



SPACES THAT DRIVE INNOVATION

A REPORT ON BEST PRACTICES IN DESIGN
AND MANAGEMENT OF INNOVATION SPACES
IN SLOVAKIA

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FOR INNOVATION ECONOMY

About this report

This report has been produced as a part of the project “Entrepreneurial Albania” which is a consultation project managed by Slovak Organization for Research and Development activities (SOVVA) and Albanian Centre for Business Research and Training (ACBRT) in **support of strengthening cooperation between stakeholders and learning within Albanian innovation ecosystem**. The project received support from SlovakAid under the “Transformation Experience Sharing Programme” and draws on experience from SOVVA, Neulogy, and SAPIE in supporting the startup and innovation ecosystem in Slovakia.

The aim of this report was to share some of the **best practices from setting up and running**

business incubation services in Slovakia with relevant stakeholders from the Albanian innovation ecosystem.

To do so, in its first part, the report provides a **theoretical overview of different forms that business incubation can take on**. The focus is put on business incubators, nevertheless, as most innovation spaces combine elements of incubators, accelerators, co-workings or makerspaces, all of these are acknowledged in this report. The report’s second part provides a brief overview of the historical development of incubation spaces in Slovakia and then proceeds to showcase **5 extensive case studies**. The report concludes with some key take-ways.

Methodology

In terms of methodology, the authors of this report used most commonly used **qualitative research methods** – initial desk research combined with interviews with founders or managers of incubators, co-workings, and accelerators in Slovakia. The desk research, in combination with the findings from the interviews, helped the authors to formulate the key characteristics of business incubators, as well as draw major distinction between business incubators and other innovation spaces.

The presented case studies were selected to demonstrate the diversity of innovation spaces in Slovakia. **InQb**, the incubator at the Slovak University of Technology, is unique in the Slovak conditions as the oldest and the only functioning university business incubator. **New Cvernovka** and the co-working space located there are notable for a high concentration of creative professionals and aspects of revitalization and reindustrialization. **Eastcubator** is the Eastern Slovakia’s flagship co-working/incubator that manages to operate at full capacity and has a unique approach to community engagement. **Impact Hub** is a well-established co-working/incubator with a focus on socially impactful solutions. **HubHub** is relatively new, but fast-growing co-working located in the Bratislava’s booming business district.

Business Incubators

Defining business incubators

An incubator is an organization designed to support the development of start-up companies by providing a variety of targeted resources and services. **An incubator's goal is to increase a start-up's potential for survival and growth with an integrated system of co-working spaces and mentorship.** Incubators target start-ups in the early stages of their operation, usually when they have a market idea but lack a specific business model.

Typically, a start-up joins an incubator program by relocating into the co-working environment provided by the incubator. For often discounted rent rates with flexible lease conditions, **the start-up receives mentorship, access to administrative services, networking opportunity within the local community and a**

possibility to grow along with other start-up companies. Within the incubator, a company will refine its idea, build out its business plan, work on product-market fit, identify intellectual property issues, and network in the startup ecosystem. With their **focus on the longevity of start-up rather than fast growth,** incubators operate on an open-ended timeline and usually mentor companies over the span of a couple of years.

Depending on the sponsoring party, an incubator can be focused on a specific market or vertical. Incubators do not traditionally provide capital to start-ups and are often funded by universities or economic development organizations. Usually, they do not take an equity stake in the companies they support.

Why are business incubators important?

The concept of business incubators formally began in the US in the 1980s and during the recent years has grown rapidly in various related forms such as science parks and innovation centers. A business incubator supports

the entrepreneurial process by helping to increase survival rates for innovative start-up companies. According to Business News Daily, a company graduated from business incubation program has a **survival rate** of 87%, while the survival rate of a non-incubated business is only 44%. On top of **being helpful and beneficial to start-ups,** incubators satisfy a variety of **economic and socio-economic** needs such as:

- Employment and wealth creation
- Maintaining local population, especially in remote areas
- Support for small firms with high growth potential
- Transfer of technology
- Promoting innovation
- Enhancing links between universities, research institutions, and the business community
- Industry cluster development

Various types of business incubators

Business incubators can take on many different forms and business models. In the simplest terms, there are **physical or virtual business incubators**. However, most incubators have both physical and virtual presence. Depending on the incubator's ownership, its business model, services and goals will differ. Sectoral limitations may also apply to some incubator. Below, four most common types of business incubators, based on the ownership, are described.

University & Academia

Nowadays, most universities & research institutions operate their own incubator-like spaces with the **aim of capturing and commercializing the ideas and talent** of their students and researchers. University incubators are also designed to drive **entrepreneurial spirit** among the students through outreach & educational activities

and events. The infrastructure and support of university incubators are available to selected student teams & companies **free of charge**. As they are not usually profit-driven, university incubators often struggle with income streams and require government funding or sponsorship from external partners.

