



Country Profile for Czech Republic

Identification of Existing State of Business Incubation

SUPER – Start-Up Promotion for Entrepreneurial Resilience
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Executive Summary and Main Findings

The ecosystem of incubators – physical venues to support young companies is quite developed in the Czech Republic. There is at least one incubator in each region.

Unfortunately, there is no official register of incubators in the Czech Republic. Therefore we compiled list of incubators and accelerators based on our knowledge of the community and internet search. After that we made the list public and ask the startup community to contribute possible missing venues. We then undertook a website analysis of the incubators.

The most advanced venues in terms of support are based in Prague, where a mix of private and public incubators offer their services. Overall, private incubators are older than University incubators. We believe there are two factors, that might have influenced the time lag in university incubators. One is the financial and time cost involved in creation of an incubator and accelerator as well as bureaucratic demands. On the other hand, there is a tradition of cooperation between universities and various private and public incubators. Especially the life science and technology universities are partners with incubators. The level of this cooperation was hard to discern from the desk research and will be explored in the following questionnaire phase.

There is a confusion in terminology. Incubators don't use unified definitions related to their purpose and services. Incubators, accelerators, and science and technology parks can be found in the Czech Republic. The term Science and Technology Park is used from 1990. Later the term entrepreneurial and innovation center was added. Somewhere around 2005 you can find the terms incubator, accelerator and startup gaining popularity among the private venues. Media focused attention to the success stories IT companies. Nowadays, incubators, accelerators and startups has become almost fashionable terms.

There are 52 institution offering support to new companies or teams with ideas. This support ranges from advice to funding.

Throughout the Czech main stream media there are doubts connected with incubators and funds from European Union. Some journalists view the incubators as a way of gaining funding money for the founder and they are questioning the added value for the entrepreneurial ecosystem. This suspicion could be valid. Some of the venues changed their ownership structure and some were closed down. The number of institutions using EU money is 36 – two thirds of the sample.

In addition, the incubator environment is dynamic. Some of the incubators closed, some changed their focus or processes. This is hard to find out due to a non-existing public register. There are no nationwide statistics concerning incubators and accelerators.

Regarding publicly funded institutions, some are large, able to attract substantial support from state and region, but their performance differs substantially case by case. Some of these heavily supported centres are able to prove success stories, such as Y-Soft or Skypicker (recently renamed to Kiwi.com) that connected their successful development to South Moravian Innovation Centre and its acceleration programme StarCube. Other heavily subsidized projects were problematic from the start, such as bankrupted Technopark Pardubice or Nupharo that is, in the fall of 2016, on the verge of bankruptcy, unable to pay its liabilities. Nupharo was heavily subsidized by state despite the fact that the main person behind this project burned hundreds of millions in previous private real estate development project in Prague and despite the unattractive location in Northern Bohemia that hardly attracts high number of technological start-ups. Overall, incubators and other entrepreneurial ecosystem institutions supported by public money have various goals, such as regional development, student support or commercialization of university knowledge, and, as such, are often supported despite non-existence of convincing proofs of their



economic viability and careful control of a public funder. Until now, the only analysis of business incubators in the Czech Republic that I found is from Taušl-Procházková (2012) and is based on interviewing 12 incubators. Currently, a new and more encompassing analysis is being done as a part of project SUPER (super-project.eu).

There are also 45 co-working centers in the Czech Republic.

Incubation and Acceleration Activities

Number of Incubators and Accelerators	52
Number of academic incubators	8
Number of privately owned venues	19
Incubators run by city	9
Incubators run by regional agency	3
Mixed – public and private ownership	14

Private incubators and accelerators are founded on different grounds. Their primary targets are usually promising and scalable internet related high-growth ventures. The most known accelerator is probably StartupYard that cooperates with Node 5 that provides co-working space. Some companies located there, such as Apiari, achieved international success. We were also able to identify in the Czech Republic 87 broadly defined co-working spaces. The biggest include HUB or Locus Workspace located in Prague or Cowo located in Brno. Most co-working spaces are however smaller, in some cases associated with parent centres that help to entertain children while their mother is working.

Entrepreneurship Degree Programs

Number of Universities with Entrepreneurship classes	27
Courses with entrepreneurship topics	128
Courses at public universities	76
Courses at private universities	52

References

Andera, M., Lukeš M. (2016). Business incubators in the Czech Republic: well spent money? In: Proceedings of the 4th International Conference Innovation Management, Entrepreneurship and Corporate Sustainability, 26.-27.5.2016, Prague, p. 9-20.