



Southwest Florida Regional Business Incubator Planning Study

RFP # ED-03

PREPARED FOR:

Southwest Florida Regional Planning Council
1926 Victoria Avenue
Fort Myers, FL 33901

PREPARED BY:

Florida Gulf Coast University
Lutgert College of Business
Regional Economic Research Institute
10501 FGCU Boulevard South
Fort Myers, FL 33965-6565

This planning study was compiled by Florida Gulf Coast University, Lutgert College of Business, Regional Economic Research Institute in response to RFP #ED-03. The Information contained in this report was developed for Southwest Florida Planning Council (SWFRPC). Requests for copies, citations, and/or any other reporting of the findings or contents of the reports should be made to SWFRPC or Dr. Gary Jackson (gjackson@fgcu.edu), Director of RERI. Any unauthorized use of the report and/or its contents or findings without prior permission is prohibited.



PREFACE

This report is a strategic planning study for a regional business incubator network for Southwest Florida. The basic purpose of this research is to identify best practices, regional issues and characteristics, and recommend a development plan for a regional business incubator system for Southwest Florida.

This study request stated that, "This study is a key foundation in developing a better economic development plan for the region that includes not only local incubators but a regional incubator network that can share and pool resources in a way that is effective and efficient. The incubator network is a regional initiative that came out of the Comprehensive Economic Development Strategy (CEDS) planning process and is incorporated in the region's CEDS plan. "

It is critical that the regional business incubator network development process and recommendations are based on a solid foundation that includes a review of best practices, lessons learned, and the social and economic landscape, desires, and interests of Southwest Florida.

The research completed for this study is extensive and included:

- Historical and background literature studies and information;
- Benchmark analysis of eight existing regional business incubator networks;
- Five county focus groups;
- Twenty-two key informant interviews, and;
- Development of recommended steps for the development of a Southwest Florida Regional Business Incubator Network.

It is hoped that this study will provide the basis for the development of an expanded regional economic development plan to enhance the entrepreneurial education, climate and employment opportunities in Southwest Florida.

The project was conducted by Florida Gulf Coast University, Lutgert College of Business, Regional Economic Research Institute (RERI). The RERI team was led by Dr. Gary Jackson, Director of RERI, Dr. Arthur Rubens, Project Co-Director, and a team of faculty consultants that included the Dr. Christine Wright-Isak and Mr. Steve Scheff. Mr. Jim Breitbach, a research analyst and Frank Losada, a student assistant also contributed to the study.

This study was made possible and conducted with the assistance and support of many individuals and organizations within and outside the region. These individuals and organizations provided valuable assistance not only in providing feedback on the development of a regional business incubator network, but provided direct support and time for the implementation of many of the study activities that are contained in this report. In particular, the RERI and the FGCU consultants wish to thank representatives from the following agencies and organizations for providing their support for the analysis and report:

- Southwest Florida Regional Planning Council
- Economic Development Councils, Corporations, and Offices, Collier County, Lee County, Charlotte County, Hendry/Glades County, and Sarasota County

- Southwest Florida Enterprise Center
- Southwest Florida Workforce Development Board, Inc.
- National Business Incubator Association
- Directors of Regional Incubator Networks interviewed in Best Practice Analysis
- Educational Institutions
- City and County government representatives and managers
- All individuals and key informants who shared their time and knowledge

The following regional organizations and individuals generously contributed to the matching funds to support this study:

- | | |
|---|---------------------------------|
| ▪ City of North Port | ▪ Hendry County EDC |
| ▪ Sarasota County EDC | ▪ Rock Aboujaoude |
| ▪ Gulf Coast Community Foundation of Venice | ▪ Charlotte County Chamber |
| ▪ Lee County (IDA) | ▪ Charlotte County EDC |
| ▪ City of Cape Coral EDC | ▪ Chamber of Southwest Florida |
| ▪ Collier County EDC | ▪ Clewiston Chamber of Commerce |

The regional funds were matched by the U.S. Department of Commerce, Economic Development Administration (EDA) to fund the Regional Incubator Network Study. The Southwest Florida Regional Planning Council (SWFRPC) coordinated the funding, grant application and administered the contract. The study team thanks SWFRPC's representative, Ms. Jennifer Pellechio, for her assistance and advice during the study. Please note that any errors or omissions remain the responsibility of the RERI.

Gary Jackson

Dr. Gary Jackson
Director
Regional Economic Research Institute
Florida Gulf Coast University
Lutgert College of Business
July 31, 2009

Research Team

Regional Economic Research Institute (RERI) *is part of the Lutgert College of Business at Florida Gulf Coast University, and represents collaboration with local and regional governments to develop regional models and studies.*

Dr. Gary Jackson (Project Director) is currently the Director of the Regional Economic Research Institute at Florida Gulf Coast University. Dr. Jackson's specialty area is economic analysis and he has conducted extensive research and analysis of numerous industries and organizations. Dr. Jackson earned his Ph.D. in Economics from the University of Massachusetts and is an Assistant Professor of Economics at Lutgert College of Business, Florida Gulf Coast University. He also has over 23 years experience with the Tennessee Valley Authority in a number of capacities with experience ranging from market analysis and policy, economic forecasting, energy policy, trading and options, to planning and strategic development.

Dr. Arthur Rubens (Project Co-Director) is an Associate Professor of Management in the College of Business and former Director of Sponsored Projects and Programs in the Lutgert College of Business, Center for Leadership and Innovation, at Florida Gulf Coast University. Dr. Rubens has over 25 years experience as an educator, administrator and consultant having worked with both public and private organizations. Dr. Rubens is experienced in qualitative and quantitative research methods, strategic planning, and quality improvement techniques and practices.

FGCU Faculty and Research Team:

- Dr. Chris Wright-Isak, Assistant Professor, LCOB
- Mr. Steve Scheff, Instructor, LCOB
- Mr. Jim Breitbach, Support Staff, LCOB
- Mr. Frank Losada, Student Assistant, LCOB

TABLE OF CONTENTS

	PAGE
PREFACE	ii
RESEARCH TEAM	v
EXECUTIVE SUMMARY	viii
RECOMMENDATIONS	xxix
1.0 INTRODUCTION.....	1
2.0 METHODOLOGY	6
3.0 LITERATURE & BENCHMARK REVIEW.....	12
Literature Review	13
Regional Network: Best Practices Analysis	33
4.0 REGIONAL INTERVIEW/ANALYSIS	54
Key Stakeholders' Interviews.....	58
Focus Groups	74
5.0 RESOURCE INVENTORY	124
6.0 CHALLENGES & OPPORTUNITIES.....	142
REFERENCES.....	147
APPENDICES	149
1 Best Practices Summary.....	150
2 List of Regional incubator network (Best Practices Interviews)	158
3 Regional Incubator Network Interview Guide.....	159
4 Email Introduction (Reg. Incubator Network Analysis)	170
5 Project Summary.....	171
6 Email Reminder (Regional Incubator Network Analysis)	172
7 Email Confirmation (Regional Incubator Network Analysis)	173
8 Email-Thank you (Reg. Incubator Network Analysis)	174
9 Key Informant Interview Guide.....	175
10 List of Key Informant Interviewed by County/Industry.....	179
11 Focus Group Power Point Slides	180

TABLE OF EXHIBITS

EXHIBIT	DESCRIPTION	PAGE
1	Incubators Programs Sponsors	3
2	Type of Incubator Programs	4
3	List of Best Practice Regional incubator networks	8
4	Top 20 Business Services	25
5	21-33 Business Services	26
6	List of Best Practice Regional incubator networks (Reproduced)	36
7	Advantages/Disadvantages of Regional incubator network	46
8	List of Key Informants' Interviews	59
9	Focus Group Sessions: Locations and Number of Participants	74
10	Focus Group Questions	75

EXECUTIVE SUMMARY

This report represents a planning study and analysis for the development of a proposed regional business incubator network in the six-county region of Southwest Florida (Collier, Lee, Charlotte, Hendry, Glades, and Sarasota counties). The study is in response to a Request for Proposal (RFP), #ED-03, submitted September 24, 2008. The Regional Economic Research Institute (RERI) of Lutgert College of Business at Florida Gulf Coast University was selected in early November 2008 to conduct the study, which was conducted from November 16, 2008 to July 31, 2009. The assessment employed primarily qualitative research methods and was conducted in several distinct but interrelated phases and tasks:

Literature Review: This analysis included an extensive review of the literature and varied databases on Regional Business Incubator Networks. The analysis included electronic and print media.

Benchmark, Best Practice Analysis: This analysis included interviews of Regional incubator network directors from a selection of regional incubator networks in the U.S. in order to identify and develop “best practices” for regional incubator networks.

Regional Key Informant Interviews: This analysis included interviews with key informants from business, government, education, and economic development from the region's six-county area.

Regional Focus Groups: This analysis included five focus group sessions: one in each of the coastal counties and a combined focus group for the Glades and Hendry counties. Focus group participants included individuals from business, government, education, and economic development.

Organizational Resource Inventory: This analysis identified organizations that support Southwest Florida business development.

Final Report and Proposed Development Plan: The analysis concluded with the development of a final report from the study activities and a proposed regional development plan, based on the findings from the other study components.

Briefly, after RERI assembled the research team, an extensive meta-analysis of the databases and literature of regional incubator networks was undertaken. The meta-analysis helped to identify regional incubator networks in the United States, from which a selection of “best practice” networks was drawn. Concurrently, the team, working collaboratively with the region’s Economic Development Offices (EDOs), identified a list of key stakeholders and individuals from business, government, education and economic development for in-depth interviews and participation in focus group sessions. Throughout the study, data was collected and entered into summary reports and a list of local resources was researched and collected. Following the completion of all study activities and data collection, a list of proposed recommendations for development of the regional incubator network for Southwest Florida was prepared. A summary of the key findings of the complete report follows. However, the reader is encouraged to review all the individual sections and chapters of the report for a complete discussion.

Key Findings

Literature Review:

A large number of books and published articles were reviewed to provide an overview of incubators, the incubator process, and best practices. The following bullets provide the key findings from the literature review contained in the body of the paper.

- Entrepreneurial assistance including business incubation is considered one of the three principle strategies employed in economic development. The other two are (1) business attraction and (2) business retention and expansion.
- There are an estimated 1,115 business incubators operating in the United States and the benefits identified for the incubation process include:
 - Job creation and new business formation
 - Technology commercialization
 - Economic diversification and community development
 - Industry cluster and sector development
 - Wealth creation and tax revenue generation
 - Encouraging entrepreneurial culture and education
 - Neighborhood revitalization and empowering women, minorities, and low-income individuals
- In addition to buildings and facilities, incubators are primarily community and regional networks of individuals and organizations including:
 - The incubator manager and staff
 - Incubator advisory board or board of directors
 - Client companies and employees
 - Local universities and university community members
 - Industry contacts and community organizations
 - Professional services providers such as lawyers, accountants, consultants, marketing specialists, venture capitalists, angel investors, and volunteers.
- Regional networks that include several business incubators are able to connect and coordinate a wider range of community and regional expertise and resources, share more specialized services and training, and create operational savings compared with stand-alone single incubators. Ms. Adkins (NBIA, 2004, p. 26) stated the importance of community support and networks: "The best business incubation programs are integrated into their community networks, resources, and economic development plans and strategies. Gone are the days of stand-alone programs, lacking support of economic developers, academics,

and the business community."

- Most incubator networks are public-private partnerships that fall under an economic development organization, university department, or government entity. Most are organized to allow charitable contributions that are tax deductible.
- Incubators provide education and assistance and have the potential to offer a large array of services. The National Business Incubation Association 2006 survey identified 33 different business services being offered by incubators. (List is provided in Section 3, Literature & Benchmark Review)
- A major study, "Best Practices in Business Incubation" by Chuck Wolfe, Dinah Adkins, and Hugh Sherman, was completed in June 2000 for the Maryland Technological Corporation. The paper is based on compiled national and international incubation best practices, evaluating alternative incubation models, and identifying best practice guidelines and outcome measures. This study defines 10 business incubation best practices* including:
 - Comprehensive business assistance program
 - Professional infrastructure
 - Client capitalization and financing
 - Client networking
 - Technology licensing and commercialization
 - University and federal laboratory linkages
 - Facility basics
 - Governance and staffing
 - Client screening and graduation
 - Incubator evaluation

**Each of these ten best practices is described in Appendix 1.*

Regional Key Informant Interviews

Twenty-two in-depth interviews were completed with regional business, educational, government, and economic development leaders to understand the region's infrastructure, desires, plans, recommendations, and concerns. The following bullets summarize the key findings from these interviews, but readers are encouraged to review the more detailed descriptions included in the body of this report.

Key Findings

- The region has a large number of service providers and organizations who assist new businesses. These include angel investors and venture capitalists, banks and financial institutions, chambers of commerce, city and county governments and school systems, colleges and universities, community organizations, economic development organizations, farm extension services, networking associations, SCORE, Small Business Development Centers (SBDCs), state and federal organizations, utility companies, and Workforce Development Boards (See Section 5 of the main body of the paper for list of organizational resources that assist businesses).
- There was a strong desire by key informants to have more communication and coordination of community and regional resources that assist new firms. Many of the interviewees expressed a concern about the overall general lack of knowledge and skills needed to successfully run a business.
- The key informants felt that the following economic climate and infrastructure factors are important to growing new businesses: a major airport, broadband communication access, educated and talented workforce, entrepreneurial networks, links to colleges and universities, educational resources, access to capital and funding, mentoring and support services, coordination among counties and cities, innovative and flexible government, technology assistance, incubation systems, awareness of resources available, reasonable taxes, easier zoning and permitting processes, green and sustainable economic practices, and ready availability of land and buildings.
- The interviewees were asked to suggest ways to improve the overall climate for starting new businesses and provided the following recommendations:
 - Access to physical facilities and technology
 - Appropriate regulation
 - Raise awareness of resources available
 - Build mentor pool of the seasonal and retired executives
 - Increase business and entrepreneurial training including the use of incubators
 - Improve broadband capability
 - Improve networking across the county and region
 - Improve talent pool
 - More physical and educational infrastructure
 - Encourage personal risk taking within a supportive business environment.
 - Facilitate the new business development process
 - Need a regional network, pooled insurance and supplies

- Add more business support services
 - A technology link that provides access
 - Networking to channel resources
 - Quicker, more flexible permitting processes
 - Region needs to work together and have a collective strategy
 - Improve the regulatory environment and business tax structure
 - Reduction of fees that act as barriers to new business
 - Reach out to high schools
 - School systems need to explore other methods to train young people in vocational skills
 - Take a proactive approach to assisting small business
- The respondents were asked about how they would go about building community support for a local incubator and a regional incubator network. The interviewees felt that an educational effort was needed to explain the incubator process and benefits to the region and its communities. The best way to provide this education would be through presentations to regional governmental organizations. It was recommended that the university or educational partnership take the lead in this regional development project. In addition, it was suggested that key stakeholders visit other incubators and tie into the stimulus money available from federal and state sources.
 - The key informants were asked to recommend the types of companies or businesses that would most likely benefit from being part of an local incubator or regional incubator network. Many of the respondents recommended various industries that might be classified as "technology based", such as software, information systems, financial, green or alternative energy, biotechnology, medical devices, and pharmaceuticals. Others suggested a mixed-used incubator that was not so dependent on expensive laboratories and facilities and accepted a broader range of client companies.
 - The respondents felt that a technology-based incubator tied with a college or university could serve as an anchor for the regional network. It was felt that the region should be able to support multiple incubator sites and a mix of types that did not compete but supported each other would be preferred.
 - The respondents provided a large number of suggested sites in each of their respective counties; however, it was felt by respondents that a more detailed feasibility study for selected specific sites would be necessary to take into account specifics, such as building size, costs, and support. In addition, many of the respondents across the six counties recommended a public-private nonprofit regional partnership working with the colleges and universities.

- The key informants described a large number of strengths of having a regional incubator network. These included a stronger competitive region; increased access to expertise, resources, entrepreneurial education, and dollars; connections to educational systems and institutions; creation of a regional center of excellence; increased attractiveness to venture capital; expanding economic development efforts, diversification of the economic base; and creation of cost savings through coordinated efforts and economies of scale.
- Regarding the weakness or limitations of having a regional incubator network, the respondents identified a number of areas. The primary weaknesses or limitations identified included access to resources and capital; available workforce; inertia; geographic distance; regional leadership; and need for better infrastructure including ports, rail, and broadband communication.
- The definition of what is "regional" was also discussed during the key informant interviews. Sarasota's key informants stated that they have ties to both Tampa Bay area and the Southwest Florida area. In addition, they are served by the University of South Florida Sarasota-Manatee campus. Furthermore, the key informants stated that the University of South Florida currently has a technology incubator in Tampa and there have been discussions about developing an incubator at the Sarasota-Manatee campus.

On the whole, the interviews and communications with the key informants were comfortable, candid and involved frank conversations. The conversations ranged from fact-finding for specific data and information to probing interviews to better understand the individual's attitude or opinion. The ultimate goal in each of these interviews was to gather not only information regarding these key individuals' thoughts about a regional incubator network in Southwest Florida, but to create a forum for possible future discussion regarding the development of a regional incubator network.

The project team thanks each of the key informants for time and insight into the region and their willingness to explore the potential for developing and supporting a regional incubator and business mentoring network.

Benchmark, Best Practice Analysis:

In order to better understand and learn about “best practices” of regional incubator networks across the U.S., the RERI research team selected 10 regional incubator networks with multiple incubator sites, from an identified population of 25, to conduct an in-depth interview (due to scheduling and logistics, eight of the selected 10 Regional incubator networks directors and/or their designees were interviewed). The list of regional incubator networks interviewed and the key findings from the interviews are shown below:

Benchmark Analysis: List of Regional incubator networks

	Incubator
1	University of Central Florida Incubation Program (Central Florida)
2	Stony Brook University Incubators (Long Island)
3	Emerging Technology Centers (Baltimore, Maryland)
4	Advanced Technology Development Center (ATDC) (Georgia) ^a
5	Applied Technology Development Centers (ATDC) Maine
6	Ben Franklin Technology Partners of Northeast Pennsylvania (BFTP/NEP)
7	Central Valley Business Incubator (California)
8	Business Incubation at Purdue Research Parks (Indiana statewide network)
9	SLCEC St. Louis Enterprise Centers (Missouri)
10	Center for Innovation (North Dakota) ^a

^a Interviews were not completed with these regional networks due to scheduling issues.

Key Findings

- The selected and interviewed regional incubator networks ranged from those recently formed (less than 10 years) to those who were over 25 years old. They ranged in size from four incubator locations to 15, with number of client businesses ranging from 25 to over 160, including a broad range of industries and services, such as technology, professional services, hospitality, finance, light assembly, manufacturing, construction, aquaculture, energy, and varied ecological and environmentally-related services .

- All selected regional incubator networks had a central director, and a corporate board, advisory board or similar oversight group, and almost all had partnerships and/or affiliations with local government and the local university, and varied local agencies and groups such as economic development offices, chambers of commerce, small business development centers, etc. A few had direct support from the state government as part of the state's economic development plan.
- Most of the interviewed incubator network directors had been with their networks for five years, while some had only recently started working with the network (one year or less). Several of the interviewed incubator network directors had backgrounds in business and entrepreneurship, while others had degrees in communications, public relations, or a related field. Although the term "incubator network" is used by the National Business Incubator Association (NBIA), only one-half of the directors said they formally used this term.
- All of the eight interviewed Regional incubator networks had a stated vision and mission statement, as well as generally well-formed objectives. The development of the vision, mission, and organizational value statements was in most cases done by the Director and his/her Advisory committee. However, development of these guiding principles also involved outside entities and stakeholders such as university administrations, economic development offices, and state workforce development officials, as well as local government officials. The most frequently-used key terms found in most of the vision and mission statements of the selected incubator networks was "growing businesses, creating jobs, promoting entrepreneurship, technology, education", etc.
- All of the Network directors and designees were asked, "What is the business model used for their network?" Generally, the responses centered on the fundamental concepts in their vision and mission statements and related to concepts such as pursuit of sustainability, financial independence, fulfilling mission and objectives of the organization, technology transfer, entrepreneurships, obtainment of venture capital, and recruiting and retaining companies.
- Most of the incubator networks had some concept of what type of incubators and what mix should be represented in their networks based on the regional economic plan and/or state mandate that was involved in the development of the network. However, most of the directors reported that over the years, member mix evolved based on the needs and interests of special stakeholders and the region. In addition, many stated that the regional incubators were developed to serve the region, and in some cases, to respond to the need for economic development in underserved and underdeveloped areas of the region. However, most stated that a principal goal of their network would be to create a self-sustaining operation.

- In response to the question, “What are the three top recommendations you would give to someone who wanted to set up a regional incubator network?” the directors stated the need to conduct a feasibility and market assessment, know costs, develop partnerships with local government, economic offices, and the community, ensure the availability of long-term support and funding, learn from others, and very importantly, link with higher education. In addition, almost all of the incubator network directors strongly encouraged that any entity seeking to develop a regional incubator network needs to link its efforts to a greater economic policy.
- The incubator network directors principally measure the success of their network organization by jobs created, salary rates, graduates (members graduating from the incubator network), and overall contribution to the economy through increased businesses and tax revenues. Other measures of success included the use of venture capital and angel investors, technology development and transfer, new patents, and copyrights.
- Although technology, as a focus area, was present in almost all of the interviewed incubator networks, only about one-half of the directors stated that they are doing either an average, to better than average job, in the area of “technology transfer,” while the other half voiced that being able to transfer technology within their network is just starting or evolving. Principally, incubators that were directly affiliated with universities had a strong focus on the technology transfer. In addition, very few of the networks interviewed have had success with the area of “virtual networks” or networks without walls. In addition, few of the incubator networks have found any success with “soft landing” or sister networks (International firms wanting to start a business in the United States or exchange agreements with international business incubators in other countries).
- The incubator network directors and designees were asked about the perceived advantages, disadvantages, and role of the network and organization. The principal advantages are economies of scale (training, marketing, etc), sharing best practices, and very importantly, developing economic opportunities, especially in depressed areas. The disadvantages primarily included geographical distances and dispersion (less effective management and running of the larger network), members' self-serving agendas, and encouraging all the members to work together.

Advantages	Disadvantages
<ul style="list-style-type: none"> ▪ Best practices ▪ Sharing solutions ▪ Management across network region ▪ Public relations ▪ Grow economically depressed areas ▪ Being part of greater regional economic plan ▪ Economies of scale ▪ Referrals and training 	<ul style="list-style-type: none"> ▪ Geographical distances/dispersion ▪ Stress of any start-up ▪ Own agenda by members of the network ▪ Not sufficient economies of scale ▪ Too much talk

- The directors were also asked “What is the primary role of the incubator networks?” In response to this question, they stated that the primary role of the incubator network is to set policy, communicate and share information and ensure that the members work as strategic partners. More specifically, they stated that the role of the incubator network is to:
 - Serve as a trainer and coordinator;
 - Enhance skills of members and to promote communication across the network;
 - Create guiding vision and direction for the network;
 - Provide assistance to network incubator and promote information sharing;
 - Being a good strategic partner and to share best practices; and
 - Assist with funding and overall management of the network.

- The incubator network directors cited a variety of internal and external constituents that are key to their operations. Of the eight interviewed incubator networks, seven cited the local university as a key internal constituents to their operations. In addition, most of the incubator networks identified key business leaders, community leaders, regional economic offices, and government officials, at both the local and state levels as their key constituents, while several of the networks also included national grant programs such as Small Business Innovation Research Grants (SBIR), National Science Foundation (NSF), etc., as internal and external constituents.

- Overall, network directors said that their affiliation with their partnered university was very high and rated the impact of this affiliation as 4.0 on a 5.0 point scale. However, they rated the overall impact with university faculty, students, and interns somewhat lower (2.5 to 3.0 on a 5.0 point scale). In addition, the network directors rated the impact of their relationship with angel investment funds and investors as somewhat lower at 1.5 to 2.0 on a 5.0 point scale).

- Network directors provided a wide range of responses to questions related to the organization's level of engagement with network incubators and network members:
 - The network directors said that engagement and information sharing with network incubators and network clients involved varied methods such as

email, weekly and monthly meetings, and annual or semi-annual retreats.

- Overall, the incubator network directors said their engagement with network incubators was very high and rated their efforts at engagement with their network partners between 4 and 5 on a five-point scale. The directors reported that information sharing among and across the individual network incubators is lower around 2.0.
- Directors stated that strategic information sharing is done at the organizational level and often does not per se involve large amounts of input from the individual network incubators, although several directors stated that at annual or semi-annual retreats, strategic decisions and initiatives are presented and individual network incubators provide their input and thoughts.
- Most of the directors reported that their network incubators have a great deal of independence and accountability for their actions and rated their level of independence at 4.0 on a five-point scale.
- Given a list of strategic management tools and techniques, the most frequently used are development of vision and mission statements, objectives, environmental scans and analysis, SWOT, and financial analysis. Less frequently used or unused techniques and tools were analysis of core competencies, scenario planning, risk assessment, balanced scorecard and strategy mapping, although several directors said that they would consider using scenario planning, risk assessment, balanced scorecard, and strategic mapping in the future.
- The network directors said that from a strategic leadership perspective, the items or activities that could better help them do their job would be strategic planning, board and member engagement, assistance with resources, bandwidth, funding, and a process to share best practices.
- According to the network directors, the most pressing problems that they are likely to face now and in the future are the economic downturn, and resource and funding issues.

Overall, the interviews and communications with the regional incubator directors were very candid, and the directors were very helpful in sharing and providing information about their networks.

Regional Focus Groups:

Five focus group sessions were conducted in the six-county service area of the SWFRPC. The number of focus group participants ranged from 7 to 13 and the participants represented key stakeholders who were drawn from four distinct groups: government, education, business/industry, and entrepreneurial small business development. Each of the focus groups was approximately 2 hours in length and was facilitated by one or two members of the research team. For each of the focus groups, the facilitator gave an initial introduction to the study purpose, business incubation, and the focus group guidelines. Following this introduction, a series of questions were asked of the participants. Below is a summary of the focus group sessions.

Date	County Location	No. of Participants
April 20	Collier County, EDC	7
April 21	Charlotte County, EDC	13
April 28	Lee County, EDC	10
April 30	Sarasota, EDC	13
May 6	Hendry/Glades County (LaBelle EMS Bldg)	10

Key Findings

- The focus group participants stated that the community has a role in promoting entrepreneurship. Some of the aspects of their role, according to the participants, are to diversify the economy, promote growth and profits for local businesses, promote and encourage innovation, develop opportunities, provide mentoring to help businesses succeed, and create and promote a system that strengthens the community talent pool.
- Participants said that incubators need to help individuals move from an idea to starting a new business, assist their members with patents and new inventions, market and commercialize members' products and new businesses, and assist them with identifying new opportunities. In addition, it was said that an incubator needs to be accountable, graduate its clients, and needs to work toward sustainability.
- There are many challenges to starting a new business in the participant's local community. Examples of challenges given across all the communities included lack of capital, infrastructure, attitude towards growth, transportation, lack of manufacturing, building and impact fees, available young and qualified talent, and ability to retain our young, intellectual capital in the area.
- A variety of resources were mentioned that provide assistance to businesses in the community. Resources included the local economic development offices and councils, chambers of commerce, Small Business Development Centers, SCOREs, Regional Workforce Board, education centers, particularly FGCU and Edison, local Realtors, city and local government, banks, local non-profit organizations, community redevelopment agencies, angel and venture capitalists, and retired executives and CEOs. In addition to these, the participants mentioned a variety of specific centers and organizations within their community as resources to provide assistance to new businesses.
- Resource and climate factors that affect the success/failure of new business in the focus group counties include the community workforce, its educational system, availability of capital (especially for starting new businesses), government permitting regulation and zoning codes, (as well as the government's attitude towards growth and development, and incentive programs available to recruit and start new businesses), healthcare, community support, culture, and infrastructure. Other, less prevailing themes, included a pool of affordable housing ("it is still not affordable"), major research university (able to provide technology development and transfer), and communities having a targeted strategic focus.

- The participants in the focus groups gave a large array of suggestions on how to build community support for a regional incubator network. Some of the most consistent themes included:
 - Gaining support of county government and boards
 - Demonstrating added values and benefits
 - Conducting and developing a strategic business plan
 - Changing and/or reducing negative community attitudes towards growth
 - Enlisting the support of the press and media
 - Obtaining start-up and on-going funding
 - Overcoming provincial attitudes and promoting a regional perspective

- A variety of industries and businesses were given as most likely to benefit from a local and regional incubator. Most commonly-cited businesses and industries across the focus group included:
 - Medical Care (service, equipment, supplies, etc)
 - Medical technology (biomedical, medical records, etc.)
 - Pharmaceutical
 - Eco-tourism (land, marine, etc)
 - Aquaculture
 - Software and services
 - Multi-media
 - Alternate energy (particularly solar, but also wind, water, bio-fuels, etc.)
 - Green (construction, retrofitting, etc)
 - Light manufacturing (bikes, kayaks, etc)
 - Export (principally to Central and South America)
 - Agriculture

- As with types of industries, a variety of locations were given across Southwest Florida as possible sites to house and locate incubators that would be part of the regional incubator network in Southwest Florida. However, the most consistently mentioned site was in the area near FGCU and Southwest Regional International Airport. In addition, it was emphasized that the location of the incubators across the counties must take into account the existing workforce in the various locations.

- Resource partners varied across the counties but generally they represented the existing resources that are currently available such as local governments, boards, economic development offices, educational institutions (primarily FGCU and Edison), banks, angel investors, etc.

SW Florida Regional Economic Business Incubator Study

- The participants at the five focus groups cited a number of strengths and limitations or barriers to the development of a regional Incubator:

Strengths/Opportunities
▪ Workforce (unemployed)
▪ Tax base
▪ Weather and environment (beaches, water, etc)
▪ Life style and size of community
▪ FGCU
▪ Inventory and availability of real estate (commercial and residential)
▪ Retired CEO's (experience and contacts)
▪ Need to retool and diversify
▪ Existing structure for business development (EDOs, etc)

Weaknesses/Threats
▪ Competition (Global Market)
▪ Underfunding
▪ Available talent; especially creative class
▪ Slowness in responding to opportunities
▪ Failure of new businesses
▪ Banks-limited loans and credit extended
▪ Current economy
▪ Not "future" focused or forward thinking
▪ Infrastructure and transportation
▪ Regionalism
▪ FGCU (not yet able to develop technology transfer)

At the close of each focus groups, the participants were asked to provide any final thoughts or recommendations. The thoughts and recommendations varied but generally, they included the following needs:

- A sense of regionalism (need to "truly" develop this sense)
- A definition of the problem and need and what can be gained or as frequently stated: "What is in it for me!"
- A sense of the big picture and a larger strategic plan.
- Building not only upon aspects of existing strengths of each county but diversifying the economic base
- Recruit and ensure support of government and key stakeholders

- Study and learn from best practices of others
- A plan to market and brand the concepts
- Changed attitudes toward growth and economic development

In summary, the focus group participants at all five focus group sessions were very involved and enthusiastic in sharing their thoughts and perspectives on the subject of a Regional incubator network in Southwest Florida, as well as their ideas on business incubation, entrepreneurship, and the concept of regionalism in Southwest Florida.

