

# GrEEK Campus Assessment



# Outline

- A. A quick look at technology and innovation parks worldwide and some local initiatives
- B. Why the GrEEK Campus (GC) is chosen as a case study for Egypt?
- C. Methodology of the assessment
- D. Key results
- E. Can we say that the GC experience influenced the ecosystem?
- F. Does Egypt need more of the GC?

# A. A quick look at technology and innovation parks worldwide and some local initiatives



# The GrEEK Campus' Global Benchmarks

Organization	Location(s)	Coworking Spaces	Office Spaces	Incubator/ Accelerator Programs	Innovation	Workshops	Event Venues
Betahaus	Berlin, Sofia, Hamburg, Barcelona	✓	✗	✗	✗	✓	✓
Factory	Berlin	✓	✗	✓	✓	✓	✓
Station F	Paris	✓	✗	✓	✓	✓	✓
High Tech Campus	Eindhoven	✓	✓	✓	✓	✓	✓
Zain Innovation Campus (ZINC)	Amman	✓	✓	✓	✓	✗	✓
Cogite	Tunis	✓	✓	✓	✗	✗	✓
EHub	Shenzhen	✓	✓	✓	✓	✓	✓

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- While all **the identified campuses have some aspects in common, they lack others** based on the needs of the surrounding community, its location, the availability of other institutions, and the country's level of development.
  - **All of them are coworking spaces and organize workshops and events,** but do not necessarily include office spaces.
  - **Space is the most crucial factor** to build on any startup campus.
  - **Only six campuses** (Factory, Station F, High Tech Campus, ZINC and EHub) **created incubator and accelerator programs** to invent new products and services and hence contribute to innovation.

# Local positioning of the GC

Example	Focus
Maadi Technology Park	Space
Smart Village	Space
AUC Venture Lab	Accelerator/Incubator
Endeavor	Accelerator
FEPS Business Incubator	Incubator
Gesr Misr El-Kheir	Incubator

All of which are not comparable and the GC has a quite different nature.

The closest example to the GC is Smart Village.  
 GC: Small and connected  
 Smart village: Large and isolated

# Upcoming/ New Initiatives

- Startup haus (Downtown)
- Seedspace (Maadi)
- New co-working space (Downtown)

## **B. Why the GrEEK Campus (GC) is chosen as a case study for Egypt?**



## **B. Why the GrEEK Campus (GC) is chosen as a case study for Egypt?**

- **The GC has a unique nature**
- **Five years of continuous operation**
- **392 tenants resided since its inception**
- **Genius location and its link with the AUC**
- **Established in difficult timing after 2011 Revolution**

# C. Methodology of the assessment

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- Combined quantitative and qualitative (Questionnaire plus interviews)
- Sectoral approach
- Linkages to different stages of companies 'development



# C. Methodology of the assessment (cont'd)

- Questionnaire was conducted from June to August 2018.
- A total of 58 respondents (55% of total current tenants).
- **The online questionnaire consisted of a total of 55 questions. Questions were grouped as follows:**
  1. **Business profile** (primary activity, years of operation, legal structure, number of employees and their characteristics, duration of residence in the GC, and position in the local market, in addition to other features of their business)
  2. **Reasons for joining the GC** (the reasons for joining the GC and other alternative locations that were considered by the tenants beforehand)
  3. **Company's development within the GC** (how they benefited from different aspects of the campus, in addition to their growth prospects for the coming years)
  4. **Evaluating company's experience in the GC** (an overall assessment of the tenants' experience in the GC and their level of satisfaction with the services provided and the GC management)
  5. **Suggestions for improvement** (and their ideas to ensure the success of the model, if replicated in other governorates)

# D. Key results

# ... We heard quotes

"The GrEEK Campus is a hub for entrepreneurs"

"The GrEEK Campus is the persona of the ideal startup"

"People get recycled inside the GrEEK Campus"

# Key results – Overall Sample

	Percentage of respondents
<b>Sector</b>	Around two thirds of the sample ( <b>64%</b> ) are technology-based start-ups
<b>Legal status</b>	<b>100%</b> are <b>formal</b> , with <b>40%</b> of the companies are established as “ <b>Limited Liability</b> ”. The GC only leases office space to registered companies. Given this condition, the GC <b>indirectly motivates</b> companies to operate in the <b>formal sector</b>
<b>Female-owned startups</b>	Though the share of female-owned start-ups in the GC is low ( <b>9%</b> ), it is still higher than the overall share of women entrepreneurs in Egypt as of 2012 ( <b>2%</b> ). The GC is considered a suitable and <b>safe place</b> for young women to locate their companies.