Big Companies

Corporate companies operate business incubators to either drive innovation and entrepreneurship among their employees or to **attract new talent and technology**. Intrapreneurship programs provide employees with an opportunity to work on their own projects with the support of the company. Incubation services which scout

external talent focus on **searching and nurturing ideas which may bring added value to the company**. Collaboration with start-ups also enables companies to **test and prototype** new solutions without the risk of launching and running expensive R&D programs with the low certainty of success.

Private & VC

Privately run business incubators often require start-ups to forgo some of their equity to become members. While not all privately-run incubators ask for equity, they are **primarily run to generate profit** by offering early-stage companies either seed funding (in exchange

for equity) or highly valuable business consultancy and advice. VC firms often provide incubation services to generate a **pipeline of start-ups which will be investable in future**. Private incubators have often access to the most extensive network of business mentors.

Government

Business incubators which are run by national governmental agencies or local government are most commonly designed to support the **local economic development and assist entrepreneurs** in a given location. As privately run and university incubators are often located in larger cities, business incubation centers can be impactful in **mobilizing and connecting local & regional**

communities of entrepreneurs, designers, craftsmen, artists etc. Governments may also launch a local incubator with the aim of revitalizing a certain area or helping with the 'reindustrialization' process, particularly in regions with high unemployment and a limited number of well-paid jobs.

Services provided by business incubators

A business incubator helps start-ups with all the necessary resources or support that they need to evolve and grow into a mature business. Some of the typical services offered by incubators include:

- **Office Space** - usually offered for a discounted rent with flexible leases and access to resources printers, faxes, Internet, and reception. Many incubators leverage commercial tenant leases to subsidize the cost of the offices.
- **Mentors** - they are drawn from the community of local entrepreneurs. A regular contact is beneficial, however, the structure, format, and content of the meetings are set by the incubator or participants.
- **Educational programs** - can include workshops, training, or smaller debate groups on topics related to the needs of start-ups. The events can be open to the public but are usually free of charge for the incubated companies. Incubators tend to look for sponsors and partners and organize the events in conjunction with other resource centers.
- **Business consulting assistance and assessment** - incubators tend to schedule regular meetings with each company manager to provide individual mentoring and assess their progress against specific goals.
- **Networking** - incubation programs create networking opportunities to link the incubated companies to other businesses, investors, and the wider community. They usually use their reputation and links with the private sector and government to attract attendees and connect incubated companies to resources.

The added value of business incubators

Incubates	Local Community	Innovation Ecosystem
<ul style="list-style-type: none">- Access to business support, consultancy and mentorship- Lower operational costs and greater flexibility- Access to a community and network of potential partners- Gains in credibility and visibility within the ecosystem	<ul style="list-style-type: none">- Support of local & regional entrepreneurial talent- Talent retention and reversion of regional brain drain- Creation of new jobs with high added value to the community- Revitalization old districts or business buildings	<ul style="list-style-type: none">- Concentration of emerging and established innovation talent- A valuable intermediary for universities and corporates- Fertile environment for collaborations within the ecosystem- Reputation of the ecosystem abroad

Other types of innovation spaces

Incubators are part of an innovation ecosystem that propels innovative technologies to markets. Besides incubators, accelerators, co-

working spaces, and makerspaces are other important types of innovation spaces that support the start-up ecosystem.

Accelerators

Similar to incubators, an accelerator is also based on an environment of collaboration and mentorship. However, it should be viewed as a **tool for rapid-growth of companies**. Accelerators usually consist of cohort-based programs that provide tailored mentorship, education, and training designed for startups to help further grow their business and scale their technology. In contrast to incubators that provide a broad range of resources, accelerators tend to focus on one specific industry and offer more specialized resources. They target start-ups in the later stages of operation,

usually when they try to reach maturity. Each program starts with an application process that can be very selective and has a set timeframe typically between three and six months. The program should **prepare the startup for raising another round of funding** or possibly **applying to another accelerator with a more specialized, industry-specific program**. Accelerators can provide some level of pre-seed or seed investment for each startup in return for an equity stake in the company.

Co-working Spaces

Co-working spaces offer a workplace that **unites people with similar interests and background** and **fosters co-operation between them**. In a co-working environment, entrepreneurs can broaden their network and receive input on their products. **Convenience and cost savings** are at the core of the business model for the majority

of co-working spaces. They usually offer a variety of membership levels that suit different needs and preferences of companies. Unlike incubators, they are not particularly interested in the success of start-ups and therefore do not offer mentorship programs specifically tailored to their needs.

Makerspaces

Typically, makerspaces provide **access to new cutting-edge technologies and equipment** to individual entrepreneurs or companies. From **3D printers to laser cutters**, makerspaces usually attract designers who otherwise do not have access to the expensive machinery.

Most makerspaces normally do not provide business support services like incubators or accelerators, nevertheless, their role in **making certain technological equipment accessible** to entrepreneurs (or even to the public) is extremely valuable.

