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The Challenge of Supporting Private Enterprises through Incubation Programs in Isfahan Science and Technology Town, Iran

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Many aspects of business are under government control in developing countries, making it difficult to establish and run private enterprises, especially in the area of technological development. Incubators can serve their function in supporting innovation and creativity as embodied in privately owned technological institutions in these countries. The objective of this paper is to present some of the mechanisms adopted at Isfahan Science and Technology Town (ISTT) to help establish private companies in our Qadir Research Incubator. The Iranian government, through the Ministry of Science, Research and Technology, has entrusted ISTT the responsibility to establish science parks and incubators in Isfahan region. As a first step, Qadir Research Incubator was established in September 2000, in a building with an area of 3400 m2. The main incubator, with an area of 10,000 m2, is currently in the process of construction next to Isfahan University of Technology campus and is to be inaugurated by the end of 2002. So far, 22 start-up and spin-off companies, which have presented business ideas and have entrepreneurs as their main work force, have been admitted to Qadir Incubator. This incubator provides technological, financial, and managerial consulting to help solve difficulties that new small companies might face. Each company receives general services such as office space, access to telephone, fax and Internet as well as secretarial services. In addition, several laboratories have been developed at Qadir Incubator, including an electronics lab, a metallurgy lab, a design lab and a wet lab. The laboratories offer services to research and development activities. Companies are also offered managerial consultation through workshops and short courses. Professional and scientific support is provided to new companies through ISTT s efforts in enhancing relationships with universities and industries in the region. Qadir Incubator provides venture incubating support including start-up money, to help companies pay for services they obtain, and seed money, to develop their business ideas.

Developing incubating programs at ISTT has not been an easy task. There are many legal, institutional and cultural barriers to overcome. New laws and regulations need to be provided and a paradigm shift needs to be promoted among government officials. On the other hand, regarding the barriers against establishing private enterprises, not many entrepreneurs and university graduates are eager to start their own companies; rather they are more interested in finding jobs in the public service where they feel fewer risks, as is usual in most developing countries. ISTT, therefore, faces the challenge of developing the infrastructure for science parks and incubators and, at the same time, resolving difficulties at legal, institutional and cultural levels. ISTT s incubating program is expected to play a major role in the development of many new companies in Isfahan region. In this presentation, we will try to explore some of the difficulties science parks and incubators are facing in developing countries and to propose methods of overcoming these difficulties.

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