

Technology incubation

An instrument to support new enterprises

Gerhard Raetz

Appreciating the importance of 'technology incubation' in a country's economic growth, Germany early on created a framework for setting up a chain of "Innovation Centres". These centres undertake critical support activities for new enterprises and entrepreneurs. Some of these are: technical and business consultancy, financial support, international exposure and market promotion. This article discusses the role and activities of German innovation centres as technology incubators promoting technology development and commercialization among enterprises and entrepreneurs in the country.



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Business incubation has become an important element of economic development and policy for different regions and for a nation as a whole. Where innovative and technology-oriented fields are concerned, business incubation has special importance, helping as it does to create new companies with new products and services based on R&D.

The history of real business incubation in Germany started in 1983 in Berlin with the opening of the BIG, the Berlin Innovation and Business Incubation Centre. Today, there is a large network of more than 350 Centres and Parks all over Germany. It is one of the largest networks of incubators in the world. More than 10,300 companies, with about 70,000 employees, started operations in these Centres or attained their start-up-development there. More than 4,000 companies left these Centres for expansion.

Those companies that started their development in Innovation Centres created about 140,000 jobs.

Technology incubators - Innovation Centres

Incubators came into being out of economic necessity. The first incubators were established to create new enterprises and hence new jobs, in those regions with the most serious economic problems. The German model integrates the start-up and development of new enterprises with the development of new technologies. The basic task of German Innovation Centres is to support new enterprises with new products for the market.

The term "Innovation Centre" is an all-inclusive one that covers a wide range of Centres and Parks in Germany. Some of these are Business Incubators, Technology Centres or Parks, and Science Parks. Different names are