

# Role of incubators



## Benefits of starting from an incubator

<http://www.technopreneurdevelopment.net.my>

**Technopreneur Development Division,  
Multimedia Development Corporation, Malaysia**

Incubators represent an ideal place to start a business. Incubators normally provide technopreneurs with reasonable rental rates and extend business-consulting services, networks and access to capital.

### Benefits of starting a venture in an incubator

At an incubator, there are many benefits that one could usually enjoy. These include:

- Office space at an affordable though temporary basis with expandable space on a flexible lease all under one roof;
- Common services, including secretarial support and shared use of office equipment and machinery;
- Hands-on business counselling with regards to business planning, training in management skills, as well as access to specialized assistance such as R&D support and venture capital;
- Networking activities among entrepreneurs inside the premises and beyond to the local community;
- Access to venture capital and seed funding; and
- After-care and outreach services, providing assistance to tenants after they graduate.

### Features of technology incubation

A technology incubation programme is an innovative system designed to assist entrepreneurs in the development of new technology-based firms, both start-ups and fledglings. It seeks to effectively link talent, technology, capital and know-how to leverage entrepreneurial talent in order to accelerate the development of new companies, and thus speed the commercialization of technology.

The special emphasis is on providing assistance directly from the technology sector, relevant government departments and from the universities. Links directly to facilities such as multimedia corridors and information super highways enhance the benefits to new technology-oriented companies.

### Internet incubator

Internet incubators have distinct differences from other business or technology incubators. Many in the United States are run by venture capitalists (VCs). Like traditional VCs, they provide financing for start-ups in exchange for equity; but, unlike traditional VCs, they provide on-site guidance. Further, since they work at Internet speed, their start-ups develop quickly into sizeable companies. It is all about speed.

### Malaysian incubators

In Malaysia, incubator ownership varies. The incubators are located at:

1. Cyberjaya – The MSC Central Incubator
2. Teknology Park Malaysia
3. Kulim Hi-tech Industrial Park
4. Johor Incubator Center
5. Cyberjaya – BT Multimedia
6. Kuala Lumpur – Resource Centre Technology Park
7. Serdang – UPM-MTDC Technology Incubation Centre
8. UTM-MTDC
9. Bangi – Malaysian Bio Diagnostic Research
10. UUM-MTDC – Advanced Electronic
11. Kuala Lumpur – OptixLab
12. Kuala Lumpur – YTL e-Solutions
13. Skudai – Bureau of Innovation and Consultancy
14. Shah Alam – Small and Medium Industries Development Department
15. Penang – Usians Holding

### Incubation period

An incubator is meant to nurture young enterprises to a level of maturity. The period of incubation varies, from 12 months to two years, depending on the enterprise and the speed at which the technology is to be commercialized.

The key role of an incubator is to leverage entrepreneurship. The entrepreneur and enterprise should therefore, grow to a level of competency that allows the enterprise to be established as a self-standing entity.

The lessons learned and the experience gained at the incubator should equip a new venture with the confidence and ability to establish itself outside the incubator. By that time, the entity will be ready to market its technology or product without external support. □

### Agri-Science Park@ICRISAT

The Agri-Science Park@ICRISAT is the flagship initiative of International Crops Research Institute for the Semi-Arid Tropics (ICRISAT), which is designed to be the "hub" for public-private partnerships that enhance the development and commercialization of science-generated technologies and knowledge through market mechanisms to benefit the poorest of the poor. For more information, contact:

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# i+MED Laboratories

## A value chain link in bio-business

<http://www.boj.go.th>

### Board of Investment, Thailand

It all started when a couple of enterprising individuals decided to apply for financial support from the Thai government's SME Venture Capital Fund for an idea that they had to establish a biotechnology company. They recognized that there was a missing link in the value chain of the biotechnology industry in Thailand. While Thailand had played host to many research & development programmes and had ample distribution of foreign-made products, the country had little in the way of production and industrialization of biotechnology products. Mr. Komkrit Sajjaanantakul, i+MED's Managing Director thus explains that i+MED was established "to position itself to complete the value chain of bio business in Thailand".

With the acceptance of their application and 34.5 million baht (about US\$1.02 million) in funding provided from the fund, i+MED Laboratories Co. Ltd. was born. In addition to the SME fund, the company received an even greater amount of funding from its founders and Thai individual investors.

In its six years of operations, i+MED has proven to many that "biotechnology manufacturing" and "Thailand" need not be incongruous. Part of the reason for its success can be credited to its unique mission statement: G.I.V.E., for Good Governance, Innovation, Value to Customers and Excellent Operation. Another part of its success comes from its management's decision to start its first phase of operations off slowly by manufacturing simpler products first, such as rapid diagnostic tests, which include home pregnancy tests and drug abuse tests.

Recently, i+MED entered a new phase of production with the rolling out of two new groundbreaking products, iLAB Alpha Thal IC Strip Test and CD4SELECT. Both of these products represent the fruit of several years of networking with the Thai research community. The technologies, developed by Thai researchers, were transferred to i+Med by the National Centre for Genetic Engineering and Biotechnology (BIOTEC).

The first of these products, iLAB Alpha Thal IC Strip Test, is the world's first strip test for screening for various types of the blood disorder known as alpha Thalassemia. With i+MED's new strip test, the test can be carried out within three minutes and costs less than 180 baht per person. Earlier, the tests used to be time-consuming and costly at about 2,000-3,000 baht (US\$60-90). The CD4Select liquid reagent is a simple-to-use, accurate as well as inexpensive method to count for CD4+ lymphocytes in the blood. For people living with HIV, a CD4+ count is the way that doctors monitor how the infection is affecting a patient's

immune system. It also helps determine whether or not a patient needs to start anti-retroviral therapy. Usually, CD4+ counts are done by a machine called a flow cytometer, which costs around 5 million baht (US\$148,000) and must be run by a specialist. On top of that, each test costs about 500 baht (US\$15) and takes about three hours for results.

With CD4SELECT, all that is needed is an automatic hematoanalyzer (in laymen's terms, a standard complete blood count machine), along with basic software and a simple training both provided for free to the hospital by i+MED. Further setting it apart from the flow cytometer, is that tests cost only 300 baht per person, results are ready in under an hour, and it requires no special maintenance, transportation costs or new equipment purchases.

All of these products are manufactured at the company's 600 square metre factory with GMP and ISO 13485 certification on 12,800 square meters of land at the Eastern Seaboard Industrial Estate in Rayong province. This large plot leaves plenty of room for expansion in the future as i+MED sets its sights on its goal of becoming "the leader in bio-medical business in Southeast Asia by 2011".

To do this, the company will need to build its brand name and focus on innovation. Mr. Komkrit is the first to admit that i+MED and other Thai biotech firms cannot survive by trying to compete with India and China for low-cost, high-capacity generic production.

"In Thailand, there are opportunities [in biotech]," says Mr. Komkrit "because here you have the freedom to create a product without the country's image interfering." Since biotechnology manufacturing is rather new in Thailand, Mr. Komkrit believes that the country still has a neutral reputation internationally, which gives companies the opportunity to find their own niche in the global market.

As for the future of i+MED, Mr. Komkrit reveals that the company already has a new product in the pipeline. Looking beyond that, the company plans to move into immunology over the next 5 to 6 years and to potentially expand into food diagnostics as well. Furthermore, they would like to eventually begin upstream activities as well by producing their own reagents, which they presently import or purchase from research labs within Thailand.

Finally, for foreign investors looking to start up a biotech company in Thailand, Mr. Komkrit recommends that they consider joining up with Thai biotech companies, since local companies have more established links with local research institutions and have a better understanding of the local culture. □