

Business Innovation & Incubation National Forum 2016 : Adelaide



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Mr David Williamson

Melbourne Innovation Centre: A sustainable incubator model



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Introduction

- CEO, Melbourne Innovation Centre
- MIC team member since 2007
- Treasurer, Business Innovation & Incubation Australia
- 8 years of study
- Incubator Manager Cert, iNBIA
- Father of 2 young girls



What we will cover

- Brief history of MIC (former Darebin Enterprise Centre)
- Who we are and what we do
- Sustainable incubator models
- Importance of measurement
- Key takeaways



Who we are

- General Purpose Business Incubator established in 1997
- Program sustainable within 2 years
- Hub and Spoke
 - Alphington (1997)
 - Northcote (2010)
 - Heidelberg (2014)
 - Geelong (2016)
 - ? (1st Jan, 2017)
- Currently serving over 100 companies

REAL PEOPLE
REAL BUSINESSES
REAL JOBS



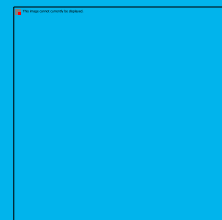
Regional Context: Melbourne's North

- Existing and established business incubators in the region:
 - Melbourne Innovation Centre (Alphington, Northcote, Heidelberg West)
Serving approximately 100 start up companies. Operates at 90% + occupancy
 - Brunswick Business Incubator (Brunswick)
Serving approximately 40-60 start up companies. Operates at 90% + occupancy
- Investigating business incubation
 - Nillumbik Shire – Incubator Feasibility conducted in 2014/2015
 - Hume City Council – Incubator Business Plan conducted 2016



The Stats That Count

- 86% of MIC businesses are still operating after five years
- The average MIC graduate has revenues of over \$1.5M
- MIC has incubated over 340 businesses
- MIC graduates have created over 1350 new jobs
- MIC contributes \$66M to the Victorian Economy every year



Business Incubation: Generations

- 1st Generation – Real estate focus with only reactive and limited business support services
- 2nd Generation – 1st Generation plus proactive business support services and program delivery
- 3rd Generation – 2nd Generation plus in-house debt/equity finance for clients or clear channels to finance
- 4th Generation – 2nd Generation plus purpose built facilities access to extensive business support services and catered programs for businesses at different growth stages ie. Accelerator and vast networks

