

KNOWLEDGE GIFT TITLE:

Incubation Technopark @EnCata

COUNTRY(IES) / REGION:

Belarus

LEAD ORGANISATION:

EnCata (Engineering Catalyst)

CHALLENGE / PROBLEM

Historically, innovation ecosystems were developed rather sporadically by a cohort of hi-tech and cash-rich companies involved in various government programs. Some other ecosystems emerged as a result of particular 'push' or as a result of various government incentives and infrastructure investment. We have identified that neither private sector, not venture capital (VC) is willing to invest in innovation ecosystem development, while government grant systems proved to be inefficient.

MAJOR ASSUMPTIONS MADE

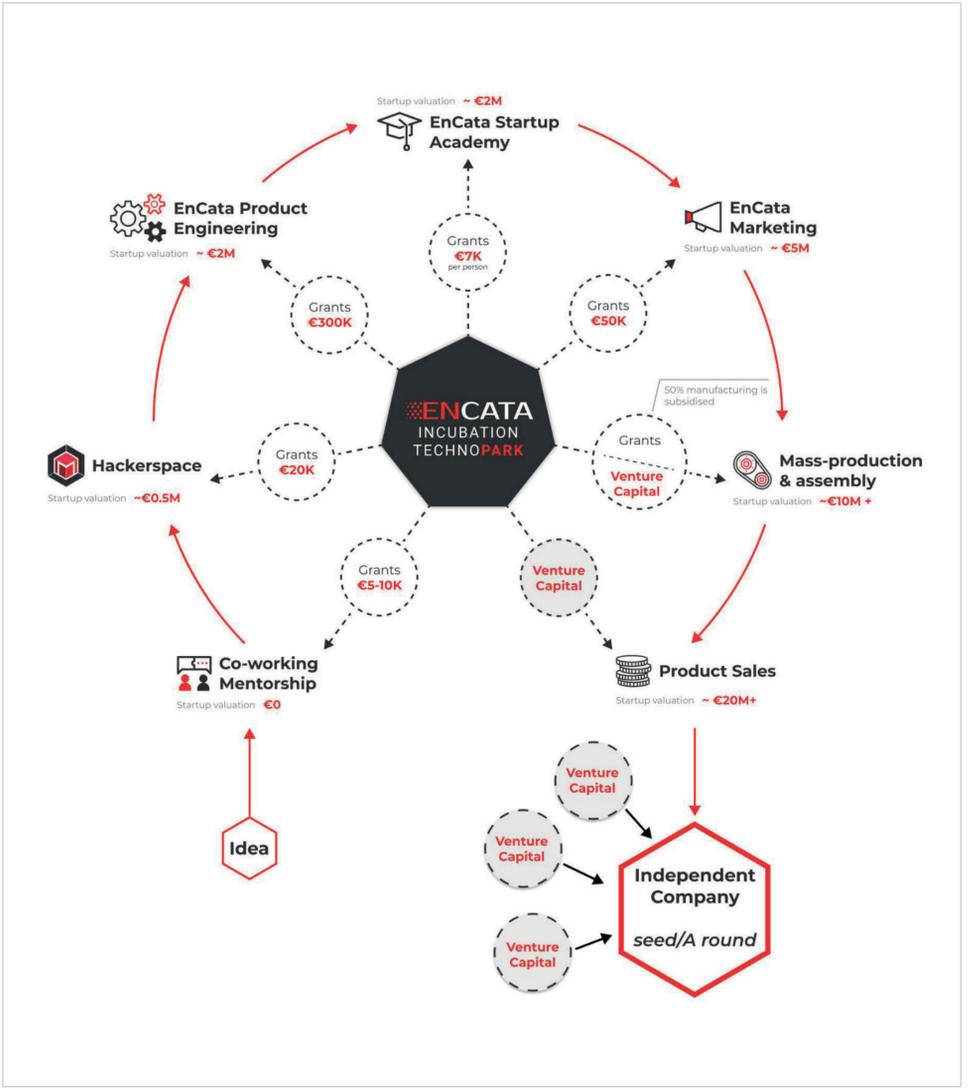
In EnCata we have created a private INCUBATION TECHNOPARK which efficiently uses both VC funding and government grants in the very early stage (pre-seed) startup development, while providing its residents with all the necessary infrastructure and services to develop HW and deep-tech projects. We believe EnCata has developed a whole new approach to incubate, nurture and grow hardware and scientific startups and we do so with a much better efficiency

