



How to hatch your business idea **incubators and accelerators in Australasia**



*The statistics are compelling; basically half of all new start-up businesses fail within two to five years. Since the rise of businesses incubators and accelerators statistics show that the successful completion of an incubator programme plays a significant role in the success rate of a company. **Fiona Hanlon** investigates...*

The benefit of the incubator/accelerator model is best summed up by Phil Morle of Sydney's Pollenizer when he said: "I think most of the start-up culture understands now that ideas are cheap, and that it's the execution that's really difficult." The business incubator or accelerator gets the rubber on the road as fast and as cost effectively as possible and wraps around it the business people who have done it before and know some tricks. For example, 87 percent of firms that graduated from incubators since inception are still in business, according to an NBIA 'Business Incubation Works' Report.

Incubators and accelerators have the same mission - both aim to get young companies over the initial start-up hump. The main difference is that the incubator is there from the beginning helping to build the business - they act as co-founders which typically involves early-stage investment, heavy mentoring, guidance and resourcing. It's essentially a business bootcamp that will either kill you, or build you into a strong, lean and profitable business. Accelerators on the other hand begin with a cohort intake process whereby they accept

applications for entry and pick a set number per round, they make an equity investment in the start-ups, and in-turn the business model is based on generating venture style returns, not rent, or fees for services. Finally they add value to the entrepreneur via mentoring, making connections, and the notoriety that comes from being chosen to be a part of the accelerator.

Here in Australasia we are well serviced by business incubators and accelerators, particularly if your business idea falls into the digital technology arena. Australia has a greater offer of accelerator programmes with a number of start-ups being accepted into a range of three to six-month programmes. Australia also differs to New Zealand in that at least half of its incubators are driven by private individuals or enterprise. New Zealand has only a handful of accelerator programmes and the mostly private/public partnership incubators dotted around the main centres appear slightly more nebulous in terms of their offerings, promoting more of the entrepreneurial ecosystem (think office space), mentoring and the promise of an introduction to people who can invest and help.



1 The Icehouse & Ice Angels

www.theicehouse.co.nz

Auckland

Incubator

Charitable trust encompassing business incubators for start-up companies, a training company for owner-managed companies and New Zealand's largest grouping of angel investors. A collaboration between The University of Auckland Business School and various private and listed entities. Launched 75 technology companies; raised \$50 million through the angel-investor network.

Provides expertise, networking and funding for start-ups and established businesses across any industry. Timeframes and investment varies depending upon when a business has joined. Help identify options and assist in presenting the business to attract funding.

Nexus6 - monitors asthma patients in real-time
M-Com - mobile-banking software
EcoPortal - simple smart online management systems
SnapComs - internal communication software

Register via website to attend a free workshop or give them a call

2 Soda Inc

www.sodainc.com

Hamilton

Incubator & entrepreneurial hub

Focused on helping any economically successful, Hamilton businesses grow to develop the region into a vibrant entrepreneurial city. Public/private incubator supported and funded by Wintec, HCC & NZTE as well as corporate partners - ASB, Bold Horizon, Cisco, Deloitte, Norris Ward McKinnon and Velocity Networks.

Offers start-up businesses workshops, pre-incubation programmes, a 12-week acceleration programme and full-incubation programmes and established businesses short and long-term professionally serviced offices.

Findatruckload - online market place auctioning transport / logistics
PagePulse - automated digital mystery shopper
Current co-working clients include Xero

3O Finance - PayAfter provides more flexible payment options online.
Aeronavics - manufacturer of advanced multi-rotor airframes, RTF craft and related robotics

Enquire via website or call

3 Creative HQ & the Lightning Lab

www.creativehq.co.nz

Wellington

Incubator & accelerator

Offers incubation programmes, digital accelerator and science commercialisation activities. Specialises in sectors of competitive advantage for Wellington i.e. creative and innovation-led businesses. Funded by Grow Wellington, NZTE and private Wellington companies.

Start-ups: Partner with companies as a minority equity holder (five to 10 percent) and deliver resource, strategy and team capability. A 12-week plan working on a quarterly cycle of assessing progress and setting goals.
Up to \$18,000 of seed investment and intensive mentoring for teams of start-up entrepreneurs. Pushes for agreed results within a three month timeframe.

Silverstripe - open source content management system developer
Optimal Experience - user experience consultancy

Eight Wire Ltd - SaaS program
Conductor fixes common data errors and formatting inconsistencies
PriceTech - cloud-based optimisation application that provides companies with real time information on pricing

Lighting Lab entry via competitive intake



4 powerHouse Ventures
www.powerhouse-ventures.co.nz

Christchurch

Investor/incubator

Intellectual property commercialisation company using private and public investment to develop award-winning new spin-out ventures sourced primarily from research partners. Provides technology investment, business incubation, seed-funding and research commercialisation. Developed methodology to systematically commercialise IP and academic knowledge.

Combines attributes of angel investment in seed-stage ventures with business incubation. Holds a Securities Act (Venture Capital Schemes) Exemption Notice 2008 that lowers cost of raising capital for start-up businesses. Percentage of equity researchers and institutes receive depends on the nature and strength of the IP involved.

BIMStop - creates smart 3D content for architects
CropLogic - online crop management
Invert Robotics - makes climbing robots for inspecting industrial facilities

MARS Bioimaging (MBI) - provides in vivo colour x-ray imaging

Application via website

5 Upstart
www.upstart.org.nz

Dunedin

Incubator

A Not-for-profit in Dunedin helping start-ups to turn a product or idea into a commercial reality. Offers clients expertise and support to grow through coaching and a wide range of business services. Funded by NZTE, Otago University, Otago Polytechnic, Dunedin City Council and other private funding.