However, there are some general observations:

- There was considerable variation in the participants' underlying knowledge and understanding of business incubators and the business incubation process.
- Although Sarasota County is part of SWFRPC service area and has ties to Southwest Florida, it also has strong ties to Manatee County and Tampa Bay region and is part of the Florida High Technology Corridor. The University of South Florida has an existing technology incubator and is developing a research park. There have been discussions concerning the development of a business incubator on the Sarasota Manatee campus of the University of South Florida.
- Hendry-Glades counties identify themselves as part of the inland rural counties such as DeSoto County. Subsequently, they (Hendry/Glades County) see their needs, both economically and culturally, as different from the coastal counties.
- The smaller and in some cases, less affluent counties of Charlotte, Glades, and Hendry generally feel that past economic initiatives and efforts for the region have focused on the larger more affluent counties of Collier and Lee, and less on their part of the region.

Organizational Resource Inventory:

As part of the study, an organizational resource list was developed to help identify existing organizations and agencies that assist new start-up companies and existing businesses. The list included:

- Economic development offices, corporations, and councils
- Chambers of Commerce
- State and federal agencies and organizations
- Educational institutions (universities, colleges, occupational and vocational training centers, both public and private)
- Public school systems and varied training and development centers
- Professional assistance (SBDC, SCORE, etc)
- Incubators (Southwest Florida Enterprise Center and SW Florida Virtual Incubator and Accelerator)
- Angel and funding organizations
- Non-profit organizations
- Other (variety of other resources such as airport authorities, water district, etc.)

Critical Challenges & Opportunities

The Southwest Florida region, similar to our nation and the world, over the last year has been greatly affected by the downturn in the economy. In particular, Southwest Florida, with its heavy reliance on the housing and development and related industries and finance, has been dramatically impacted by this economic downturn, and

has experienced decreased economic growth and high unemployment in both the coastal and inland regions.

Our study found that there are both crucial challenges and opportunities for growth in our region. Based upon feedback from the study, the following challenges and opportunities for the region in the development of an regional business incubator network have been identified:

Critical Challenges that need to be addressed:

- ✓ Regionalism
- ✓ Leadership (need for a champion)
- ✓ Trust across counties
- ✓ Decrease funding
- ✓ Lack of diversity in economic base
- ✓ Infrastructure:
 - Communication/bandwidth
 - Roads
 - Transportation
 - Rail
- ✓ Workforce talent (creative skills)
- ✓ Local and county government fees and regulations
- ✓ Funding/Support for small business start-up and operation (less than 20 employees)
- ✓ Community and government attitude towards growth
- ✓ Cost of living
- ✓ Land affordability and rental costs (select counties)

- ✓ Perception and attitudes towards different counties (how one county views the other and how the members of the county view themselves)

Opportunities that exist:

- ✓ Workforce (large number of skilled and unskilled due to unemployment)
- ✓ Entrepreneurial spirit and small business orientation
- ✓ Existing technology companies and structure
- ✓ Lifestyle and livable community
- ✓ Weather
- ✓ Environment
- ✓ Low crime
- ✓ No state income taxes
- ✓ Health care

In closing, there are many challenges but also opportunities for growth based upon the analysis and as reported by key stakeholders and individuals throughout the six-county region. However, key to addressing these challenges and building upon the region's opportunities is developing a consensus among public and private leaders, as well as the community, across the six-county region and identifying a key stakeholder to lead the effort.

RECOMMENDATIONS

A series of recommendations are presented based upon the review of the literature, analysis and interviews with other Regional incubator networks, and a series of interviews and focus groups with key stakeholders and community members across the five counties. These recommendations are not presented in any recommended sequence or order, but as collected activities that should be conducted for the development of a regional incubator network in Southwest Florida.

However, as an immediate follow-up of the study, and as a first step in the development process, a steering committee should be formed. The steering committee should be represented by key decision makers in economic development from the region (i.e., from the economic development offices, education, chambers of commerce, government, industry, etc.). The steering committee's first charge would be to review the findings from the study, and in particular, the recommended steps as presented in the study. Based upon these findings and review of recommendations, clear guidelines, duties, and steps should be developed. It is anticipated that the steering committee could be linked with some of the ongoing regional efforts on development such as the Collier County Project Innovation and Regional Branding Process, as well as current associations and groups, i.e., Regional Educational Alliance, SW Florida Workforce Development, etc. Following the steering committee meetings, discussions, and development of guidelines, a strategic plan should be developed that includes both short-term and long-term activities. Below are the recommended ideas and concepts based on the study analysis.

List of Recommendations

1. Education and Communication of Regional incubator network Benefits

Present and explain benefits of developing a regional business incubator network to community leaders. Make presentations in each of the counties and invite media to cover presentations. There was a desire to see more communication and coordination of community and regional resources that are currently available to new firms. The interviewees and focus group participants felt that an educational effort was needed to explain the incubator process and benefits to the region and its communities. It is recommended that community leaders and potential incubator partners visit an established and nationally-recognized incubator network such as the one at the University of Central Florida in Orlando.

2. Incorporate the Regional Entrepreneurial Education Program, Regional Mentoring Program, Research Park, and Regional Incubator Network into the Region's Long Term Economic Development Strategy

Integrate entrepreneurial education, mentoring, development of a research park, and the regional incubator network into the long-run regional economic development strategy. It is recommended that the new economic development program initiatives become part of the new Comprehensive Economic Development Strategy (CEDS) for the region. The regional strategy will need to be adopted by the area's economic development, business, and educational organizations and incorporated into their strategic plans. The new initiatives are expected to be eligible for matching state and federal grants and potentially, federal stimulus funding. A ten-year regional implementation plan is recommended and will need to include both public and private support. The programs would need to be sustainable and focus on diversifying the economy, creating new jobs, and improving living standards for the citizens of the region.

3. Explore Developing a World Class Regional Entrepreneurial Education Program as a way to differentiate the Region

Explore developing a world-class entrepreneurial education program as part of the region's educational systems. This would include coordinated efforts by the colleges and universities; secondary education systems; and vocational and technical training schools. Many of the interviewees and focus group participants expressed a concern about the general lack of knowledge required to run a business. This program would seek to develop key skills and knowledge within the region needed to foster additional entrepreneurial activities. The faculty and students would be able to gain practical experience by working with the regional incubators and incubator network while the client companies could be provided with assistance from classes, students, and faculty.

4. Develop a Regional Business Incubator Consulting and Mentoring Program

This is a key component of the overall plan and this program adds substantial value to the regional incubator network and the client companies. Established companies are recruited to provide consulting and mentoring services in areas such as business counseling, financial services and funding, human resources, legal services, marketing, media, website services, and telecommunications. They become affiliate partners of the regional incubator network. The companies assist the startup incubator companies in the region by initially providing pro bono or discounted cost services. Managing and maintaining a network of regional affiliate partners is one of the key tasks for the incubator network management. Developing a regionally-based affiliate partner program will increase the reach and depth of the services that can be offered to new startup companies across the region. A good example of such a program is provided by the University of Central Florida's regional incubator network, which has approximately 150 affiliate partners covering 15 business consulting and mentoring areas.

5. Develop a Research Park

Locating technology incubators in a research or business park has been a successful strategy followed by many universities and communities. Several surrounding universities, including Florida Atlantic University, University of South Florida, and University of Central Florida, have developed or supported research parks that include technology incubators. In addition, the strategy is widely used nationally and a good example of a national benchmark is Purdue University that participated in this study's benchmarking interviews. New firms emerging from the incubator can remain in the same research park, adding to the overall longevity of the regional benefits. It is recommended that current efforts to develop a research park near the Regional Southwest Airport include a technology-based business incubator. It will be important that the technology incubator has strong ties to Florida Gulf Coast University, Edison State College, and Hodges University. Each of these universities and colleges are expected to have substantial growth in students and capabilities over the next ten years. The transfer of technology, use of laboratories and facilities, and consultation with faculty, and student interns create value for the clients, universities, students, and the community. It is recommended that the technology incubator can serve as an "anchor" incubator for the region. Those interviewed for this study indicated a strong desire to tie into the knowledge and facilities available at the universities and colleges.

6. Sequentially Grow Incubator Locations within the Regional Incubator Network

It is recommended that Sarasota and Lee Counties develop technology incubators as anchors for a Region Incubator Network. Focused and flexible mixed-use incubators should be added in Charlotte, Collier, and Hendry and Glades Counties. A network development plan should add a new incubator to the region every few years based on available sites and the timing of funding to allow for manageable growth, development

of experience, growth of a regional consulting and mentoring network, and as a way to increase the chances of obtaining matching state and federal funding.

- This study recommends that Sarasota develop a technology incubator at or near the University of South Florida Sarasota Manatee Campus. Sarasota County is part of the Florida High Technology Corridor and USF already has an existing incubator program and is currently developing a research park. The USF Sarasota Manatee campus has been approached about developing a technology incubator and could accommodate the development of a business incubator on their campus. Linkages and ties to the Sarasota Manatee Campus, an existing USF technology incubator in Tampa, and USF, a large research university, will be key factors in the Sarasota's incubator's overall success. A Sarasota Technology Incubator and its resource partners could assist, have ties to other incubators in the Southwest Florida region, and cooperate in regional initiatives and programs.
- It is recommended that Lee County place a priority on developing a technology incubator to act as a second anchor for the proposed Regional Incubator Network. The technology incubator should be developed in cooperation with Florida Gulf Coast University (FGCU) with support from Edison State College, and Hodges University and other regional partners. Placing the incubator on a site near the FGCU campus or in a regional research park near Regional Southwest Airport would provide a good location for a second regional technology incubator. This location would facilitate the ties to the faculty, students, and facilities including laboratories.
- Flexible mixed-use incubators with a particular focus should be developed in Charlotte, Collier, Glades, and Hendry Counties. A new incubator should be added every few years to allow for manageable growth and the development of experience and the regional support network. Flexible mixed-use incubators can accommodate technology companies as well as a wide of range of business client companies that meet specific economic development criteria such as diversification, job creation, and higher average wages and incomes. Research has indicated that it is important for rural incubators to tie into an established consulting and mentoring partnership network to compensate for lack of readily available resources.
- A large number of potential sites were recommended by those interviewed and attending the focus groups. There may be existing buildings that could be made available and locations near college campuses could be a good way to tie a education institution to the incubation site. A site-specific feasibility study should be completed once a site has been identified
- Currently, there is only one mixed-use business incubator in Southwest Florida which is the Southwest Florida Enterprise Center in Fort Myers. It has a new facility and currently works with several affiliate partners to offer consulting and

mentoring to its clients.

7. Develop Public/Private Partnership for Regional Incubator Network

Develop a public-private regional partnership for the development of Southwest Florida Regional Business Incubator and Mentoring Network. The partnership should be regionally funded and nonprofit. The two most popular options are:

- Create a new partnership and board of advisors under university management similar to those created at the University of Central Florida and the University of South Florida.*
- Create a new partnership corporation with a board of directors that includes key regional partners that are nonprofits (501 C (3)), similar to the one in Boca Raton, Florida, near Florida Atlantic University which is regionally supported by business, government, and universities and colleges who are represented by board members.*

*It is important to note that both types of organizational structure have worked well and could be developed for the region.

8. Funding for Regional Incubator Network

These are challenging economic times given the current recession, reduced funding for government, and high levels of unemployment present in Southwest Florida. The regional entrepreneurial education program and the regional incubator network are long-term economic development investments in our local economy. Funding will be difficult but other networks around the country have been able to raise the necessary matching funds. The University of Central Florida is a good example where money was raised locally and matched. The same money was then matched again to be able to start the regional incubator network. The counties and cities have supported their effort each year with funding and they have developed a highly respected affiliate partnership program for the incubator network. The strategic implementation should include applications for federal funding including stimulus money that may be available to regions such as Southwest Florida who have experienced very high levels of unemployment.

Generally, there are limited matching state and federal funds available each year so it may be important to apply for the funding as a regional effort with a plan to add additional incubator facilities at various years according to a long-term regional strategic economic development plan for the region.

9. Develop Strategic Implementation Plan and Guidelines for Network Operation:

A strategic implementation plan for the development and operating the network needs to be developed. A few guidelines in the development of the plan should include:

- Plan for additional incubators should be projected over a ten-year horizon based on development of regional partnership organization and mentoring network.
- Incubator and mentoring systems should support firms that meet regional economic development criteria for creating higher wage jobs in the region.
- The public-private partnership should be able to agree on the mission and goals for the network.

There are models and examples that can and should be referenced and that can provide general guidelines for Southwest Florida Region in the development of a regional incubator network. Recommendations 11 and 12 include some recommended practices for business incubators as outlined by the National Business Incubator Network (NBIA), and the UCF model for a successful technology based incubator and regional network.

10. Hire Key Staff

One of the first tasks of the regional public-private partnership should be to hire an experienced regional incubator mentoring and networking development person to manage and set up the infrastructure and begin building the regional networks and implement the strategic implementation plan.

11. Develop a Link with the Florida High Tech Corridor

The study recommends that a formal connection or link to the Florida High Tech Corridor be explored. Currently, the Florida High Tech Corridor Council was established by the Florida Legislature in 1996 to attract, retain and grow high tech industry and to help develop the workforce to support those industries in the 21-county service areas of the University of Central Florida and the University of South Florida. In January 2005, the University of Florida became a full partner which brings the Corridor counties to 23.

Given that Sarasota County is already part of the Florida High Tech Corridor, the establishment of a mentoring and assistance agreement with the Corridor could provide many advantages and opportunities for Southwest Florida and its proposed Incubator Network. Each of the universities in the Florida High Tech Corridor have established business incubators. We would envision that such as agreement would begin with informal collaboration between the Florida High Tech Corridor members, FGCU and the participating partners of Southwest Florida Incubator Network. A formal mentoring agreement could be established between the entities potentially leading to a partnership agreement with the Florida High Tech Corridor. These alliances could provide a connection to a nationally-recognized high-technology region.

12. National Business Incubator Network Recommendations:

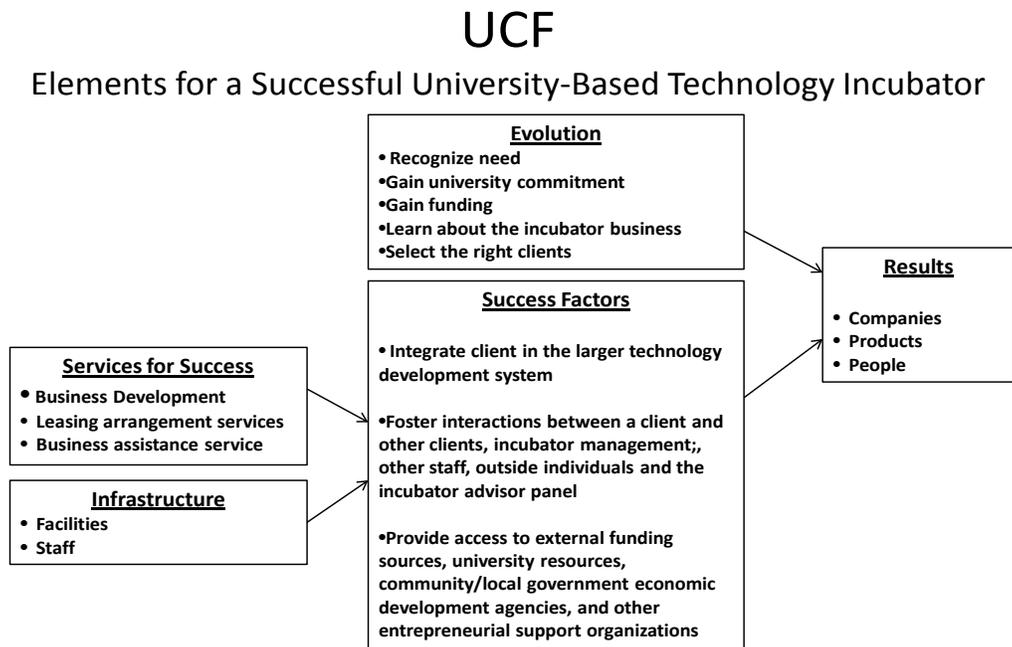
- Obtain consensus on a mission that defines its role in the community and develop a strategic plan containing quantifiable objectives to achieve the program mission.
- Structure for financial sustainability by developing and implementing a realistic business plan.
- Appropriately compensate management capable of achieving the mission of the incubator and having the ability to help companies grow.
- Build an effective board of directors committed to the incubator's mission and to maximizing management's role in developing successful companies.
- Prioritize management time to place the greatest emphasis on client assistance, including proactive advising and guidance that results in company success and wealth creation.
- Develop an incubator facility, resources, methods and tools that contribute to the effective delivery of business assistance to client firms and that address the developmental needs of each company.
- Seek to integrate the incubator program and activities into the fabric of the community and its broader economic development goals and strategies.
- Develop stakeholder support, including a resource network, that helps the incubation program's client companies and supports the incubator's mission and operations.
- Maintain a management information system and collect statistics and other information necessary for ongoing program evaluation, thus improving a program's effectiveness and allowing it to evolve with the needs of the clients

13. University-Based Incubator Network:

Many incubator networks are sponsored by academic institutions and/or have established close relationships with universities and colleges. In particular, technology incubators, and/or incubators with a technology focus, use universities as technology

source and as a means to provide opportunities for their tenant/client firms to leverage university research in their commercialization efforts (O’Neil, 2005).

The literature review and best practices research supports this relationship. It was repeatedly stated in key informant interviews and focus groups that FGCU, as the regional institution of higher education, should be the key organization to lead the effort for a regional incubator network. Although the research has found that a mixed-used incubator network (combination of technology and non-technology services) would be the most appropriate, at least initially, for our region, the “UCF Model for Elements of a University-Based Technology Incubator” can provide a general guide for our region in understanding some of the steps that need to be included in a university-based incubator network.



Source: Tom O’Neil: Evolving a successful University-Based Incubator: Lessons Learning Learned from the UCF Technology Incubator. *Engineering Management Journal*. September 2005.

Over the years, we would anticipate that a regional incubator in Southwest Florida, would create either formal and informal relationships with other university-based incubator networks outside the region, i.e., UCF, University of South Florida (through Sarasota County), Florida Atlantic University (FAU), etc.

Summary

The RFP for this study stated that a key foundation in developing a better economic development plan for the region is understanding how a regional incubator network can share and pool resources that can be effective and efficient. This initiative for a better understanding of the effectiveness of a regional incubator network has come out of the Comprehensive Economic Development Strategy (CEDS) as part of the region's CEDS plan. Specifically the RFP requested that the study:

- Identify and study at least five regional business incubator networks to uncover best practices;
- Conduct a literature review beyond website analysis;
- Conduct regional key stakeholder interviews with at least 18 individuals;
- Work with the economic development offices in Southwest Florida Region and conduct regional five focus groups sessions;
- Develop a resource list inventory for the service region; and
- Develop a final report of the findings and a proposed development plan for a Regional incubator network

In pursuit of these stated objectives, the study:

- Identified 25 regional incubator networks and conducted in-depth interviews with eight of these Networks;
- Conducted an extensive literature review that included books, publications, fact sheets, databases, and association information;
- Identified 25 key stakeholders from the region and conducted 22 in-depth interviews with these individuals
- Worked with all six of the local economic offices and conducted five focus group sessions covering the six county region;
- Developed an extensive organizational resource list for the entire service region; and
- Developed a final report with a proposed development plan for a Regional incubator network.

Based upon this analysis, it will take a number of years to develop a successful regional network across the region so funding for the partnership needs to be developed and sustained over an eight-to-ten year regional plan. This will give time to develop the regional support network and to develop incubator sites across the region. In addition, it is important to note that the study, although termed a “feasibility analysis”, should be regarded as more of a planning study as opposed to a complete feasibility analysis of a specific incubator that develops a plan based on a site, building, business plan and budget.

Our study primarily used qualitative analysis, which allowed our study team to:

- Collect information and insight for best practices from directors of regional incubator networks;
- Collect data on attitudes and opinions of key stakeholders and select individuals across the six-county region;
- Identify significant strengths and weaknesses across the county for the proposed regional incubator; and
- Develop a set of recommendations for the proposed development of a regional incubator network in Southwest Florida.

The Southwest Florida region for many years has had extraordinary economic growth and low unemployment rate, and frequently was regarded as one of the fastest growing regions in the county. The primary source of this economic development and growth was directed to the housing market, tourism, and the health care industry. As a result of the dramatic impact of overdevelopment, failing sub-prime mortgages, and subsequent “busting” of the housing bubble, the economic prosperity of the region, the nation, and the global market has been dramatically altered and changed. This change is particularly significant for the Southwest Florida region due to emphasis on the

construction and development industries and finance, and lack of economic diversity (multiple industries) throughout the region.

Economic development is based on a “three legged stool;” 1) growth and retention of existing businesses, 2) recruitment of new businesses, and 3) development of new businesses. This study was undertaken to explore a process to address one leg of this stool: development of entrepreneurship and new businesses through a Regional incubator network. This study can be regarded as the first step in a process to develop a regional policy and process to compete in tomorrow’s global market.

1.0 INTRODUCTION

Small business development and entrepreneurship is generally felt to be a job-creation engine that has a positive impact on local, regional, and national economies (Allen, 1988; and Meeder, 1993). Over the last 25 years, the proportion of new jobs in the United States generated by small businesses has averaged 67 percent (Bee, 2004).

Although there are a number of programs to assist new businesses and create jobs in the economy, business incubators have been used since the 1970s as a way to incubate new businesses and stimulate entrepreneurship and innovation in the United States and throughout the world. According to the National Business Incubator Association (NBIA), key objectives of business incubators are to promote entrepreneurial activity, encourage technology transfer, and stimulate economic development in the local community (NBIA Survey, 2002; and Meeder, 1993).

The number of business incubators has grown dramatically over the last 35 years. From 1980 to 1990, the business incubator industry in the United States grew from fewer than 15 in 1980 to more than 500 in 1993 and continues to grow (NBIA, 2005). Currently, there are approximately 1,100 business incubators in the United States and approximately 7,000 business incubators worldwide (Knopp, NBIA Survey, 2007). In the United States, business incubators have about 16,000 resident client companies which employ approximately 80,000 workers (Knopp, NBIA Survey, 2007). Incubators generally offer pre-and post-incubation programs assisting additional non-resident startup companies. As seen by the growth in the U.S. and worldwide, the

numbers of business incubators is expected to continue to grow over the next few decades.

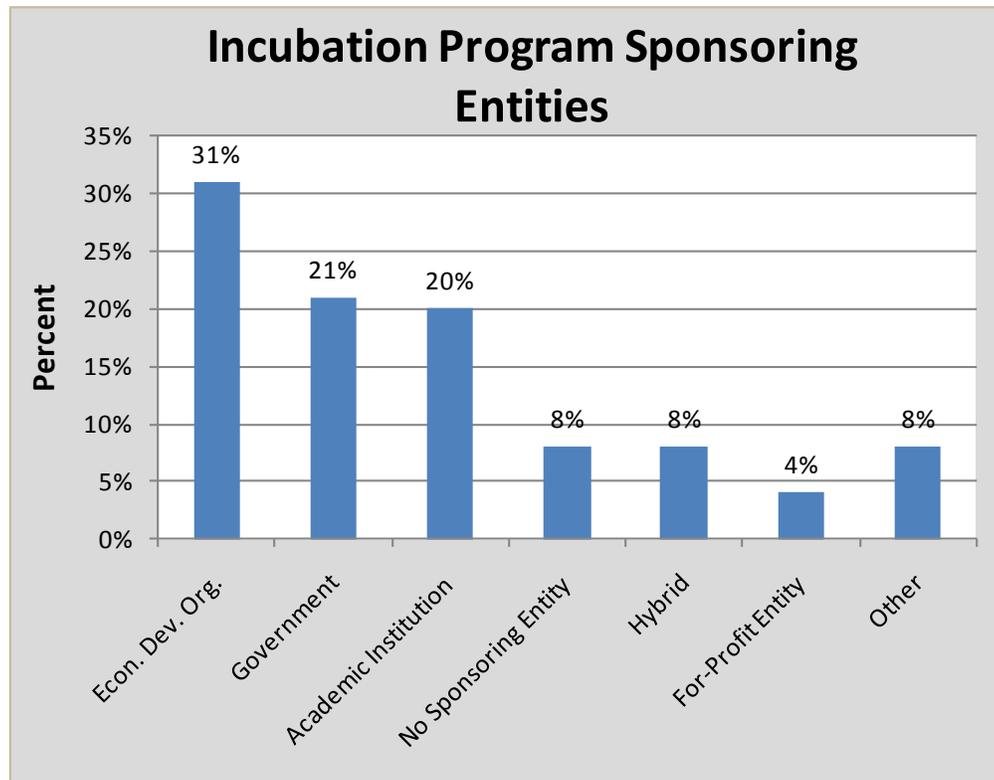
Hackett and Dilts (2004) provided a good summary definition of a business incubator:

A business incubator is shared office space facility that seeks to provide its clients (tenant companies) with a strategic, value adding intervention system of monitoring and business assistance. The incubator can control and link resources that assist in the development of its clients' new ventures and simultaneously helps contain the cost of their potential failure... When discussing the incubator, it is important to keep in mind the totality of the incubator. Specifically, as a firm not just an office building, infrastructure, and articles of incorporation, the incubator is not simply a shared-space office facility, infrastructure, and mission statement. Rather, the incubator is also a network of individuals and organizations including the incubator manager and staff, incubator advisory board, client companies and employees, local universities and university community members, industry contacts, and professional service providers such as lawyers, accountants, consultants, marketing specialists, venture capitalists, angel investors, and volunteers.

The success of the incubator is related to enlisting formal and informal support from a host of regional and community entities. Incubators and incubator networks generally have a primary sponsor or champion that manages and coordinates the facilities and activities. The sponsors are generally economic development organizations, government entities, academic institutions, or hybrids, as shown in Exhibit 1.

Exhibit 1

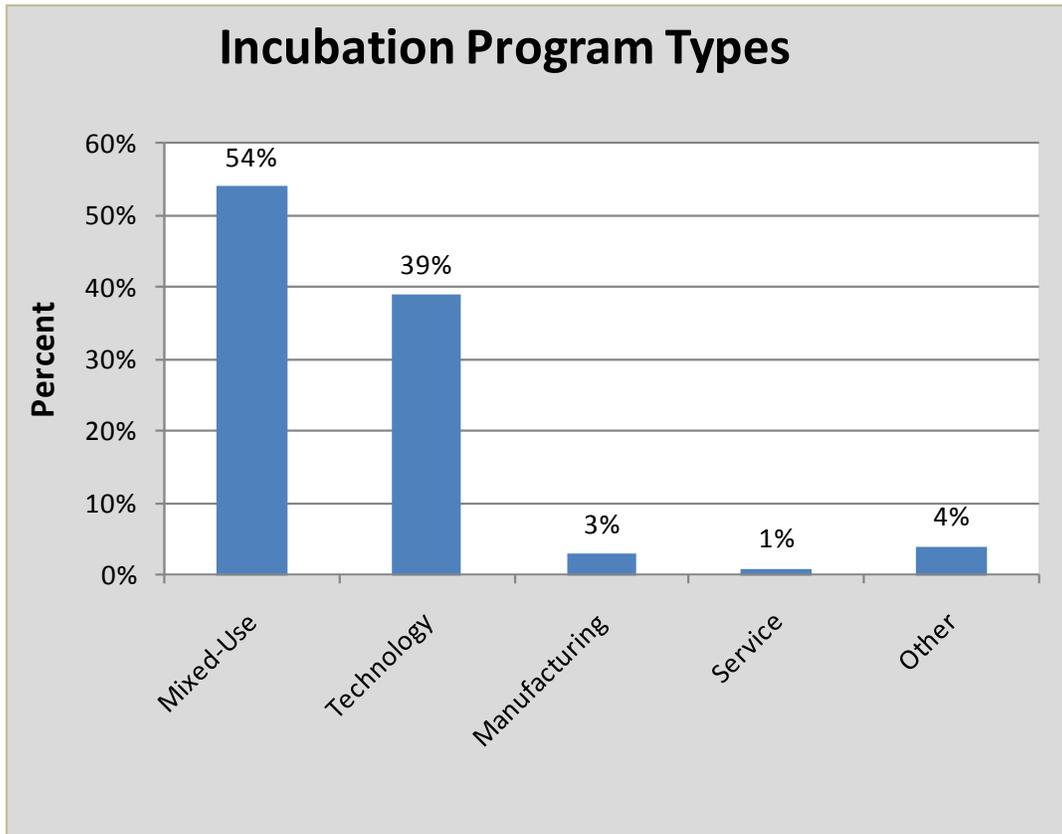
BREAKDOWN OF BUSINESS INCUBATOR BY SPONSOR



Source: NBIA Research Series, *State of the Business Incubator Industry Survey*, Knopp, 2006.

There are two primary types or classifications of business incubators. A mixed-use incubator will accept a wide range of business clients including technology companies but may not have the specialized facilities and equipment often desired by technology companies. The other primary incubator program type is a technology incubator that provides technical facilities and support and generally has ties to a university or college. They are manufacturing and service based incubators as well, as shown in Exhibit 2.

Exhibit 2



Source: NBIA Research Series, *State of the Business Incubator Industry Survey*, Knopp, 2006.

