

BENEFITS 
INNOVATING CHANNEL FRONTIERS



European Regional Development Fund
The European Union, investing in your future



Fonds européen de développement régional
L'Union européenne investit dans votre avenir

The role of HEIs in supporting innovation in SMEs: university-based incubators and student internships as knowledge transfer tools



IKT 2014 Conference
Athena Piterou
Chris Birch
University of Greenwich

HEIs and SMEs: mutual benefits

- HEIs operate in increasingly competitive environment
 - Impact agenda in research evaluation
 - Concerns on graduate employability (Pegg et al., 2012)
- Both factors lead to increased engagement with businesses
- On the other hand, SMEs need access to external expertise in order to improve their competitiveness
- Science-based firms are more likely to engage with universities and research centres

University based incubators: towards effective clusters?

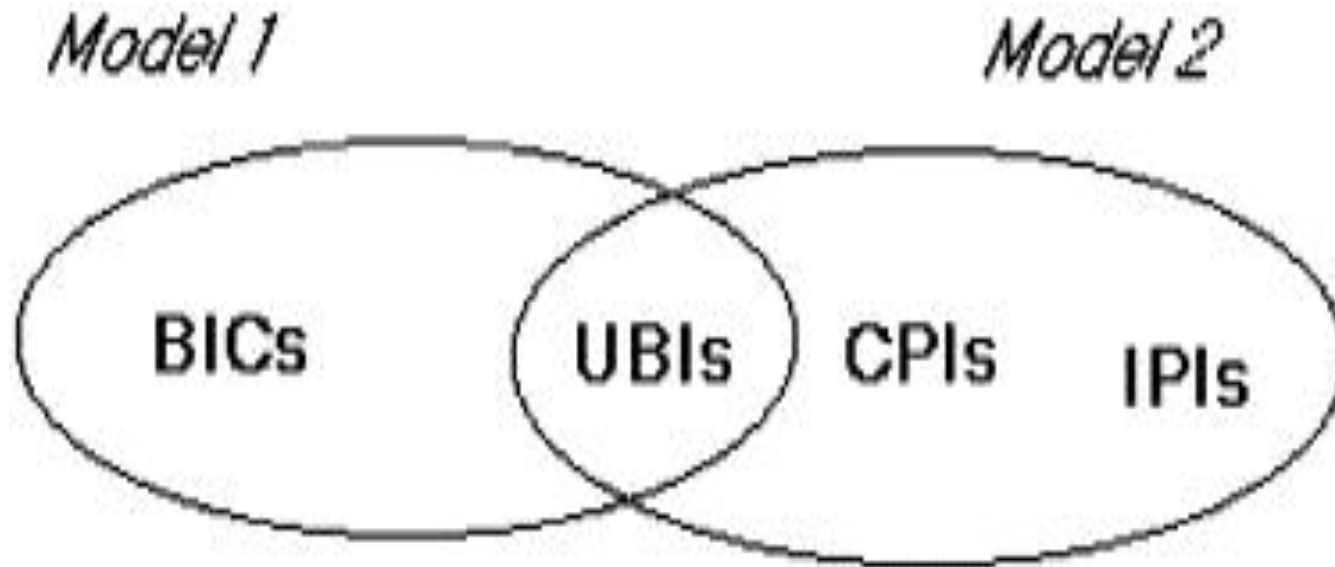
- Business incubators are a particular form of organisation that aims at developing clusters of connected businesses
- Firms' location affects their potential to identify and benefit from innovation opportunities (Cooper and Clark, 2008) even in a largely online world
- However, clusters developed through policy efforts not as successful as those developed organically (Parrilli, 2009)
- Science parks, technopoles and incubators/business hubs form part of the infrastructure that supports small business development (Boldrini et al., 2011)

Types of incubating mechanism

- Business Innovation Centres: these are publicly funded centres that offer basic services to their tenants such as space, IT infrastructure and information about finance (BIS)
- **University Business Incubators (UBIs)**
- Independent Private Incubators (also known as accelerators-IPI): founded by individuals in order to support small businesses usually at the growth stage
- Corporate Private incubators (CPI): these are set up by large companies to support the emergence of corporate spin-offs

(Grimaldi and Grandi, 2005)

Models for University-based incubators



Two incubating models: Grimaldi and Grandi (2005, p.114)