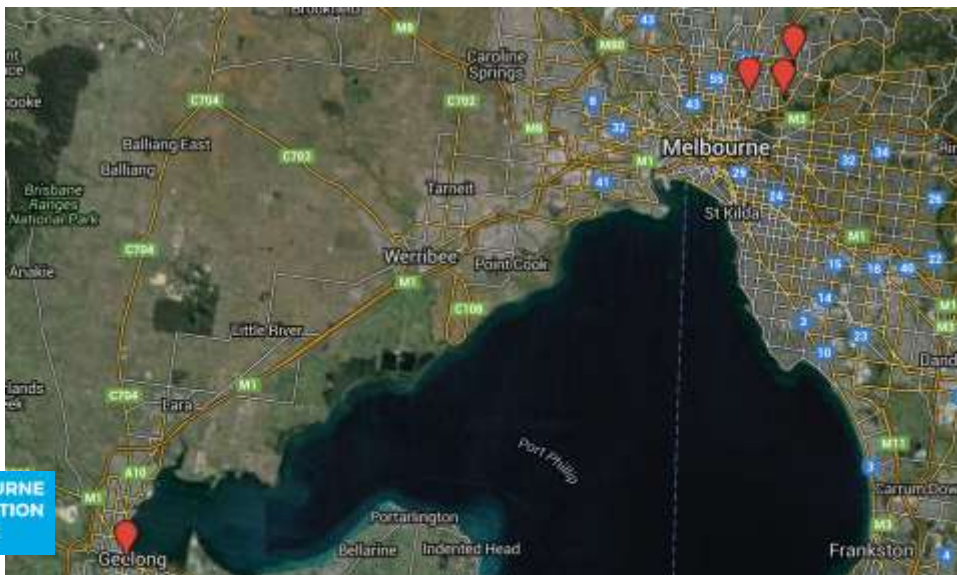
2nd Gen: Services

3rd Gen: Finance
Capital

4th Gen: Sophisticated
Strategy and Networks



Where we are

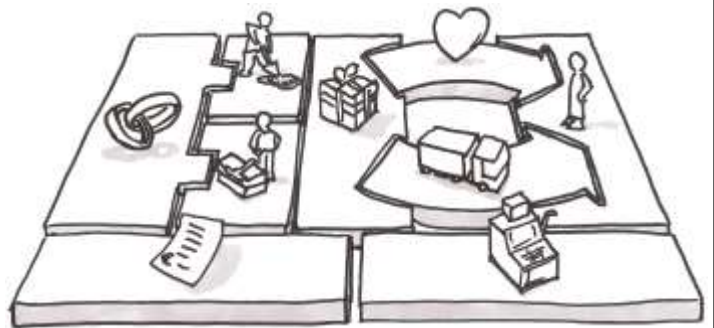






Our Business Model

- Revenue from licence fees
- Fees for services
- Consultancy
- Turnkey Management
- Events and Training
- Strategic Partnerships



Why is MIC successful? What we do..



Client Company Industries

- Environmental Technology
- Audio and Sports Technology
- Artisan Brewing
- Carbon Fibre Design
- Horticulture
- Digital Arts
- Professional Services



Client Company Spectrum



Each End Reinforces The Other



High Growth Businesses

Job Creation

Economic Growth

Talent Acquisition

Neighborhood Businesses

Quality of Life

Liveable Neighborhoods

Cultural Diversity



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Living Vicariously (we like to brag)

- BRW Magazine's Most Innovative Company
- ABC New Inventors Annual Winner
- People's Choice No.1 Beer in Australia
- 100's of Million Albums sold using the Sebatron
- NEIS Change Award Too Deadly Cleaning



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Our Partners



Our Team

- Scales 8-14 Employees/Contractors
- Complementary skillsets
 - Accounting and Finance
 - Professional Writing
 - Marketing
 - Management
 - Legal
 - Digital
 - Strategy



Programs Build Capacity

- Digital Enterprise Program – 1400 businesses
- Small Business Online Program – 280 businesses
- NEIS Program – Over 1,000 business
- Indigenous Business Incubator – Over 100 Indigenous owned and controlled enterprises
- Management consultancy



Keys to our sustainable incubator

- Facilities: Floor space, Peppercorn
- Select Entry
- Governance/Management
- Strong Strategic Partnerships
- Entrepreneurial Culture
- Anchor Tenants
- Mentoring/Client Tracking/Graduation



Tracking and Measuring Impact

- Key Metrics
 - Revenue, Jobs created, Capital Raised, Success/Failure Rates
- Consistent data gathering processes
 - Quarterly, half yearly interviews
- Advantages
 - Quantify your program's impact
 - Attract funding
 - Contribute to consolidated ecosystem and regional impact data



Incubator Challenges

- Coworking – complementary or a threat to the model
- Navigating the NISA and State and Territory Gov equivalents
- Changing client needs (eg. crowdfunding)
- Formal and structured education
- To accelerate or not to accelerate
- Taking equity in client businesses
- Marketing the incubator, not just clients



Incubator Toolkit

- BIIA – <http://www.businessincubation.com.au> decades of experience
- iNBIA – <http://www.inbia.org/> Certificate program, listserv
- Share your resources
- Share your stories
- Drop us a line for procedures, systems, contracts



Summary

- Melbourne Innovation Centre – a sustainable case study
- Developing an entrepreneurial culture
- Measure your impact
- Share and tell your stories
- Build the network and join the cause



Question, Answer and Discussion

- Happy to answer any questions!



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