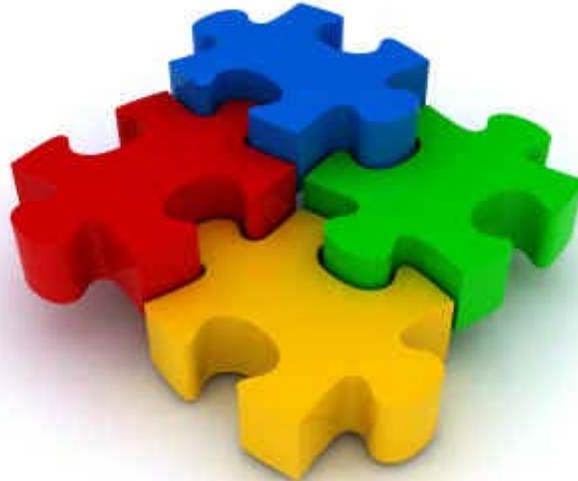
Although entrepreneurship and small businesses represent a very large part of businesses in Southwest Florida, there have been only limited efforts at business incubation. Currently, the one existing business incubator is Southwest Florida Enterprise Center (SWFEC), which is located at 3901 Dr. Martin Luther King, Jr. Boulevard (www.swflenterprisecenter.com). The origin of the SWFEC or as it was previously called, the Fort Myers Business Development Center (BDC), dates to initiatives in the late 1980s to promote business development and entrepreneurial opportunities to lower social-economic groups in the Dunbar area of Fort Myers. In 2002 the BDC, via an interlocal agency agreement, was moved from the City of Fort

Myers' Community Development Department to the Community Redevelopment Agency. In 2005, the BDC received a grant from the Economic Development Administration (EDA) to expand its facility and changed its name to SWFEC. In July 2008, the incubator completed the construction of a new 40,000 square foot facility which includes leasable office space and light industrial/warehouse space along with training and conference facilities.

This report is the result of a request to investigate the potential for developing a regional incubator network in Southwest Florida. The initiative was first introduced into the region's Comprehensive Economic Development Strategy (CEDS) planning document, and local and matching federal funding was obtained from generous local sponsors and the Department of Commerce's Economic Development Administration. The Southwest Florida Regional Planning Council issued a request for proposals and awarded a contract to complete the study to the Regional Economic Research Institute (RERI) at Florida Gulf Coast University. This is a planning study designed to assist citizens and regional leaders make informed choices concerning the development and best practices for a Regional Business Incubator Network in Southwest Florida.

The comprehensive study includes a literature review, best practices analysis, in-depth interviews with key stakeholders from the region, focus groups covering the six-county Southwest Florida area, an organizational resource list, and development of recommended steps for development of a regional incubator network and entrepreneurship program.

2.0 METHODOLOGY



This report represents a study to assess the concept for a Regional Economic Business Incubator Network in the six-county region of Southwest Florida including Sarasota. The study was conducted from November 16, 2008, to July 31, 2009, and was completed in response to a “*Request for Proposal*” or RFP by the Southwest Florida Regional Planning Council (SWFRPC) and supported by the economic development offices and councils in SWFRPC service region and an U.S. Department of Commerce, Economic Development Administration (EDA) grant.

The assessment employed qualitative methods. The ultimate goal of the study was to capture reliable and accurate information concerning business incubators, regional networks, and regional economic conditions and desires.

The study design included several tasks including a literature search of business incubator network studies, benchmarking interviews with eight regional business incubator network managers, 22 regional key informant interviews, five regional focus groups, development of a regional incubator resource inventory, and creation of a list of recommended next steps for the development of a regional business incubator network.

Task One: Literature Search and Benchmark Regional Best Practices

The University, as a research institution, has access to excellent online business databases for articles, journals, and books. The focus of the literature review was to identify regional incubator networks and their activities, as well as best practices. A large number of books and articles were reviewed, and best practices and incubator concepts and methods are summarized in section 3.0 Literature & Benchmark Review of this final report.

The second part of this task was to identify and contact regional incubator networks to gain primary information about their operations, staffing, investments, costs, plans, successes, and lessons learned. A internet search of websites and discussions with the national Business Incubator Association allowed for the identification of 20 multiple-site business incubator networks. Based on information gained from their websites, 10 regional networks were indentified for further study (Exhibit 3).

Exhibit 3
List of Best Practice Regional Incubator Analysis

	Incubator
1	University of Central Florida Incubation Program (Central Florida)
2	Stony Brook University Incubators (Long Island)
3	Emerging Technology Centers (Baltimore, Maryland)
4	Advanced Technology Development Center (ATDC) (Georgia)
5	Applied Technology Development Centers (ATDC) Maine
6	Ben Franklin Technology Partners of Northeast Pennsylvania (BFTP/NEP)
7	Central Valley Business Incubator (California)
8	Business Incubation at Purdue Research Parks (Indiana statewide network)
9	SLCEC St. Louis Enterprise Centers (Missouri)
10	Center for Innovation (North Dakota)

The original objective for the study was to conduct at least five in-depth interviews with regional business incubator managers who were responsible for multiple incubator sites. The study completed eight of ten in-depth interviews knowing that it would be difficult to obtain complete interviews for all those contacted. Those that participated in our study were very generous providing valuable time and effort to assist this study. Time constraints and other issues did not allow completion of interviews with the Advanced Technology Development Center (ATDC) and the Center for Innovation (North Dakota). As part of this study, an interview survey instrument was developed based on the information gained from the literature review and websites. The survey instrument asked questions related to the development and operation of the regional incubator network.

As part of the pre-planning work, the directors or key designees from the regional incubator networks were identified. Initially, an email was sent to these individuals describing the nature of the study and asking them for their participation.

Following this initial contact, phone calls were made along with follow-up emails to arrange a convenient time for a telephone interview. This additional information expanded on the existing information gathered from their websites to provide a better understanding of their operations, staffing, investments, costs, plans, successes, and lessons learned. The telephone interviews and website information for the eight regional incubator network organizations are summarized in Section 3.0, Literature & Benchmark Review, of this final report.

Task Two: Key Informant Interviews, Focus Groups, and an Organizational Resource Inventory

The key informant interviews were designed to reach out to knowledgeable regional individuals in business, government, education, and economic development to capture their understanding of the region's demographics, economics, desires, capabilities, and resources so that these findings could be incorporated into the design and working plans for the regional incubator network. The RERI study team worked with the SWFRPC and the economic development organizations to develop a list of 25 potential regional candidates for interviewing. The goal was to include at least three individuals per county. Twenty-two interviews were completed in order to represent a cross-section of individuals from business, government, education, and economic development within the six counties. An interview guide was developed and the interviewees were contacted by phone to set up an in-person interview. The research team or team members interviewed the key informants who provided information on the desires, capabilities, and resources available within the Southwest Florida region.

Five focus groups expanded the overall community input into the project. The project team worked with the SWFRPC and the Economic Development organizations to recruit individuals and select locations for the focus groups. The five regional focus groups were held at a central location for each of the regional counties under study including Charlotte, Collier, Lee, Glades and Hendry, and Sarasota. An incentive of \$50 per person was presented in the form of a gift certificate to Outback Steakhouse. The goal was to have approximately 10 individuals participating in each focus group

An organizational resource inventory list for the regional incubator network has been developed which lists organizations and services that could help provide expertise and content for the regional incubator network.

Task Three: Regional incubator network Plan and Report

A regional incubator network plan including recommendations and next steps has been prepared. This plan incorporates the findings from Tasks One and Two. The plan identifies ways that the region can work together and develop a regional incubator network and incorporate existing resources, as well as create new resources and content. It also identifies the hurdles and barriers to establishing a regional incubator network. The plan is based on the best practices and lessons learned from the earlier research along with the specific regional information gained from key informant interviews and focus groups.

In summary, the principal research method used in the study was qualitative in nature (literature review, in-depth interviews with key stakeholders and focus groups sessions). From a process perspective in our interviews and focus groups, we focused on capturing consistent themes in the interviews and sessions, and

teasing out more in-depth underlying issues from the interviewees and participants. For the purposes of our study, "consistent" is defined as attitudes, beliefs and feelings that have been expressed by two or more persons, or can be construed from the manner in which questions were answered. The latter is a particularly important element of qualitative interviews in particular, as the researcher must be capable of not only reporting the statement said, but also of interpreting the intent or true meaning of the response provided by the interviewee.

3.0 LITERATURE & BENCHMARK REVIEW



LITERATURE REVIEW



Introduction

This research has looked at the various models, networks, and processes used for business incubation. An important part of this part of the project summarizes the key findings of studies on incubators, networks, and best practices. The literature research helps to answer the following seven questions:

1. What are a business incubator and the incubation process?
2. What are the benefits of having an incubator?
3. What is the organizational structure and sponsors?
4. What facilities and services are generally included?
5. Who are the incubator partners?
6. What are the best practices of incubators?
7. What are the best practices of multiple-site incubator networks?

The first documented business incubator began in 1959 in Batavia, New York, but the concept of providing network services grew slowly with only 12 business incubators operating in 1980. The National Business Incubator Association (NBIA) was formed in 1985 to act as a clearinghouse for information concerning incubator development and management and offers conferences and training. The association (NBIA, 2009) has 1,900 members from 60 nations. The growth in business incubators

accelerated both in the United States and internationally and by 2006, there were approximately 1,115 incubators in the United States and 7,000 incubators worldwide.

A favorable entrepreneurial business climate is a key factor in expanding, diversifying, and creating wealth for regions and communities. Incubators are one of the key economic development methods used to promote the formation and growth of new companies in the region. The NBIA website (NBIA, 2009) defines a business incubator programs as:

Business incubators nurture the development of entrepreneurial companies, helping them survive and grow during the start-up period, when they are most vulnerable. These programs provide their client companies with business support services and resources tailored to young firms.

Approximately 94 percent of incubators are nonprofit organizations focused on economic development. The NBIA states that 54 percent are mixed-use incubators that assist a wide range of early-stage companies and that 39 percent are technology-based incubators. In addition, four percent of the incubators focus on service companies and three percent of incubators focus on manufacturing firms.

The 2006 NBIA survey (Knopp, 2007) found that 31 percent of the sponsoring organizations are economic development organizations. Government entities and academic institutions each supported approximately 21 and 20 percent of the incubators, respectively. The remaining organizational sponsors were hybrids, for-profits, had no sponsoring organization, and other. The economic model for incubators has been adapted to meet the needs and focus of different regions and communities and varies from mixed use to technology or to industry or cluster specific programs.

The 2006 survey results showed an average number of resident (on-site) and affiliate client companies of 25 and a median number of 18. These companies had an average total employment of 97. Rents and client fees provided approximately 59 percent of the incubator revenues, followed by service contracts and grants at 18 percent, cash operating subsidies of 15 percent, and other income of 8 percent. The survey also found that approximately one in 10 incubators offered programs aimed at micro-entrepreneurs, women, African-Americans, low-income entrepreneurs, and/or Hispanics.

1. What is a business Incubator and the incubation process?

There are three principal strategies employed in economic development. These include (1) business attraction, (2) business retention and expansion, and (3) entrepreneurial assistance. Mr. Tom Lyons (NBIA, 2004, p. 9) states that:

... business incubation fits within the entrepreneurship assistance leg of economic development's three-legged stool, it serves as a complement to business attraction and retention/expansion strategies as well. When incubators engage in strengthening entrepreneurial support systems, they provide services that existing businesses also can utilize.

He goes on to state that:

At the heart of business incubation is not a facility but a concerted effort by a group of qualified, committed professionals to help companies grow. When we think of business incubation in this way, the potential for incubation to become the guiding model for regional entrepreneurship assistance strategies becomes very apparent. Incubation programs, at their essence, are networks of entrepreneurs and entrepreneurship assistance providers.

The entrepreneurial process (Smilor, 1986, p 13-14.) is based on four critical factors; Talent-people, Technology-ideas, Capital-resources, and Know-how-knowledge. Smilor (1986, p.1) provides his definition of the incubator process:

... a new business incubator is a facility for the maintenance of controlled conditions to assist the cultivation of new companies. The controlled conditions include four types of resources: secretarial support, administrative assistance, facilities support, and business expertise, including management, marketing, accounting, and finance. By controlling these conditions, the business incubator seeks to effectively link talent, technology, capital, and know-how in order to leverage entrepreneurial talent and to accelerate the development of new companies.

Kathleen Boyd (2006, p.7) defines the following elements needed for a successful business incubator program:

- *It must have a mission to provide business assistance to early-stage companies, although some incubators also assist established small businesses;*
- *It must have staff who coordinate and deliver business assistance to client companies (Staff may offer some services directly and arrange for other assistance through resources in the community); and*
- *It must guide its client companies to self-sufficiency. This means that companies graduate from the program after a defined period of time (often two or three years) or once they achieve a predetermined set of benchmarks.*

Barrow (2001, p. 5.) states that there is no single model for business incubation but the

...hallmark of an effective business incubator program should be its focus on the added value that it brings to small business 'tenants' in terms of strengthened business skills; access to business services; improved operating environment; and opportunities for business networking, etc., to nurture early-stage small businesses, increasing their prospects for business survival and growth compared with the situation outside the incubator.

Hackett and Dilts (2004) completed a survey of the incubator literature and provided the following perspective on the incubator-incubator process.

When discussing the incubator, it is important to keep in mind the totality of the incubator. Specifically, much as a firm is not just an office building, infrastructure and articles of incorporation, the incubator is not simply a shared-space office facility, infrastructure and mission statement. Rather, the incubator is also a network of individuals and organizations including the incubator manager and staff, incubator advisory board, incubate companies and employees, local universities and university community members, industry contacts, and professional services providers such as lawyers, accountants, consultants, marketing specialists, venture capitalists, angel investors, and volunteers. Most incubators are publically funded and subject to political forces. They generally have to periodically justify their benefits.

Hackett and Dilts (2004, p.62-64) also point out the need to identify the right applicants for admission to an incubator. There will be those applicants that cannot be helped, those that have some resource gaps that can be helped and should be incubated, and those that do not need incubation. In addition, they point out the need to place the incubation process within the overall continuum of innovation and economic development. It is important that the community understands the value of the process.

Bergek (2008) completed work on identifying the incubator process and model. He found that incubators are often judged by the outcomes independent of the incubator goals. They define three incubator components: selection, business support, and mediation (networking) that are important to the incubator process. The selection process is a review of the new company idea and the experience of the entrepreneurial manager or team. Incubators can follow the "survival of the fittest" method and apply less rigid criteria allowing more firms to enter the incubator and let the market decide which will survive. The other extreme is to use a "pick the winners" approach where the incubator tries to pick the winners before they enter the incubator and is much more

selective. Information was not available to indicate which approach was more efficient in terms of resource costs. Business support can be laissez-faire and have companies request the services or more of a strong "intervention" type by the incubator. Finally, the incubator provides a bridge between the incubatee and the environment in a way to leverage available scarce talent and resources. Some incubators network on a regional scale while others network internationally on certain technological fields.

A new trend has been the development of regional network incubators that include several sites within a region. The reasons for working as a region can include economies of scale or reduced costs of providing services and increased diversity of resources and talents that are available within a large geographic area. A

PricewaterhouseCoopers (1999) study defined a networked incubator as:

An incubator which operates in formal cooperation with other incubators, either under common ownership or management or through the common provision of services or sharing of information.

Rural Incubators are often faced with limited resources and population. A study by Adkins(2001, p. 22) states that:

When the population an incubation program will serve is exceptionally small, incubator developers should explore ways to network more than one incubator together to create economies of scale and ensure financial sustainability.

Allen (1988) described incubators as an enterprise that has a life cycle of its own that starts with the community starting work to develop an incubator and ends when the incubator has reached full occupancy and developed the resource network and value-added services to be able to be more selective in its choice of tenants and to be a center of entrepreneurial activity.

2. What are the benefits of having an incubator or incubator network?

Incubators can have many goals, including job creation, diversification of the economy, community redevelopment, education, and improving the overall entrepreneurial climate. The National Business Incubator Association (NBIA, 2009) website states:

The most common goals of incubation programs are creating jobs in a community, enhancing a community's entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry, and diversifying local economies.

A regional business network, mentoring, and resources can help to attract and retain existing businesses as well as create a better overall business climate. Kathleen Boyd (2006, p.3) identifies the potential benefits of business incubation including:

- Job creation
- Technology commercialization
- New business formation
- Wealth creation
- Tax revenue generation
- Neighborhood revitalization
- Economic diversification
- Community development
- Industry cluster/sector development
- Empowering women, minorities, and low-income individuals
- Encouraging an entrepreneurial culture in communities that have long relied on large corporations for employment.

Barrow (2001, p. 6.) states that, " ... The incubator has to deliver results against the outcomes that the stakeholders want. This may be economic development in the form of new jobs, or it may be valuable experience for university students or profitable

investment opportunities for the providers of capital." Meeder (1993, p. iv) states that, "Business incubators are proven tools for creating jobs, encouraging technology transfer and starting new businesses. Business incubators accelerate the development of successful entrepreneurial companies by providing hands-on assistance and a variety of business and technical support services during the vulnerable early years."

O'Neal (2005, p. 13-14) states that, " There may be a need for job creation in the community, promotion of economic self-sufficiency for a selected population group, diversification of the local economy, transfer of technology from university or corporations, or sharing venture experiences with new companies by successful entrepreneurs and investors."

Smilor (1986, p.7) states that, "Publicly sponsored incubators sought primarily to create jobs, and university-affiliated incubators sought to transfer research and development activities and to spin off university research efforts." He further states (1986, p.36) that the benefits to the clients of the incubator include developing credibility, shortening the learning curve, solving problems faster, and providing access to the business network.

Hackett and Dilts (2004, 59) state that, " Incubators are economic development tools for job creation whose basic value proposition is embodied in the shared belief that operating incubators will result in more startups with fewer business failures." They also found (2004, p 69.) that, "... incubators represent a lower cost means to job creation than cost-sharing corporate relocation programs. " Their study found that early research indicated that incubators are not very good job creators.

Brooks (1986, p. 24) states that, " Once extraneous factors that lead to early-stage failure of small businesses (poor management, inability to find early stage financing, high overhead, etc.) are controlled or eliminated, the projected increased survival rate of new ventures should lead to increased employment and an expanded tax base."

3. What is the organizational structure and sponsors?

There are numerous examples of organizational structures and sponsors. Most are public-private partnerships and nonprofit organizations. The network may be a nonprofit 501 C (3), or part of a university or college department,. There are also networks that are operated by county or regional governments. Generally, the organizations will have a board of directors or board of advisors to direct and assist the incubators and network. The nonprofit charitable designation is important to most incubator programs since it makes contributions and gifts to the incubator tax deductible.

Meredith Erlewine and Ellen Gerl (NBIA, 2004, p.xiii) state that: "The most effective incubators are developed within the context of community. An incubator development team that carefully researches its community's entrepreneurial pool and that builds broad-based community support will better its chances for long-term success. The stakeholders in an incubator will help sustain its financing, offer assistance to its client companies, serve on governing boards, and generally be invested in the incubator's success. The development process includes conducting a feasibility study, rallying stakeholders, forming an entity, finding or building a facility,

establishing boards and staff, negotiating tax issues, tying down funding, marketing to potential clients, and much more. "

Many universities and colleges are supporting community economic development partnerships including incubator facilities. Most are developed within the context of entrepreneurship programs that engage faculty, staff, and students. Ms. Linda Knopp (NBIA, 2004, p. 165) states, " That sometimes these returns are monetary, but more often they come in the form of better educational opportunities for students, a more attractive work environment for faculty and staff, and more productive relationships with the communities in which they operate."

O'Neal (2005, p.16) states that, "The incubator process has developed opportunities for UCF students to apply classroom concepts while learning entrepreneurial skills." In addition, he states that the incubator assisted in the development of entrepreneurial programs and the reestablishment of a student entrepreneur's society. O'Neal (2005, p16) breaks down the process of starting a university incubator into the following six practices:

1. Recognize the need (College of Engineering, College of Business, Small Business Development Center (SBDC), and Office of Research to work together and partner with community;
2. Gain university commitment;
3. Gain financial support (used matching funds and partnerships);
4. Gain public awareness and support;
5. Learn the incubator process; and
6. Select the right clients (Seven session 21-hour evaluation course called "Excellence in Entrepreneurship" required before selection).

Technology incubators (Tornatzky, 2003) that were best-in-class are described as having at least one of following support relationships:

- "They had a strong working relationship with a research-intensive university, medical research institution, or laboratory"; and/or
- "They were located in a metropolitan area that had a high concentration of technology-based companies and associated business support firms, such as accountants, intellectual property lawyers, and human resource consultants."

4. What facilities and services are generally included?

Facilities and services will vary depending on the focus of the incubators, location, and client needs. The following references provide a good overview or menu of services that should be considered. Mr. Brian Walker and Ms. Nan Kalis (NBIA 2004, p. 207-217) provide the following menu of services to be considered by incubators:

- Basic services;
- Professional services;
- Networking among clients;
- Seminars and training programs;
- Shared administrative services;
- Affiliate programs for start-up firms not located in the incubator;
- Micro-loan and financing programs;
- Computer labs;
- Resource libraries;
- Technology commercialization assistance;
- Access to investment capital;
- Mentors/advisors;
- Security;
- Facilities and specialized equipment access;
- Marketing/promoting clients and general marketing assistance;
- University linkages; and
- Pre- and post-incubation programs.

Many of the incubators have student programs that work with various educational institutions that provide entrepreneurial training. Growth companies hired student interns, hired students, employed faculty as technical resources, and used university laboratories and facilities (O'Neal, 2005, p. 14).

The professional business services (Barrow, p. 168-178) that are highly valued by clients to the incubators include legal, intellectual property, accounting, bookkeeping, recruitment and staff selection, education and training, and IT and internet services. Legal services may include assistance with partnership agreements, employment contracts, confidentiality agreements, leases, patents, licensing technology and other protections. Those firms that join incubators as clients are more likely to be exposed to training and mentoring experiences leading to better business decisions.

Management and business strategy services (Barrow, p. 180-193) include business and financial plans, strategic planning, marketing, public relations, research and development, employee relations, international trade, government relations and sales, and networking.

Another study by Boyd (2006, p. 63) listed the core business development services commonly offered by incubators as:

- Business coaching
- Educational seminars
- Links to lawyers, accountants, and other professional service providers
- Marketing assistance
- Mentor programs
- Brown bag lunches
- Pre- and post-incubation assistance
- Assistance in obtaining funding
- Connections to venture capital sources
- Intern programs

- Shared administrative services
- CEO roundtables

The core building amenities commonly offered by incubators include (Boyd, 2006, p. 63.):

- Resource libraries
- Shared conference rooms
- Shared office equipment (copier, fax)
- Shared forklift, water purifiers, autoclaves, and other specialized equipment
- Reception area and receptionist to greet visitors.

The NBIA State of the Business Incubation Industry survey in 2006 found and ranked 33 types of business services offered through incubation programs as shown in Exhibits 4 and 5.

**Exhibit 4
Top Twenty Business Services**

No.	Business Service	Percent
1	Help with business basics	96%
2	Networking activities among incubation clients	96%
3	Marketing assistance	90%
4	High-speed internet service	89%
5	Help with accounting or financial management	84%
6	Shared administrative or office services	81%
7	Help accessing commercial bank loans	79%
8	Help accessing specialized noncommercial loan funds/loan guarantee programs	78%
9	Help with presentation skills	77%
10	Linkages to higher education resources	73%
11	Linkages to strategic partners	71%
12	Access to angel investors or networks	69%
13	Comprehensive business training programs	68%
14	Access to venture capital investors	67%
15	Shadow advisory boards or mentors	65%
16	Specialized equipment or facilities	64%
17	Management team identification	64%
18	Help with business etiquette	64%
19	Technology commercialization assistance	62%
20	Help with regulatory compliance	57%

Exhibit 5
Twenty-one through Thirty-Three Business Services

No.	Business Service	Percent
21	Federal procurement assistance	56%
22	Intellectual property management	55%
23	Assistance with e-commerce	54%
24	Business management process, customer assessment service, inventory management	54%
25	International trade assistance	49%
26	General legal services	46%
27	Human resources support or training	43%
28	Assistance with manufacturing practices, processes, and technology	38%
29	Economic literacy training	33%
30	Assistance with product design and development practices, processes, and technology	32%
31	Logistics/distribution support or training	31%
32	In-house investment funds	27%
33	Loaned executive to act in management capacity	17%

Source: 2006 NBIA State of the Business Incubation Industry

This part of the study has provided a comprehensive list of potential services that might be considered for individual and regional incubators and a network to support them.

5. Who are the incubator partners?

A critical component to a successful incubator or regional incubator network will be the delivery of business and professional services to create value for the client firms. The establishment of the incubator partners to provide these services will be a key milestone and require considerable effort to support and maintain a quality network of partners. These partners generally offer initial services on a no or low-cost to the startup firms until they are in a position to be able to purchase the services.

The University of Central Florida has developed partnerships with over 100 local, regional, and national firms to assist with their incubator network. These include a large number of highly respected firms serving the incubator and its clients in the areas of business counseling, insurance, legal services, financial institutions, financial services, marketing/PR/websites, funding sources, office supplies/services/furniture, government contracting, real estate/housing, and telecommunications. The incubator partners or network is a key element in attracting and adding value to the new startup companies. In addition, many networks are designed to assist new or existing businesses to be able to network and find the support that they require to meet their business needs and grow their company.

Raymond Smilor (1986, p 28.) states that entrepreneurship requires relationships with individuals and institutions. He states that:

The stronger, more complex, and more diverse the web of relationships, the more the entrepreneur is likely to have access to opportunities, the greater the chance of solving problems expeditiously, and, ultimately, the greater the chance of success for a new venture.

He describes an entrepreneurial network that includes universities, major firms, emerging firms, professional support such as accounting, legal, and financial, state and local support, and other support, such as consultants, social, and civic groups.

Ms. Dinah Adkins (NBIA, 2004, p. 26) describes some of partners needed to support a "best" incubation program:

The best business incubation programs are integrated into their community networks, resources, and economic development plans and strategies. Gone are the days of stand-alone programs, lacking support from economic developers, academics, and the business community. More and more, incubation programs are the nexus of significant angel equity investing networks, publicly sponsored seed funds, technology

infrastructure development and commercialization programs, entrepreneurial campuses, or youth entrepreneurship programs.

Brian Walker (NBIA, 2004, p.114) states that:

Although incubation professionals can and should be closely involved with incubator client companies, their time is also well spent finding, recruiting, and managing a strong network of service providers - consultants knowledgeable in specific subject areas who assist incubator clients on an as-needed basis, usually for free or at reduced rates. Incubator service provider networks often include accountants, lawyers, venture capitalists, scientific experts, and others who can assist new ventures. These high-level professionals typically are not affordable for early-stage companies, and without them, the value of an incubation program diminishes significantly.

The overall network may include a board or advisory group, volunteers or volunteer executive groups, and university or college faculty and student interns.

6. What are the best practices of incubators?

This section examines the best practices for developing and managing a business incubator. There are many different aspects of managing an incubator and assisting the clients in a way that will meet economic development or community goals. It is important to have an experienced incubator manager to develop and maintain the partnership network, the incubator process, training, facilities, staff, and clients

Smilor (1986, p.23) provides ten critical success factors for incubators. These include:

1. On-site business expertise;
2. Access to financing and capitalization;
3. In-kind financial support;
4. Community support;
5. Entrepreneurial network;
6. Entrepreneurial education;
7. Perception of success;

8. Selection process for tenants;
9. Tie to a university; and
10. Concise program milestones with clear policies and procedures.

The review of existing incubator literature identified numerous best practice articles and books. A major study, "Best Practices in Business Incubation" by Chuck Wolfe, Dinah Adkins, and Hugh Sherman was completed in June 2000 for the Maryland Technological Corporation. The study is based on compiled national and international incubation best practices, evaluating alternative incubation models, and indentifying best practice guidelines and outcome measures. They define 10 business incubation best practices including:

1. Comprehensive business assistance program;
2. Professional infrastructure;
3. Client capitalization and financing;
4. Client networking;
5. Technology licensing and commercialization;
6. University and federal laboratory linkages;
7. Facility basics;
8. Governance and staffing;
9. Client screening and graduation; and
10. Incubator evaluation.

A more detailed explanation of each of the ten best practices is included in Appendix A. The NBIA has established a set of principles and ten best practices to help incubator managers better serve their clients (Boyd, 2006, p13). The two core principles for effective business incubation are:

1. *The incubator aspires to have a positive impact on its community's economic health by maximizing the success of emerging companies.*
2. *The incubator itself is a dynamic model of a sustainable, efficient business operation.*

They provide ten best practices for the management and boards of incubators:

1. *Commit to the two core principles of business incubation.*
2. *Obtain consensus on a mission that defines the incubator's role in the community and develop a strategic plan containing quantifiable objectives to achieve the program mission.*
3. *Structure for financial sustainability by developing and implementing a realistic business plan.*
4. *Recruit and appropriately compensate management capable of achieving the mission of the incubator and having the ability to help companies grow.*
5. *Build an effective board of directors committed to the incubator's mission and to maximizing management's role in developing successful companies.*
6. *Prioritize management time to place the greatest emphasis on client assistance, including proactive advising and guidance that results in company success and wealth creation.*
7. *Develop an incubator facility, resources, methods, and tools that contribute to the effective delivery of business assistance to client firms and that address the developmental needs of each company.*
8. *Integrate the incubator program and activities into the fabric of the community and its broader economic development goals and strategies.*
9. *Develop stakeholder support, including a resource network, that helps the incubation program's client companies and supports the incubator's mission and operations.*
10. *Maintain a management information system and collect statistics and other information necessary for ongoing program evaluation, thus improving a program's effectiveness and allowing it to evolve with the needs of the clients.*

O'Neal (p.15) states that, "The existence of a graduate is, in fact an important incubator performance milestone - possibly the most important success measure."

Other milestones mentioned in the O'Neal paper include:

- Creation of a responsive business consulting network;
- Participation of financial intermediaries in tenant capitalization;
- A majority of tenants are start-up firms as opposed to previously existing small businesses; and
- Synergism that occurs when tenants develop trade relations with one another.

The 2006 NBIA survey (Knopp, 2007, p31.) found that graduation from an incubator was most often based on achieving mutually agreed milestones (44%). The survey found that the second highest graduation trigger was outgrowing space (42%) followed by a time limit for graduation (24%).

7. What are the best practices of multiple-site incubator networks?

The literature search also looked at information concerning multiple-site business incubator systems that serve a region. Much of this information will be available through our direct or primary research done by identifying and interviewing managers of regional incubator networks. Compared to isolated individual business incubators operating independently in a region, a regional network of incubators may be able to tap into a larger more diverse network of partners to assist the regional network. There may be economies of scale allowing cost savings by offering group insurance or purchasing plans. Training programs can be coordinated across a region and the network is more likely to be able to support the hiring of specialized staff. In many ways, individual incubators can assist each other with clients or refer clients to more specialized programs.