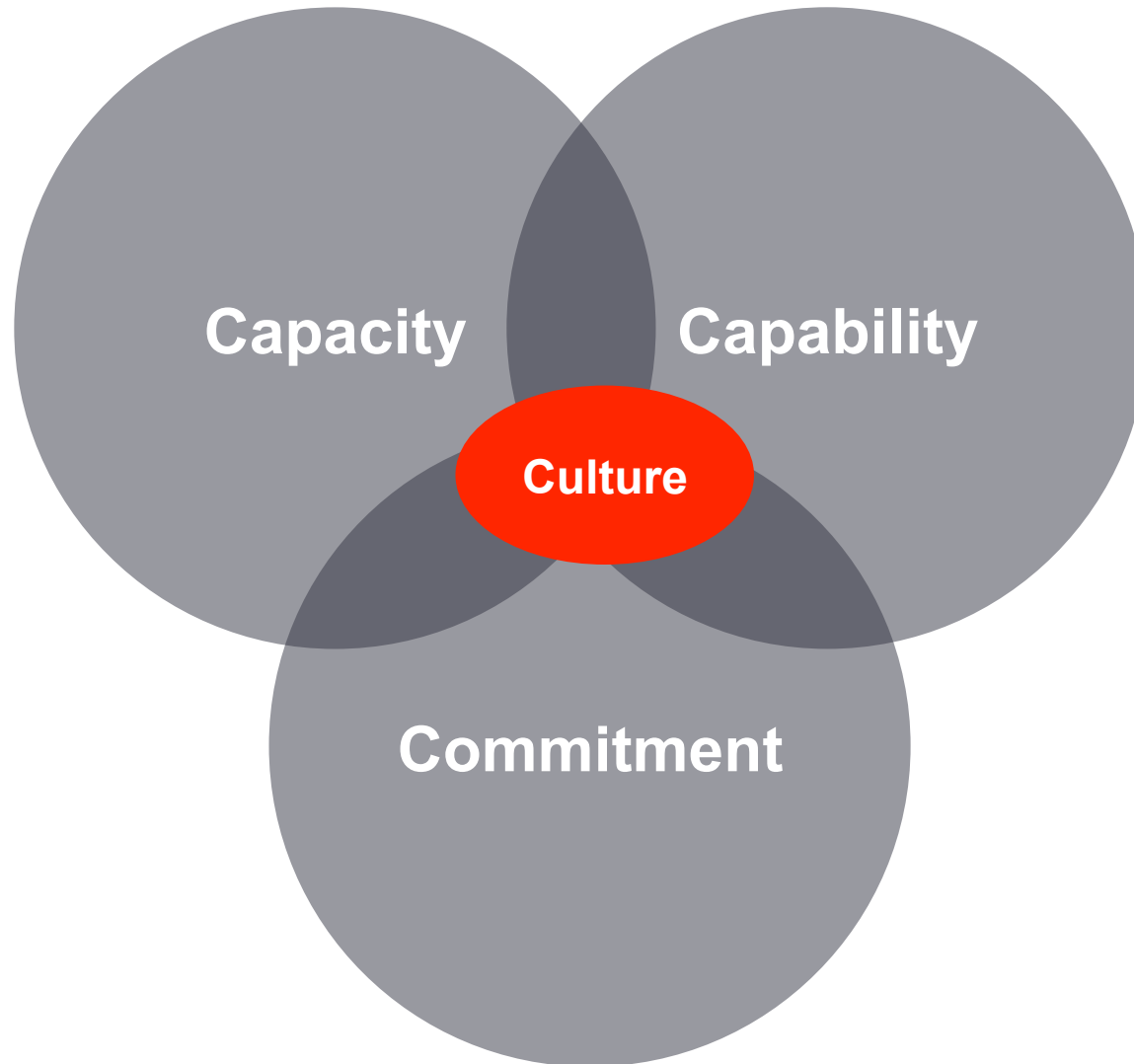
Models for University-based incubators

- Both models focus on the role of incubators in new business development and commercialisation of academic research
- However, it can be argued that incubators can also have a pedagogical role in developing a curriculum for entrepreneurship

Staffordshire University Business Villages

- There are three locations for the business village in Stoke, Stafford and Lichfield hosting a total of 101 office units
- Staffordshire University Business Villages provides use of space and facilities to small firms: these services are linked to Model 1 of UBIs
- However, it can be argued that incubators are not solely a mechanism for knowledge transfer but they can also act as a *pedagogical tool*:
- They provide the opportunity to students and graduates to develop their entrepreneurial ideas in a more supportive environment

You need ...



