

# A brief overview of the development of the Swedish incubation system and some good practices

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# Brief history of the Swedish incubation system

- 1981 Informal incubator for university spin-offs
  - 1983 First Swedish Science Parks
  - 1995 Pre-incubator
  - 1996 First formal incubator(s)
  - 1989 SwedPark
  - 1999 Cluster of new incubators (SwedSpin)
  - 2003 Swedish National Incubator Programme (a pilot)
  - 2005 Formal Swedish National Incubator Programme  
SwedPark (1989) and SwedSpin (1999) merge into SISP
  - 2010 Innovation offices at Swedish universities
  - 2015- The government assigns the incubator programme to VINNOVA
- Continuous development of the programme



## **VINNOVA**

A governmental organisation aimed to build Sweden's innovation capacity, contributing to sustainable growth. VINNOVA develops and finances the national incubator programme.

- ❑ Start: 2003
- ❑ Budget (total): 200+ million USD
- ❑ Ventures: 6 000+
- ❑ Dominating areas: Life science & ICT



## SWEDISH INCUBATORS & SCIENCE PARKS

SISP has 62 members all over Sweden, which together have more than 5,000 companies with just over 70,000 employees.

# The Swedish national incubator programme (21-22)

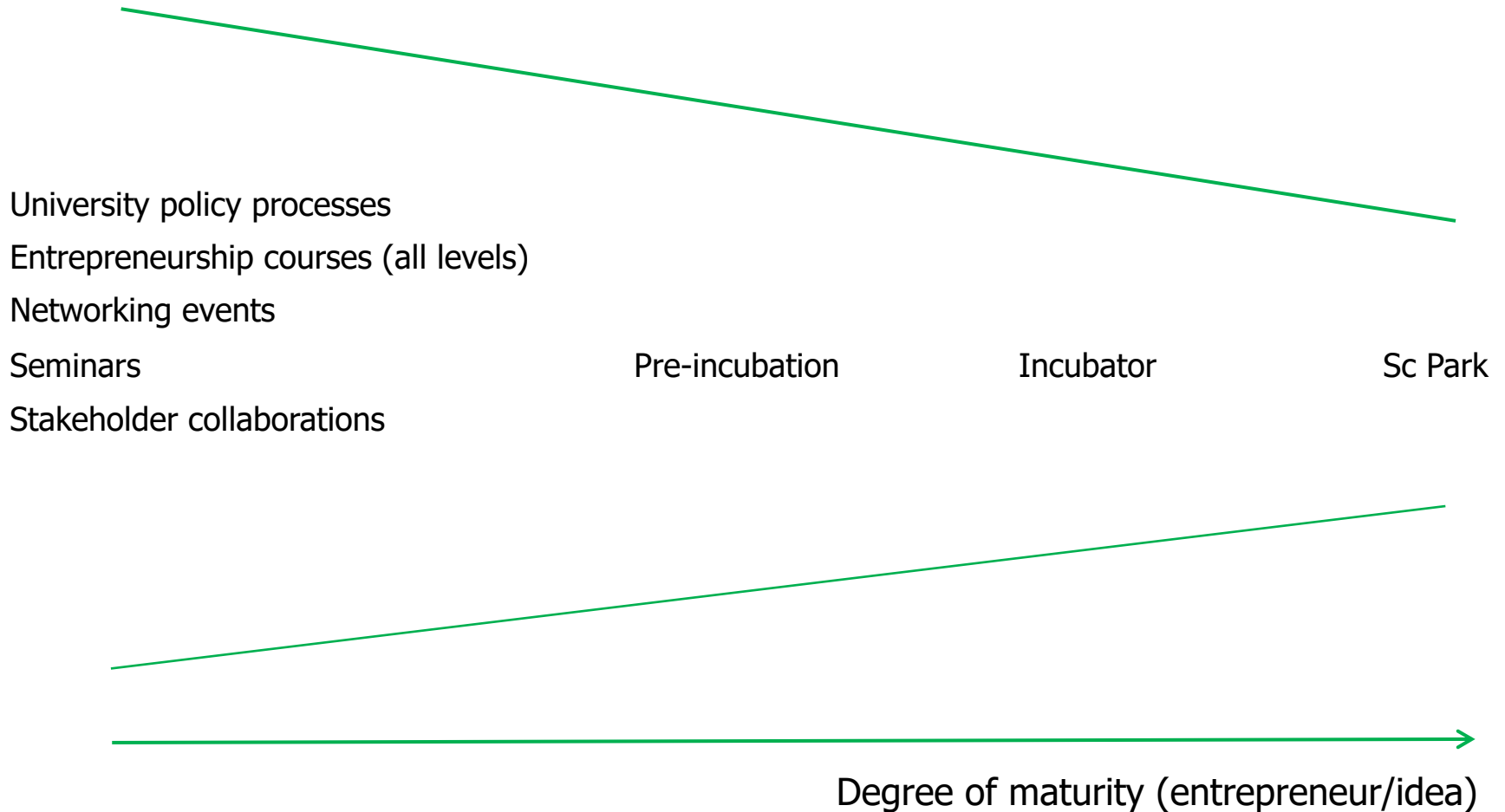
Region	Incubators
Dalarna	Stiftelsen Dalarna Science Park
Blekinge	Blekinge Business Incubator AB
Gotland	Science Park Gotland
Gävleborg	Movexum AB
Jönköping	Science Park Jönköping AB
Kalmar	Kalmar Science Park AB
Kronoberg:	Företagsfabriken i Kronoberg AB
Norrboten	Arctic Business Incubator AB
Skåne	Lund Business Incubator AB, Smile AB, Minc i Sverige AB
Stockholm	Stockholm Innovation & Growth AB, SSE Business Lab AB Karolinska Institute Innovations AB
Uppsala	Uppsala Innovation Centre AB
Västerbotten	Uminova Innovation AB, Umeå Biotech Incubator AB
Västernorrland	Åkroken science park ab
Västmanland	Create Business Incubator Mälardalen AB
Västra Götaland:	GU Ventures AB, Chalmers Ventures AB, Founders Loft, Sahlgrenska Science Park AB, Brew House Göteborg, Inkubatorn i Borås AB, Innovatum AB, Science Park Skövde AB
Örebro	Inkubera i Örebro AB
Östergötaland	Lead i Östergötland AB