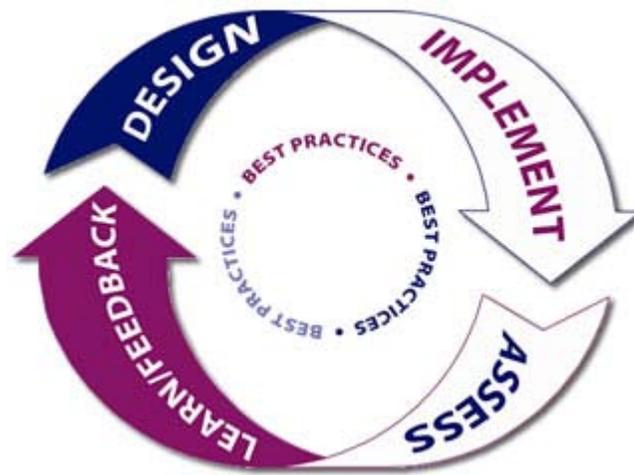
Southwestern Pennsylvania Economic Development District (SPEDD) has a network of 18 incubators in Pennsylvania and has focused on becoming more efficient and capturing the cost savings of economies of scale (Barrow, p. 148-150). They have a special unit looking after buildings and operations-related functions. Management of key operations is centralized and they have created a Passport Program that offers services at four different stages or levels and with the aim to maximize "value added" services and products to the clients. The aim is to have network partners deliver the

products and services within a managed environment to ensure its quality. This approach frees up the incubator management team to focus the majority of their efforts on high value-added activities such as managing the system and developing and delivering new services and products.

An article by Andrea Gibson, Director of the Office of Research Communications at Ohio University (NBIA, 2004, p. 58-61.), states that "There are many circumstances in which multiple sites offer the best deal: expanding the service reach of an incubation program, providing more space when a first site overflows, diversifying the types of clients a program can service, or creating an industry cluster. Additionally, multiple sites can provide opportunities to maximize employee skills and create revenue streams required to hire more specialized staff. It can also increase the programs' overall sustainability by impacting a wider geographic area and increasing sponsorships and champions of all types." She goes on to discuss the need to look for economies of scale such as discounts with contractors, group discounts, and professional services. They can pool resources and share specialized facilities.

As part of the literature review, a comprehensive summary of "best practices" is shown in Appendix 1.

REGIONAL INCUBATOR NETWORK STUDY REGIONAL BEST PRACTICES ANALYSIS



Introduction

The Regional Economic Research Institute (RERI) Research team, as part of its strategic planning study for a “regional incubator network” in Southwest Florida, identified “best practices” of regional incubator networks in the United States to gain primary information about their operations, staffing, investments, costs, plans, successes, and lessons learned.

Widely used since the early 1980s, benchmark analysis is the process of comparing and measuring an organization’s operations or its internal processes against those of a best-in-class performer from inside or outside its industry. Benchmarking is often thought of as a tool to help establish where improvement resources, standards, and criteria can be set for performance and operations. It was felt by the research team that in order to determine the feasibility of the proposed Regional incubator network in Southwest Florida, it was important to gather benchmark information on the operations of other business incubator networks. This information and data would not only help to set the stage for developing the feasibility of the proposed regional incubator network in

Southwest Florida in the future, but would also help define standards of operations and criteria and/or processes that result in positive results for regional incubator networks in the United States.

Methodology

In pursuit of this task, the FGCU Research Team identified a total of 25 regional incubator networks throughout the United States. For the purposes of this study, a regional incubator network was defined as a central organization that was comprised of multiple incubator sites and networks. From the original 25 regional incubator networks, the study team selected 10 regional incubator networks that represented a sample of the different types of incubator networks. In conjunction with the identification of our best practices study model (Appendix 2), a comprehensive in-depth interview form was developed (Appendix 3). The interview form spanned 12 pages in length and contained multiple questions over a broad range of topic areas to gain insight into the background, processes, and measures of success of the benchmark regional incubator networks.

The general topical areas contained in the interview guide included:

- Organization Information;
- Interviewee Background Data;
- Networks views/actions regarding Strategic Planning;
- Recommendations for Creating Incubator Networks;
- Measures and Views of Success;
- Funding & Technology Transfer;
- Advantages/Disadvantages, and Role of Organization;
- Network Components and Development;
- Internal and External Constituents;
- Affiliations and Relationships;
- Network Partner Engagement;
- Network Structure, Relationship and Information Sharing;
- Decision Making Tools Used;
- Strategic Leadership; and

- Network Future

Procedurally, in late January and early February, the 10 identified directors or Lead Administrators from the 10 identified Regional incubator networks were contacted. Each director was sent an introductory email (Appendix 4) on or about February 09, 2009 which: a) introduced the interviewer; b) the purpose of the study; c) our desire to schedule a phone interview; and d) a note that we would be following-up our email with a phone call to schedule our phone interview. In addition, a brief one-page summary of the study was attached to the email (Appendix 5). As part of our protocol, the study team sent an email to those that could not be contacted (Appendix 6). Upon contacting the director, an email was sent to confirm the time and date of the in-depth phone interview (Appendix 7) and after the interview was conducted, a follow-up thank you email was sent to the Directors (Appendix 8).

The interviewers who conducted the interviews consisted of two faculty members from the research team with extensive experience in survey research. It was determined that each of the faculty members would select five regional incubators to contact. Of the 10 identified regional incubator networks, nine regional incubator network directors agreed to participate in the in-depth interview (The Center for Innovation at the University of North Dakota did not respond to our emails or telephone contacts). Of the nine regional incubator networks that were contacted and interviewed, one of the interviews with the incubator's director (Advance Technology Development Center in Atlanta, Georgia) was only partially completed, and was thus not included in the study. Therefore, the study sample consisted of eight regional incubator networks (one of the faculty members successfully contacted and interviewed five

regional incubator networks directors and the other faculty member contacted and interviewed three). Exhibit 6 (Reproduction of Exhibit 3) shows our list of interviewed incubator networks.

Exhibit 6
Benchmark Analysis: List of Regional incubator networks
(Reproduction of Exhibit 1)

	Incubator
1	University of Central Florida Incubation Program (Central Florida)
2	Stony Brook University Incubators (Long Island)
3	Emerging Technology Centers (Baltimore, Maryland)
4	Advanced Technology Development Center (ATDC) (Georgia) ^a
5	Applied Technology Development Centers (ATDC) Maine
6	Ben Franklin Technology Partners of Northeast Pennsylvania (BFTP/NEP)
7	Central Valley Business Incubator (California)
8	Business Incubation at Purdue Research Parks (Indiana statewide network)
9	SLCEC St. Louis Enterprise Centers (Missouri)
10	Center for Innovation (North Dakota) ^b

^a Advanced Technology Development Center was not completed, thus was not included in the study

^b Communication with the Center for Innovation in North Dakota was not established.

The eight regional incubator networks selected and interviewed ranged from networks that were recently formed (in the last 10 years) to networks that were formed over 25 years ago. The size of the eight incubators networks ranged from four (4) network incubator locations up to 15, with each location having multiple member businesses (ranging from 25 to 160). The type of services provided by the network incubators and members or clients represented a broad range of industries and professional services, ranging from technology, professional services, hospitality, service, finance, light assembly, manufacturing, construction, aquaculture, energy, and environmentally related services.

Each of the regional incubator networks had a designated director with directors or coordinators for their network incubators. All of the regional networks had a board or advisory group and most had partnerships or affiliations with local agencies, regional, and in some cases, state agencies such as city/county government, economic development offices, small business development centers, chambers of commerce, etc. In addition, most of the regional networks had a direct or indirect affiliation with the local university. Although the ownership structure of the eight network members included public, private, and non-profit, most represented a combination of some type of public and private partnership.

The services provided to the network clients were generally typical of incubators: business plan development; mentoring services; marketing assistance; legal assistance; copyright and patent assistance; business management training; office support (phone, fax, reception, copy, etc.); Internet; utilities (electricity, water, etc.); custodial; accounting; capital and access to venture capitalists; government contracting; security; and networking assistance to community and other businesses. Although the term “*Incubator Network*” is used by the National Business Incubator Association (www.nbia.org), only one-half of the regional incubator network directors or designee’s use the term “network” to formally describe their regional incubator organization. They use other terms or said that they don’t formally use this term to describe themselves. Instead they said:

We describe ourselves as an Incubator Program.

We do not formally use the term network.

We don’t consider ourselves a network but part of economic development;

We regard ourselves as less a network but an “Enterprise Center.”

The in-depth interviews ranged from just less to one hour to almost two hours. The first interview was completed February 20, 2009, and the last interview was conducted in mid-April. In total, the two research members interviewed seven regional incubator network directors and one director of membership services (it was recommended by the incubator that we interview this individual because the director was new and this individual had an institutional history with the network). Most of the directors or designees had been with the incubator network for five years, although some of the directors had a much longer history while a few others were relatively new to the system (less than one year). Although many of the directors or designees had a business background and either an undergraduate or a graduate degree in business (two had doctorates), three of the directors had degrees in non-business fields, such as public relations, or were relatively new to the entrepreneur and economic development field. Despite the varied academic and professional experience of the interviewees, the two faculty interviewers found that overall the directors or designees were very knowledgeable about business incubation and business development. In addition, all of the eight regional incubator directors or designees were very supportive of the research being conducted and were very forthcoming in their responses and answers to the interview questions.

Below is a descriptive summary of the key findings from our interviews with the directors and key officers from the eight regional incubator networks. The descriptive summary is presented in the key topic areas and the specific questions that were asked under each of the topic areas (See Appendix 3). The descriptive summary is a

representation of the consistent themes and commentary expressed by the eight interviewed regional incubator networks.

Summary Findings

1. Briefly describe the vision, mission, and goals of members of your incubator network.

All of the eight interviewed regional incubator networks had a stated vision and mission statement, as well as generally well-formed objectives. The development of the vision, mission, and organizational value statements were, in most cases, done by committee. Most frequently, this committee involved a network advisory group, however, in some instances, it also involved outside entities and stakeholders such as a university administration, economic development offices, state workforce development officials, and local government officials. The key terms found in most of the vision and mission statement included terms such as: "growing businesses", "creating jobs", and "promoting entrepreneurship, technology, education" etc.

Below are some extracted examples from the vision and mission statements given by the respondents:

- *A university-driven community partnership providing early stage companies with the enabling tools, training and infrastructure to create financially stable high growth enterprises.*
- *To promote entrepreneurship and the creation of jobs in technology –related industry by establishing and operating effective incubators throughout the State that provide adequate physical space designed, and programs intended, to increase or accelerate business success in the field of technology.*
- *To provide information technology firms with access to the resources they need to grow and attain long-term success within an environment that fosters information technology development, commercialization and successful business*

management practices.

- *To boost the economy of the Northeast Pennsylvania retention with new or retained jobs, new technology firms, and making established manufacturers more competitive.*
- *To advance education through entrepreneurship and to nurture and grow new business in the Central Valley.*
- *Creating a dynamic entrepreneurial environment.*
- *Provide new and growing small businesses with affordable business space, shared support services, access to expert mentors and valuable networking opportunities.*

Although many of the Incubator director interviewees were familiar with their stated vision and mission, the use of the vision and mission varied from being a “living active statement” that is referred to and is part of the daily and strategic operation of the organization to a written statement that predominately sits on the shelf and is not frequently referenced. In fact, a small number of the directors stated that although they are somewhat familiar with the organization's vision and mission statement, “*I have not read it in a while.*” Also, several of the directors stated that the vision and mission statement was written in several cases before they were there and that the incubator executive team had not revised it, although most felt it was a good time to reflect on their organization's stated mission. As stated, some of the benchmark incubator network directors reported that the vision and mission statements is regularly referred to and is reviewed at their annual retreat.

2. What is the Business Model Used for the Network?

All of the network directors and designees were asked, “What is the business model used for their network?” The interviewee was posed the question and was told

that if someone was forming an incubator network and asked them to describe their network business model, what would they say in three or four sentences.

Although the hope was to get a somewhat detailed perspective on this question, the responses were generally short and the nature of the question, asking someone to describe their business model, appeared to be somewhat difficult to answer. Generally, the responses centered on the fundamental concepts in their vision and mission statements such as pursuit of sustainability, financial independence, fulfilling mission and objectives of the organization, technology transfer, entrepreneurship, obtainment of venture capital, and recruiting and retaining companies. Selected excerpts from the respondents are shown below:

- *The overall business model for the network is for a goal of sustainability with the network becoming revenue neutral.*
- *To create a pipeline of companies ready for venture capital investing that go on to bring enterprise here....,*
- *To provide and assist entrepreneurs with finding diversified funding source through grants and sponsorship.*
- *...one that combines award-winning technology transfer and business acceleration program....,*
- *Recruiting and retaining high tech companies.*
- *Provide quality facilities below market rate, with support services”.*

3. What are the three top recommendations you would give to someone who wanted to set up a regional incubator network?

The respondents were very animated with their response to this question and all had thoughts and recommendations for individuals hoping to establish a regional

incubator network. Some of the consistent themes that were given were for the regional incubator network to:

- Conduct a feasibility study and market assessment and know the costs;
- Development of partnerships with community, local government and economic offices;
- Link with higher education;
- Learn from others; and
- Ensure that you have long term support and funding.

Some of the specific quotes from the respondents were:

- *Conduct a Feasibility Study;*
- *Ensure that you have long-term support (at least 5-10 years)*
- *Ensure that you are part of the overall economic development strategy of the region and that you are supported by the varied political entities;*
- *Align yourself with the larger community;*
- *Have the right face-to-face communications ;*
- *There is power in numbers - if you identify common issues/goals, your voice is louder;*
- *Politicians have to be engaged – they need frequent updates on what you need;*
- *Learn from the experiences in other regions – you have figured that out already;*
- *Be connected and linked to higher education institutions;*
- *Be linked to County Government and local Economic Development Organizations;*
- *Nurture and maintain political contacts at both the county and state levels;*

- *Assess market needs; and*
- *Create products and/or services that provide 'added value'.*

4. How does the incubator network fit into the broader regional economic development strategy?

As a follow-up to the previous questions, the interviewees were asked how their network fit into the broader regional economic development strategy. In almost every interview, it was reported that there was some type of link to the greater regional economic development plan, or in some cases, to state economic development strategies. In several cases, the concept and inception of the incubator network was originally developed because of local, regional, and state economic policies. Most of the respondents strongly encouraged that any person wanting to develop a regional incubator network needs to link it to a greater economic policy. For some of the networks, the link to the larger economic policy took the shape of a special focus on a specific industry or area of the strategy such as entrepreneurship and new business development, technology, etc., and the delivery was accomplished by the network via a specialized center that focused on this area.

5. How do you define “SUCCESS” for your organizational network?

In order to better understand how the incubator networks view success, we probed with the interviewees on how they measure success and what matrices contribute to the success for the overall community and economy. We asked them to respond to these questions from the viewpoint of the network and organization, as well as the network members and community. As one would expect, the primary success measures was jobs created, salary rates, and overall contribution to the economy

through increased businesses and tax revenues. Below is a sample of the most common measures given by the respondents:

- Jobs (full-time)
- Salaries
- Number of people in network
- Graduates
- New businesses opened
- Revenues
- Tax based
- Economic development

In addition to these standard measures of success, other measures included venture capital and angel investors, technology development and transfer, new patents, and copyrights. Also, several respondents voiced the importance of keeping jobs and businesses in the region and adding to local economic development. To measure these outcomes, most of the directors stated that this was a process of recordkeeping but many also included annual surveys to their network members.

As part of the “success” question, we asked two follow-up questions related to technology transfer and how the network and their network partners view sustainability:

a) In defining success for your organization/network, what impact and what role does “Technology Transfer” play (rate the impact in scale of 1-5 where 1=no impact/no role and 5=great impact/large role)?

The network directors and designees were almost evenly split on the impact of their networks on transfer technology, with approximately one-half saying they are doing an average to better than average job (3.5 to 4.0) while the others see it in its infancy. No respondent rated their incubator a “5.0” and stated that technology transfer has a great impact on their network. Some general comments given were:

- We are working on it.
- This is a difficult area.
- We are not a tech commercialization venture.
- We are evolving in this area.

b) How do your network partners get to sustainability?

This was a difficult question for many of the interviewees. Several stated that this is an “*elusive and/or difficult area*”, with some saying this is an area that they are working on. The responses for how they get there were varied ranging from graduation of network members, to obtaining increased funding and partnerships, to writing grants and SBIR (Small Business Innovation Research Grants-R43 and R44).

However, most of the respondents said that this was their ultimate goal, and that the primary way would be through business creation. Generally, the sentiments by most of the respondents were: “*We’re an economic developer first...*” and it would be through this economic development activity that sustainability would eventually come.

6. Briefly explain the “advantages” of having an incubator network and why do you think that incubator should form and develop networks? (As a follow-up we asked what were the “disadvantages” and the role the organization needed to fulfill with its network members)?

The incubator network directors and designees commented extensively as to what they saw as the perceived advantages, disadvantages, and role of the network

and organization. The range of comments covered a wide range of areas. Generally, the advantages of the incubator network were economies of scale (training, marketing, etc.), sharing best practices, and very importantly, developing economic opportunities, especially in depressed areas. Disadvantages primarily included geographical distances and dispersion that affected the effective management and running of the larger network. Others included removing the agenda of individual members of the network and getting all to operate with a shared vision and direction. Exhibit 7 below shows some of the specific advantages and disadvantages of the network cited by the interviewees.

Exhibit 7
Advantages/Disadvantages of Regional Incubator Network

Advantages	Disadvantages
<ul style="list-style-type: none">• Best practices• Sharing solutions• Management across network region• Public relations• Grow economically depressed areas• Being part of greater regional economic plan• Economies of scale• Referrals and training	<ul style="list-style-type: none">• Geographical distances/dispersion• Stress of any start-up• Own agenda by members of the network• Not sufficient economies of scale• Too much talk

In addition, the directors were also asked, “What are the primary roles of the incubator networks?” Generally, they stated that the primary role of the incubator network is to set policy, communicate and share information and ensure that the members work as strategic partners. More specifically, they said the role of the incubator network is to:

- Serve as a trainer and coordinator;
- Enhance skills of members and to promote communication across the network;

- Create guiding vision and direction for network;
- Provide assistance to network incubator and promote information sharing;
- Being a good strategic partner and to share best practices; and
- Assist with funding and overall management of network.

7. ***Who are your network partners and does your network consist of virtual and/or sister or soft landing networks, and how did you determine your network (type of incubators, partners, and mix)?***

The represented incubator networks had a very wide variety of network partners. The type and range included manufacturing, light assembly, service based, environmental (water energy), software, and varied forms of technology and technology transfer. However, the primary interest and focus of almost all the networks was technology.

In regard to virtual networks (networks without walls) and sister networks or soft landing partners (network partners of firms that want to relocate to the U.S. and their region), many of the interviewed network directors and designees said that they have very minimally used or had virtual networks as their partners. Also, although a few had tried sister networks or soft-landings with foreign companies, it was very minimal and overall the incubator networks to this date have not seen great success in this area.

Most of the incubator networks had some concept of what type of incubators and what mix should be represented in their networks based on the regional economic plan and/or state mandate that was involved in the development of their network. Others, especially those that are part of a university network, focused on technology and businesses that could aid in the transfer of technology. However, by most accounts over the years, the incubator network directors and designees reported that their

member mix evolved based on the needs and interests of special stakeholders and the region. In addition, many stated that they were developed to serve the region and, in some cases, to respond to the need for economic development in underserved and underdeveloped areas of the region. Almost all of the networks had conducted a feasibility study, which served as a basis for identifying the type and mix of incubators that could best serve the area and promote a more sustainable operation.

8. *Who are your key internal constituents (groups or people critical to the operation of the network), external constituents (groups or people who receive the goods and services), affiliations, and relationships?*

The incubator network directors and designees listed a variety of internal and external constituents who are key to their operations. Of the eight interviewed incubator networks, seven cited the local university as a key internal constituent to their operations. In addition, each of the incubator networks had a board or advisory group made up of individuals representing key industries that are important and supportive to the network and its members. Also, most of the incubator networks cited key business leaders, community leaders, regional economic offices, and government officials, at both the local and state level, areas as their key constituents. Several of the networks also included national grant programs such as Small Business Innovation Research (SBIR), National Science Foundation, etc., as external constituents. Below is brief list showing some of the most frequently cited constituents as reported by the interviewed incubator networks:

- *University (administration, faculty, and board)*
- *Advisory groups*
- *Business leaders*

- *Community leaders*
- *Government (local, state)*
- *Regional economic offices*
- *National grant programs; i.e., SBIR, NSF, etc*
- *Support services (marketing, finance, etc)*

The incubator network respondents were also asked specifically about their affiliations and relationships with universities, faculty, interns, students, and angel investment funds and/or investors, and were asked to rate the impact of this relationship on a five-point scale.

Although the range of responses varied from 2.0 to 5.0, overall the respondents rated the impact of their affiliation with universities very high (approximately 4.0). The incubator networks' affiliation with faculty, students and interns, although very high among some incubator networks, was rated somewhat less at 2.5 to 3.0. Finally, the impact of angel investment funds and/or Investors was somewhat low (approximately 1.5 to 2.0). However, the respondents stated that they generally had a high interest in this area but had not fully seen it develop.

9. *What is the level of your Network Partner engagements?*

A series of questions was asked of the interviewed network directors and designees related to their level of engagement and involvement with their network partners. Areas of questions ranged from:

- Level of network partnering across network
- Informing network members of important decisions

- Providing input in the decision process
- Number and level of meetings and degree of discussion of strategic plans and initiatives at such meetings
- Presence of a membership retreat (at least annual) and if retreat is facilitated

The directors and designees gave a wide range of responses to our questions related to engagements within their network and among their network partners.

Generally, the engagement with network partners involved email communication, weekly meetings, monthly meetings, and for some, semi-annual and annual retreats. The incubator network directors and designees rated their efforts at information sharing with their network partners between 4 and 5 on a five-point scale. However, network organizations said that the level of information sharing among the network members was much less and rated it much lower. When asked what is the information sharing among members, most said it is somewhere around 25%, although some of the incubator network directors stated that the level of engagement across the network, among network members, was very high (90% or greater). Although there is a high level of information sharing, many of the strategic decisions are made at the organizational level. Several of the directors stated that at their annual or semi-annual retreats, network members are asked for their feedback and input on strategic efforts.

Beyond information sharing, the incubator network directors and designees further stated that they give their network partners a great deal of independence and accountability for their action. When asked to rate the level of independence and accountability, most of the directors and designees gave it a very high rating (approximately 4 out of 5).

10. *What of the following strategic planning or decision making tools and techniques have you ever used and would find useful in the future?*

Have Ever Used	Would be Useful in Future
Vision statement	Vision statement
Mission statement	Mission statement
Environment analysis	Environment analysis
Industry analysis	Industry analysis
SWOT analysis	SWOT analysis
Financial analysis	Financial Analysis
Analysis of core competencies	Analysis of core competencies
Scenario planning	Scenario planning
Risk management	Risk management
Balanced scorecard	Balanced scorecard
Strategy mapping	Strategy mapping

Most of the incubation networks directors and designees stated that they had used several of the tools in the above table and would consider them useful in the future. The most frequently used strategic planning tools and techniques used were:

- *Vision and mission statement*
- *Industry analysis (environment analysis)*
- *SWOT analysis*
- *Financial analysis*

The respondents stated that they would probably continue to use these tools. A much smaller group of the incubator network respondents had used some of the other tools cited in the above table, (i.e., scenario planning and risk management), and would continue to use them in the future. Only one of the directors stated that he had used balanced scorecard and strategy mapping and would continue to use these tools.

However, several of the interviewees stated that among the tools that were less cited as

frequently used, (i.e., scenario planning, risk management, balanced scorecard and strategy mapping), they would consider them for use in the future.

11. *What could be done from a “strategic leadership” perspective to help you do a better job?*

The incubator network directors and designees shared a few items that they felt could help them from a strategic leadership perspective. Some of the items cited are listed below.

- *Need to share best practices*
- *Strategic planning*
- *Board engagement*
- *Member engagement*
- *Assistance with resources*
- *Bandwidth*
- *Capital resources*
- *Communication with the community*

12. *Where do you see your network in the future and what pressing problems are you likely to face?*

The directors and designees of the incubator networks were very animated in the responses to the last question of the survey regarding the future of their network and pressing problems that they are likely to face. The predominate concern was the economy and how to survive in this economic downturn. Of the eight interviewed incubator network directors or designees, seven cited resources, capital, and the economy as the primary problems they will be facing. Therefore, financial and

economic issues were of primary concern for almost all of the directors and their designees. Other issues involved how to make budget cuts and, in some cases, how to continue managing their operation as the network grows.

4.0 REGIONAL ANALYSIS



To understand and identify the specific businesses, industries and marketing strategies, the FGCU research team used qualitative research techniques. For the purposes of clarification and introduction, qualitative research is characterized by free-ranging, open-ended interviews among a limited number of respondents. It is primarily used as an exploratory and/or a motivational technique used to identify important marketing variables and to suggest the relationships among those variables. Qualitative research is further useful in understanding decision-oriented market research from the respondent's perspective and in the respondent's own language.

The qualitative research methods used for this study included a series of key informant interviews and focus group brainstorming sessions in the six southwest Florida counties. The key informant interviews and focus groups for this study used a specific set of questions that were broad in nature and used *motivational* and

exploratory techniques to providing a free ranging, open-ended format for discussion (Appendix 9).

Specifically, the key informant interviews and the focus group analysis for analysis for this study were used to:

- Identify and assess the existing resources, services and climate for starting and growing new businesses;
- Identify ways to develop the needed community support and resources to support a regional incubator network;
- Identify the types of businesses and companies that would and should be included in a regional business incubator network and the focus, location and ownership structure that should be employed;
- Identify the overall strength and drivers of success and the barriers and limitations to developing a regional incubator network in Southwest Florida;
- Identify the services and processes that will need to be employed to both attract participants and sponsors, and to enhance the ability of a regional business incubator network to grow and succeed; and
- Determine appropriate development and marketing strategies to grow a regional incubator network in the most effective and responsible way.

This information is then used to assess the feasibility of promoting and growing a regional incubator network in Southwest Florida. Although the initial preplanning for the key informant interviews and focus group sessions occurred concurrently with the best practices benchmark analysis described in the preceding section (Section 3-Literature and Benchmark Review), the actual analysis started after the benchmarking study was completed.

The first step for the research team in doing the Key Informant Interviews and the focus group analysis was to establish parameters and criteria for the selection of participants for the research. These selection criteria involved the following:

- Participants would be drawn from the six-county region;
- Participants would be drawn from four distinct stakeholder groups: government, education, business/industry and entrepreneurial small business development; and
- Participants would represent leaders and/or key stakeholders from the identified areas.

Procedurally, the study director contacted the six counties' economic development offices, corporations and councils (EDO and EDC). The EDO and EDC's directors were asked to select names from their respective databases of clients and customers based upon the selected key stakeholders' categories.

For the key informant interviews, a list of five names from each of the respective service counties was given to the research team who personally contacted and

scheduled an appropriate time to conduct the key informant interviews. Prior to the interview, the faculty team conducting the interview sent each participant an email introducing themselves and the purpose of the study and said that they would be contacting them to schedule an interview. Almost all interviews were conducted at the key informant's workplace and the length of the interviews ranged from 40 to 60 minutes.

For the Focus Group sessions, approximately three weeks prior to each of the respective sessions, an email and/or letter were sent out to selected participants. In three counties, the EDO or EDC director or designee assisted by directly contacting these persons directly to schedule the focus group sessions. The email invitation informed the participants about the purpose of the study, the research process, that they were selected to participate in the focus group, and that they would receive a \$50 gift certificate for their participation and effort. Directly following each session, participants received a letter of thanks from the study team director and their \$50 gift certificate. It is important to note that participants were very responsive to the request to participate

KEY INFORMANT INTERVIEWS

Introduction

In addition to the literature review, benchmarking, and focus groups, the study included 22 key informant interviews to add to the understanding of community and regional desires, plans, economies, and infrastructure. Key informants (stakeholders) in each of the counties were identified with the assistance of the county economic development offices. Each county provided the names of key informants that represented various community interests including business, economic development, education, and government. The faculty project team contacted 22 key informants and arranged a time to meet personally with each these individuals from varied professional groups in the three county areas. Exhibit 8 shows the professional areas of the 22 key informants. Each interview took approximately 45 minutes to complete and provided key findings and recommendations for consideration by the region and faculty project staff.

A key informant interview guide was developed that included 11 questions to guide the discussion. Each question is provided in below with a summary of the responses and key answers (See Appendix 9). Question 11 was an open-ended question that asked for additional comments, and recommendations. These interviews, along with the five focus groups, provided a strong foundation concerning local preferences and resources for developing a regional business incubator plan.

Exhibit 8
List of the Key Informant Interviews by County/Industry

Key Informant	County	Industry
1	Charlotte	County Administration
2	Charlotte	County School Board
3	Charlotte	Engineering
4	Charlotte	County Economic Development Office
5	Collier	College Administration
6	Collier	County School Board
7	Collier	Economic Development
8	Collier	Software/Technology CEO
9	Collier	Furniture and Design
10	Glades	Economic Development
11	Glades	County Administration
12	Hendry	Agriculture (Administration)
13	Hendry	Economic Development
14	Lee	University Administration
15	Lee	County Government Administration
16	Lee	Regional Planning Council
17	Lee	Economic Development
18	Lee	State, Economic Development
19	Sarasota	Economic Development
20	Sarasota	University Administration
21	Sarasota	Non-Profit Foundation (CEO)
22	Sarasota	County Administration

KEY INFORMANT QUESTIONS

1. Who provides resources and assistance to new businesses in the county?

Various organizations and organizational categories were identified by the respondents and included the following broad categories of financial and professional services, chambers of commerce, various levels of government, educational institutions, virtual website services, and utility companies. A more detailed list is provided below:

- Angel investors
- Banks and financial institutions
- Chambers of Commerce
- County governments
- County school systems
- Economic development organizations
- Edison State College including vocational training
- Entrepreneurs
- Farm extension services
- Florida Gulf Coast University
- Hodges University
- Intra-virtual community (virtual contacts such as Fast Pitch)
- State College of Florida, Manatee-Sarasota (formerly Manatee Community College)
- Mentor individuals and organizations

- Municipal governments
- Newtown (Sarasota Community economic development)
- Professional services such as legal and accounting
- SCORE
- South Florida Water Management District
- Small Business Administration
- Small Business Development Centers (FGCU and Manatee Community College)
- Startup Florida
- Utility companies
- Venture capitalists
- Workforce Development Board
- 82 degree Tech (Manatee and Sarasota County group supporting technical innovation and networking).

