

## Technological Incubators Program

The Israeli Technological Incubators Program was established in 1991 and is administrated by the Office of the Chief Scientist, Ministry of Industry, Trade & Labor.

The primary goal of the program is to transform innovative technological ideas that are too risky for private investments, into viable start-up companies that after the incubator term should be able to raise money from the private sector and operate on their own. Secondary goals of the program are as follows:

1. Promote R&D activity in peripheral and minority areas.
2. Create investment opportunities to the private sector, including venture capitalists.
3. Transfer technologies from research institutes to the industry.
4. Create an entrepreneurship culture in Israel.

An incubator is a private legal entity, for profit, that supplies its portfolio companies with the following:

1. Work environment.
2. Administrative services.
3. Technological & Business guidance.
4. Legal & Regulatory assistance.

Selection of an incubator licensee is done through a competitive process in which the winner receives a license of 8 years to establish an incubator in Israel and to submit grant applications for innovative projects, in order to establish new start-up companies. The competitive process is open for everyone, local and foreign entities as one. Amongst shareholders of current incubator licensees there are Venture Capitalists, Private equity groups, Super Angels, local and Multi-National Corporations.

There are 24 incubators in Israel to date, out of which 22 are technological incubators, 1 is a technology based industrial incubator and 1 is a designated biotech incubator. The incubators are spread all across Israel including 8 that are located in peripheral areas. There are approximately 180 companies in various stages of R&D that operate in the incubators at any given time.

Since 1991 and to the end of 2012, the government initiated over 1,700 companies with a total cumulative government investment of over 650 Million Dollars.

Over 1,500 companies had matured and left the incubators. Of these graduates, 60% have successfully attracted private investments. The total cumulative private investment in graduated incubator companies reached over 3.5 Billion Dollars.

This means that on every Dollar the government invested in an incubator company, the company raised an additional 5 – 6 Dollars from the private sector.

**>> For Additional Reading:**

**YouTube**

[www.youtube.com/watch?v=aGxzQyUI8F4](http://www.youtube.com/watch?v=aGxzQyUI8F4)

**Forbes**

[www.forbes.com/2009/11/10/israel-innovation-entrepreneurs-opinions-book-review-contributors-start-up-nation.html](http://www.forbes.com/2009/11/10/israel-innovation-entrepreneurs-opinions-book-review-contributors-start-up-nation.html)

**The Wall Street Journal**

[online.wsj.com/article/SB10001424052970204795304577221380918660016.html](http://online.wsj.com/article/SB10001424052970204795304577221380918660016.html)