Clients selected based on a variety of factors, including idea, growth potential, talent and commitment. Comprehensive schedule of potential funding options available on website. Ranges from seed funding of up to \$15,000 to covering company set-up costs of \$10,000. Offers a partnership with Christchurch's powerHouse Ventures.

TracPlus - real-time global tracking, sensor monitoring and data analysis
Lifetime Health Diary - shares health related information between stakeholders

Trovolo - visual trip planning tool
Jumblesoft Games - ethical and learning-based mobile games

For information call or contact via website

6 StartMate
www.startmate.com.au

Sydney

Incubator & angel investor

Group of start-up executives offering mentoring and seed financing to technical founders creating global internet start-ups.

Eight teams are accepted for a five-month programme. Three months of the programme held in Sydney and two months in San Francisco. Provides a \$50,000 investment for 7.5 percent equity. Programme includes trip to Silicon Valley and two demo days. Mentors include founders of Atlassian, Hitwise and Spreets, and partners at Southern Cross Ventures.

Kinderloop - Instagram for child care
ScriptRock - simple testing for complex IT systems

Flirtey - parcel delivery by flying robots
Drawboard - PDF collaboration for engineers
Inductly - mobile-based staff induction
Composure - automated email
Lumific - photo enhancement
Foogi - effortless meeting scheduling

Competitive intake, application via website



7 Pollenizer & Pollenizer Ventures

www.pollenizer.com



Sydney



Incubator & venture capitalist



Five-year old venture builder founded and led by Phil Morle a key player in Australia's start-up ecosystem. Core focus on offering funding and capital-raising programme through Pollenizer Ventures. Founded over 20 start-ups in Asia Pacific to date.



A partnership-style arrangement for less-technical founders. Applies 'lean start-up' process to an initial nine-month phase. Process provides capital, team, services and networks to achieve product/market fit. Pollenizer continues as a co-founder for life of the business. Inception funding can be up to \$A100,000.



Lawpath - one-stop shop for any legal issue

Accruto - delivers qualified candidate shortlists using social networks
Currently incubating about two new companies a year.



Enquire via website

8 Blue Chilli & Blue Chilli Capital

www.bluechilli.com



Sydney & Melbourne



Incubator/accelerator & venture fund



Venture technology agency that combines software development, marketing, branding and business development skills with investments in online start-ups.



Does not invest cash in start-ups; instead venture fund BlueChilli Capital invests in tech and marketing for the business. Provides ongoing technical support at cost to BlueChilli investments. Ongoing support through the Sydney and Melbourne incubators. Delivers a new start-up every two months. Has made 23 investments; is on track to invest in 100 start-ups by 2016.



FoodOrbit - connects local food producers and growers with city fringe restaurants

Clutterfi - platform to curate bills, financial statements and digital receipts
Maestro Training - platform for pro sports enabling coaches and trainers to identify and curate emerging talent



Tribalmind - solves problems faster and more effectively through crowdsourcing

Cuzin - crowd-sourced shopping



Application via website

9 York Butter Factory & Venture Capital

www.yorkbutterfactory.com



Melbourne



Co-working space & venture capitalist



Entrepreneurial hub of like-minded individuals. Focused on digital media and web 2.0 companies.



Provides an environment in which the best entrepreneurs can get s**t done or simply #GSD. The culture is one of collaboration, resource-sharing and tough love. Rent a permanent, part-time, or after-hours desk.



Podzy - secure, on-premise document collaboration solution for enterprises - www.podzy.com



Current members sharing the space include:

Zoop
Writable
Bugcrowd
Campee
Hello Code
Omny
Price Geek
Unlocked,
Tout Creative and many more.



Sign up to rent your space and pay



10 iLab www.ilabaccelerator.com



Brisbane



Incubator/accelerator



Focus on supporting early-stage, high-tech companies through first years of development. Funded by the State Government and a subsidiary of the University of Queensland.



Build business management capabilities, fosters mentor networks for start-up founders, creates investor-ready companies, and graduates companies for independent growth or acquisition. Offers a variety of programmes including training, mentoring, office space, and up to \$A20,000 in funding.



Smooth Operator - POS platform for cafes and restaurants

Veilability - personalised venue search and compare tool



Bliip - tool for job seekers, employers, educators and researchers to measure employability skills and culture fit
Enthuse - turn-key mobile social loyalty solution for sports clubs and teams



Apply to Incubation programme via expressions of interest on website
Apply to Germinate & Accelerate programme through competitive intake via website

11 muru-D www.muru-d.com



Sydney



Accelerator



Start-up accelerator backed by Telstra. Supports the very best early-stage digital start-ups and provides seed capital, a purpose-built work space, world class acceleration services, and access to business networks.



Each six-month incubation period sees up to 10 groups go through the accelerator. Start-ups move in to the purpose-built start-up academy for six months of tailored support. Provides cash contribution of \$40,000 in return for six percent stake in the company.



Chatty Kidz - educational platform where family and kids learn together
Farmbot - monitoring system for farms, remote infrastructure and environments



10 new applicants are in the current Feb 2014 intake.



Competitive intake apply via website

12 Optus-Innov8 Seed www.optusinnov8seed.com.au



Sydney



Angel investor



Private collaboration between Optus and SingTel Innov8 bringing together funding and resources for Australian tech start-ups.



Focus on areas in which they have a strategic interest including self-monitoring/sensing and wearable computing, Ed-Tech, the digital home, transport & logistics, payment technology, technologies to increase data speed and reduce latency, identity security and IP protection.



121cast - online platform that delivers personalised audio for consumption on the go

Venuemob - a Wotif for functions and events



Ideally apply through a mutual connection or partner who will provide an introduction and hopefully a recommendation or via application online.