The key informants noted that there is a need for more communication and coordination of resources. It was noted that some resources were mostly ad hoc in nature and that there is a general lack of knowledge of requirements to run a business including business licenses. Some felt that the community efforts and resources appear to be aimed at relatively larger firms rather than to small businesses.

2. What factors are important to creating a climate that supports the starting and growing of new businesses?

The key informants provided the following economic climate and infrastructure factors that are important to growing new businesses. Certainly, workforce and education were key factors along with networking, communications, links to colleges and universities, and infrastructure.

- Access to a major airport
- Access to capital and funding
- Available buildings and land
- Awareness of resources available
- Better understanding of business and its importance to the community
- Broadband access
- Business-friendly government
- Counties coordinating and working together
- Culture open to new ideas
- Easier zoning and permitting processes
- Educated/talented workforce
- Educational resources
- Enterprise zones, abatement areas, tax incentives
- Entrepreneurial networks
- Established networks such as Chambers of Commerce

- Green/sustainable economy
- Growing economy
- Incubation systems
- Innovative flexible government
- Links to colleges and universities
- Mentoring important
- Proximity to customers
- Reasonable tax rates
- Support services
- Technology assistance

3. If you wanted to improve the overall climate for starting businesses, what would you suggest for the region?

The following is a summary of the responses to this question and includes the need for improved education, better infrastructure, a supportive business environment, a regional strategy, access to technology, improved regional networking, and a stronger business mentor pool.

- Access to physical facilities and technology
- Appropriate regulation
- Raise awareness of resources available
- Build mentor pool of the seasonal and retired executives
- Increased training including that of incubators

- Improve broadband capability
- Improve networking across the county and region
- Improve talent pool
- More physical and educational infrastructure
- Need to encourage personal risk taking within a supportive business environment.
- Need to facilitate the new business process
- Need a regional network, pooled insurance and supplies
- Need more support services
- Need a technology link that provides access
- Networking to channel resources
- Quicker, more flexible permitting process
- Region needs to work together and have a collective strategy
- Regulatory environment and fee structures such as impact fees act as barriers to new business
- Reach out to high schools
- School systems need to explore other methods to train young people in vocational skills
- Take proactive approach to assisting small business

4. How would you go about building community support for a local incubator and a regional incubator network?

The respondents felt that an educational effort was needed to explain the incubator process and benefits to the region and its communities. The best way to provide this education would be through presentations to regional governmental organizations. It was recommended that the university or educational partnership take the lead in this regional development project. In addition, it was suggested that key stakeholders visit other incubators and tie into the stimulus money available from Federal and state sources.

- Create college and university incubator links
- Create a regional economic development partnership
- Each incubator should have a focus and not compete against each other
- Education concerning incubator network and incubators in general is key to success
- Have key stakeholders visit other incubators (such as UCF)
- Have the university be the champion for this effort
- Need a comprehensive communication project including a marketing and branding campaign.
- Need to involve key stakeholders including political leadership
- Need to make sure that community understands what an incubator is and the benefits.
- Need a regional message

- Partner with the universities and colleges
- Potentially utilize some of the vacant buildings in the community
- Present the study to the Horizon Council, chambers, and county commissions
- Public workshops
- Start small and build up over time
- Should be part of a long-range strategy for Southwest Florida
- Tie into stimulus money
- Use a variety of media resources to assist in the regional educators concerning the incubator network and its benefits

5. What types of companies and businesses would most likely benefit from being part of a local incubator and business incubation?

Many of the respondents recommended various industries that might be classified as "technology based" such as biotechnology, medical devices, and pharmaceuticals.

Other respondents suggested that the region might want to look at any business that creates opportunities and jobs for the region. The following is a list of recommendations:

- Alternative energy companies
- Arts
- Any business
- Biotechnology
- Construction

- Creative services including graphic and product design
- Digital imaging
- Fiber optics network companies
- Green energy companies
- Health care and related businesses
- High technology
- Hospitality
- Information technology and systems
- Light industrial
- Medical records
- Medical devices
- No retail, real estate, or construction type firms
- Preference for products over services
- Pharmaceuticals
- Recruit non-cyclical companies
- Research and development
- Software companies
- Specialized financial and banking companies
- Technology companies (not requiring expensive labs)

6. What type of incubators would best meet the needs of the community?

The respondents felt that a technology-based incubator tied with a college or university could serve as an anchor for the regional network. The region should be able to support multiple incubator sites and a mix of types that do not compete but support each other would be preferred.

- Light manufacturing incubator
- Life sciences/biotechnology incubator
- Mixed-use incubator
- Service-based incubator
- Technology-based incubator
- Technology-based incubator (without building special dry or wet labs)
- Target high value and intellectual capital businesses

7. What locations would you suggest to be considered for a local incubator?

There were a large number of suggested sites that are shown by county. A more detailed feasibility study for selected specific sites would be necessary that takes into account specifics such as costs and support.

- Charlotte County - Mid-County Area
- Charlotte County - near airport
- Charlotte County - Town Center Mall

- Collier County -Gateway
- Collier County- Immokalee Airport
- Collier County -South Collier by Edison Collier Campus
- Hendry County - at new Edison Campus
- Hendry County - Cowboy Way Industrial Park
- Lee County - Close to FGCU University and Treeline Road
- Lee County - SW Florida Regional Airport
- Lee County - US 41 Central to business routes
- No central location - use virtual network and have micro-management resource centers around the region
- Hendry/Glades - Close to airport and/or professional services
- Sarasota - Downtown near cultural center
- Sarasota - Laurel Road and I-75 industrial park
- Sarasota - USF Sarasota-Manatee Campus
- Sarasota - Downtown to airport to Manatee County corridor

8. What type of ownership structure would you recommend?

Many of the respondents recommended a public-private nonprofit regional partnership..

- An umbrella organization that includes non-profit and profit entities
- Non-profit such as 501 C (6)
- Public/private/university structure

- Public-private partnership
- University structure

9. What would be the strengths or drivers of success for having a regional incubator network?

There are a large number of suggested strengths or drivers for success including competing as a region, access to educational institutions, faculty, and students, expanded economic development and educational efforts, and economies of scale. The coordination of resources and talents that could assist new and emerging businesses was seen as an important benefit or success of the regional network. Specific drivers of success included the following:

- Access to brainpower and dollars
- Areas of expertise across the region
- Attractive quality of life (climate, environment)
- Broadens ability to be successful
- Connections to educational institutions
- Considerable talent and possibilities for incubators
- Create a center of excellence
- Develop a regional network for entrepreneurs
- Diversify economic base
- Expand economic development efforts
- Educational opportunities

- Good regional project and partnership
- Increase knowledge transfer
- Increase venture capital access
- Larger resource pool
- Leverage existing health care systems
- Managers at each incubator site could assist each other
- Network, connectivity, more assets
- Region has low cost of living, taxes, and housing
- Scale of operation and attractiveness to venture capital
- Shared expenses
- Should tie to other networks and help coordinate assistance to new and existing businesses
- Stronger competitive region
- Tie or network with Tampa's USF incubator

10. *What would be the limitations or weaknesses of a regional incubator network?*

The weaknesses identified included access to resources and capital, inertia, geographic distance, regional leadership, and need for better infrastructure. The following list summarizes the responses to this question.

- Access to capital
- Available workforce

- Biggest barrier is ourselves - attitudes and mentality
- Coming up with a plan
- Creating partnerships can be difficult
- Funding will be difficult
- Geographic distance is limiting
- Hard to break out of "silos"
- Individual economic development organizations are competing against each other, need to work together as a region
- Inertia, difficult to start
- Initial funding
- Lack of cooperation and inter-competition
- Need better overall infrastructure
- Need to change our educational focus
- Need regional leaders to address challenges
- Port and rail transportation is limited
- Regional groups can get too big and make it difficult to take action
- Some cities or counties may feel neglected in a regional group
- Stakeholders and leaders are generally focused on their own communities

The definition of what is regional was also discussed during the key informant interviews. Sarasota is served by the University of South Florida Sarasota-Manatee campus and has strong ties to the Tampa region and is part of the Florida High

Technology Corridor. The University of South Florida currently has a technology incubator in Tampa and there have been discussions about developing an incubator at the Sarasota-Manatee campus.

The project team wishes to thank each of the key informants for their time and insight into the region and the potential for developing and supporting a regional incubator and business mentoring network.

FOCUS GROUP SESSIONS

A total of five focus group sessions were conducted, as shown in Exhibit 9.

Exhibit 9

Focus Group Sessions: Location and Number of Participants

Date	County Location	No. of Participants
April 20	Collier County, EDC	7
April 21	Charlotte County, EDC	13
April 28	Lee County, EDC	10
April 30	Sarasota, EDC	13
May 6	Hendry/Glades County LaBelle EMS Bldg	10

The focus group sessions generally started at 11:00 am and were completed at 2:00 pm. Upon arrival at the sessions, participants received nametags or tent cards with their first name on them and were introduced to the rules and guidelines for the session by the facilitator. They also introduced themselves to the other participants. In addition, they were given a brief introduction to the concept and process of business incubation and regional business incubators. Coffee and refreshments were available throughout the sessions and a catered lunch was served to the participants.

Briefly, each focus group session began with an initial introduction to the study purpose, business incubation and the focus group guidelines, and then discussion proceeded with the faculty focus group moderator asking each group a series of questions (Exhibit 9), responding to these questions as part of a Microsoft Power Point® presentation (Appendix 10)

Exhibit 10

Focus Group Questions

Question*
Who provides resources and assistance to new businesses in your county and how well does it work?
What factors are important to creating a “climate” that supports starting/growing new businesses? (County and Region)
How would you build “Community Support” for a Local Incubator and a Regional Incubator?
What type of <u>companies/businesses</u> would benefit from being part of a business incubator and business incubation?
What type of regional business incubator would best meet the needs of county/region?
List (ten) resource partners that you would want included in a new incubator network?
What would be the STRENGTHS OR DRIVERS OF SUCCESS for having a regional incubator network in your “County” and the Region?
What are the LIMITATIONS OR WEAKNESSES of a regional incubator network for your county and the Region?
What are ways to build on the strengths and reduce the barriers to ensure the success and growth of a regional business incubator?
What are final comments, recommendations, or issues?

*Focus Group questions were covered at varying degrees due to time constraints and the flow and pace of the focus group session.

Following each question, group dynamics were utilized to uncover in-depth responses throughout their discussion by listing and sometimes ranking of their opinions on the subjects examined. The participant’s focus group responses were reported on large post-it pads and later transcribed into detailed focus group summaries. A summary of each of the five focus group sessions is provided below.

Collier County:

Economic Development Office, Horseshoe Drive, Naples, FL

April 13, 2009; 11:30-1:30pm

A total of ten attendees were invited by the Collier EDO to attend the focus group. Of the original 10 invited, a total of 7 attended. The attendee represented areas of entrepreneurship, chamber, community group, education, community redevelopment, and economic and workforce development. Below is list of attendees with their professional affiliation:

Participant	Industry
1	Angel Investing Network
2	City Chamber of Commerce
3	Community Group (Non-Profit)
4	Economic Development Council
5	Southwest Florida Workforce Board
6	Community Redevelopment Agency
7	Collier County School Board

The focus group was facilitated by Dr. Arthur Rubens and co-facilitated by Dr. Gary Jackson, the project’s Principal Investigator. Upon the arrival of attendees, Drs. Jackson and Rubens greeted them and thanked them for their attendance and participation.

The session began with the background of the study and focus group ground rules. The attendees were given a series of questions which were written on a flip chart pad and the facilitator recorded the attendees' responses. The attendees were very vocal throughout the session, openly expressing their opinions and raising their hands

to be heard. Initially, the attendees were somewhat unsure to *what is the scope of business incubation* and specifically *what was a regional business incubator network*. At times during the session, the facilitators would highlight the purpose of the study and the concepts and differences between the business incubation process, business incubators, and regional business incubator networks in the United States. Below are questions and list of responses by attendees.

1. What is the role of the community in promoting entrepreneurship?

The responses were:

- Organic grassroots process where someone has a good idea;
- Promote profit incentive (key to business for it to succeed);
- Promote and create “diversity” of businesses (broaden business base);
- Mentoring – Need to mentor new businesses (stated that Collier County with its wealth of successful executives is ideal place for this);
- Research center and develop academic tie (example of Research Triangle in North Carolina was given);
- Promoting innovation is critical (promote new and creative thoughts and ideas);
- Develop new opportunities (need to jump on new opportunities; they don't last);
- Add new value and strengthen talent pool;
- Promote growth (it was stated that historically Collier County has an anti-business climate since zoning changes are slow and there is no infrastructure to support new growth); however, it was said that Collier is a great place for entrepreneurship and has vast numbers of entrepreneurs; and

- Partnerships are important - need to partner with education.

2. *What would you want in a business incubator?*

The responses were:

- Incubators/Incubation needs to move from an “idea” to starting a business;
- Accountability (need to ensure foundational support and most important capital;
- Connectivity is very important;
- Assistance with new ideas and creations (patents, copyrights, etc.);
- Market research to promote new business and product;
- Commercialize products and/or services;
- Identify and focus on emerging markets and new opportunities;
- Needs to be free standing;
- Require graduation and measurement and progress reporting and;
- Serve as partner and resource for public entities;(i.e., government agencies, K-12, career education, workforce preparation, etc.)

3. *How would you describe the challenges and opportunities in your local environment for starting new businesses?*

The responses were:

- Lack of capital;
- Infrastructure cost (both lease and buy space for commercialization);
- Impact fees;

- Weather and quality of life is “opportunities” but ability to maintain this balance and opportunity for growth and development of new businesses is a challenge;
- Working with diverse demographics in SW Florida; i.e., large seasonal group;
- Diverse and different needs of different environments; (i.e., Immokalee has different focus and needs);
- Overall high upfront building costs;
- Lack of manufacturing and needed infrastructure for this industry;(i.e., SW Florida is located at the end of state and does not have transportation nor other needed infrastructure to support large or even medium size manufacturing);
- Overall transportation of goods and services can be a challenge;
- Low property tax rate is opportunity; and
- Access to intellectual talent will be important to ensure success; however, some concerns regarding ability to attract, bring, and keep young talented and creative people (intellectual capital).

4. Who provides resources and assistance to new businesses in the county?

The responses were:

- EDC;
- Chamber(s);
- SCORE;
- SBDC;
- Workforce Board, Inc.;
- Banks;

- Professional service providers;
- Professional Service Associations (i.e., CBIA);
- CRA (grants);
- RBA (Regional Business Alliance);
- Realtors; and
- Community groups.

5. *What factors are important to creating a climate that supports the starting and growing of new businesses?*

The responses were:

- Partnerships (connectivity) with government and the business community;
- Incentives (i.e., tax breaks to promote and incentivize new and existing businesses to relocate here);
- Flexible government;
- Quality education (k-12 and beyond);
- Job Training; and
- Clusters

6. *If you wanted to improve the overall climate for starting businesses, what would suggest for the county and region?*

The responses were:

- Clusters;
- Promotion of R&D at FGCU;

- Development of research park;
- Bring experts/ best minds;
- Develop high speed communications (i.e., LAMDA);
- Need to think regional, branding, leadership, champions;
- Change image from tourism and holidays to growth and opportunities;
- Reduce fear of heavy industrial;
- Remove “status quo” way of thinking towards growth;
- Change environment to have locations that would be conducive to creative, young talent;
- Promote and communicate “balance between quality of life and growth”; and
- Define “regionalism”

7. What level of community support is there for developing a local business incubator? A regional business incubator network? and how would you build this support?

The responses offered a number of comments about the community support for regional incubators:

- Reach and gain support of Board of County Commissioners;
- Promote community interests;
- Demonstrate what is in it for us (community and government);
- Reduce “threats” by business community, that new business is increased competition;
- Reduce old sentiment regarding “no growth”;

- Recruit local press to support ideas and programs;
- Identify and nurture “champions” to drive the effort;
- Develop “benefit statement”; and
- Need to be realistic and give the right and realistic expectations.

8. *What types of companies would most likely benefit from being part of a local incubator?*

The responses included:

- Arts;
- Health care;
- Medical research;
- Solar/Green/Water (i.e., partnerships such as FGCU and the Botanical Gardens);
- Knowledge-based companies;
- Medical records;
- Water and other sources of energy and conservation;
- Aviation related;
- Eco-tourism; and
- International (i.e., focus on South America).

9. *What types of “Incubators” and possible locations?*

The responses are shown in the table below:

Types	Locations
<ul style="list-style-type: none"> Mixed Use 	<ul style="list-style-type: none"> By SWF Airport and University
<ul style="list-style-type: none"> Technology 	<ul style="list-style-type: none"> Hospital-based or close by
<ul style="list-style-type: none"> Manufacturing (Light) 	<ul style="list-style-type: none"> Bayshore (Arts)
<ul style="list-style-type: none"> Service-based 	<ul style="list-style-type: none"> Rookery Bay (Green or Eco)
<ul style="list-style-type: none"> Life sciences 	<ul style="list-style-type: none"> Immokalee Airport
<ul style="list-style-type: none"> Software 	
<ul style="list-style-type: none"> Data Resource Centers 	

10. *What are the overall strengths/opportunities and weaknesses and threats to a Regional Business Incubator Network?*

The responses are shown in the table below:

Strengths/Opportunities	Weaknesses/Threats
<ul style="list-style-type: none"> Branding 	<ul style="list-style-type: none"> Competition (Global Market)
<ul style="list-style-type: none"> Jobs 	<ul style="list-style-type: none"> Underfunding
<ul style="list-style-type: none"> Tax based 	<ul style="list-style-type: none"> Available talent; especially creative class
<ul style="list-style-type: none"> R & D 	<ul style="list-style-type: none"> Slowness in responding to opportunities
<ul style="list-style-type: none"> Community Networking 	<ul style="list-style-type: none"> Failure of new businesses
<ul style="list-style-type: none"> Existing Structure 	<ul style="list-style-type: none"> Banks-limited loans and credit extended
<ul style="list-style-type: none"> FGCU 	<ul style="list-style-type: none"> Current economy
<ul style="list-style-type: none"> Integrated Economy 	<ul style="list-style-type: none"> Not “future” focused or forward thinking
<ul style="list-style-type: none"> International Market 	<ul style="list-style-type: none"> Competition from all around
<ul style="list-style-type: none"> Flattening of world allowing connectivity anywhere 	

11. *What are final recommendations or issues?*

The final recommendations and issues were:

- Regionalism (need to “truly” develop this sense);
- Define the problem facing county and region;
- Diversify economic base (need to diversify economic base beyond traditional development, tourism, and health care);
- Big picture (need to have sense of “big picture” or larger strategic plan that needs to be implemented); and
- Clients and government officials (Need to “involve, include, and gain support ” of key stakeholders in effort).

Charlotte County:***Economic Development Office, Port Charlotte Florida******April 21, 2009, 11:00 – 1:00pm***

A total of 12 participants from a broad cross section of professions and industries were invited to the focus group. One invited attendee was unable to attend and another attendee came as a substitute for another person. The attended participants represented the Charlotte County Economic Development Office, city government, airport authority, banking, real estate, manufacturing, software and technology development, and not-for-profit community development organizations, and they held varied administrative positions in these companies, agencies, and organizations.

Participant	Industry
1	Economic Development Office
2	Development Office
3	Education (College)
4	City Management
5	Aerospace
6	Real-Estate
7	Community Non-Profit
8	City Development Group
9	Real Estate
10	Banking
11	Software/Technology
12	Airport Authority

The focus group was facilitated by Dr. Arthur Rubens and Dr. Christine Wright-Isak, who served as focus group scribe and co-facilitator. Upon the arrival of attendees Drs. Wright-Isak and Rubens greeted and thanked them for their attendance and participation. Drinks, light snacks, and lunch sandwiches were available for the attendees throughout the focus group.

After a brief introduction as to the facilitators, background of the study and focus group ground rules, Dr. Rubens provided an introduction describing the concept and process of business incubation and the history and purpose of business incubators. Following this introduction, Dr. Rubens opened up the session to focus group questions. Dr. Rubens led the discussion and Dr. Wright-Isak wrote notes on a flip chart pad visible to the attendees. Throughout the session, participants were invited to correct notes on the flip chart whenever they fell short of the speaker's intended meaning. The participants were very vocal and active throughout the session, openly expressing their opinions and raising their hands with comments to the focus group question and subject. Although several participants in the session were knowledgeable about business incubators and new business incubation, as a reminder throughout the session, the facilitator reminded the participants about the fundamentals of these concepts and the overall purpose of the study. Below are attendees and list of questions and responses by attendees.

1. Who provides resources and assistance to new businesses in your county and how well does it work?

The responses are shown below:

- Economic Business Council provides money via
 - their financial investment program of loans and grants
 - green card investment with a focus on attracting international/foreign investment capital to U.S. firms;
- Private – public partnerships;
- Foundations like the not-for-profit Venice Foundation and Lemon Bay League;
- Retired persons – provide intellectual capital;
- SCORE – provides advice and consultation for new businesses;
- FGCU – source of training and development – e.g. how to write a business plan;
- FGCU Small Business Development Center;
- FGCU/Edison Training;
- Chambers of Commerce (Charlotte County, Englewood, Punta Gorda);
- County and city government (county administrator, growth management, city manager’s office);
- Small Business Development Council of Charlotte County;
- Airport Authority (i.e. to attract firms via incentives like rental discounts);
- Enterprise Charlotte;
- Independent Development Authority;
- Workforce Development Board;
- Schools, County Realtors, Banks;

- Team Punta Gorda and Main Street Punta Gorda;
- SCORE;
- Community Redevelopment Agency (Charlotte Harbor and Punta Gorda);
- Investors/venture capital Funds (e.g., Golf Course Angel Fund, Tamiami Angel Fund); Europa EB-5;
- Retired CEO's;
- European Business Council; International foreign funds; and
- Joint ventures - public/and private.

2. What are the business resources and climate factors that affect the success or failure of new business in your area?

Briefly, the participants were asked this question to compare and contrast county and regional levels of business climate factors. Below is brief overview of their responses which showed similarities between the county and regional sources.

COUNTY	REGION
Simplified permitting	Simplified permitting (also at state level)
Political acceptance and support	Political acceptance and support
Community support	Community support
Well-trained workforce/talent pool	Well-trained workforce/talent pool
Need to raise the bar on type of industry	Need to raise the bar on type of industry
Look to FGCU to affect this positively	Look to FGCU to affect this positively
Customer focus	Leadership
What can we do to make it happen	Overcome attitude barriers
Need a business-friendly culture	Need a business-friendly culture
Infrastructure (utilities, water and sewer, roads, communications)	Infrastructure (utilities, water and sewer, roads, communications)

As a follow-up to this question, the facilitator asked the participants if there are available facilities in the county today. This follow-up questions led to a variety of comments that facilities are available and open throughout the county. Also, participants comments about the airport being available and that the airport had a foreign trade zone designation, which would add to the desirability of this location.

3. How would you build community support [for an incubator network]?

The responses are shown below:

- Need to show the “return on investment” and what is in it for them;
- Develop business plan and feasibility study showing cost/benefit analysis;
- Create buy-in from the community by showing hard numbers and data;
- Ensure that the incubator can be self-supporting (i.e., charge rents necessary to support itself);
- Have avenue for subsidizing the incubator thus ensuring that necessary support and staff would be available;
- Link with local resources – e.g. high school students – take their learning and guide them to incubation opportunity;
- Capture brains at the university and locate them there;
- Combine low rent by local owners, thus make start-up feasible;
- Find matching funds; and

- Determine appropriate location(s) for the incubator (it was discussed that local space is available, i.e., In Punta Gorda, there is over 200K square feet of warehouse and executive center space available and 70 percent is vacant.)

4. *What types of companies would most likely benefit from being part of a local incubator?*

The responses are shown below:

- Research type of industries (i.e., we have an availability of subjects for prescription drug development studies since we have a geriatric population);
- Telemedicine;
- Resource Diagnostic Services (providing services to other countries in medicine and other areas with different time zones);
- Solar-related industries with green focus;
- Green development and green manufacturing (i.e., FPL gets solar panels from Asia now – we could manufacture them here);
- Green “certification” agencies;
- Green “retro-fitting” (i.e., retro-fit existing businesses);
- Eco-tourism;
- Aviation related businesses;
- Security/defense;
- Boat building – move it from inland to our coast;
- Maritime/marine related industries;
- Estuary research and management;

- Soft landing or sister networks for foreign business coming to area;
- Businesses that combine college students and seniors;
- Art or production companies (i.e. for ad agencies/movie makers);
- R & D research companies;
- Aviation, technology and marine;
- Health care - older folks- research groups;
- Outsource College R & D;
- Concern about operation cost; and
- Eco-Related industries (i.e., it was discussed that FGCU is educating environmentalists at FGCU, thus an incubator in Charlotte could take these trained environmental professionals and executive center and encourage development of eco-based businesses). Other examples that were given involved a business in Charlotte that monitored fish birth counts at Charlotte Harbor Estuary and another that provided environmental survey data to developers.

A follow-up question asked the participants about “*location*” for an incubator and what type of “*ownership*” structure should it have. Several locations were given but the primary areas were the airport for manufacturing and warehouse and office space located north of downtown by the river for other types of businesses. The type of ownership recommended included:

- Use Enterprise Charlotte - private economic council
- Office space/university/want area
- Champion EDO Regional Southwest Florida Partnership

5. ***If you had to name 10 resource partners for an incubator in Charlotte County what would they be?***

The responses are shown below:

- Enterprise Charlotte Economic Council; and
- Group referred us to original list provided in Question One

6. ***SWOT ANALYSIS – strengths and opportunities for an incubator network***

Strengths/Opportunities	Strengths/Opportunities
Plenty of space – real estate	Time Zone
Affordable housing	Weather
Inventory of affordable business space	Lifestyle – especially water and recreation
Proximity to rail, highways, water, airport and second largest water port in Florida	Emerging young university – open to new/innovative ideas – potentially very energizing
Lack of congestion	Good inter-county relationships
Government officials are pro-growth	Edison/Ford innovation tradition
Active, involved citizenry	Collaborative spirit
All local partners are on board with economic development	Central location within the region of SWFL – in the middle of “Sara-Myers”

7. **SWOT ANALYSIS – limitations and vulnerabilities for an incubator network**

Limitations/Vulnerabilities	Limitations/Vulnerabilities
[Region of the 5 counties] Invisible to the rest of Florida despite the fact that a lot of famous innovators come from here	Small voice [Charlotte County] – hard to be heard in the noise of the “big dogs” in the region
General development is outdated and the plotted lot limits are now constraining	Charlotte can’t compete within the region on cultural amenities and activities (vs. Naples or Fort Myers or Sarasota).
Invisibility of who/what is here and available	Widespread attitudes that this area is perceived to be blue collar in the region.
Funding is limited – capital dollars - and with today’s economy’s financial problems are an especially important consideration (EDO resources very limited).	Region is large and the inland areas suffer a lack of infrastructure – especially roads, connectivity and power
Few large identifiable well-known firms that could serve as anchor companies (Government, health care, Publix)	The size of the 5-county region includes a broad range of diverse characteristics and interests making coordination difficult.
Size makes it hard for business initiators to connect	There is a wide range of levels of development within the region and aggravates how we [fail] market ourselves

At the close of the session, several questions and thoughts were raised by the participants. Some of those thoughts and questions were:

- How do we market ourselves?
- Would raising the profile of Charlotte County in the region be a benefit of an incubator network?” (almost all participants felt it would)
- Need to address “misconceptions” about Charlotte County and heighten awareness of positive potential of county.
- Importance of communicating need and clear case of “what’s in it for me” regarding an incubator network, and what it will do for the county economy.

Lee County:

Economic Development Office of Lee County

April 28, 2009, 11:00 – 1:00pm

A total of 10 participants from a broad cross section of professions and industries were invited to the focus group. The participants were business owners, entrepreneurs and individuals with key administrative positions in education and county government. The industries and areas they represented were Lee County Economic Development Office, county job training program, venture investment fund, private university, consulting, software, and technology companies.

Participant	Industry
1	Technology
2	Software
3	Venture Capital
4	Solar Building
5	County Education/Business and Industry Services
6	Consulting
7	Education (University)
8	Consulting
9	Technology
10	Economic Development

The focus group was facilitated by Dr. Christine Wright-Isak and co-facilitated by Dr. Arthur Rubens. Upon the arrival of attendees, Drs. Wright-Isak and Rubens greeted them and thanked them for their participation. The focus group began with a brief introduction to the facilitators, background of the study, ground rules for the focus

groups, and a brief explanation of business incubation, business incubator, and incubation networks. Following this a series of focus group questions were presented to the participants for their response and discussion. Dr. Wright-Isak led the discussion including writing notes on a flip chart pad visible to the attendees. Participants were also invited to correct Dr. Wright-Isak's notes on the flip chart whenever they fell short of the speaker's intended meaning. The participants were very active and vocal throughout the session, openly expressing their opinions and raising their hands to be heard. At times during the session, the facilitators responded to questions about the intent of the study, highlighted the purpose of the study or the concepts and differences between business incubation, business incubators, and regional business incubator networks. Below is list of attendees and discussion that followed in focus groups.

1. *Who provides resources and assistance to new businesses in your county and how well does it work?*

The responses are shown below:

- Southwest Florida Enterprise Center (Fort Myers Incubator);
- Small Business Development Corporation (at FGCU);
- Lee County School District (i.e., via with technical schools with partners – like High Tech North and Small Business Development Center);
- New technology center – Dorian Oxender;
- High net worth people (i.e., angel and other investors provide intellectual capital);
- SCORE;
- Lee County Economic Development Office;

- City of Fort Myers (i.e., City Manager's Office, growth management, etc);
- Chamber of Commerce (Cape, Bonita, Fort Myers, Hispanic Chamber, etc); and
- Banks (Sun Trust, Wachovia, organizations that find funding via M&A sources);
General Business Community (i.e., provides Consulting, Infrastructure, Communications [and marketing], Accounting, and Web access etc)

2. *What are the business resources and climate factors that affect success/failure of new business in your area?*

The responses are shown below:

Factors

- Economic downturn;
- New Business Failures (i.e., need to solve the risk/reward calculation that is based on only 1 in 5 new businesses succeeding);
- Absence of micro-funds for initial start-up of businesses;
- Funding for new businesses;
- Absence of SBA in region (i.e., nearest federal SBA is in Miami or Tampa);
- A feeder of employees to technology businesses; and
- Fort Myers has a community development driver that includes business, not primarily a business development focus.