# Key characteristics of the Swedish incubation system

- ❑ Attraction
- ❑ Team development
- ❑ Business development
- ❑ Sustainability & gender equality

# Business incubation support vs degree of business maturity



# Some good practices – setting of the study

- The differences between **incubatees** and **non-incubator firms** in business performance and four firm dimensions: growth orientation, external financing, partnerships, and business networks.
- Important factors for firms' future business performance
- 2016 survey covering 401 small Swedish NTBFs (employment mean: 1.8; average firm age: 28.3 months); of these, 38 firms are in incubators (incubatees) and 363 firms are not (non-incubator firms).
- High-tech knowledge intensive industry (90.0%), followed by the medium high-technology manufacturing industry (7.2%) and high-technology manufacturing industry (2.8%).



# Some good practices – type of firms

□ NTBFs located on and off incubators

	<u>Incubatees</u>	<u>Non-incubator firms</u>
	<i>Percent</i>	<i>Percent</i>
• High-tech manufacturing	5.3	4.4
• Medium high-tech manufacturing	15.8	7.7
• High-tech knowledge intensive	78.9	87.8

# Some good practices - hypotheses

- H1: There is a significant difference between incubatees and non-incubator NTBFs with regard to growth orientation.
- H2: There is a significant difference between incubatees and non-incubator NTBFs with regard to external financing.
- H3: There is a significant difference between incubatees and non-incubator NTBFs with regard to partnerships.
- H4: There is a significant difference between incubatees and non-incubator NTBFs with regard to business networks.

## Some good practices – results

- ❑ The sampled incubatees are more oriented towards all the four dimensions (H1 – H4). Statistical differences were observed between incubatees and non-incubator NTBFs for 16 of the 21 variables.
- ❑ For example, a significantly higher level of cooperation from distributors, local authorities, universities, lawyers, and regional business partners, compared to non-incubator NTBFs.
- ❑ Significant differences between incubatees and non-incubator NTBFs in terms of business performance in 2015 (EBIT and ROA), but no significant difference in terms of size (employment, sales, and assets [total capital]) and age.
- ❑ Another finding was that incubatees have higher technology levels than non-incubator NTBFs in terms of number of patents, but the latter show better profit and profitability (i.e., EBIT and ROA).

# Some good practices – implications

- This confirms the important role of incubator managers.
- This study also showed that incubatees are significantly more oriented towards high growth (sales) and rapid geographic expansion than non-incubator firms.
- From a firm's perspective, an incubator is well placed to help them gain access to sources of information and create network links that are important for their business activities.
- However, nascent incubatees face a number of constraints that may hinder their business and innovation performance in the long run.

# Concluding remarks: Why a well-functioning and world class national incubator programme?

- ❑ Engaged collaboration and peer-review activities
- ❑ From resource based incubation to business development processes
- ❑ Pitching & business plans -> products & sales-> business models
- ❑ Focus on sustainability and horizontal aspects
- ❑ Increased interest in measuring and assess impact of business incubation in a holistic manner (the ecosystem)
- ❑ Local as well as global connectiveness is become crucial

Thank you for your attention!

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