Innovation spaces and their business models

Incubator

- Physical space which provides **support and training** to entrepreneurs and businesses with potential to scale their business
- Revenue model based on **rent/fees** charged to tenants, rather than taking equity
- Tenants often selected based on **application process** and can renew their lease for longer
- Often **founded and funded** by governments, regional authorities and business support organizations
- Resources and services **designed to reduce initial costs** related to running & scaling a business (e.g. high-quality office spaces, shared facilities, equipment etc.)

Accelerator

- Physical or virtual space which aims to **accelerate the growth** of early-stage companies with potential to scale internationally
- Revenue model based on **equity** (often in exchange for some seed funding) rather than fees
- Participants undergo detailed **screening** and only the best ones are selected
- Normally **fixed duration** of the program
- Often **funded** or **run** by corporate companies or VC funds
- The **mentorship and business support** are key elements of acceleration programs and physical space is, therefore, not always required (many acceleration programs are virtual)

Co-working Space

- Physical **office spaces** for early-stage or very flexible companies, as well as freelancers
- Normally, **no additional business support services** are provided to resident companies, however, perks like public events, sharing space with other companies, and being a part of a community of like-minded people are considered as the added value of co-working spaces
- Usually, companies pay a **monthly membership fee** in exchange for an office or a desk
- **Reduced costs** for running a business (access to printers, kitchen area, office management services etc.)

Makerspace

- Space with **high-end modern machinery and technology** which is accessible to entrepreneurs, and often also to students or even public
- Makerspaces are often limited to providing access to machinery like 3D printers, but **training and educational activities** may also be provided to attract more users
- Based on their character, makerspaces may charge a **fee** or **require a membership** from users to access their infrastructure
- Usually, there is **no selection process** in place for users and the spaces run on the first come first served basis

Incubators in Slovakia

Slovakia's incubator ecosystem

The accelerator and incubator ecosystem in Slovakia is still nascent. The first experience with incubators dates back to 1993 - 1999 when Business and Innovation Centers (BIC) became the basis for the network of incubators. These centers started to work with newly established companies and incubated over 100 start-ups.

Over the span of 8 years, from 2001 to 2008, **17 business and technology incubators** emerged in various regions of Slovakia. All of them were funded from the PHARE program or the state budget under the contracts with the Ministry of Economy of the Slovak Republic and the Ministry of Foreign and European Affairs of the Slovak Republic. With the help of National Agency for Development of Small and Medium Enterprises, business incubators in Martin, Bratislava, Spišská Nová Ves, Rožňava and technological incubators in Banská Bystrica, Prešov and Košice were built by 2003. This was followed by the renovation of The Science and Technology Park in Žilina in 2004 and a

creation of technological incubators in Sládkovičovo and Bratislava at the Slovak Technical University in 2005. Hungary - Slovakia Cross-border Cooperation Programme 2007 - 2013 brought another incentive to invest in business incubation projects and many small incubators were established in cross-border regions.

The acceleration and incubation services in Slovakia are **permanently underfunded**. Incubators do not receive any support for financing of the operational costs from the state budget and many of them struggle to financially sustain themselves after they stop receiving funding from the EU funds.

On the other hand, many **private incubators and other innovation spaces** were established in various parts of the country in the recent years. This includes both for-profit and non-profit innovation spaces. The Spot, Eascubator, RubixLab, and Tabačka are only a few to mention


Strengths

- Considerable demand for different type of office space due to gradual increase in the number of technology companies, start-ups and freelancers in both Bratislava and Kosice.
- Growing variety of well-functioning innovation spaces (good practice examples)
- Growing interest of corporate companies in incubation & acceleration services
- Better understanding of the importance of bottom up approach and community building in ensuring sustainability of innovation spaces

Weaknesses

- Lack of public funding needed to complement private initiatives and maximize the sustainability (particularly of univ. incubators)
- More collaboration and clustering activities need to take place to improve international competitiveness of innovation spaces in Slovakia and diversify revenue streams
- Weak understanding of the value that innovation spaces with elements of incubation provide to the economy, entrepreneurs, and local communities

Case Studies



The following chapter outlines three selected case studies from the incubation and accelerator ecosystem in Slovakia. In greater depth, it will analyze the university incubator **InQb**, the creative incubator with the co-working space **New Cvernovka**, **Eastcubator** that is located in the eastern part of Slovakia, **Impact HUB**, a well-established incubator with focus on social innovation located in the heart of Bratislava, and newly established **HubHub** located in the booming business district of the capital



InQb

InQb

InQb, the first university incubator founded in Slovakia, was established by the Slovak Technical University in Bratislava with the EU funds under the Development Grant Scheme for Innovation and Technology - INTEG (PHARE CBC Slovakia - Austria). It first opened in November 2005 with the goal to support a knowledge-based economy and link science and research to business practice. The incubator's mission is to support the transfer of technology and innovation in the region by supporting the creation of new technology companies.