Resources

- Southwest Florida Regional Technology Partnership (i.e., connects individuals to others with similar interests/needs, helps start-ups in different markets, and serve as mentors);

- Lutgert College of Business and Engineering school are good resources for training of professionals and technology transfer; and
- Trade Associations (i.e., Manufacturer’s Association, Building Industry Association of Cape Coral, etc.).

3. *What factors are important to the [local] climate in order to support new businesses?*

The responses are shown below:

- Need for more training of software engineers at university (FGCU);
- Need for capitalization and entrepreneurs in government;
- Education on components of winning a business (i.e., tax education needed to provide baseline audits);
- Being entrepreneurial – need to cultivate an entrepreneurial mindset or way of thinking – people willing to take the risk and the vision to see opportunities;
- Need for mentors who “get” all these components – who seek out, identify and nurture vision and enterprise;
- Facilities – cheap rent and support functions for new enterprises;
- Process to match human skills to opportunities;
- Resources that work with new businesses to develop appropriate business plans;
- Need to have a physical center for the incubator that is attractive and pleasing;
- Financing;
- Tax credits;
- Community support and marketing of the idea;

- Need to emphasize need (i.e., Need a poster to display the partnership of entities like education, commerce, need to make clear “What’s in it for the county?”);
- Leaders who are optimistic (can articulate and convey the vision of the incubator);
- Branding and process to overcome negative perceptions of business potential and of the incubator which has to be non-partisan and optimistic;
- FGCU (FGCU can be a “sparkplug” catalyst that could pull a variety of entities together: young and old, manufacturing and technology industries); and
- Training of higher trained workforce.

4. What are benefits of an incubator to Lee County

The responses are shown below:

- Jobs;
- Diversify the local economy (from construction and tourism to more);
- Diversify the tax base
- Help keep young people here;
- Promote entrepreneurial mindset and thinking
- Open up potential new markets (international)
- Expand the hedge to the local economy to weather fluctuations; and

5. What types of companies/businesses would most likely benefit from being part of a local incubator?

The responses are shown below:

- Manufacturing of bicycles and kayaks;
- Year-round recreation related businesses – restaurants hotels etc.;
- Eco- and agri-tourism;
- Eco-tech or eco-friendly businesses like airboats;
- Eco-construction products or builders;
- Organic aquaculture and small farmers;
- Water management technology;
- Solar technology development and related manufacturing;
- Medical manufacturing – biotechnology but also recordkeeping;
- Banking, legal and accounting to support other businesses;
- Software technology and products – also services;
- Businesses involving transportation logistics (i.e., waterways and businesses related to our central location); and
- International export (i.e., especially South America)

Follow-up questions included “*What type of incubator would you recommend?*” and *where should the incubator be located.*”

Type of Incubator

The responses are shown below:

- Not focused on a single type of industry – must be diverse;
- Not a distribution facility for an internet retailer; and
- Incubator that nurtures bio-technology, green tech (e.g. recycling, solar and other reusable technologies)

Located

The responses are shown below:

- Lehigh Acres because it has mixed use and tech zoning (need to retrain workforce for tech industry);
- Alico Road;
- Cape Coral (i.e., Pine Island – green businesses and has industrial pockets);
- Lee County (in the designated mixed-use areas); and
- Near FGCU and the Airport.

In determining the locations, the participants emphasized that we will need retraining of the workforce and we will need to carefully analyze the populations so we can fit the type of incubator to local worker capabilities.

6. *Who would be Resource Partners?*

The responses are shown below:

- The universities (FGCU, Hodges, Edison) for intellectual and knowledge resources;
- Small Business Administration;
- Lee and the other counties;
- The State of Florida (need to counter the misperception that we do not have a connection to this);
- Enterprise Florida – spotty record of response today;
- Banks like Sun Trust and Wachovia;
- Federal Stimulus Funds via workforce development (needs to be applied for by June 2010);
- Major Companies;
- Local Government;
- The Chambers of Commerce and Economic Development Organizations; and
- Industry led trade groups like:
 - SWFRTP;
 - SWF Manufacturing Association; and
 - Bio-Florida.

7. **Strengths: Factors that support opportunities?**

The responses are shown below:

- Israelis' (they are looking to create businesses in the U.S.);
- Cuba as commerce opens up with the country;
- Underemployed workforce – especially out-of-work skilled workers;
- Retired executives who offer vast knowledge and experience, connections, capital, and mentorship;
- Lower tourism; and
- Low housing industry right now offers the opportunity for eco-tooling change

8. **Barriers?**

The responses are shown below:

- Lack of a regional focus;
- Resistance to business/change;
- The Press – resists change and has a negative business writer (News-Press);
- Government/public infrastructure or the lack thereof (water, power, mass transit, land use and density);
- Lack of being proactive;
- Economic Development Organizations – not due to any particular organizations or people but due to higher directives that focus on bringing outsiders in, not growing from the grass roots up;
- State partnering (same barrier mentality as EDO's);
- Absence of university presence – the challenge is that FGCU is in its infancy and there is no technology transfer yet;

- Strategic plan for development;
- Organizational structure; and
- Structured process for development

The group felt that there is a need to get the resources to the table, and develop a task force to brainstorm even further after this meeting, perhaps forming an advisory board (a “rudder team”).

Sarasota County:

Economic Development Office of Sarasota County

April 30, 2009, 11:00 – 1:00pm

A total of 13 participants from a broad cross section of professions and industries were invited to the focus group. The participants were business owners, entrepreneurs and individuals with key administrative positions in education and county government. The industries and areas they represented were Sarasota Board of County Commissioners, education, business development, city government, SCORE, Chamber of Commerce, Sarasota County Economic Development Office, manufacturing, and software/technology industries.

Participant	Industry
1	County Board of County Commissioners
2	Small Business Development Center
3	Small Business Development Center
4	Community College
5	City Government
6	County Government
7	SCORE
8	Technology
9	Chamber of Commerce
10	Chamber of Commerce
11	City Government
12	Manufacturing
13	Economic Development

The focus group was facilitated by Dr. Christine Wright-Isak and co-facilitated by Mr. Steve Scheff. Upon the arrival of attendees, Dr. Wright-Isak and Mr. Scheff greeted them and thanked them for their participation. Drinks, light snacks, and lunch sandwiches were available throughout the focus group.

The focus group begun with a brief introduction of the facilitators, background of the study, ground rules for the focus groups, and a brief explanation to business incubation, business incubator, and incubation networks. Following this, a series of focus group questions were presented to the participants for their response and discussion. Dr. Wright-Isak led the discussion including writing notes on a flip chart pad visible to the attendees. Participants were also invited to correct Dr. Wright-Isak's notes on the flip chart whenever they fell short of the speaker's intended meaning. The participants were active and vocal and expressed their opinions. Below is list of attendees and discussion that took place in focus groups.

1. *Who provides resources and assistance to new businesses in your county and how well does it work?*

The responses are shown below:

- SCORE;
- SBDC (i.e, Counseling, Seminars – (Low dollars) Marketing, Quick Books, minority business certifications; writing business plans, how to get money, where to apply and how to write proposals; Interpreting the Recovery Act; and providing contacts with banks who are interested in providing money for small business investment);

- Tampa Bay Regional Planning Council (Important note, Manatee is in a different regional planning council (Tampa Bay) – not SWFRPC but despite these “jurisdiction” differences, the Business Chambers and Manatee Community College help businesses in Sarasota County);
- University of South Florida (There is growing interest for USF to create incubation possibilities);
- Intergovernmental cooperative agreements between Sarasota and Manatee counties;
- The Economic Development Corporation;
- Chamber (i.e., it has an established brand) ; some examples of resources are:
 - Small business council does “Chamber University” which is a two hour “lunch and learning” session held several times a year;
 - Assist members to form clusters that offer discounted supplies, marketing support, etc.;
 - Member assets program;
 - Resource center;
 - Website “on steroids” www.energizemybiz.com;
 - Internet Marketplace;
 - Webinars; and
 - A virtual trade show got 55 business participants.
- Manatee Community College (now State College of Florida, i.e., helps promote inter-regional cooperation and collaboration with Economic Development Corporation and The Chambers of Commerce and provides on-site training;
- Economic Development Corporation (i.e, “Export University 301” provides services for business owners interested In exporting or importing, improving current export activity, and financing);

- Women's Business Resource Center;
 - Community Redevelopment Agencies (City of Sarasota and North Sarasota);
 - Gulf Coast Finance provides Small Business Administration financing; and
 - Entrepreneurial Academy in Northport.
- Harvey Vengraff who has opened up a property and provides mentors for new business; and
 - Angel Venture Capital in the City of Sarasota.

In discussion of this area, there was recognition of the regionalization challenge in this and where the line is drawn for SW Florida and the stronger link between Sarasota and Tampa Bay and Manatee Counties and less to the counties in the south.

2. *What are the business resources and climate factors that affect success/failure of new business in your area?*

The responses are shown below:

- Regulatory;
- Availability of capital;
- Talent – Brain Drain;
- Perceptions of Sarasota as an “old people’s place” (i.e., Discourages young newcomers and local kids want to escape – brain drain);
- Having a local college/university that can do research and provide talent pool ;
- Lack of effectively taking advantage of colleges in the larger region;
- Affordable housing (i.e., rentals continue to be a problem in both availability and affordability);

- Housing downtown in high rental; and
- Retired Professionals (i.e., boomers are a great source of entrepreneurial energy after golf gets old.)

3. ***What factors are important to the [local] climate in order to support new businesses?***

The responses are shown below:

- Strategic Focus (i.e., Sarasota still asks, "What do we want to be when we grow up?") ;
- Culture (i.e., need to have more conducive culture for young people);
- Zoning (i.e., zoning is too restrictive and geared to an older generation);
- City and county are not business friendly;
- Supportive media (Media needs to support and celebrate enterprise. The perception is that companies looking in the larger area of Tampa to Naples will not choose Sarasota); and
- Creating positive location and conducive environment for businesses to relocate and operate (i.e., businesses need to stay open longer, stay open on Saturdays, etc.).

4. ***What types of companies/businesses would most likely benefit from being part of a local incubator?***

The responses are shown below:

- Service companies (i.e., we're a service economy – those types of business should be incubated);
- Creative businesses (i.e., film industry or image making);
- Personal services – e.g. pet sitting, house sitting, “My Senior Moves” helps people who are downsizing, almost any virtual business;
- Niche manufacturing – e.g. Genesis makes culture diamonds, logistics businesses – these let outsiders move into the area;
- Medical prostheses;
- Retrofitting - energy services and related components manufacturing;
- Energy – e.g. photo-voltaic and thermal;
- Environmental based business;
- Eco-tourism; and
- Marine exploitation – aquaculture.

5. *What type of incubator would you recommend?*

The responses are shown below:

- Cluster where we can provide benefit;
- Take MOTE (Marine Institute of Technology and Environment) to the next level;
- Supplement aquaculture (i.e., industries are involved in this area);
- Eco-tourism;
- First is the question of start-up incubation vs. promoting success/growth of already-launched businesses;

- Disney will see anyone in their incubator but 6 of their incubators have criteria – technical and general;
- E.g. Venture lab – you bring your plan and requirements – then work together with the incubator – they do market research and a SWOT for free. They provide a CEO and work with you to get Federal Government grants to help get started;
- We should focus on any business that is value added to the County;
- Wage level potential;
- Draw from outside the county (bring in dollar revenue);
- Capitalize on 55-75 re-careering – translate previous skills or “return to a dream” – since 32% of our local population is 65+; and
- Analyze the mature workforce for what we can build.

6. What strengths and barriers to a NETWORK are there?

Strengths

The responses are shown below:

- Sarasota Institute for the Ages; and
- Creative (ad and cinema makers) can capitalize on the proximity of the Ringling School of Art – we may already have a critical mass and it would draw in young people

Barriers:

The responses are shown below:

- Need for main college (i.e., we have 7 or 8 noncompeting educational institutions here but no “main college”);
- Mass transit (i.e., there is no mass transit or village so difficult to get to places of interest);
- Challenges of region (i.e., geo-differences and distance);
- Process to route fledgling companies to the right place (resources) to thrive;
- Northport (i.e., need to address the question of how pervasive the city vs. insularity of Northport is and how this affects the voice of each);
- Relocation of businesses (i.e., need to enable land, talent sharing that keep business here);
- Efficiency in gaining NFP funding; and
- Lack of economies of scale;
 - Sharing financial information
 - Sharing best practices
- To face political issues that affect business

In closing, the group voiced satisfaction with the experience of offering their insight and expressed the hope that we would return with a report that has two main parts: a) learning from the Southwest Florida regional research; and b) best practice learning from our background research with incubator networks in other parts of the United States.

Hendry/Glades County

LaBelle EMS Training Center

May 6, 2009, 11:00 – 1:00pm

A total of 8 participants from a broad cross section of professions and industries were invited to the focus group. The participants were business owners, entrepreneurs and individuals with key administrative positions in education and county government. The industries and areas they represented were county economic development office, real estate, county utility, education, chamber, agriculture, banking and private company.

Participant	Industry
1	Real Estate
2	Economic Development/Banking
3	Economic Development
4	Chamber of Commerce
5	County School Board Administration
6	Utilities (Administration)
7	Real Estate
8	Economic Development

The focus group was facilitated by Dr. Christine Wright-Isak and co-facilitated by Dr. Gary Jackson and supported by Mr. Frank Losada. Upon the arrival of attendees, Dr. Wright-Isak and Mr. Jackson greeted and thanked them for their participation. Drinks, light snacks, and lunch sandwiches were available throughout the focus group.

The focus group begun with a brief introduction by the facilitators, background of the study, ground rules for the focus groups, and a brief explanation to business incubation, business incubator, and incubation networks. Following this, a series of

focus group questions were presented to the participants for their response and discussion. Dr. Wright-Isak led discussion including writing notes on a flip chart pad visible to the attendees. Participants were also invited to correct Dr Wright-Isak's notes on the flip chart whenever they fell short of the speaker's intended meaning. The participants were very active and vocal throughout the session, openly expressing their opinions and raising their hands to be heard. At times during the session, the facilitators responded to questions about the intent of the study, highlighted the purpose of the study or the concepts and differences between business incubation, business incubators, and regional business incubator networks, in the sessions.

BUSINESS ENVIRONMENT

Conflict and Competition Characterize the Historical and Contemporary Socio-Cultural Environment

Distinct from the other counties in the study, Hendry-Glades continues to be primarily agricultural. Unique to these two counties of all the six counties we studied is its location in the center of the state which makes it also a part of FHREDI – Florida's Heartland Rural Economic Development Initiative. Florida's heartland encompasses six South Central Florida Counties, with a land area of 5,000 square miles with a population of 250,000 living in 24 communities. Although each community is unique, broad-based support for economic progress is a constant, unifying theme. FHREDI provides regional economic development coordination to businesses interested in expanding or relocating to the area.

Working with local partners within the region, as well as Enterprise Florida,

Workforce Florida, Inc., and the Governor's Office of Tourism, Trade and Economic Development, FHREDI asserts that it “will provide your company with site selection, incentives and workforce training assistance.” (<http://www.fhredi.com>)

Focus group participants stated that competition exists between counties and cities, particularly in the relationship between the cities of Clewiston and LaBelle. Competition also exists between the counties. Compounding this is the perception that in the recent past, several serious efforts at economic development have been squelched by state officials. (We did not hear this type of barrier so extensively described in any other county). With this as a backdrop, several other competitive and initiative-halting cultural attitudes emerged as we asked about resources for business growth.

This background is provided to help understand that when the first question was posed, there ensued a lengthy discussion of barriers before resources began to be mentioned.

1. Who provides resources and assistance to new businesses in your county and how well does it work?

Resources:

The responses are shown below:

- Hendry, Economic Development Council (i.e., hiring a new director);
- Glades County (i.e, Chamber of Commerce and EDC);
- Hendry County (i.e., Clewiston and LaBelle Chambers) ;
- County government (i.e., grants office);
- County government administration (i.e., Glades county manager); and
- FREDI – Provides assistance in Glades/Hendry.

How well does it work? - barriers:

The responses are shown below:

- County competition (i.e., Hendry-Glades counties are competing for an “Inland Port);
- Glades worked pretty well except for state officials who vetoed the proposed power plant;
- NIMBY attitude (i.e., NIMBY attitude by various communities within these counties when possibilities of industry like landfill or nuclear energy are proposed);
- Environmental Groups (i.e., Opposition also comes from environmental groups e.g. regarding substations and transformers or power lines);
- Neighboring counties (i.e., Neighboring counties sometimes nix proposed ventures);
- Competition for Funding;
- Infrastructure (i.e., we have serious infrastructure problems that need to be solved in order to grow beyond agriculture):
 - Lack of sufficient highway corridor system
 - Limited availability of sewer/water, baseload electricity, natural gas
 - High-speed Internet ;
- Technological connectivity: Need to use dish TV and cell calls are pretty good. It took a long time for enough cell towers to enable reception;
- Transportation areas;

- Attitudes;
- Education of workforce:
 - Poor education is highlighted in the media instead of focusing on academic success of many of the schools; and
 - Media highlights poor FCAT scores.
- High student poverty level in the schools;
 - 78 percent are on free or reduced lunches; and
 - That has ramifications for population growth: Wealthy people see no incentive to move into Hendry or Glades of because the bad reputation of the school system.
- New residents' attitude is to limit growth;
- Lack of health care
 - Doctors will come from other cities outside of Hendry/Glades and hold limited office hour maybe one day per week; and
 - Citizens will go outside of the Glades/Hendry county in order to receive quality healthcare.
- Business culture seems to be anti-growth due to so many efforts having been nixed by forces beyond our control;
- US Sugar Buyout – proposed six-year plan causing people and workers to leave for lack of work and lack of opportunity. The land could potentially turn into environmentally protected land and inhibit future economic growth thus foreclosing opportunities to diversify local industry.

How well does it work - success: In past five years a number of ideas or opportunities have arisen – many of which are aided by a rural area in terms of geo-isolation or existing agricultural skills and experience:

- Inland Port (i.e., potential for an inland port is seen as having the potential to bring huge economic impact and new business opportunity to the region;
- A Geo-facility (privately managed prison by Marathon, formerly Wachenhut);
- Fiberstar;
- Old Castle Lawn and Mulch;
- Florida Brands (eucalyptus based mulch);
- Primate Products (supplies for lab chimps);
- Haman Ranch (facility for retired lab chimps but also provide specimens); and
- Beef O’Brady’s in Clewiston and soon to be in LaBelle.

2. *What are the business resources and climate factors that affect success/failure of new business in your area?*

The responses are shown below:

- Culture;
- Infrastructure;
- A sound education system;
- Workforce; and
- Available healthcare.

Culture

- Educated workforce needs more than fishing and golf [for their down time];
- Need music, theatre, library, and nice places for dinner;
- Education for their kids;
- Problem – within Glades county there are a lot who are anti-growth;
- Ninety percent of Floridians live within 3 to 5 miles of the coastline which means there are land opportunities but then many insist on “pristine wilderness” in the center of the state;
- Then there is the "Denaud Group" – and activist anti-growth, no density change, no industry, group who moved here to escape crowded conditions in Boca Raton or West Palm and does not want anything to change; and
- These "anti-bio-change" influencers have money and lawyers and often celebrity support. Sometimes being loud is even more influential than having clout.
These people can marshal well-funded national groups to support their efforts.

Infrastructure

The responses are shown below:

- Proximity to support and materials sources for businesses – including infrastructure;
- Palm Beach, Hendry and Glades all want an inland port to be located in their counties. Either county would benefit or both. There are three property owners all politically connected - who have land where the inland port could be located.

Education

- Key issue – how poorly schools perform on the FCAT in rural counties;

- Need to attract higher educated and skilled workforce who currently fear for their children's education; and
- We should emphasize safety, teacher one-on-one, and community involvement.
- Glades are all B Districts;
 - No AP classes in grades 9 to12;
 - The high school has 240 students;
 - Encourage dual enrollment (college classes offered in High School and count credit for both); and
 - Edison State offers classes in Moore Haven, Clewiston and LaBelle.
- LaBelle – FCAT - every school is an A school – they do a phenomenal job at the elementary level. As students go to higher grades, the quality gets worse;
- Every high school student can go to Edison State College for a 2 year AA degree for free courtesy of the Curtis Scholarships;
- The news always focuses on FCAT (inadequacies) and not on the students who do well;
- The scholarship to Edison can be used to attract new business; and
- The Sheriff's Department and Glades Electric give scholarships. Some get room and board to Edison State College or Florida Gulf Coast University.

Healthcare

- Hospital care (in June we will have the first full-time doctor in the county. Clewiston has an old hospital; Hendry Regional Medical Center (HRMC) opened an urgent care facility);

- Physician availability (i.e., many physicians leave the county or state and spouses of doctors won't live here given the lack of shopping and cultural activities);
- Physicians coverage (i.e., Some doctors now come here for office hours from the coast (West Palm, Fort Myers) one day a week;
- No health insurance (i.e., vast majority of those who go to Hendry Regional Medical Center (HRMC) do not pay or don't have health insurance;
- Maternity care (i.e., closed the maternity ward due to lawsuits); and
- The facilities and equipment does not support quality medical care.

Workforce Issues

- Unemployment is high
- Workforce (most of the workforce is agricultural workers or contract laborers)

3. *What factors are important to the [local] climate in order to support new businesses?*

Community Support

The responses are shown below:

- County government has to be on board with city government;
- Governments have to work together;
- Imaginary line between them, Clewiston and LaBelle within Hendry reflect an east-west divide;

- The Economic Development Commission director search has brought cities and counties together;
- When FPL wanted to add a plant in Moore Haven, the city, county, and school board co-operated in support of this key project
 - FPL claimed that clean coal method and Japanese/German technology was not like old coal powered plants;
 - We would be an example to the nation;
 - It would offer job creation; and
 - It would bring ancillary industries.
 - Then it was blocked by the state

4. What types of companies/businesses would most likely benefit from being part of a local incubator?

The responses are shown below:

- A regional distribution center/airport that could reach both coasts;
- Bio Fuels;
 - Agricultural land is available;
 - The labor force with requisite skills for foresting is already here; and
 - There is transportation for shipping.
- Horticultural enterprises (e.g. Del Ray Plants in Highland County or Bonnie Plants here);
- Photovoltaic elements and work with FPL. Currently, cells are being produced in Germany; and

- Aquaculture – e.g. OceanBoy shrimp

5. *What type of incubator would you recommend?*

The responses are shown below:

- One that opens avenues for seed capital; and
- Knows how to raise startup funds;
- Need public relations to promote and sell a given industry on coming in; and
- Conduct workshops, coordinate with EDC efforts.

Locations

- LaBelle and Clewiston potentially working together

6. *What strengths and barriers to a network are there?*

Strengths:

- Strong local work ethic;
- Land – plenty of room to grow – still can manage rate and type of growth;
- An attractive area to live with low density and still have time to control development for aesthetics; and
- Politics – wealthy interests can bring in businesses.

Barriers:

- Education level inadequate today;
- Healthcare inadequacies;
- Infrastructure;
- Cultural activities;
- Politics;
- Lack of dollars available to invest
- Environmentalists;
- Further loss of jobs and investment; and
- Fights over regulation at the government level

In closing, the focus group participants stated the need to educate (market to) all of the above regarding the concept of a regional incubator network.

5.0 RESOURCE INVENTORY



Organizational and Agency Resource List

As part of the study, the research team developed an organizational and agency resource list. This resource list was developed to help identify existing organizations and agencies that assist new start-up companies and existing businesses. The list included areas such as training, specialized assistance, consulting, and services aimed at new start-up companies and expanding and growing existing businesses.

Specifically, the list is designed to help to identify potential partners and sponsors that could assist a regional business incubator network in Southwest Florida. The private companies that provide professional services such law firms, banks, financial companies, or accounting firms in Southwest Florida are not listed individually due to the large number of firms but will be very important to establishing a regional business partner network.

It is important to note that this list, although thorough and comprehensive, should not be viewed as all encompassing and inclusive of all resources and organizations. However, the list can aptly serve as a reference and resource in the development of a regional incubator network in Southwest Florida.

RESOURCE LIST

Business Assistance, Economic Development Organizations:

Charlotte County Economic Development Office

18501 Murdock Circle, Suite 502
Port Charlotte, FL 33948
Phone: (941) 627-3023
Toll free (800) 729-5836
Fax (941) 627-6314
Web: www.FloridaEDO.com

Cape Coral Economic Development Office

1015 Cultural Park Boulevard
Cape Coral, FL 33990
Phone: (239) 574-0444
Toll Free: 1-866-573-3089
Web: www.capecoral.net/Business/Bizcapecoralcom

Economic Development Corporation of Sarasota County

2601 Cattlemen Road, Suite 201
Sarasota, FL 34232
Phone: (941) 309-1200
Fax: (941) 309-1209
Web: <http://www.edcsarasotacounty.com/index.asp>

Economic Development Council of Collier County

3050 North Horseshoe Drive, Suite 120,
Naples, FL 34104
Phone: (239) 263-8989
Toll-free: (866) e-Naples
Fax: (239) 263-6021
Web: www.enaplesflorida.com

Enterprise Florida, Inc.

390 N. Orange Avenue, Suite 1300,
Orlando, FL 32801
Phone: (407) 316-4600
Fax: (407) 316-4599
Web: www.eflorida.com

Florida Economic Development Council, Inc.

P.O. Box 3186
Tallahassee, FL 32315-3186
Phone: (850) 201-FEDC
Fax: (850) 201-3330
Web: www.fedc.net

Glades County Economic Development Council

P.O. Box 1003
Moore Haven, FL 33471
Phone: (863) 946-0300
Fax: (863) 946-0777
Web: <http://www.gladescountyedc.com/>

Hendry County Economic Development Council, Inc.

P.O. Box 2518
LaBelle, FL 33975
Phone: 863-675-6007
Fax: 863-675-8696
Web: <http://www.hendrycountyedc.com/>

Lee County Economic Development

12800 University Drive, Suite 300
Fort Myers, Florida 33907
Phone: (239) 338-3161
Toll free: (800) 330-3161
Fax: (239) 338-3227
Web: <http://www.leecountybusiness.com/>

U.S. Department of Commerce

Office of Business Liaison
Phone: (202) 482-1360
Fax: (202) 482-4054
Web: www.osec.doc.gov/obl

Business Assistance, Financial organizations:

Gulf Coast Venture Forum

50 Fifth Ave South Suite 203,
Naples, Florida 34102
Phone: (239) 262-6300
Web: www.gcvf.angelgroups.net

Florida Export Finance Corporation

10400 N.W. 33 Street Suite 200
Miami, Florida 33172-5902
Phone: (786) 845-0400
Fax: (786) 845-0404
Web: www.dos.state.fl.us/fevc

Business Assistance, Industry and Technology organizations:

Southwest Florida Regional Technology Partnership

P.O. Box 884
Estero, FL 33928
Web: www.swfrtp.org

BioFlorida - Southwest Florida Chapter

email: wrknab@gmail.com
Web: <http://www.bioflorida.com/index.asp>

Florida High Tech Corridor Council

(University of Central Florida, University of South Florida, and University of Florida Service Areas and includes Sarasota County)

1055 AAA Drive, Heathrow, FL 32746
Phone: (407) 708-4630
Fax: (407) 708-4635
Web: www.floridahightech.com

Florida Manufacturing Extension Partnership

1180 Celebration Blvd., Suite 103
Celebration, FL 34747.
Phone: (321) 939-4000
Web: www.floridamep.org

ITFlorida

Summit East
1700 Summit Lake Drive
Tallahassee, FL 32317
Phone: 800-748-1120
Fax: 800-859-2788
Web: <http://itflorida.com/wb2/>

Regional Business Alliance of Southwest Florida

3050 N. Horseshoe Drive, Suite 120
Naples, Florida 34104
Phone: 239-304-2900
Fax: 239-263-6021
Web: www.rbaswfl.com

82 Degrees Tech

7282 55th Avenue East #242
Bradenton, FL 34203
Phone: (941) 870-0078
Fax: (941) 870-0078
Web: www.82degreestech.com

Business Assistance, Colleges and Universities:

Barry University - Lee/Collier Campuses

8099 College Parkway SW
Fort Myers, FL 33919-5566
Phone: (239) 278-3041

Edison State College - Charlotte County Campus

26300 Airport Road
Punta Gorda, Florida 33950
Phone: (941) 637-5629
Web: www.edison.edu

Edison State College - Collier County Campus

7007 Lely Cultural Parkway
Naples, Florida, 34113
Phone: (239) 732-3700
Web: www.edison.edu

Edison State College - Hendry/Glades Service Center

4050 Cowboy Way
LaBelle, Florida, 33935
Phone: (863) 674-0408
Web: www.edison.edu

Edison State College - Lee County Campus

8099 College Parkway SW
Fort Myers, FL 33919
Phone: (239) 489-9300
Web: www.edison.edu

Florida Gulf Coast University

10501 FGCU Blvd, S.
Fort Myers, FL 33965-6565
Phone: (239) 590-1000
Toll free: (800) 590-3428
Web: www.fgcu.edu

Hodges University - Fort Myers Campus

4501 Colonial Blvd.
Fort Myers, FL 33966
Phone: (800) 466-0019
Web: www.hodges.edu

Hodges University - Naples Campus

2655 Northbrooke Drive
Naples, FL 34119
Phone: (800) 466-8017
Web: www.hodges.edu

IMPAC University

900 West Marion Ave
Punta Gorda, FL 33950
Phone: (941) 639-7512
Fax: (941) 639-6679
Web: <http://www.impacu.edu/>

Keiser University

6151 Lake Osprey Drive
Sarasota, Florida 34240
Phone: (866) 534-7372, (941) 907-3900
Fax: (941) 907-2016
Web: www.keiseruniversity.edu/sarasota.php

New College of Florida

5800 Bay Shore Road
Sarasota Florida 34243
Phone: (941) 487-5000
Web: <http://www.ncf.edu/>

NOVA Southeastern University

Nova Southeastern University
3650 Colonial Court
Fort Myers, Florida 33913
Phone: (239) 274-6070
Web: <http://www.nova.edu/sec/swflorida/index.html>

Ringling College of Art and Design

2700 North Tamiami Trail
Sarasota, FL 34234-5895
Phone: 941.351.5100
Toll free: 800.255.7695
Web: <http://www.ringling.edu/>

Southwest Florida College - Fort Myers

1685 Medical Lane
Fort Myers, Florida 33907
Phone: (877) 493-5147
Web: www.swfc.edu

Southwest Florida College - Port Charlotte

950 Tamiami Trail, #109
Port Charlotte, FL 33953
Phone: (877) 270-9786
Web: www.swfc.edu

**State College of Florida Manatee-Sarasota
(formerly Manatee Community College)**

7131 Professional Pkwy. E.
Sarasota, FL 34240
Phone: (941) 363-7000
Web: www.mccfl.edu

University of South Florida Sarasota-Manatee

8350 N. Tamiami Trail
Sarasota, FL 34243
Phone: (941) 359-4200
Web: <http://www.sarasota.usf.edu/>

Webster University–Sarasota/Manatee

8043 Cooper Creek Blvd., Suite 101
University Park, FL 34201
Phone: (941) 358-3840
Toll Free: (800) 820-8207
Fax: (941) 358-3816
Web: <http://www.webster.edu/sarasota/>

Business Assistance, Education and Community Associations:

Alliance of Educational Leaders

9530 Marketplace Road, Suite 104
Fort Myers, FL 33912-0315
Web: www.swfleducation.com

Gulf Coast Community Foundation of Venice

601 Tamiami Trail South
Venice, FL 34285
Phone: (941) 486-4600
Fax: (941) 486-4699
Web: www.gulfcoastcf.org

Lemon Bay League, Inc.

