



## What is a Business Incubator you might ask?

**May 21, 2013**

In Crowdfund “Investing For Dummies” (that is a topic for another day), by Sherwood Neiss, Jason W. Best, and Zak Cassidy-Dorion, they explain that an incubator has nothing to do with hatching eggs. It’s an office space where startup companies are helped to grow by providing them guidance and counsel in a controlled environment until they’re ready to hatch.

Why use an incubator:

- Guidance from forming your corporate structure, or to whom you should be addressing your business plan
- Attempting to avoid the mistakes and missteps that so often occur in start ups

[CUT HERE]

The authors go on to explain that recently, there has been an explosion of incubators around the United States, with many of them sponsored by venture capital groups. The entrepreneurs have to compete to be accepted into an incubator, and the competition is can be fierce.

There are also incubators in many other North American cities, including Montreal. Look for universities and colleges. Where there are institutes of higher education, you are likely to find dreamers (they are called visionaries once they succeed).

Crowdfund authors cite as an example, the Y Combinator incubator in Palo Alto, California, which accepted only 2 percent of applicants for its May 2012 class.

But not to worry, for Montrealers proximity to the city, where the incubator is located makes good sense. The goals of an incubator can include:

- Hatching out the proof of concept;
- Building some customer traction;
- Generating revenue so the business can be self-sustaining.
- Developing a plan for the next phases of growth

The entrepreneurs who participate can reap tremendous benefit. Many participants have easier access to investors. The investors are more comfortable as the entities have passed the incubators acceptance process and can call upon the incubator's resources and contacts to mitigate the risks of start-ups.

So is an incubator right for you? Five recommendations that we would make:

1. Shop around for one (or more) in your area
2. Look for experience and expertise in an area that is complimentary to what you are planning to do
3. Get a sense of the management that is running the incubator, do their visions seem compatible with yours
4. Do some reading on the topic so that you are conversant on the topic
5. Listen and take notes, is what they are saying (and selling) what it is that you are looking to buy?

Bonus suggestion, ask and understand how the incubator makes their money. The more their goals are aligned with yours, the more win/win the relationship can be. Make no mistakes about it, you are entering into a relationship, so do it with your eyes wide open.

We here at Andion with our commitment to support Children's causes hosted the 4th Annual I.G.P.T. Tournament benefiting Autistic Children on May 15th. Thank you to all the participants and organizers. We are looking forward to see you at our following events.

From the desk of Andre M.

Visit our Facebook page and share your ideas!

To your success!