

## **GCRI Interview on the German Incubator Landscape**

### **Professor Dieter Spath**

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#### **Q.: What are some of the key characteristics of the German incubator landscape?**

**Prof. Spath:** The German incubator landscape is internationally unique, as there are large non-university research facilities here: the Fraunhofer Society is the largest organisation for applied science research in Europe. The Max Planck Society carries out basic research into natural, life and social sciences as well as the arts and humanities. In the Helmholtz Association, 16 scientific-technical and biological-medical research centres have joined together to pursue the long-term research objectives of the state and society. And finally, the Leibniz Association is the umbrella organisation for 86 facilities from all scientific fields. When compared with many universities, the institutes of these research organisations foster intensive joint working relationships with industry, ensuring with their spin-offs that technical innovations are developed right through to the market launch stage. Working especially closely with industry is the Fraunhofer Society, whose application-oriented institutes, according to our figures, currently have over 430 active spin-offs.

#### **Q.: According to your recent study on non-university affiliated high-tech spin-offs, how successful is their growth rate on the German market? Do you have an explanation for this phenomenon?**

**Prof. Spath:** The spin-offs that were surveyed have, on average, around 22 employees after eight years and a turnover equivalent to just under 1.8 million dollars. Especially encouraging is that, four years after entering the market, 45 per cent of the spin-offs are already international. What is more, the survey showed that the most successful spin-offs were those who had already had a marketable prototype, a clear understanding of the market and customer contacts, all at an early stage. Common to many spin-offs is the Technology Push being very much more pronounced than the Market Pull. That is why we also recommend that technology-oriented founders take on board sales and marketing expertise as early as possible.

#### **Q.: Compared to non-university affiliated spin-offs, how do university spin-offs contribute to Germany's entrepreneurial landscape?**

**Prof. Spath:** So far there are no definitive findings on this. However, non-university research facilities, such as the Fraunhofer Institute, because of their market proximity, are in any case more strongly geared towards getting spin-offs successfully off the ground. This is due to their hands-on approach to research and their close industry ties.

**Q.:** Have you observed any specific strategies within the German university landscape that enhance the interplay between research and practice?

**Prof. Spath:** Over the last few years, there has been a huge amount of progress. The Research Ministry's<sup>1</sup> high-tech strategy has the aim of strengthening the bridge between research and business practice. The Leading Edge Cluster Competition - part of this high-tech strategy - enters its third round this year with awards going to cluster regions which can demonstrate a pioneering overall concept as to how top technological achievement can penetrate markets more quickly. The German Academy of Science and Engineering itself follows the main goal of strengthening the link between science and its application. However, the interplay between the research and practical sides of universities could certainly still be improved – for instance by giving greater recognition to the number of patents and the quality of industry transfer, when assessing academic achievement.

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<sup>1</sup> Federal Ministry of Education and Research (BMBF)