244 Mark Twain Lane
Placida, Florida 33947
Phone: (941) 696-6208

Main Street Punta Gorda

326 West Marion Avenue
Punta Gorda, FL 33950
Phone: (941) 575-9096
Fax: (941) 575-9096
Web: www.mainstreetpuntagorda.org

Team Punta Gorda

252 W. Marion Suite 121
Punta Gorda, FL 33950
Phone: (941) 637-TEAM (8326)
FAX (941) 639-7498
Web: www.teampuntagorda.org

Business Assistance, City and County School Systems:

Charlotte County Public Schools

1455 Education Way
Port Charlotte, FL 33948
Phone: (941) 255-0808
Web: www.ccps.k12.fl.us

Charlotte Technical Center

18150 Murdock Circle
Port Charlotte, FL 33948
Phone: (941) 255-7500
Web: <http://charlottetechcenter.ccps.k12.fl.us/index.cfm>

Collier County Public Schools

Administrative Center
5775 Osceola Trail
Naples, FL 34109
Phone: (239) 377-0630

Glades County Public Schools

P. O. Box 459
Moore Haven, FL 33471
Phone: (863) 946-2083
Web: www.glades-schools.org

Hendry County Public Schools

P. O. Box 1980
LaBelle, FL 33975
Phone: (239) 674-4642
Web: www.hendry-schools.org

High Tech North

360 Santa Barbara Blvd. North
Cape Coral, FL 33993
Phone: (239) 574-4440
Fax: (239) 458-3721
Web: www.hightechnorth.com

Lee County High Tech Central

3800 Michigan Avenue
Fort Myers, FL 33916
Tel: (239) 334-4544
Fax: (239) 332-4839
Web: <http://voc.leeschools.net/index.asp>

Lee County Public Schools

2855 Colonial Boulevard
Fort Myers, FL 33966
Phone: (239) 461-8449
Web: www.lee.k12.fl.us

Lorenzo Walker Institute of Technology

3702 Estey Avenue,
Naples, FL 34104-4405
Phone: (239) 377-0900
Fax: (239) 377-1003
Web: www.lwit.edu

Sarasota County Schools

1960 Landings Boulevard
Sarasota, Florida 34231
Phone: (941) 927-9000
Web: www.sarasotacountyschools.net

Business Assistance, Business Training and support organizations:

Small Business Development Center (SBDC) - FGCU

10501 FGCU Blvd, S.
Fort Myers, FL 33965-6565
Phone: (239) 745-3700
Web: cli.fgcu.edu/sbdc

Small Business Development Center (SBDC) - SCF- Manatee Sarasota

8000 S. Tamiami Trail
Venice, FL 34293
Phone: 941-408-1412
Web: <http://www.mccfl.edu/pages/324.asp>

Professional Development Center/Customized Programs

Contact: Frederick B. Tuttle, Jr., Administrator
615 3rd Avenue South,
Naples, FL 34102
Phone: (239) 377-0818
Email: tuttlefr@collier.K12.fl.us

SCORE – S. Florida Small Business Administration

100 South Biscayne Blvd. 7th Floor,
Miami, FL 33131
Phone: (305) 536-5521
Fax: (305) 536-5058
Web: www.sba.gov

SCORE - Charlotte-Desoto Chapter

1777 Tamiami Trail Suite 411
Port Charlotte, FL 33948
Phone: (941) 743-6179
Web: www.charlottedesotoscore.org

SCORE -Manasota Chapter

2801 Fruitville Rd, Suite 280
Sarasota, FL 34237
Phone: (941) 955-1029
FAX: (941) 955-5581
Web: www.score-suncoast.org

SCORE – Naples/Collier Chapter

900 Goodlette Rd. North,
Naples, FL 34102
Phone: (239) 430-0081

Fax: (239) 430-0082
Web: www.scorenaples.org

SCORE - Southwest Florida Chapter

Social Security Building
Suite 231
3650 Colonial Blvd.
Fort Myers, FL 33966
Phone: (239)489-2935
Fax: (239)489-1170
Web: www.score219.org

Southwest Florida Workforce Development Board, Inc.

9530 Marketplace Road, Suite 104
Fort Myers, Florida 33912
Phone: 239-225-2500
Toll Free: 1-866-992-8463
Fax: 239-225-2559
Web: www.careerandservicecenter.org

Business Assistance, Legal Advice:

Florida Bar

651 E. Jefferson Street,
Tallahassee, FL 32399-2300
Phone: (850) 561-5600
Web: www.floridabar.org

Charlotte County Bar Association

99 Nesbit St.
Punta Gorda, Florida 33950
Phone: (941) 639-1158
Fax: (941) 639-0028

Collier County Bar Association

3301 East Tamiami Trail
Naples, Florida 34112
Phone: (239) 774-8711
Web: www.colliercountybar.org

Hendry-Glades Bar Association

P.O. Box 2340
LaBelle, FL 33975
Phone: (863) 675-5295
Fax: (863) 675-5317

Lee County Bar Association

P.O. Box 1387
Fort Myers, Florida 33902
Phone: (239) 334-0047
Fax: (239) 334-0523
Web: www.leebar.org

Sarasota County Bar Association

2002 Ringling Blvd # 105
Sarasota, FL 34237-7002
Phone: (941) 366-6703
Web: www.sarasotabar.com

Lawyer Referral Service

Collier County Bar Association
3301 East Tamiami Trail,
Naples, Florida 34112
Phone: (239) 774-8711
Web: www.colliercountybar.org

Lawyer Referral Service

Lee County Bar Association
P.O. Box 1387
Fort Myers, Florida 33902
Phone: (239) 334-0047
Fax: (239) 334-0523
Web: www.leebar.org

Business Assistance, Chambers of Commerce:

The Boca Grande Area Chamber of Commerce

5800 Gasparilla Road, Suite A1
P.O. Box 704, Boca Grande, Florida 33921
Phone: (941) 964-0568
Fax: (941) 964-0620
Web: <http://www.bocagrandechamber.com/>

The Bonita Springs Area Chamber of Commerce

25071 Chamber of Commerce Drive
Bonita Springs, Florida 34135
Phone: 239-992-2943
Fax: 239-992-5011
Toll Free: 800-226-2943
Web: www.bonitaspringschamber.com

Chamber of Commerce of Cape Coral

2051 Cape Coral Parkway E
Cape Coral, Florida 33904
(239) 549-6900 office
(800) 226-9609 toll free
(239) 549-9609 fax
Web: www.capecoralchamber.com

The Chamber of Southwest Florida

Premier Executive Center
5237 Summerlin Commons Blvd., Suite 114
Phone: 239-278-4001
Fax: 239-275-2103
Web: www.chamber-swflorida.com

Christian Chamber of Southwest Florida

2714 Oak Ridge Court, Suite 601
Fort Myers, FL 33901
Phone: 239.481.1411
Fax: 239.415.2005
Web: www.ccswf.org

Clewiston Chamber of Commerce

109 Central Avenue
Clewiston, Florida 33440
Phone: (863) 983-7979
Fax: (863) 983-7108
Web: <http://www.clewiston.org/>

Englewood Cape Haze Area Chamber of commerce

601 South Indiana Ave.
Englewood, FL 34223
Phone: (941) 474-5511
Toll Free (800) 603-7198
Web: www.Englewoodchamber.com

Estero Chamber Of Commerce

PO Box 588
Estero, FL 33929
Phone: 239-948-7990
Web: www.esterochamber.org

Everglades Chamber of Commerce

P.O. Box 130

Everglades City, FL 34139
Phone: (239) 695-3172
Web: www.evergladeschamber.com

Gulf Coast Latin Chamber of Commerce

8051 N. Tamiami Trail, Suite 37
Sarasota, Florida 34243
Phone: (941) 358-7065
Web: Latinchamber.org

Greater Fort Myers Chamber of Commerce

2310 Edwards Drive
PO Box 9289
Fort Myers, Florida 33902.
Phone: 239-332-3624
Toll-Free: 800-366-3622
Fax: 239-332-7276
Web: www.fortmyers.org

Greater Fort Myers Beach Chamber of Commerce

17200 San Carlos Blvd.
Fort Myers Beach, Florida 33931
Phone: (239) 454-7500
Fax: (239) 454-7910
Web: www.fortmyersbeach.org

Greater LaBelle Chamber of Commerce

125 E. Hickpochee Ave.
La Belle, FL 33935
Phone: (863) 675-0125
Fax: (863) 675-6160
Web: <http://www.LaBellechamber.com/>

Greater Naples Chamber of Commerce

3620 Tamiami Trail North
Naples, FL 34103
Phone: (239) 262-6376
Fax: (239) 262-8374
Web: www.napleschamber.org

Greater Pine Island Chamber of Commerce

P. O. Box 525
Matlacha, FL 33993
Telephone: (239) 283-0888
Fax: (239) 283-0336
Web: www.pineislandchamber.org

Immokalee Chamber of Commerce

720 15th Street North
Immokalee, FL 34142
Phone: (239) 657-3237
Fax: (239) 657-5450
Web: www.immokaleechamber.org

Lehigh Acres Chamber of Commerce

Post Office Box 757
Lehigh Acres, FL 33970
Phone: (239) 369.3322
Fax: (239) 368.0500
Web: www.lehighacreschamber.org

Marco Island Chamber of Commerce

1102 North Collier Blvd.
Marco Island, FL 34145
Phone: (239) 394-7549
Fax: (239) 394-3061
Web: www.marcoislandchamber.org

North Fort Myers Chamber of Commerce

2787 N. Tamiami Trail #10
North Fort Myers, FL 33903
Phone: (239) 997-9111
Web: www.nfmchamber.org

North Port Area Chamber of Commerce

15141 Tamiami Trail
North Port, FL 34287
Phone: (941) 423-5040
Fax: (941) 423-5042
Web: www.northportareachamber.com

Sanibel & Captiva Islands Chamber of Commerce

1159 Causeway Road
Sanibel Island, Florida 33957
Phone: (239) 474-1080
Fax: (239) 472-1070
Web: island@sanibel-captiva.org

Venice Area Chamber

597 Tamiami Trail S.
Venice, FL 34285
Phone: (941) 488-2236

Web: www.venicechamber.comx

Business Assistance, Business Incubators

Southwest Florida Enterprise Center

3903 Martin Luther King Blvd.
Fort Myers, Florida 33916
Phone: (239) 321-7085
Web: <http://swflenterprisecenter.com/Default.aspx>

Southwest Florida Virtual Incubator & Accelerator

Mr. Paul A Willax
Electomedia Technologies
Phone: (239)455-9393
Web: <http://www.brainfoodtogo.com/>

Business Assistance, Planning and Other:

Entrepreneur Media Inc.

2445 McCabe Way, Ste. 400
Irvine, CA 92614
Phone: (949) 261-2325
Web: www.entrepreneur.com

Southwest Florida Water Management District

2379 Broad Street
Brooksville, FL 34604-6899
Phone: (352) 796-7211
Toll free 1-800-423-1476 (FL only)
Web: <http://www.swfwmd.state.fl.us/>

Sarasota Bradenton International Airport

Sarasota Manatee Airport Authority
6000 Airport Circle
Sarasota, FL 34243
Phone: (941) 359-5200

Startup Nation (web based resource site for startups)

Web: <http://www.startupnation.com/index.asp>

Southwest Florida International Airport

Lee County Port Authority
11000 Terminal Access Road, Ste 8671
Ft. Myers, FL 33913-8899
Phone: (239) 590-4800

Southwest Florida Regional Planning Council

1926 Victoria Ave
Fort Myers FL 33901
Phone: (239) 338-2550
Fax: (239) 338-2560
Web: www.swfrpc.org

U.S. Patent and Trademark Office – General Information Services Division

Crystal Plaza 3, Room 2C02
Washington, DC 20231
Automated information line: (800) 786-9199
Phone: (703) 308-4357
Web: www.uspto.gov

6.0 CHALLENGES AND RECOMMENDATIONS



The Southwest Florida region, similar to our nation and the world, has been greatly affected by the downturn in the economy over the last several years. In particular, the Southwest Florida region, with its heavy reliance on housing development and related industries and finance, has been dramatically impacted by this economic downturn, and has experienced decreased economic growth and high unemployment in both the coastal and inland regions. As part of an approach to revitalize the economy and provide diversification of our region's economic base and to create a regional approach to economic development, a Regional Business Incubator Network is proposed.

A business incubator is an economic development tool designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services. Business incubators are also set up to create successful companies and make an economic difference in the community. It is

believed that incubator "graduates" create jobs, revitalize neighborhoods, commercialize critical new technologies, and strengthen local and national economies. According to the NBIA, in 2001 North American incubators assisted more than 35,000 start-up companies and provided full-time employment for nearly 82,000 workers generating earnings of more than \$7 billion. A regional incubator network is a system that links and organizes businesses incubators throughout a region.

Our study found that there are both crucial challenges and opportunities for growth and development of an regional incubator network in Southwest Florida. Based upon feedback from the study, the challenges and opportunities for the region in the development of a Regional Business Incubator Network are as follows:

Critical Challenges that need to be addressed:

- ✓ **Regionalism**: Need to create a sense of regionalism and overcome parochial interests and attitudes.
- ✓ **Leadership**: Essential to the development of the regional incubator network, there should be a designated leader or champion. The most frequently-recognized leader based upon analysis of regional leaders and individuals and best practice regional networks is a University or specifically, FGCU.
- ✓ **Trust**: The building of "trust" across counties is essential.
- ✓ **Decreased funding** (lack of available funding by public and private entities)
- ✓ **Lack of diversity in economic base**
- ✓ **Infrastructure**:
 - Communications and bandwidth
 - Roads
 - Transportation

- Rail
- ✓ Workforce talent (Creative Skills): There is a need to develop technical skills among the workforce in order to develop a workforce that can respond to medium and high tech jobs for the future.
- ✓ Local and county government fees and regulations (serve as a barrier to development)
- ✓ Funding/support for small business start-up and operation: There is limited funding/support for small businesses with less than 20 employees.
- ✓ Community and government attitude towards growth: The challenge is community and government attitude toward growth and change.
- ✓ Cost of Living (remains issue in select communities)
- ✓ Land affordability and rental costs (select counties)
- ✓ Perception and attitudes towards different counties (how one county views the others and how the members of the county view themselves)

Opportunities that exist:

- ✓ Workforce (large number of skilled and unskilled due to unemployment)
- ✓ Entrepreneurial spirit and small business orientation
- ✓ Existing technology companies and structure
- ✓ Lifestyle and livable Community
- ✓ Weather
- ✓ Environment
- ✓ Low crime
- ✓ No state taxes

✓ Health care

In closing, there are many challenges but yet opportunities for growth based upon the analysis and as reported by key stakeholders and individuals throughout the six-county region. However, key to addressing these challenges and building upon the region's opportunities is the development of a consensus among the public and private leaders, as well as the community, across the six-county region and identifying a key stakeholder to lead the effort.

SUMMARY

The Southwest Florida region for many years has had extraordinary economic growth and low unemployment rates, and frequently was regarded as one of the fastest growing regions in the county. The primary source of this economic development and growth was directed to the housing market, tourism, and the health care industry. As a result of the dramatic impact of overdevelopment, sub-prime mortgages, and subsequent “busting” of the housing bubble, the economic prosperity of the region, the nation, and the global market has been dramatically altered. This change is particularly significant for the Southwest Florida region due to its over-emphasis on the construction and development industries and finance, and lack of economic diversity (multiple industries) throughout the region.

It is commonly felt that economic development is part of a “three legged stool”: 1) growth and retention of existing businesses, 2) recruitment of new businesses, and 3) development of new businesses. This study was undertaken to explore a process to address one leg of this stool: development of entrepreneurship and new business

development through a regional incubator network. This study can be regarded as the first step in a process to develop a regional policy and process to compete in tomorrow's global market.

REFERENCES

Adkins, Dinah, Hugh Sherman, and Christine A. Yost, Incubating in Rural Areas: Challenges and Keys to Success, NBIA, 2001.

Allen, D. N. , "Business Incubator Life Cycles," Economic Development Quarterly, 1988.

Barrow, C., Incubators: A Realist's Guide to the World's New Business Accelerators, John Wiley & Sons Ltd., 2001.

Bee, Ed., Small Business Vitality & Economic Development. Economic Development Journal. Summer, 2004, 3(3), pp. 7-9

Bergek, Anna and Charlotte Norrman, "Incubator Best Practice: A Framework", Technovation, 2008.

Brooks, O. J. "Economic Development Through Entrepreneurship: Incubators and the Incubation Process," Economic Development Review, 1986.

Boyd, Justin, Incorporating Your Business Incubation Program: How Tax Status and Business Entity Affect Operations, NBIA, 2002.

Boyd, Kathleen, Developing a Business Incubation Program, NBIA, 2006.

Esty, Daniel and Andrew Winston, Green to Gold: How Smart Companies Use Environmental Strategy to Innovate, Create Value, and Build Competitive Advantage, Yale University Press, 2006.

Gerl, Ellen, Bricks & Mortar: Renovating or Building a Business Incubator Facility, NBIA 2000.

Hackett, Sean M. and David M. Dilts, "A Systematic Review of Business Incubation Research," Journal of Technology Transfer, 2004, pp. 55-82.

Kalis, Nanette, Technology Commercialization Through New Company Formation: Why Universities are Incubating Companies, NBIA, 2001.

Knopp, Linda, State of the Business Incubation Industry, National Business Incubation Association, 2007.

Lewis, David A. 2001. *Does Technology Incubation Work? A Critical Review*. *Reviews of Economic Development Literature and Practice*: No. 11. U.S. Economic Development Administration. Page 2 and 9.

Meeder, Robert A. Forging the Incubator: How to Design and Implement a Feasibility Study for Business Incubation Programs, NBIA, 1993.

NBIA, A Comprehensive Guide to Business Incubation, edited by Meredith Erlewine and Ellen Gerl, 2nd edition, 2004.

NBIA (January 19, 2009), website information available at:
www.nbia.org/resource_center/bus_inc_facts/index.php

O'Neal, Thomas, "Evolving a Successful University-Based Incubator: Lessons Learned from the UCF Technology Incubator", Engineering Management Journal, September 2005, pp. 11-25.

PricewaterhouseCoopers (1999) Department of Employment, Workplace Relations and Small Business, National Review of Small Business Incubators, Final internal Report. Also see Borrow, page 30.

Smilor, Raymond and Michael Gill, Jr., The New Business Incubator: Linking Talent, Technology, Capital, & Know-How, 1986.

Southern Technology Council and NBIA, The Art & Craft of Technology Business Incubation, 1996.

Tornatzky, Louis, Hugh Sherman, and Dinah Adkins, Incubating Technology Businesses, A National Benchmarking Study, NBIA, 2003.

Wolfe, Chuck, Dinah Adkins, and Hugh Sherman, "Best Practices in Business Incubation" , Maryland Technological Corporation, June 2000.

Wolfe, Chuck, Dinah Adkins, and Hugh Sherman, Best Practices in Action: Guidelines for Implementing First-Class Business Incubation Programs, NBIA, 2001.

APPENDIX

Southwest Florida Regional Business Incubator Planning Study RFP #ED-03

List of Appendices

1	Best Practices Summary
2	List of Regional incubator network (Best Practices Interviews)
3	Regional incubator Network Interview Guide
4	Email Introduction (Regional Incubator Network Analysis)
5	Project Summary
6	Email Reminder (Regional incubator network Analysis)
7	Email Confirmation (Regional Incubator Network Analysis)
8	Email-Thank you (Regional Incubator Network Analysis)
9	Key Informant Interview Guide
10	List of Key Informant Interviewed by Industry
11	Focus Group Power Point Slides

Appendix 1

Best Practices Summary

Summary of "Best Practices in Business Incubation" for Maryland Technological Corporation by Chuck Wolfe, Dinah Adkins, and Hugh Sherman, June 2000.

The review of existing incubator literature identified numerous best practice articles and books. One of the recent papers is: "Best Practices in Business Incubation" by Chuck Wolfe, Dinah Adkins, and Hugh Sherman which was prepared for the Maryland Technological Corporation and was completed in June 2000. The paper is based on compiled national and international incubation best practices, evaluating alternative incubation models, and indentifying best practice guidelines and outcome measures. They define 10 business incubation best practices including:

1. Comprehensive business assistance program
2. Professional infrastructure
3. Client capitalization and financing
4. Client networking
5. Technology licensing and commercialization
6. University and federal laboratory linkages
7. Facility basics
8. Governance and staffing
9. Client screening and graduation
10. Incubator evaluation

1. Comprehensive Business Assistance Program

The first best practice listed is comprehensive business assistance programs. The needs assessment provides a benchmark for screening new applicants and clarifies actions to be taken and resources to be mobilized by clients and incubator staff. Coaching and facilitation is designed to assist, facilitate resources, act as a sounding board, and instruct so that the client can complete the task themselves. Monitoring client progress includes development of milestones, modifying service package, and identifying clients ready for graduation. The specific best practice actions developed by Wolfe, Adkins, and Sherman (2000) for an incubator comprehensive business assistance program are summarized in their Table 1.1 and use incubator staff and advisory boards, teams, sponsors, experts, and committees in the business assistance programs.

Table 1.1
Summary of Best Practices
Comprehensive Business Assistance Program

Needs Assessment

1. Develop and implement a systematic process for assessing needs that has the flexibility to adapt to the changing environment surrounding high-growth, early-stage ventures.
2. Assess needs prior to accepting a business into the incubator and on a continual basis after it has entered the program.

Coaching and Facilitation

1. Dedicate sufficient staff time to meet with clients on a regular basis.
2. Allow clients to make decisions and to complete tasks.
3. Provide oversight and support as the client uses program resources.

Monitoring Client Progress

1. Develop milestones designed to meet the specific goals of the client and the incubator.
2. Develop and implement a systematic process for monitoring the clients in meeting milestones.
3. Utilize monitoring processes to modify the services package offered to clients.
4. Utilize monitoring processes to graduate clients from the program.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 1.1, p. 12-13.

2. Professional Infrastructure

The second best practice identified is professional infrastructure. The know-how network or professional services network typically consists of accountants, attorneys, marketing specialists, venture capitalists, professors, technology specialists and others who provide services to clients at no or reduced cost. The network will require time and effort to manage but is a significant value add to the incubator clients and a source of community support for the incubator. Some incubators have consulting desks where an expert visits the one day each month to consult with clients at no cost. Students and professors may assist with market research or in the development of business plans. Mentors are experienced entrepreneurs that can provide a third-party perspective and provide additional value add to the clients. Advisory boards can be a good early substitute for a board of directors. Potential conflicts of interest should be considered in developing an advisory board. The specific professional infrastructure best practice actions developed by Wolfe, Adkins, and Sherman (2000) for an incubator program are summarized in their Table 2.1.

Table 2.1
Summary of Best Practices
Professional Infrastructure

Know-how Network

1. Develop a broad-based pool of individual advisors from the private and academic sectors and ensure they have the technical and business skills needed to support client businesses in various stages of their development.
2. Establish a large enough pool of advisors to minimize the impact of a specific provider, especially if services are provided on a pro-bono basis.
3. Limit exclusive arrangements with individual service providers to ensure that the appropriate services are available to meet client needs.
4. Negotiate a fee structure to minimize the financial impact on the client (examples include pro-bono services, services in exchange for equity and services with deferred payment until equity capital is secured.)
5. Facilitate the interactions between the service provider and the client.
6. Screen service providers and establish a feedback mechanism to assess client progress and satisfaction.

Mentors

1. Develop a pool of volunteers willing to serve as mentors for clients. Mentors should have been involved in actual business operations in the appropriate industries at various stages of the development process from proof-of-concept to initial public offering and/or acquisition.
2. Ensure that mentors meet with the clients according to a regular schedule.
3. Meet with mentors periodically to monitor client progress and identify additional needs.
4. Screen mentors and establish a feedback mechanism to assess client satisfaction.

Advisory Boards

1. Develop a pool of professionals, technologists, business owners, etc., willing to volunteer their services as advisory board members of clients. Individuals should have experience in the appropriate industries at various stages of the development process from proof-of-concept to initial public offering and /or acquisition.
2. Ensure that advisory boards meet with clients according to a regular schedule.
3. Meet with advisory boards periodically to monitor client progress and identify additional needs.
4. Screen advisory board members and establish a feedback mechanism to assess client satisfaction.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 2.1, p. 21.

3. Client Capitalization and Financing

Equity and debt capital are key value adds for clients and the incubator's success. Sources may include venture capitalists, high-net worth individuals, angel investors, corporate investors, state and federal grant programs, capital networks and brokers, in-house capital funds, and corporate partners. Table 3.1 summarizes the key best practice actions for client capitalization and financing.

Table 3.1
Summary of Best Practices
Client Capitalization and Financing

1. Provide access to debt and equity capital to launch and sustain the growth of clients and train clients on requirements for obtaining financing.
2. Establish linkages with angel, venture capital and corporate equity investors through capital networks, brokers and personal contacts.
3. Consider creating in-house equity and debt funds to seed a deal and to fill financing gaps.
4. Create relationships with corporations that are willing to provide services (e.g., product development, manufacturing, sales and distribution, etc.) for clients in the program.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 3.1, p. 30.

4. Client Networking

The study highlights the importance of programs that promote client networking including brown bag lunches, CEO forums, and affiliates programs. These provide clients with moral and psychological support reducing stress and the clients learn and discuss business operations and developmental activities.

Table 4.1
Summary of Best Practices
Client Networking

1. Proactively encourage client networking to establish and sustain the incubator's nurturing environment.
2. Pay attention to facility design issues, host brown-bag lunches, CEO roundtables, and affiliates programs to bring business owners together to exchange ideas, share experiences and leverage resources.
3. Hire incubator management that values client interaction and networking and is capable of facilitating these processes.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 4.1, p. 40.

5. Technology Transfer and Commercialization

The study highlights the importance of technology transfer and commercialization.

Table 5.1
Summary of Best Practices
Technology Transfer and Commercialization

1. Develop partnerships with technologists and technology transfer offices with the principal objective of commercializing technology through new company formation.
2. Manage conflicts between all parties; offer incentives for commercialization and work to change potentially incompatible cultures to become more responsive.
3. Establish a seamless interface between the incubator and the technology generator to ensure fast and effective commercialization.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 5.1, p. 49.

6. University and Federal Laboratory Linkages

University and laboratories provide faculty and technologist consulting, student interns and employees, access to technical facilities and equipment, access to databases and researchers, and access to R& D financing.

Table 6.1
Summary of Best Practices
University and Federal Laboratory Linkages

1. Establish linkages with universities and federal laboratories to leverage the valuable assets these entities can provide to incubator clients.
2. Use these linkages to provide clients with faculty/technologist consulting services, student interns and employees, access to technical facilities and equipment, databases, researchers and R & D financing.
3. Ensure that partnerships and linkages provide value to all parties.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 6.1, p. 55.

7. Facility Basics

The facilities should provide clients with an enhanced image, security, access, parking and proximity to resources. The design needs flexible space, sustainable size, and common meeting areas to promote client interaction.

Table 7.1
Summary of Best Practices
Facility Basics

1. Ensure flexible space and the necessary amenities (e.g., high-speed communications, parking, security, etc.) to meet the needs of different clients at various stages of their development.
2. Encourage client interaction through the use of common meeting areas (e.g., kitchens, mail rooms, copy rooms, etc.)
3. Provide sufficient leasable space for the incubator to reach financial sustainability.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 7.1, p. 65.

8. Governance and Staffing

Many incubators are formed as a 501(c)(3) nonprofit corporation or operate under an existing nonprofit corporation that serves as a host organization. The board of directors should provide strategic direction, serve as liaisons, market the incubator, support the incubator director in establishing and managing client services, mentors, and investors, fundraising, and budgeting. Generally, the boards start small and grows in size as incubator needs grow. If operating under an existing nonprofit organizational board, the incubator may add an advisory board to assist with many of these duties.

Table 8.1
Summary of Best Practices
Governance and Staffing

1. Ensure that the incubator has an effective governing body including private-sector perspectives.
2. Achieve consensus among staff and major stakeholders on the mission of the incubator.
3. Ensure that the incubator's president/CEO has appropriate skills and is capable of helping companies grow.
4. Ensure that staffing is sufficient, that certain staff is designated to work primarily and directly with client services and that those people have the highest qualifications.
5. Hire entrepreneurial presidents/executive directors capable of indentifying client needs and matching them with a wide range of resources, and ensure they do this without impeding the client's need to learn or diminishing the client's responsibility for growing a business.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 8.1, p. 75.

9. Client Screening and Graduation

Incubators need a screening and graduation process. The Advanced Technology Development Center (ATDC) at Georgia Institute of Technology reviews and assesses the management, money, technology, and market plans of each potential client.¹ Graduation may be driven by various criteria or by fairly simple cost-based methods such as raising the rent each year by ten percent.

Table 9.1
Summary of Best Practices
Client Screening and Graduation

1. Utilize an extensive screening process to select clients that can benefit from the value-added services the incubator provides.
2. Ensure that screening processes determine the needs for the applicant, the ability of the incubator to provide value to the applicant and the willingness of the applicant to accept the value provided by the incubator.
3. Establish appropriate graduation criteria.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 9.1, p. 78.