SOLUTION OFFERED

EnCata Incubation Technopark offers services to (i) pre-seed stage startups (ii) VC and angel investors and (iii) helps government development agencies (grant funds) to efficiently invest public money. A software prototype „VOUCHERS“ built to manage grants and 3-party agreements with automated system powered by Smartcontracts. InCubation Technopark is a one-stop-shop for hardware (IoT) and scientific startups, offering them:

- 1) A co-working space;
- 2) Free-access makerspace (hackerspace) with cheap machinery and tooling rent for rapid prototyping and assembly;
- 3) Professional design engineering, electronics and software development services;
- 4) Professional and lean industrial prototyping facilities;
- 5) Startup Mentorship;
- 6) product development and business/management consultancy;
- 7) EnCata Academy (acceleration and educational program);
- 8) Professional digital and media marketing services;
- 9) Access to Venture Capital firms (actually, vice-versa);
- 10) Direct access to grant funding programs

ILLUSTRATION / VISUAL



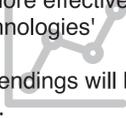
OUTPUTS CREATED

- 40+ deep-tech/hardware startups are now being incubated at the moment within EnCata Incubation Technopark.
- Local governments now see a whole new efficient approach to stimulate innovation and growth and re-visit and their old inefficient grant policies and administrative procedures.
- VCs are now lining up to be a next round investors (both pre-seed and seed stage)
- InCubation technoparks is set to be opened in various locations across Belarus, Russia, USA and EU



INDICATORS / SCALE / IMPACT

- The real impact (ROI) will be measured in 5-10 years time (a typical startup lifecycle).
- Now, EnCata has become the hot-spot for science and innovation in CIS countries and this business model is highly regarded as "very efficient" by other players in field of innovation.
- Government (public) DIRECT spendings (in forms of grants) will be spent more effectively while a significant spill-over effect is already being created and many 'old technologies' locked up in Academia are now in 'technology transfer phase'.
- Government's OVERHEADS (administrative) costs to manage the public spendings will be reduced 5-10 fold with the VOUCHERS management/Smartcontract software.



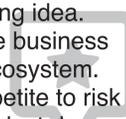
PARTNERS

- CypherHub (pre-seed VC fund)
- UNDP
- Belarus Innovation Fund (Belarus)
- Ministry of Economics (Belarus)



KEY RECOMMENDATIONS / UNIVERSAL PRINCIPLE

- Public money (grants) is the only option to fund a pre-seed stage of a hardware/deep tech startup (technology/product development phase) to reach out to investment round.
- Academia is very bad in [business] innovation and technology transfer so 'marrying' them with tech entrepreneurs for the pre-seed stage is a sound and working idea.
- Government struggles to understand what innovation is about, so let the business decide. I.e. support the best practices from the business in building the ecosystem.
- VCs are poor in identifying potential 'unicorn' technologies and their appetite to risk is very low at the pre-seed stage. Appetite increases towards the end of product dev.



REPLICATION POTENTIAL / SUSTAINABILITY

Incubation Technoparks and its parts are set to be replicated across Belarus. EnCata is now engaged in multiple negotiations with local authorities and Universities over scaling up in the USA, EU, China and the GCC (Gulf) region.



TOPICAL FOCUS

- MSME segmentation & entrepreneur-centred approaches
- Interplay between financial & non-financial services
- MSME support in digital era
- Entrepreneurial eco-systems & local advisory service providers
- New trends in MSME development

- Green
- Gender
- Fragility

SUB-TOPIC SELECTED

Facilitated by:

