

## TECHNOLOGY INCUBATION SCHEME

# A leg-up for start-ups

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**SINGAPORE** — Local technology start-ups have long prayed for more angelic assistance at the most critical stage of their incubation.

Now, a national scheme to address this lack has drawn the keen participation of veteran incubators and angel investors from the likes of MySpace.com founder Brad Greenspan and Silicon Valley's Plug & Play.

Under the \$50-million Technology Incubation Scheme (TIS), seven incubators selected by the National Research Foundation (NRF) are tasked with nurturing early stage high-tech start-ups in areas ranging from biomedical science, clean technology to social media.

The government will provide up to 85 per cent co-investment in each start-up identified by the Incubator Managers, up to a maximum of \$500,000 per company. The latter will then have to invest in at least the remaining 15 per cent.

As an incentive, the Incubator Manager will have an option to buy out NRF's share in the invested start-ups within 3 years of investment, by repaying the capital plus interest. This way, the government will share the downside risks of the investments, while giving the Incubators the potential upside in successful investments.

Given that the process of starting a high-tech company is "fraught with challenges", founder and chief executive of Singapore-based start up Brandtology Eddie Chau said systematic guidance from experienced entrepreneurs makes a great difference in helping companies start on the right footing and maximises their chances of success.

"Under the guidance of these Incubator Managers, these start-ups would greatly improve their chances of turning their ideas into viable businesses for the global market," said Mr Teo Ming Kian, chairman of the TIS evaluation panel.

Noting the potential of Singapore's innovation

INCUBATORS	TARGETED AREAS
Clearbridge Accelerator	Biomedical devices, nanotechnology, advanced material sciences and computational algorithms
I2G Tech Accelerator	Clean energy, wireless IT, Industrial and Medical Technology
Neoteny Labs	Consumer Internet, Mobile Applications and Consumer Hardware and Electronics Design
Plug & Play	Various high tech startups
Social Slingshot	Social media web, next generation mobile, clean technology
Small World Group	Clean technology and optical systems
Stream Global	Information & communication technologies and interactive digital media

capabilities, Neoteny Lab's Mr Joichi Ito — one of the seven selected incubators — said his company have seen many interesting ideas from entrepreneurs in Singapore that are "comparable to those in innovative hotspots elsewhere in the world".

The incubators — only two are local companies — are selected from a pool of 32 proposals from both local and foreign entities.

In fact, Mr Greenspan, the brainchild behind popular US networking website Myspace, founded Social Slingshot just for this initiative to "discover the next great technology or product". His Singapore incubator will invest and mentor start-ups in social media, next generation mobile and clean technology while providing incubatees access to strong web marketing channels.

Associate Professor Annie Koh, Singapore Management University's dean of executive and professional education, called this an "exciting" initiative that can jumpstart innovation here.

"It shows that the government is serious about innovation... and putting money where your mouth is."

Still, going forward, she hopes these scheme can increase the role of local incubators and private equity fund managers through joint ventures with the international ones.