¹ Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), p. 79.

10. Incubator Evaluation

The incubator would want to track outcome measures for its programs and determine how effective they are in reaching the mission, goals, and objectives of the incubator. Client feedback in the form of surveys and interviews can provide important feedback that can help shape incubator program or facility improvements.

Table 10.1
Summary of Best Practices
Incubator Evaluation

1. Utilize a range of quantitative and qualitative measures to evaluate performance relative to the incubator's mission.
2. Obtain client feedback on the value of the program while they are residents and following graduation.
3. Ensure evaluation processes are both manageable and consistent and that outcomes are used to improve incubator performance.

Source: Best Practices in Business Incubation, Wolfe, Adkins, Sherman (2000), Table 10.1, p. 85.

Appendix 2
List of Identified Regional Incubator Networks

	Incubator		Interviewed
1	UCF	University of Central Florida Incubation Program (Central Florida)	Tom O'Neil Director
2	Stony Brooke	Stony Brook University Incubators (Long Island)	Dr. Ahil Dhundale Executive Director
3	TEDCO	Emerging Technology Centers (Baltimore, Maryland)	Renee Winsky Exec Director
4	ATDC	Applied Technology Development Centers (ATDC) Maine	Deb Neuman Director
5	BFTP	Ben Franklin Technology Partners of Northeast Pennsylvania (BFTP/NEP)	Wayne Bartz, Director
6	CVBI	Central Valley Business Incubator (California)	Travis Sheridan Dir/Member Servc
7	Purdue	Business Incubation at Purdue Research Parks (Indiana statewide network)	Timothy Peoples Director
8	SLCEC	SLCEC St. Louis Enterprise Centers (Missouri)	Dennis Breite Director

Appendix 3

**Questionnaire: Interview Form
REGIONAL INCUBATOR NETWORK:**

Core Interview Questions

Individual Being Interviewed _____

Interviewer: _____

ATTEMPTS	DATE	TIME	COMMENTS
FIRST			
SECOND			
THIRD			
FOURTH			

INTERVIEW SCRIPT

Hello, my name is: Dr. _____ and I am calling from Florida Gulf Coast University. I am an _____ Professor in the College of Business at FGCU.

A team of Faculty Consultants from the College of Business and our Regional Economic Research Institute (RERI) have been contracted to conduct a **Strategic Feasibility Study** for a “Regional incubator network” in Southwest Florida. As part of the feasibility study we are conducting interviews with CEO’s and Directors of Regional Incubator Networks in the United States in order to develop benchmark data for the feasibility to develop a Regional incubator network in our region.

Your Incubator Network has been selected to participate in our study. We would like to schedule an interview with you and/or the designated director of your network to ask you a series of questions regarding the creation and development of your Incubator Network System. The interview will take approximately 40 minutes to conduct.

We estimate that our feasibility analysis will be completed sometime early this summer and will share all research and data with you on our findings for your participation in our study.

Would you kindly be able to assist us with our study and what would be a convenient time to schedule our interview?

Organization Information:

Company Name (Corporate)		_____
Facility Name		_____
Person Being Interviewed	_____	Title _____
Facility Address		_____
City	_____	Zip _____
Phone	_____	Fax _____
Email	_____	Web Address _____
Ownership Type (Private, Public, etc)	_____	Industry Type (NAICS) _____

I. Interviewee Background Data:

1. Name and title?
2. Name of organization?
3. How long in present position?
4. How long with this organization?
5. Approximate size or organization (total employees)?
6. Approximate total revenues/funding per annum?
7. Professional background
 - a) Education (Degree(s)s, school(s), year(s))
 - b) Industry (as you would describe it)
 - c) Functional role(s) or positions held

8. Years of experience in the industry

a) Business Incubation? _____

b) Economic Development? _____

II. Networks: Strategic Planning and Views of Success

1. **Terminology:** We would like to talk about incubator networks.

a) Is that a term you use? (y or n) _____

b) If not, what term do you use? _____

2. Strategic Planning: Vision, Mission, and Goals

1. Briefly describe the **vision, mission, and goals** of members of your incubator network.

a) Vision:

b) Mission

c) Goal

1) Short Term Goals

2) Long Term Goals

2 In developing your vision, mission, and goals:

a) Who is involved and what is their involvement:

	Member	Involvement
1	Leadership Team	
2	Board	
3	Key Stakeholders	
4	Network Members	
5	Others:	

3. What is the **Business Model** used for the network (Explain that if you were asked to describe your business model in 3 to 4 sentences to someone who was interested in forming a incubator network, what would you say; {if necessary you can give examples that Subway might say producing reasonably priced franchises with a focus on quick, healthy fast food, with a simple, consistent organizational system}).
4. What are the top three recommendations you would give to someone who wanted to set up a “regional” incubator network?
5. How does the incubator network fit into the broader regional economic development strategy?

3. **Success**

- 1.) How do you define **SUCCESS** for your organization and network? {Probe for how you “measure” success and what goals or matrices that you use, and how it contributes to the overall community and economy}.
 - a) Organization
 - b) Network Member
- 2.) How do you think your network members and the community would define **SUCCESS** for your organization and network? {Probe for how you think they “measure” success and what goals or matrices that you think are used}.
 - a) Network Members
 - b) Community
- 3) In defining success for your organization/network, what impact and what role does “Technology Transfer” have and briefly explain its role in your organization/network success?

Rate on a scale of 1 – 5 where 1 = no impact/no role to 5 = great impact/large role

- 4). How do your network partners get to “sustainability” (able to sustain themselves; to assist the person in responding to this question, you can give them a brief definition of sustainability; i.e., “ability of your business to survive and be independent in the future)
 - a) Funding
 - b) Sponsorships/fund raising?

4. Incubator Networks:

1. Briefly explain the “**advantages**” to having an incubator network and why do you think that incubator should form and develop networks? [*IF not mentioned, ask whether “economies of scale” are an advantage*]
2. Briefly explain the “**disadvantages**” to having an incubator network (Probe for what the person sees as drawback to having a multiple site network)
3. What do you see as the “role” that your organization should fulfill toward its network members?

Network Partners:

- 4). Who are your network partners and what is their industry and what do they have in common?

No.	Name	Industry	Background Comment
1			
2			
3			
4			
5			
6			
7			
8			
9			
10			
11			
12			

(Use back of page for more comments if required)

5. Does your network consist of:
 - a) Virtual Networks (Networks without walls). [probe and find out what they think about this and what they would see as the advantages of such a network type]
 - b) Sister Networks/Soft Landing (network partners of firms that want to relocate to US)? [probe and find out what they think about this and what they would see as the advantages of such a network type]

6. In developing your network partners, how did you determine:

- a) Type of incubator?
 - b) The number of incubators needed?
 - c) Mix of incubators within your network?
7. Who are the key **internal constituents** - groups or people critical to the operation of the network -
- a. How are these individuals viewed by you: as clients or customers,
 - b. Who among them do you feel has the greatest influence on the overall working of the organization and the network and its overall success?
 - c. What is the background of these individuals [probe to see if and what role lawyers, accountants, etc. play].
 - d. Also, which do you see as “champions” or “mentors” and what do they do in this capacity? How did these key individual build community support and funding for the network?
7. Who are the key **external constituents** - groups or people who receive the goods and services of the network
- a) how are these individuals viewed by you: as clients or customers,
 - b) who among them do you feel has the greatest influence on the overall working of the organization and the network and its overall success?
9. Do you have affiliations and relationships with [probe for what is their role, who is involved, and how would they rate their level of importance with their help on a five point

scale from 1=not important to five=extremely important]

- a) Local Universities or Colleges
 Level of Importance: 1 (Not important) 2 3 4 5 (extremely important and helpful)

- b) Faculty, Student, Intern at Universities or Colleges
 - 1) Faculty: Level of Importance: 1 (Not important) 2 3 4 5 (extremely important/helpful)
 - 2) Student: Level of Importance: 1 (Not important) 2 3 4 5 (extremely important/helpful)
 - 3) Interns: Level of Importance: 1 (Not important) 2 3 4 5 (extremely important/helpful)

- c) Angel Investment Funds/Investors
 Level of Importance: 1 (Not important) 2 3 4 5 (extremely important and helpful)

5. Network Partners Engagement:

- 1) What is the level of Client Networking across incubators
 Low 1 (no networking) 2 3 4 5 (high engagement/networking)

- 2. How do the network partners engage in the overall operations of the network and the management team?
 - a) By requiring management to inform network members of all important decisions?

 - b) By approving individual plans/decisions submitted by management over a certain size?

 - c) By making choices of plans/decisions from a number of alternative options submitted for consideration by the management team?

 - d) By acting in partnership with the management team in developing strategic plans?

- 3. Do you typically meet with network members or groups to discuss strategy and strategic initiatives prior to a board meeting or a strategic move?

If yes,

- a) How often?
- b) How many network members typically meet?
- c) How much time is typically spent during these informal meetings?

4. Do you have regular **member sessions** dedicated to discussing strategic plans and initiatives (yes/no)?

If yes,

- a. How often is a typical session?
- b. How long is a typical session?
- c. Is the session facilitated?

1. If yes, please describe the involvement of both inside and outside facilitators and experts

5. Do you have a regular **“Member Retreat”** dedicated to discussing strategic plans and initiatives (yes/no)?

If yes,

- a. How long is the retreat?
- b. Typically where does the retreat take place?
- d. Is the retreat facilitated?

1. If yes, please describe the involvement of both inside and outside facilitators and experts

6. What opportunities do members have to place and prioritize items related to strategy on the agenda prior to meetings?

III. Network Structure, Relationship, and Communication

Probe for:

- What is the role of **technology in communications**?
- What is the **role of technology in power holding and sharing**?
- What is the **role of acquired knowledge or experience in communications**?
- What is the **role of training** done across networks members
- What is **advertising/promotion** that is done across the network
- What is the SAVINGS GAINED through different efforts

1. In describing the authority or influence structure of the network where would you place it on the continuum below?

Collaborative					Authoritarian		
1	2	3	4	5			
Equal Partners who Shapes decisions						Key Influencer at top who make decisions consensually	

2) What is the level of accountability and independence of individual incubators in the network?

a) Dependency:						
1 (dependent)	3		3		4	5
(independent)						
b) Accountability:						
1 (dependent)	3		3		4	5
(independent)						

3) How do members communicate? Formally and/or informally? If both, what circumstances determine which way will be used?

a) Formally

b) Informally

c) Both

4) What circumstances (if any) cause communication to increase? [e.g. common threat, common dilemmas etc. and what are examples of each]

5) What are the typical issues that network members discuss with each other?

- a) In what ways if any has the “typical issues” changed since the network early days?
 - b) Currently (Today)?
- 6) In your opinion, how much **information sharing** goes on among the members today...?
- Less than 25% 25 -50% 50-75% 75 -95% 95%+

3.Decision Making Tools:

1. Which of the following strategic planning or decision making tools and techniques have you ever used and {**Probe** if yes, how have you gone back to look at them in recent years - and which do you think might be most useful for your network to use in the future}?

Mark all that apply

Have Ever Used		Would be Useful in Future	
<input type="checkbox"/>	Vision statement	<input type="checkbox"/>	Vision statement
<input type="checkbox"/>	Mission statement	<input type="checkbox"/>	Mission statement
<input type="checkbox"/>	Environment analysis	<input type="checkbox"/>	Environment analysis
<input type="checkbox"/>	Industry analysis	<input type="checkbox"/>	Industry analysis
<input type="checkbox"/>	SWOT analysis	<input type="checkbox"/>	SWOT analysis
<input type="checkbox"/>	Financial analysis	<input type="checkbox"/>	Financial Analysis
<input type="checkbox"/>	Analysis of core competencies	<input type="checkbox"/>	Analysis of core competencies
<input type="checkbox"/>	Scenario planning	<input type="checkbox"/>	Scenario planning
<input type="checkbox"/>	Risk management	<input type="checkbox"/>	Risk management
<input type="checkbox"/>	Balanced scorecard	<input type="checkbox"/>	Balanced scorecard
<input type="checkbox"/>	Strategy mapping	<input type="checkbox"/>	Strategy mapping

IV. Strategic Leadership

1. What could be done from a senior leadership perspective to **help you do a better job** with your board and network members and get them more involved in strategic

decision making and the overall success of the organization?

2. At the present time are there **any pressing problems of strategic leadership** that you and your organization is not attending to?

V. Your Network's Future

Please provide an assessment of where you see your network in the next 5 years:

1. In a few words please **describe what problems you are likely to face:**
2. What **actions or accomplishments** do you **hope** the network will achieve?
3. What **actions or accomplishments** do you **expect** the network to achieve?
4. Do you have a strategic plan aimed at the accomplishments mentioned above?

Appendix 4

Email Introduction

Dear _____

My name is Dr. _____. I am an Assistant or Associate Professor at Florida Gulf Coast University, College of Business, and I have recently left you a couple of messages about speaking with you to schedule a phone interview with you to discuss your Regional incubator network.

Recently, a team of Faculty Consultants from the College of Business and our Regional Economic Research Institute (RERI) have been contracted to conduct a **Strategic Feasibility Study** for a “**Regional incubator network**” in Southwest Florida. As part of the feasibility study we are conducting interviews with CEO’s and Directors of Regional Incubator Networks in the United States in order to develop benchmark data for the feasibility to develop a regional incubator network in our region (Please see attached study summary).

Your Incubator Network has been selected to participate in our study. Our phone interview with you would range from 20-40 minutes. In the phone interview, I will ask you a series of questions regarding the creation and development of your regional incubator network.

The ultimate goal of our study is not only to conduct a feasibility analysis for a regional incubator network in our region, but also to develop a database of information on the processes, advantages and disadvantages of incubator networks. We estimate that our study will be completed sometime early this summer and we would like to offer to share all our research findings and data with you for your help and participation in our study.

We realize that you are very busy but we would be very appreciative if you would kindly be able to assist us with our study. I will be following up this email in the next day or so to hopefully schedule a convenient time to conduct our phone interview. In the meantime, please feel free to contact me or our study director, Dr. Gary Jackson (Phone: (239-898-2980 or gjackson@fgcu.edu) if you have any questions about the study. My cell number is the best contact number for me and please feel free to call me anytime (contact information below).

Thanking you in advance and we look forward to your help with our study on regional incubator networks.

Appendix 5 Project Summary Attachment

Regional incubator network Project Summary

Florida Gulf Coast University (FGCU), College of Business (COB), Regional Economic Research Institute (RERI) in response to an RFP from Southwest Florida Regional Planning Council (SWFRPC) has been contracted to conduct a strategic planning Study for a “**Regional incubator network**” in Southwest Florida. The basic purpose of this research is to determine the feasibility and viability of a regional incubator network. The research will include historical and background information, benchmark analysis, focus groups, key informants interviews, and development of a strategic plan for a regional incubator network. The research was conducted in three distinct and interrelated tasks:

Task One, Literature Search and Benchmark Regional Best Practices: Task One included two parts:

- a) The first part of this task was an extensive literature review of existing literature in order to characterize the current state of regional incubator networks and regional collaboration.
- b) The second part of this task was to identify and contact regional incubator networks to gain primary information about their operations, staffing, investments, costs, plans, successes, and lessons learned. As part of this task, ten regional networks were indentified for further study This primary benchmark research expanded on the existing information from the leading benchmark incubator networks’ websites to better understand their operations, staffing, investments, costs, plans, successes, and lessons learned.

Task Two, Key Informant Interviews and Focus Groups and Resource Inventory: Task two included regional key informants’ interviews and focus groups. The key informant interviews were designed to reach out to knowledgeable regional individuals in business, government, education, and economic development to capture their understanding of the region's demographics, economics, desires, capabilities, and resources so that these findings can be incorporated into the design and working plans for the regional incubator network. It was anticipated that a total of 18 key informants’ interviews will be completed with representative individuals from business, government, education, and economic development from the six-county region. In addition, a total of five focus groups will be conducted with a selection of individuals from different industries and across the region. Focus groups were completed in Collier, Charlotte, Lee, and Sarasota Counties and a joint focus group for Glades and Hendry counties was held in Hendry County. Finally, as part of this task, a “resource inventory list” for the regional incubator network was developed which included organizations and services that could help provide expertise and content for the incubator network.

Task Three, Regional incubator network Plan and Report A regional incubator network plan including recommendations and next steps was prepared. This plan incorporated the findings from tasks one and two. The plan identified ways that the region can work together and develop a regional incubator network and incorporate existing resources as well as develop new resources and content. It also indentified the hurdles and barriers to establishing a regional incubator network. The plan was based on the best practices and lessons learned from the earlier research along with the specific regional information gained from key informant interviews and focus groups.

Appendix 6

Email Reminder

Dear _____,

I have left you a couple of messages hoping to speak with you or your assistant about setting up a short phone interview to discuss your Regional Incubator. Please send me an email or call me at: _____ with the best time to speak with you and/or another representative from _____ to set up a time for a short phone interview regarding the development of your regional incubator network.

Thank you very much and looking forward to speaking with you.

Appendix 7 Email: Confirming Interview

Dear _____,

I very much enjoyed speaking with you today and pursuant with our conversation, we are scheduled for our phone conference interview:

Date/Time: _____

Phone Number: _____

For your convenience and review I have attached the project summary as well as the interview form. I expect that the interview will be from 30-40 minutes. Please note that the interview form has some boilerplate information but the main focus of my questions as we discussed, will be on the development, advantages, disadvantages, and processes with the development and operation of your regional incubator network. If you would like, you can complete the boilerplate information prior to our interview and forward it to me.

Thank you and _____ very much for your time and help with our study.

Looking forward to speaking with you this coming _____ (I will call you at the above phone number).

Take care and I am glad you are feeling better, and please contact me prior to our talk if you have any questions.

Appendix 8

Email: Thank You for Interview

Dear _____,

Thank you very, very much for your time and insight. I very much enjoyed speaking with you and I know I speak for my colleagues in saying how thankful we are to you and _____ for your participation and help with our study. In the next week or at your earliest convenience, could you please forward some of the boilerplate information that we spoke about; i.e.:

- Item one
- Item two
- Item three
- Item four

_____, as I mentioned to you during the phone interview, we anticipate that we will be completed with the study sometime in early June. Upon the completion of the study, we will share our study findings with you.

Again, thank you very much for your help and participation in our study. Also, if any other thoughts or items to come to you that you think are important for our study, please send them to me.

Take care and best of luck in the future.

Appendix 9 Key Stakeholders Interview Form

Individual Being Interviewed _____	Title _____
Interviewer: _____ _____	
Date: _____	Time/Begin: _____
End: _____	

Company Name (Corporate)	_____		
Facility Name	_____		
Facility Address	_____		
City	_____	Zip	_____
Phone	_____	Fax	_____
Email	_____	Web Address	_____

INTERVIEW SCRIPT

Study: A team of Faculty Consultants from the College of Business and our Regional Economic Research Institute (RERI) are conducting a **Strategic Feasibility Study** for a Regional Business Incubator Network in Southwest Florida.

Study Background and Design

- ✘ Study Sponsors: SWFRPC, EDA, EDO's and EDC's
- ✘ Service Area: Collier, Lee, Charlotte, Hendry/Glades, and Sarasota
- ✘ Study Method: Literature Review, Benchmark Analysis, Key Informant Interviews, Focus Groups, and Development of Strategic Plan

Background: Introduce economic development, role of small business, business incubation and a business incubator to the person being interviewed. (SAMPLE TALKING POINTS)

ED/SMALL BUSINESS: Small business development and entrepreneurship is generally felt to be a job-creation engine that has a positive impact on local, regional, and national economies. Economic development is generally considered to be a three legged stool: 1) recruitment of firms, 2) retention and growth of existing firms; and 3) developing new firms and businesses.

BUSINESS INCUBATION: Although there are a number of programs to develop new firms and businesses BUSINESS INCUBATORS since the 1970s, have been used as a way to incubate (GROW) new businesses and stimulate entrepreneurship and innovation in the United States and throughout the world. (According to the National Business Incubator Association (NBIA), key objectives of business incubators are to promote entrepreneurial activity, encourage technology transfer, and stimulate economic development in the local community)

BUSINESS INCUBATOR: The incubator is designed to get the new businesses through the high risk startup phase that generally lasts from two to four years. The incubator generally provides space at reduced rental rates but the key is the access to a network of resources and talent to assist in the startup of the new companies. Incubators typically have warehouse and office spaces and can focus on mixed used, technology, service, etc. There are also virtual incubators as well as incubators set up for soft landing. Incubators can represent public, private, government, non-profits ownership structure.

TRENDS WITH BUSINESS INCUBATORS: Over the last 35 years the number of business incubators has grown dramatically. Currently there are approximately 1,100 business incubators in the United States and approximately 7,000 business incubators worldwide (NBIA, 2007). In the United States, business incubators have about 5,000 client companies which employ approximately 82,000 workers (NBIA Survey, 2002).

TREND-INCUBATOR NETWORKS: Trends towards integrated networks of incubators covering a regional areas with a focus on a number of business focus from light manufacturing, technology, service, professional. The network would be expected to include an experienced incubator manager, professional services including legal, accounting, finance, business planning, venture capital, etc. The purpose of the incubator network is to grow local businesses in order to create new and increased opportunities and employment in the region. The incubator network could help to diversify the region and create higher paying employment. The incubator network would be expected to work the region's colleges and universities and transfer knowledge and benefit from the talent and ideas generated at the higher education institutions.

Purpose of Interview: As part of the feasibility study we are conducting interviews with Key Stakeholders in the region to better understand the community needs, perspectives, and thoughts regarding a Regional Business Incubator in SW Florida. You were recommended by the EDO Director. As part of the key informant interview I have a series of questions to ask you. It should take no more than 30-40 minutes for our interview.

Key Informant Interview Questions

I. Entrepreneurial/Business Environment

1. Who provides resources, training, and assistance to new businesses in the county? List available resources. Does anyone group or organization coordinate the resources, training and assistance for new businesses?

2. How well do the resources, training and assistance work in starting and growing new businesses?

3. What factors are important to creating a climate that supports the starting and growing of new businesses? (Probe-Starting new business; innovation, workforce, funding/venture capital, access to markets (airports, highway system, communication systems), regulatory burden, reasonable tax rates, financial incentives)

4. If you wanted to improve the overall climate for starting businesses, what would you suggest for your COUNTY?

5. If you wanted to improve the overall climate for starting businesses, what would you suggest for the REGION? (Probe areas: Workforce? Education? Mentoring Programs? Funding/Venture Capital? Micro-loans? Regulation? Incentives? Cluster development? Access to markets? Communication and highway infrastructure? Green/sustainable business?)

III. Business Incubator Support and Design

6. How would you go about building community support for a local incubator? for a regional incubator network?

7. What types of companies/businesses would most likely benefit from being part of a local incubator and business incubation?

8. What TYPE OF INCUBATORS would best meet the needs of the community? (mixed use, technology, manufacturing, service based, or specialized such as life science or computer software) and

9. What LOCATIONS would you suggest to be considered for a local incubator?

10. What type of OWNERSHIP structure would you recommend? (public-private partnership? or a Governmental Entity?, or as a part of a college or university?) (We have seen successful incubators and incubator networks using each of these models).

IV. Incubator Network SWOT Analysis

11. What would be the STRENGTHS OR DRIVERS OF SUCCESS for having a regional incubator network in your County and the Region? (regionalism, a broader regional perspective, more competitive by drawing on talents and resources of region and not just county)

12. What are the LIMITATIONS OR WEAKNESSES of a regional incubator network for your county and the region? (Funding, resource constrained, lack of cooperation, and jurisdiction differences)

13. What are ways to BUILD ON THE STRENGTHS AND REDUCE THE THREATS AND BARRIERS to ensure the success and growth of a Regional Business Incubator?

V. Other Regional Business Incubator Network Concerns or Comments

14. Any other comments or recommendations on the development of a regional business incubator network?

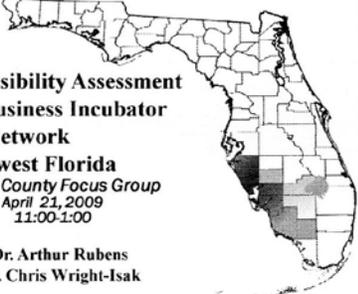
Appendix 10

List of the Key Informant Interviews by County/Industry

Key Informant	County	Industry
1	Charlotte	County Administration
2	Charlotte	County School Board
3	Charlotte	Engineering
4	Charlotte	County Economic Development Office
5	Collier	College Administration
6	Collier	County School Board
7	Collier	Economic Development
8	Collier	Software/Technology CEO
9	Collier	Furniture and Design
10	Glades	Economic Development
11	Glades	County Administration
12	Hendry	Agriculture (Administration)
13	Hendry	Economic Development
14	Lee	University Administration
15	Lee	County Government Administration
16	Lee	Regional Planning Council
17	Lee	Economic Development
18	Lee	State, Economic Development
19	Sarasota	Economic Development
20	Sarasota	University Administration
21	Sarasota	Non-Profit Foundation (CEO)
22	Sarasota	County Administration

APPENDIX 11 FOCUS GROUP PP PRESENTATION

FOCUS GROUP



**Strategic Feasibility Assessment
Regional Business Incubator
Network
Southwest Florida
Charlotte County Focus Group
April 21, 2009
11:00-1:00**

**Dr. Arthur Rubens
Dr. Chris Wright-Isak**

Regional Economic Research Institute Slide 1

**ECONOMIC DEVELOPMENT:
BUSINESS INCUBATION, INCUBATORS, REGIONAL
NETWORKS**



- Economic Development (Attracting, Retaining, and Growing New Businesses)
- Business Incubation & Business Incubators
 - Grow Business, Start Up Period
 - Expertise and Reduced Rentals
 - Grown since 1970's
 - US (1,000); Worldwide (1500)
 - 5000 clients; 82,000 workers
- Regional Incubator Network
 - Integrated Network; diversify Economy
 - Create High Paying Jobs
 - University, Technology Transfer

Regional Economic Research Institute Slide 2

**BUSINESS INCUBATOR STUDY
BACKGROUND AND DESIGN**

- ✦ Study Sponsors
SWFRPC, EDA, EDO's and EDC's
- ✦ Service Area
Collier, Lee, Charlotte, Hendry/Glades, and Sarasota
- ✦ Study Method
Literature Review, Benchmark Analysis, Key Informant Interviews, Focus Groups, and Development of Strategic Plan

Regional Economic Research Institute Slide 3

**BUSINESS INCUBATOR STUDY
PURPOSE**

- ✦ Determine the feasibility and viability of a Regional Incubator Network in Southwest Florida;
- ✦ What type of businesses and industries should be part of this Regional Incubator Network;

Regional Economic Research Institute Slide 4

**BUSINESS INCUBATOR STUDY
PURPOSE**

- ✦ Understand and identify what resources are available to develop and successfully operate a Regional Incubator Network; and
- ✦ Determine appropriate development and marketing strategies to grow a Regional Incubator Network in the most effective and responsible way.

Regional Economic Research Institute Slide 5

**Framework for
Focus Group Session**

Participants
(Balance)

Goals
Topics, Issues,
Feasibility
Analysis



Structure
(Focus Group)

Process
(Brainstorming)

Regional Economic Research Institute Slide 6

LUTGERT COLLEGE of BUSINESS

Schedule

- ✦ 11:00 - 11:15 Introduction
- ✦ 11:15 - 12:00 Discussion
- ✦ 12:00 - 12:30 Lunch & Discussion
- ✦ 12:30 - 1:00 Further Discussion

Regional Economic Research Institute Leadership Innovation

Slide 7

LUTGERT COLLEGE of BUSINESS

QUESTIONS TO ANSWER TODAY

1. BUSINESS ENVIRONMENT
2. BUSINESS INCUBATOR - SUPPORT AND DESIGN
3. INCUBATOR NETWORK: DRIVERS AND BARRIERS
4. RECOMMENDATIONS, CHALLENGES AND CONCERNS



Regional Economic Research Institute Leadership Innovation

Slide 8

LUTGERT COLLEGE of BUSINESS

YOUR COUNTY'S BUSINESS ENVIRONMENT



Who provides resources and assistance to new businesses in your county and how well does it work?

Regional Economic Research Institute Leadership Innovation

Slide 9

LUTGERT COLLEGE of BUSINESS

BUSINESS CLIMATE: STARTING NEW BUSINESSES



What factors are important to creating a "climate" that supports starting/growing new businesses?

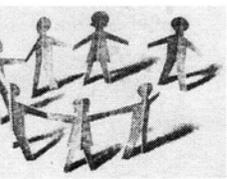
- County
- Region

Regional Economic Research Institute Leadership Innovation

Slide 10

LUTGERT COLLEGE of BUSINESS

COMMUNITY SUPPORT



How would you build "Community Support" for a:

- Local Incubator
- Regional Incubator

Regional Economic Research Institute Leadership Innovation

Slide 11

LUTGERT COLLEGE of BUSINESS

BUSINESS INCUBATOR: TYPES OF BUSINESSES

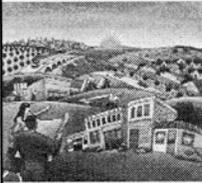


What type of companies/businesses would benefit from being part of a business incubator and business incubation?

Regional Economic Research Institute Leadership Innovation

Slide 12

BUSINESS INCUBATOR TYPES, LOCATIONS, & HOW



What type of Regional Business incubator would best meet the needs of county/region?

- Industry focus (Mixed Use, Tech, etc)
- Locations (County/Region)
- Ownership Structure (Public, Private, etc)

Regional Economic Research Institute Leadership Innovation Slide 13

BUSINESS INCUBATOR PARTNERS



List (ten) resource partners that you would want included in a new incubator network?

Regional Economic Research Institute Leadership Innovation Slide 14

REGIONAL BUSINESS INCUBATOR SWOT

County	S Strengths	W Weaknesses	Region
	O Opportunities	T Threats	

Regional Economic Research Institute Leadership Innovation Slide 15

DEVELOPING STRATEGIES

What are ways to build on the strengths and reduce the barriers to ensure the success and growth of a Regional Business Incubator?



Regional Economic Research Institute Leadership Innovation Slide 16

CHALLENGES AND CONCERNS



- Comments
- Recommendations
- Issues (Regionalism, etc)

Regional Economic Research Institute Leadership Innovation Slide 17

ADDITIONAL COMMENTS/RECOMMENDATIONS



- Issues
- Topics
- Focus
- Considerations

Regional Economic Research Institute Leadership Innovation Slide 18