Encouraging and nurturing entrepreneurship and innovation



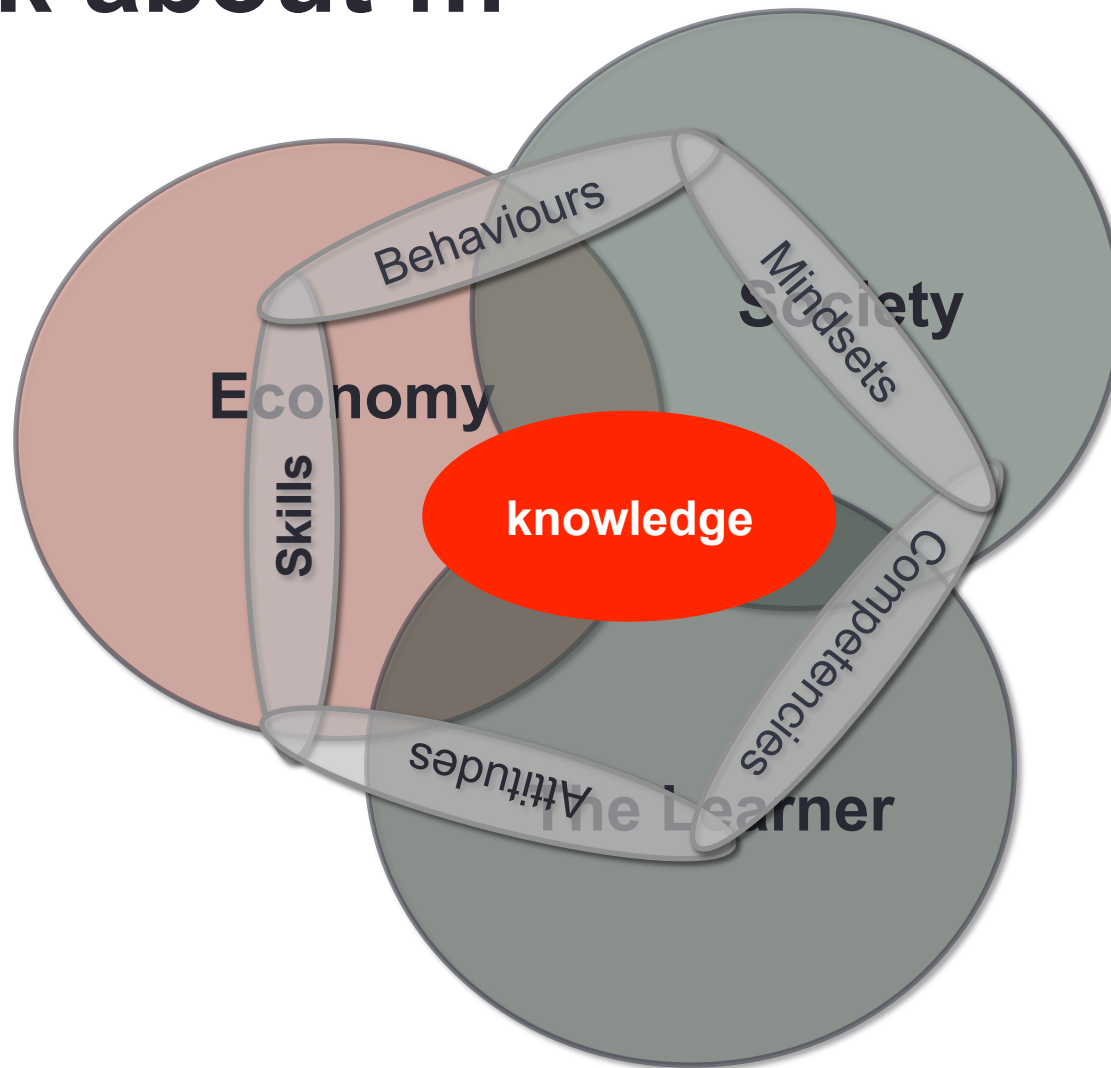
*It's the journey ...
not the
destination*



**Examples of
space
solutions**



Think about ...



Space alone is not enough

Examples of support solutions



UoG Business Ideas / Planning competition

UoG Social Enterprise Challenge

Student internships in SMEs

- Most research on internships has focused on the benefits to students and employers rather than to the HEIs (Weible, 2010)
- Internships traditionally were hosted by larger businesses; however, recent government initiatives have encouraged internships in SMEs (Walmsley et al., 2012).
- Internships/work placements increase engagement between graduates and SMEs: graduates develop an understanding of working in the SME environment and SMEs develop an appreciation of how graduate level skills can benefit the business

Student internships in SMEs

- The report *Generation Crunch: the demand for recent graduates from SMEs* (CFE, 2010) identified that the demand for graduates from the public sector and large businesses was clear but very little is known about demand from SMEs.
- Only 11% of the surveyed SMEs have employed a recent graduate in the past year and only 12% mentioned the intention of doing so in the following year (ibid.)
- The UK government has launched the Graduate Talent Pool Programme in partnership with the Federation of Small Businesses in order to fund 10000 internships in small and micro enterprises (CFE, 2010).