City:	Bratislava
Square meters:	1800 m ²
Type of innovation space:	University incubator
Location Specifics:	1/3 of the university building in a nearby location to the university dorms
Founders:	The Slovak Technical University in Bratislava (STU)
Team:	4 full-time employees
Years of operation:	13 years (opened in November 2005)
The target group of customers:	Students or graduates of the university who already have or plan to start a tech company.
Membership:	Three established programs: Start-up Office (a three-month program), InQb program (a three-year program), InQb Virtual (same services as InQb program without the renting of offices). Currently working on a new program: InQb Connect.
Offered Services:	Affordable offices with consulting services to start-up entrepreneurs based in the incubator. A large pool of mentors. Opportunity to attend InQb events, easier access to individual STU faculties and a network of domestic and foreign investors.
Policy for entry:	Application with a diploma, CV, cover letter and business plan (in the case of InQb program). After submitting all the necessary documents, the application is evaluated by the committee.
Organized Activities:	Educational events organized with the support of mentors and partners. Informal networking events such as Business Breakfasts. Tech Inno Day, an exhibition where tech start-ups from STU and outside showcase their products.
Unique traces:	The first university incubator in Slovakia.
Legal entity:	A university department/unit

The incubator serves as a **mediator between the university and business** and is the **main contact point for students** who wish to get advice about various business topics such as marketing and management planning or designing a business plan. The incubator communicates with students mainly via a newsletter that serves as a good marketing platform for companies.

When choosing the topics for the educational program, **the team relies on feedback and suggestions from the visitors that is regularly collected.** On top of having a possibility for individual mentoring, the team organizes regular meetings with mentors to help start-ups solve current challenges and support them in further development. **All events are free of charge** and one of the main advantages of the incubator is **an ample space to communicate with mentors.**

The support from the EU funds stopped in 2015 and since then the incubator is **financed mainly through a partnership with ESET**, a Slovak IT security company, and **rental of office spaces.** The only support from the university is in the form of the exemption from rental fees for the building. Additional funding is acquired by leasing conference spaces and other partnerships. In the case of available space, the incubator rents the offices to

commercial companies, however, they need to be of benefit to the incubated companies. Even though InQb is designed to generate profit, **the earned money must be reinvested in the incubator.** Due to the **lack of any government support**, profit is likely to remain very limited in the near future.

InQb, the first university incubator founded in Slovakia, was established by the Slovak Technical University in Bratislava.

Some of the biggest challenges for the incubator were **securing funding** and **frequent personnel changes**. The new team from the business sector brings a new perspective as well as their own network of contacts. The team plans to work on **improving the communication between incubated startups, increasing media visibility and awareness, and strengthening the position of InQb within the STU**. Moreover, they want to build partnerships with other universities and external coworking centers and incubators - domestic and foreign.

Even though the incubator is located near student dorms, **there is very little informal interaction happening**. The vision is to move the incubator closer to students, possibly near one of the main university campuses. This could provide more opportunities for students to get involved as well as encourage cooperation with tech companies that reside in those locations.



New Cvernovka

New Cvernovka

New Cvernovka is a successor of a creative incubator that resided in the large complex of the former thread factory. Space naturally started to attract creative professionals who enjoyed a relatively cheap rent and convenience of industrial halls.

City:	Bratislava
Size:	40+ ateliers and workshops
Type of innovation space:	Creative Incubator
Location Specifics:	Old chemistry industrial school with dorms
Founders:	Viliam Csino, Boris Meluš, Šymon Kliman, Branislav Čavoj
Team:	A team of 18 people, mostly full-time employers with some part-time workers.
Years of operation:	Almost 1 year of functioning in the new premises (together approximately 8 years)
The target group of customers:	Artists in the creative industry
Memberships:	The incubator aims to attract and support freelancers by offering discounted rent for individual artists. There is a maximum capacity that can be rented by one company to maintain diversity on each floor. The highest rent is paid by retail companies on the ground floor.
Offered Services:	Cheap rent. On the ground floor, retail companies are located. The foundation aimed to provide some services for people in the area that is encompassed mainly by old factories. To achieve that they looked for companies with an already established business plan and clients that could sustain themselves in the location.
Policy for entry:	The only requirement is that the company has to be from the creative industry. The team strives to achieve diversity in the incubator and they choose subjects that could provide benefit to the community. For instance, after they moved to the new premises they actively looked for a locksmith and a welding workshop to complement the designers in the incubator.
Organized Activities:	Public cultural events. The co-working located on the top floor of the building complements the incubator by offering smaller training events and workshops about various topics such as entrepreneurship or personal development.
Unique traces:	The old complex was never intended as an incubator. It was created without any top-down strategy and only emerged by putting different kinds of professionals that naturally started to work together into one building.
Legal entity:	Cvernovka Foundation

Over the few years, a unique community of artists started to share responsibilities for the common spaces and organize joint activities such as events, training sessions, and projects. When a new owner acquired the thread factory, Cvernovka Foundation was established to negotiate a possibility of sustaining the creative ecosystem in the building. After not reaching a deal with the new owner, the community decided to look for a new place to maintain the creative ecosystem that organically emerged.

