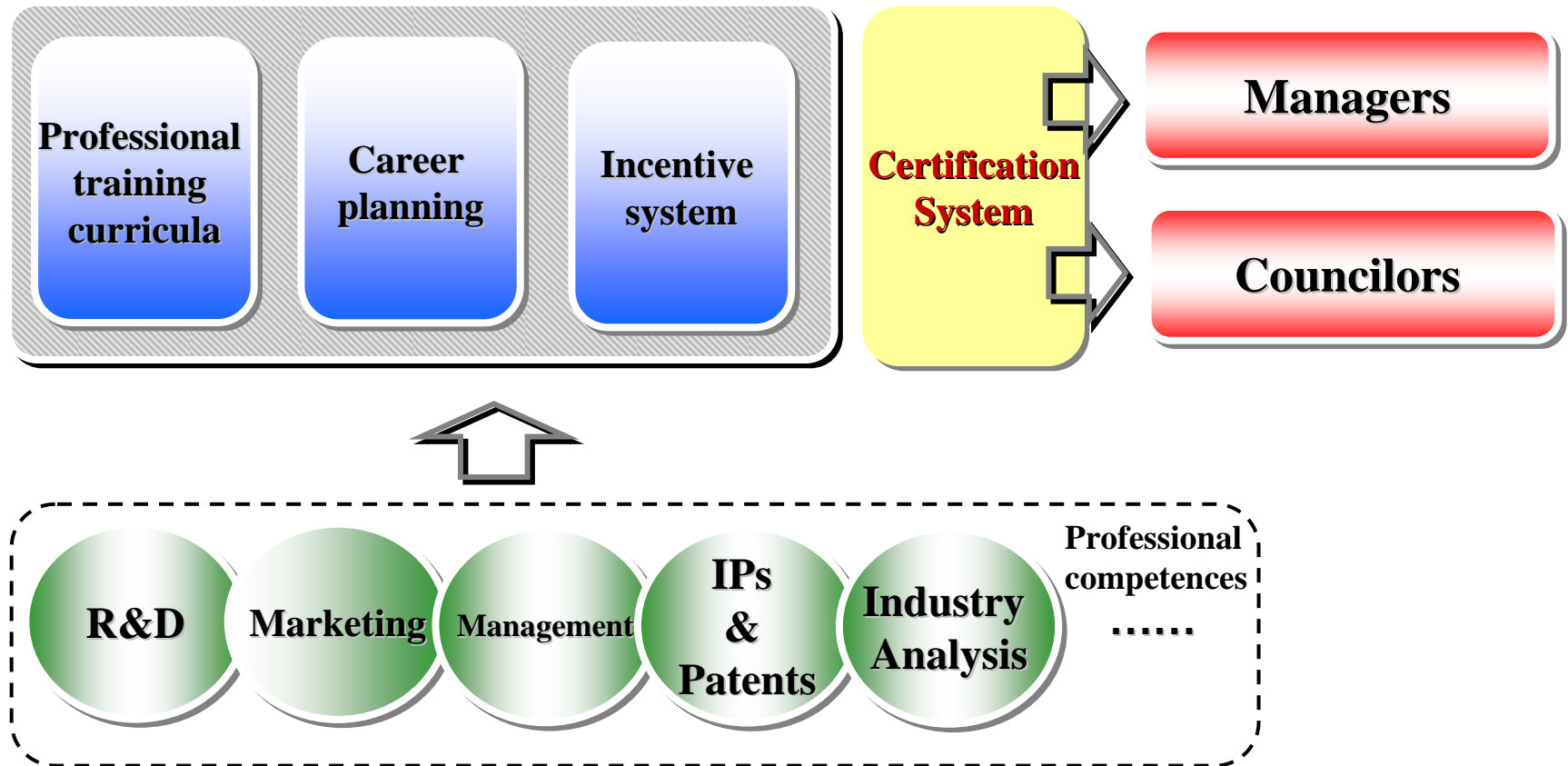
New Businesses

Professors/Researchers



(3) Development of Professionals in Incubation

Structure





IV. Conclusion

●The Necessity of Resource Integration

It is necessary to integrate resources among different government departments to maximize efficiency on promoting industry-academia collaboration.

●The Role of Local Government

To develop and implement effective plans of industry-academia collaboration, local governments should play an important role, especially on the assistance of local industry to build collaborative relationship with local universities and research institutes.

- **Build-up of Platform and Database**

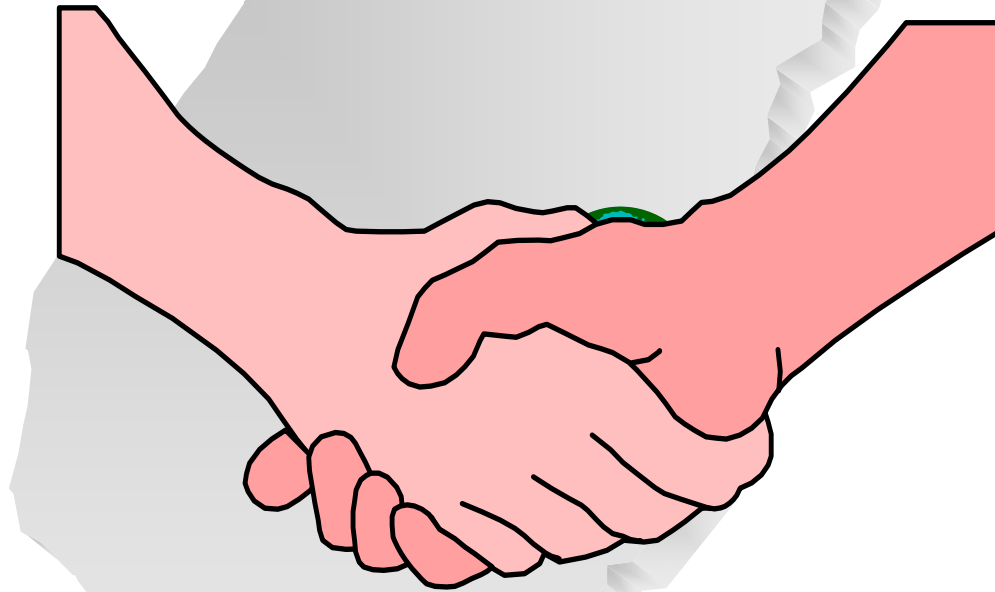
It is important to build a platform and database that contain the information of technology owned by academia and the needs of SMEs to stimulate business matching.

- **Innovative Regulatory Environment**

To build a favourable infrastructure for industry-academia collaboration, governments should assist in improving R&D regulatory framework, foster human resources, reform education system, release the R&D energy from academia through deregulation.



Thank you for your attention!



For further information

<http://www.moeasmea.gov.tw>