Welcome to Edinburgh BioQuarter
Parallel Session D
Bio-Incubation – Design and Building Companies
Bio Incubation – Design and Building Companies

Chaired by:

Bio-Incubation – Adrian Gainer (HOK)

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Patrick Mccarthy (Caledonia General Partners)
IncuData

Daniel McDonald-Junor

From Property Management to Business Development
The Role of UK Biotechnology Incubators

UKSPA
19th-20th September
Edinburgh BioQuarter
Daniel is a Final year PhD student – CASE studentship
Funded by the Economic and Social Research Council (ESRC)
Supported by BioCity Nottingham
Research aims to
- Investigate the different approaches to biotechnology incubation
- Develop an understanding if the environment that incubators operate in.
- Assess the services that are provided to tenant companies
Methodology

- 3 surveys (1 longitudinal, 2 snap-shots)
- 12 Face to face semi-structured interviews
- 6 case studies
- Involving over 800 companies
- 24 Bio Incubators
- Scotland, England, Wales, Ireland
Survey 1 - UK Life Science Start-ups

- Desk based survey (2005-2012)
- Over 590 UK life science start-up companies
- Investment raised, incubator or science park based, University spin-out, Industry type, start-date
- Over 20 sources to complete data-set
- UK subsidiaries, consultants excluded – must be developing a product, service or commercialising, creating IP
- Provided a background and baseline to look at bio incubators
Survey 2 – UK Biotechnology Incubators

- Desk based survey (Jan 2012)
- 24 UK Bio incubators
  - Size, number of tenants
  - Tenant mix
  - Governance structure, grant funding
  - Technical and business support provided
- 375 Bio incubator tenant companies
  - Start-data
  - Industry type
  - Detailed description
  - Net assets/liabilities 2010 – 2011
  - Business model (IP or service based)
Survey 3 – Bio Incubator Tenant Survey

- Web based survey (Feb 2013)
- 25% response rate
- Performance of tenant companies
  - Investment raised, turnover, jobs created
  - Patents filed, products launched
  - Type of space occupied, grow on space required
- Use of services and support
  - Technical support, services, equipment, events
  - Business support received from incubator management
  - Services purchased from other tenant companies
  - Collaboration with other companies
  - Contact with universities and hospitals
The Bio Incubator – How to spot one

- Predominantly biotechnology, pharmaceutical, medical Technology and medical device tenant companies
- Shared spaces, virtual tenancies, hot-desking, short term lets
- Age of tenant companies
- Business support and technical support provided
- Physical links with centres of knowledge and expertise.
- Continuum:
  - Business management to Property development
  - Bio Incubator
  - Science Park
Science park or Bio Incubator? ‘Incubator X’

- Looks like a incubator, behaves like an incubator, calls itself a science park
- Has the ‘science park’ in name and description
  - One of the youngest tenant mix out of all incubators
  - Industry type tenant mix same as a comparable incubator
  - Business model tenant mix same as comparable incubator
  - Offers soft infrastructure support services same as comparable incubator
  - Has predominantly Bio/Pharma and Med Tech tenants unlike closest comparable science park
Soft Infrastructure Support Services
Provided by a Bio Incubator

- Access to networks
- Access to VC funds, angel investors, seed investment funds
- Links to local university, local hospital, science park
- Provision of technical equipment either on-site or via third party
- Regular events to encourage collaboration
- Investor readiness programmes
- Bio entrepreneur programmes
- Accelerator programmes
- Access to supply chains (local and national)
- Some tenant companies can provide business support services
• Failure rates are similar between companies based in a bio incubator and companies not based in a bio incubator
• 13 out of the top 20 start ups companies securing external investment were based in a Biotechnology incubator

### Incubator tenants - Employees

<table>
<thead>
<tr>
<th>Incubator tenants</th>
<th>Employees</th>
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<tbody>
<tr>
<td>Total employees (all incubators)</td>
<td>2315</td>
</tr>
<tr>
<td>Total employees when moved into incubator (survey)</td>
<td>344</td>
</tr>
<tr>
<td>Total employees now (survey)</td>
<td>750</td>
</tr>
<tr>
<td>Total increase in employees (survey) since entering incubator</td>
<td>406</td>
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</tbody>
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### Incubator tenant - Turnover

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<td>Total turnover when moved into incubator</td>
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Research Findings

Tenant Mix

**Business models - UK bioincubator survey**

- Business Support: 32%
- IP: 21%
- Service: 47%

**Incubator X**

- Business Support: 42%
- IP: 25%
- Service: 33%

**Comparable incubator**

- Business Support: 34%
- IP: 36%
- Service: 30%
Research Findings
Technical Equipment & Support

Incubator Tenant survey – use of services

- Networking events and sharing technical equipment are the services most likely to be used by tenant companies.
- Only a small number of tenants received no support.
Research Findings

External Environment

Incubator tenant survey – use of services
• Started trading February 2013
• Currently developing products to assist
  • UK life science companies to better understand their competitive environment. Find potential collaborators and companies that compliment their business across UK
  • Overseas companies to find ‘soft landing’ sites that appropriate to their requirements across the UK
• Current work
  • Demand assessment for a science park in North East England
  • Competitive environment reports for Bio incubators and life science companies