Last year, Cvernovka Foundation and almost four-fifths of its old residents moved to new premises of an old industrial school that is rented from Bratislava Self-governance Region. The foundation **took out a loan for the reconstruction of basic infrastructure; all other repairs were left for the ateliers and artists themselves.** However, this was not a problem since a similar set-up worked in the previous space as well and the artists enjoyed the possibility to add their own character to the offices. At first, banks were reluctant to give the loan to the foundation because of the **uncertainty of their economic sustainability.** However, after they managed to get the **support from TISE, Polish Social and Economic Investment Company,** the possibility of sharing the risk persuaded one of the Slovak banks to provide the foundation with a loan.

Moving to the new building meant that **the rents went up per square meter, but the studios are smaller what made them still relatively affordable.** The foundation is aware that cheap rents with the creative atmosphere is what attracts the artists and therefore are

trying to keep the rents to the minimum. Currently, they operate at full capacity.

Whereas **the old complex lacked any concrete vision because of its organic origins**, the team wanted not only to move it into the new building but also develop a clearer vision for the future. Organizing public cultural events is one of the tools used by the founders. As for now, the running costs for the rich cultural program and events **are funded with the support of grants and sponsors which are often limited**. Rent from the tenets is reinvested into the building and used to cover the everyday running costs. Other sources of income include the bar on the ground floor and rental fees of the common spaces for commercial purposes.

The first year of operation presented several challenges for the Foundation Cvernovka. In the beginning, **the main team worked without salary** knowing it was a temporary solution and eventually they would start getting paid. From the experience of previous incubators, the foundation knew that **people usually burn out fast if they work on top of a full-time employment**. Therefore, the aim was to make the incubator completely self-sustainable without any grant support so that they can eventually return to their original professions.

The offset of the cultural program that was pushed intensively because of vision to attract sponsors for the events in the future **imposed a considerable strain on the financial resources**. The foundation plans to continue working on the complex for example by making the park accessible to the public and opening a second building.

Coworking Cvernovka

Coworking Cvernovka is also to be found in the New Cvernovka complex. Besides the **traditional services of co-working such as rent of spaces, desks and administrative support**, Coworking Cvernovka also **offers a childcare center**.

The co-working benefits from the New Cvernovka complex in several ways. One of the main ones are **synergies that emerged between resident ateliers and companies**. Despite not spending much time outside of the work together, the

set-up of the building provides enough space for interaction between different residents.

The co-founder of the space Michala Hrnčiarová was motivated by her desire to stay close to her son while working on her own projects. The provision of **childcare services** defined the atmosphere of the co-working as well as the participants who are usually (but not exclusively) family-oriented professionals, rather than students.

City:	Bratislava
Size:	410m ² (10 offices + open space)
Type of innovation space:	Co-working
Location Specifics:	The top floor of the old chemistry industrial school
Founders:	Michala Hrnčiarová and Ladislav Morávek
Team:	Two co-founders and one full-time employee
Years of operation:	10 months
The target group of customers:	Small companies and freelancers (mostly in the fields related to creative industries). The space is popular (but not exclusive for) with professionals with families.
Memberships:	Different levels of memberships: 1-hour pass, 1-day pass, Flexi desk, Fixed desk, Private Offices.
Offered Services:	24/7 office & desk access, onsite childcare services and access to exclusive events
Policy for entry:	Open approach. No requirements.
Organized Activities:	Various events such as workshops held by the companies in the co-working space or creative professionals from Cvernovka complex.
Unique traces:	Onsite childcare. Unique synergies with the occupants of New Cvernovka space.
Legal entity:	For-profit

Even though the co-working is not explicitly focused on creative professionals, a lot of its activities involve creative industries and thus **provide plenty of opportunities to cooperate with artists and ateliers in New Cvernovka**. Moreover, the co-working benefits from the reputation and media awareness of the entire Cvernovka project.

With the support of resident companies and creative professionals, the co-working organizes various workshops and educational sessions. To make them as interactive as possible, the workshops require a small entry fee and have a limited capacity. As a result, **the events usually break-even and are not used as a source of profit** despite being open to the public as well.

The founder of the co-working plans to expand the program by offering educational sessions about parenting and family life. However, this kind of events **requires a financial support from partners to cover the cost of external speakers** and that's something the coworking struggles with. The difficulty to find partners stems from the limited capacity of the team.

Similarly, as the entire complex, the co-working required fundamental renovation that was funded from the personal resources of the founder.

The rental fees are the main source of income, but space is not profitable yet. While the old building complex poses some limitations to its residents, the founder sees a great potential in the creative ecosystem sustained in the building.

“It works as a small town where you can find everything you need, and I think it works very well. The people help each other even though they only meet during lunch or somewhere in the corridor.”

Michela Hrnčiarová, the co-founder of Coworking Cvernovka

Eastcubator



Eastcubator

Eastcubator emerged as a **bottom-up initiative of enthusiasts** that were passionate about supporting education at the Technical University of Košice by providing its students with practical skills and an entrepreneurial mindset. The founders started organizing events such as hackathons and workshops but soon noticed a gap in the market. - **the city lacked an established infrastructure that would systematically support aspiring and existing entrepreneurs.** Therefore, the founders decided to create a space that unities the start-up community of the Eastern Slovakia in one place.

City:	Košice
Square meters:	900 m ²
Type of innovation space:	Co-working with some elements of an incubator
Location Specifics:	Historical building in the center of the city
Founders:	Peter Vrábel, Matúš Ondáš, Viliam Vajda, Marek Lavčák
Team:	No full-time employers. The founders work on a voluntary basis along with the help of resident companies.
Years of operation:	Almost 3 years (opened in October 2015)
The target group of customers:	Tech community - both software and hardware. Start-ups and small companies.
Membership:	Different levels of co-working memberships based on offered services. Visitor, Eastsider (flexible space), Spaceman (fixed space), Laboratory (lockable space), Virtual Eastsider (mailbox)
Offered Services:	Affordable office space with infrastructure and all the necessary equipment. Besides space, each member has access to the incubator's network, mentoring sessions, and educational events provided by partners and other resident companies.
Policy for entry:	Each new member has a one-month trial period during which they can test the space for free. At the same time, the incubator collects feedback from its members about how well the new member fits and cooperates within the community ecosystem.
Organized Activities:	No formal educational program. The programming is determined by the community. The sessions are organized by small organic groups with the support from the incubator in terms of funding, space, and speakers.
Unique traces:	Non-profit innovation space that is financially self-sustainable. No full-time employees. Profits are invested back into the ecosystem in order to make it grow.
Legal entity:	Civic Association

The revival of the formerly closed incubator located in Košice was one of the options to kickstart the idea. The incubator (also called Eastcubator) shut down after its founders gradually left the city to relocate either to Bratislava or abroad. The founders of today's Eastcubator **gained a considerable reputation by organizing events (e.g. Start-up Weekends) and by building a network of people around them.** The recognition of the Eastcubator's brand was an asset too. Gradually, founders managed to receive the support of the city council that offered them a physical space. With the help from already established partnerships, space was renovated, and the incubator opened in October 2015.

Eastern part of Slovakia faces significant brain drain and Eastcubator's vision is to retain as much talent in the region as possible. While the main vision remained the same over time, the incubator underwent several changes as the **start-up environment** in Košice changed significantly over the past few years. In the beginning, the incubator worked mainly with university students. However, the students' interest in establishing start-ups gradually decreased as the city's growing ICT sector started offering university graduates well-paid graduate jobs. Nowadays, **a majority of tech innovative companies in the city are established by senior people** who are leaving corporations. As "the start-up boom" slowly settled down, more and more experienced professionals turned into the incubator's potential customers.

The founders gradually reflected on the needs of new members in their programming. They

stopped offering formal learning programs such as workshops and lectures, which were not attractive to more senior residents. Instead of **workshops revolving around a specific topic, the incubator focused on supporting small organically formed communities with interest in specific issue areas.**

The incubator's team assists these groups with organizing meet-ups, helping them with fundraising, inviting speakers, or providing space. One example of such groups is machine learning meet-ups. This set-up **helps to connect the community**, which was one of the challenges given the quickly changing pool of companies residing in the incubator. People started to help each other with their projects or develop new projects based on the teams that formed through these meetings. The technical topics are addressed within the small communities and the incubator's founders, with **predominantly business background, focus on offering one-on-one mentoring in business topics such as financial planning and marketing.**

A strong feeling of community is one of the most important aspects of the incubator. For most of the core team, the feeling of gratification is what keeps them involved in the incubator despite a considerable strain on personal time and resources. The team managed to convey this atmosphere among the resident companies who often dedicate their free time and resources to renovate and maintain the space because they feel like a part of it. On top of that, the incubator attracts student volunteers who **get an access to the network and contacts in exchange for their work.**

The network is one of the biggest advantages of the incubator/ It evolved organically through collaboration with stakeholders from different parts of the country. The enthusiasm of the Eastcubator team soon inspired people from outside of Košice who desired to unite the community of tech entrepreneurs in their local cities.

The next Eastcubator was established in Prešov, followed by Bardejov. In both cases, few members of the local communities who were in touch with the community around the Eastcubator in Košice created a partner organization based on similar principles of cooperation and community feeling. These cases demonstrate that a strong community of people and a network of potential participants, mentors, and investors, are crucial factors when creating a new incubator.

Even though the building constantly requires renovation, the incubator is financially self-sustainable. The incubator has a long waiting list of companies wishing to move in. On the other hand, many other co-workings in the city shut down due to the lack of participants. These shut-downs only underline the Eastcubator's success-based on connecting with the local community. Corporate companies that come to Košice are the only thing that haunts the main team. They strike to find a balance between establishing mutually beneficial partnerships with the companies and protecting the Eastcubator's community from being drained of its human potential.

“It’s important for us that people feel good. We cannot compare ourselves with other co-workings either in terms of design and space nor the technological set-up. On the other hand, when you visit us, you always see people in the common spaces, discussing projects or helping each other.”

Marek Lavčák, co-founder of Eastcubator Košice.

Impact Hub



Impact Hub

Impact HUB Bratislava was established as a part of the larger global network of Impact Hubs in 2014 with the ambition of supporting **businesses with social impact**. Since its founding, Impact Hub has been offering co-working space in combination with elements of incubation services – professional business consultations, incubation, and educational programs, as well as inspiring events.

City:	Bratislava
Size:	533 m ²
Type of innovation space:	Co-working with incubation and acceleration services
Location Specifics:	City center
Active Founders:	Braňo Šmidt, Juraj Palovič
Team:	3 full-time employees in the managing and project team, 7 members in the hosting and events support team
Years of operation:	Almost 4 years (opened in December 2014)
The target group of customers:	Entrepreneurial community (start-ups, small companies, freelancers) with projects that focus on positive social impact.
Membership:	Different levels of co-working memberships based on offered services. Day Pass, Hub Starter (5 days/month), Hub Part-time (10 days/month), Hub Full-time (unlimited), Hub Fix Desk (fixed desk)
Offered Services:	Impact Hub offers co-working services and professional business services like its incubation program – Impact Incubator and co-organizes UPLIFT acceleration program in urban innovation. All members of the Impact Hub with active membership enjoy a unique travel benefit - Global passport service which allows them to visit and work (during shorter business trips) in any Impact HUB globally within one local Impact Hub membership. Members also enjoy access to events with access to investors.
Policy for entry:	No specific requirements.
Organized Activities:	Educational events are divided into series based on their topic and content. They are usually developed with a partner, which ensures they are free of charge. Other programming includes incubation program focused on tech for good & social projects and startups, accelerator, women(love)digital - series of workshops helping women to gain new skills in online marketing and communication, EnergyHack - a hackathon for the energy sector, and NGOTarget - a program designed to help NGOs and social businesses with their sustainability and further development.
Unique traces:	Focus on meaningful and purpose-driven projects, ventures and start-ups with positive impact. Emphasis on social entrepreneurship. A global network of Impact HUBs.
Legal entity:	Private company

Impact HUB started off with support from corporate partners to fill the gap in the Slovak market which traditionally lags in providing **support to business projects with social impact** - even though the position of the non-profit sector in Slovakia is quite strong, the concept of **socially oriented entrepreneurship** is still quite underdeveloped. Despite its unique character, nowadays an established platform and community, Impact HUB had to overcome many challenges in its early days, mainly because of the **unfavorable conditions** of Slovakia's co-working market that was not developed at the time.

In terms of specific **services**, Impact HUB offers consulting services to businesses and NGOs, interim management, and individual business incubation. On top of that, they rent their spaces and host events for their clients. For Impact HUB, a **personal approach to their members** is crucial. Despite the challenges that come with having a smaller team, it allows for closer relationships and more personal connections that would not be possible with a bigger team.

Impact HUB offers support to **businesses, projects, and individuals** that would often not receive it or could afford it elsewhere. This often requires a more **extensive search for external resources and partnerships** for projects that may do not fall under the category of start-ups with potential to scale internationally. Therefore, the space maneuvers between being a commercially and socially driven entities.

While the team views their support as an **important contribution to the local innovation ecosystem** in Slovakia, focus on socially driven businesses often **does not bring immediate profit**. Maintaining **financial sustainability** and getting on board **investors** and corporate stakeholders has also been quite challenging for the co-working's team. Therefore, the team works hard on **finding funding alternatives in the form of commercial sponsorship and smaller grants** for social benefit projects that, in their opinion, **should normally be supported by the state**. While their vision persists, the team acknowledges that maneuvering between commercial and non-commercial activities, due to the type of the co-working's tenants, remains difficult. Furthermore, competition is much higher today as more and more co-workings open their spaces in the city.

Therefore, according to Impact HUB's team, one of the most important lessons that innovative spaces should learn is to **always adapt to the market** and **gain a comprehensive overview of the ecosystem**, including the relevant stakeholders and alternative sources of funding. Looking into the future, Impact HUB wants to work on **improving relations with their partners** and **building up visibility for their projects**. They want to highlight socially oriented projects as a viable business option since they receive little attention in the media and start-up segment. Another aspect the team wants to focus on is to **collaborate with bigger initiatives** and **participate in the knowledge sharing**, for instance getting some inspiration from abroad and applying it to the Slovak market.

From its beginnings in 2014, Impact HUB's vision focused on positive social impact.

A 3D rectangular prism rendered in a teal color. The front face is a light teal, the top face is a slightly darker teal, and the left side face is a medium teal. The text "HubHub" is written in white, bold, sans-serif font on the top face.

HubHub

HubHub

HubHub is the most recent addition to the Bratislava’s landscape of innovation spaces with two locations and over four thousand square meters. Both HubHub co-working spaces are **located in the city’s booming business district**. Founded by real-estate development company HB Reavis, HubHub network is expanding fast with locations in Prague, Warsaw, Budapest, and several new locations in the pipeline.

City:	Bratislava
Square meters:	2390 m ² and 2140 m ²
Type of innovation space:	Co-working
Location Specifics:	Two locations in the city center
Founders:	HB Reavis, a real estate development company
Team:	Two types of teams – local and global. Local Bratislava team consists of 6 members and is expanding fast.
Years of operation:	One year (the first location opened in July 2017, the second location opened in August 2018)
The target group of customers:	Entrepreneurial community with innovative ideas including start-ups, companies, NGOs, and freelancers.
Membership:	Different levels of co-working memberships based on offered services. Virtual (access to the community and all events, no desk), One Day, Flexible Desk, Fixed Desk, Office
Offered Services:	Traditional co-working services such as rent of desks, spaces, and administrative support. Each member gains an access to organized events and other HubHub offices located in Europe.
Policy for entry:	No requirements
Organized Activities:	Educational programming is divided into topic blocks, for instance, “big data” or “enterprise security”. Each block consists of a series of lectures, workshops, master classes, or panel discussions. Majority of organized events are free for the members, some of them are open to the public as well.
Unique traces:	Network of co-workings across Europe. Education and educational support are one of the core missions of the company. Close co-operation with nonprofits, universities, and other companies.
Legal entity:	Private company

The first HubHub location opened in Bratislava last year (2017) as a new project of HB Reavis, Slovak real estate developer.

One of the primary strengths of the co-working is **its prime location** within the fast-growing business district in Bratislava. Both HubHub locations in Bratislava are located close to each other – one in the well-known CBC 1 business center, the other is just across the road in the newly built business development called Twin City. All members can also access and use all other HubHub locations abroad as part of their membership.

From early on, the team was able to secure a sufficient number of members and benefited from **attracting fast-growing companies** like Slovakia's flagship scale-ups Exponea which currently takes up a large proportion of one of the locations in Bratislava. Nevertheless, space is welcoming to a variety of members – from fast-growing companies to **smaller IT firms and start-ups**, as well as few **freelancers**.

One of the key selling points of the co-work is the **appealing design and functionality** of the space. The team also underlines the commitment of the co-work to connect like-minded professionals and **create a community where collaboration and collective learning** can take place. HubHub tenant benefit from perks like free refreshments and beverages, relax and chill zones, bike parking or non-stop access. The operation team also dedicates a considerable amount of time to organize **high-quality events and workshops** for its members – these are often a part of larger **programming**

segments which last for several weeks. Past programming segments covered topics like FinTech and Blockchain or Big Data & AI and the team tries to invite external speakers to make all events more appealing to its members.

The commitment to providing interesting and quality rosters of programming reflects on the HubHub's **mission to help its members improve their skills and knowledge of certain topics**, and hence help the community to grow and learn together. Nevertheless, the process of developing and structuring these programming segments is quite demanding and requires significant commitment from the team.

At the moment, apart from workshops and seminars, the co-work does not provide its members with incubation or acceleration services. More focus is placed on engaging the wider community from the local innovation ecosystem and building greater visibility and reputation. Therefore, apart from providing quality space, services and programming to its members, HubHub also intends to become the **gravitational force** in the ecosystem by **hosting various events**. From pitching days, hackathons or smaller conferences, space can easily accommodate events for up to 250 people.

Conclusion

Concluding remarks

The tradition of business incubation services in Slovakia is still relatively recent and goes hand in hand with gradual development of the local innovation ecosystem and entrepreneurial culture. Studies like this one, therefore, constitute an important step in **recognizing the good and tested practices that may help maximize the success of both existing and newly established innovation**

spaces which focus on incubation services. This study also aimed to provide an overview of different **business models and features** implemented by various innovation spaces in the country. Based on the explored case studies, the authors of this study would like to identify **following** factors that are likely to increase the success and sustainability of business incubators.

Right selection of business models and features
Meaningful partnerships and collaborations
Bottom up / Top down approach
Community building and engagement
Positioning within the local/regional ecosystem
Strong and committed team