# Key results – Overall Sample (Cont'd)

	Percentage of respondents
Uniqueness of the line of business	<p><b>16%</b> of the companies indicated that they are the <b>only players in the Egyptian market</b> with no other company operating in the same line of business. Strong evidence that the GC attracts <b>bright and innovative minds</b>.</p>
Rank in the local market	<p><b>54%</b> of companies position themselves among the <b>top 5</b> in the local market. This is a strong indicator that the GC may have helped companies grow and hold a <b>better position</b> in the market. It is worth mentioning that <b>even if it is just a perception</b>, it might be an indication of their <b>ability to compete fiercely</b> in the market.</p>



# Key results – Overall Sample (Cont'd)

	Percentage of respondents
<b>GC contribution to their success</b>	<b>95%</b> believe that the GC has contributed to their success, with <b>19%</b> estimating the contribution <b>to account for more than 20% of their success.</b>
<b>Sales growth</b>	<b>25%</b> indicated their <b>sales</b> have <b>grown</b> by <b>more than 20%</b> since relocating. Some have cited a <b>huge jump</b> in their sales, estimated at <b>200% and 600%.</b>
<b>Employment growth</b>	As of 2017, the average number of employees increased by more than <b>three times</b> since relocating to the GC. Companies witnessed an <b>increase</b> in the average <b>number of employees</b> from <b>4</b> when they first joined the GC to an average of <b>14</b> employees in <b>2017.</b>
<b>Future growth prospects</b>	GC tenants are <b>optimistic</b> about their future growth prospects. <b>69%</b> of the respondents indicated that they <b>plan to expand their business</b> within the coming two years. <b>84% plan to expand</b> their business in terms of the <b>employment</b> and <b>79%</b> of the respondents have <b>plans to increase</b> their <b>turnover.</b>

# Different Aspects of the GC Contributing to the Companies' Development





# Genius of the location

- The **highest flow of transportation**; making it more **accessible** than any other neighborhood in Cairo.
- It is considered a **convenient location for employees** living in the different outskirts of Cairo
- Since all the action happens in the downtown area, it is very convenient and **timesaving** for the tenants to be located at the heart of Tahrir. It takes only 15-20 minutes to get to any business meeting, which in turn helps **increase their productivity**.

# The association of the GC with the old AUC campus has benefited tenants in many ways:

- The location itself has the **spirit and energy** of the former **students**, which created a more youth-oriented environment.
- In addition, preserving the old AUC campus setup has made the GC an **ideal place for collaboration** among different startups.
- The **community space** is considered a great place for **networking** among various tenants. It also acts as an **extension** to the tenants' **offices** where they can hold multiple meetings or their own events.

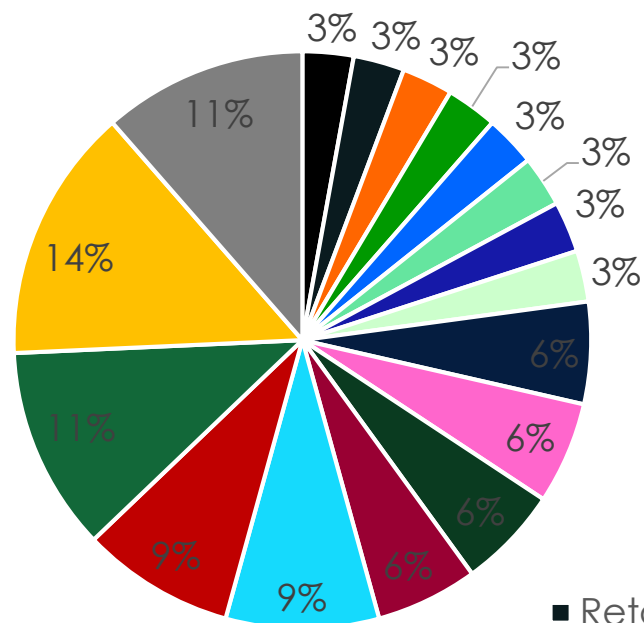
# Other important aspects

- **Image/Brand:** Being associated with certain key figures and entities in the startup arena such as Alfi, Flat6labs, and AUC has helped the tenants be acknowledged and respected by reputable entities inside and outside Egypt.
- **Networking:** Follow-up interviews revealed that tenants prefer to make business deals with companies on campus rather than outside.
- **Meet a range of needs.** The GC has an edge; not only does it offer a **net space** as a workspace along with electricity, cleaning services and security, it also offers a convenient place for work with **flexibility** in its **offered packages**.



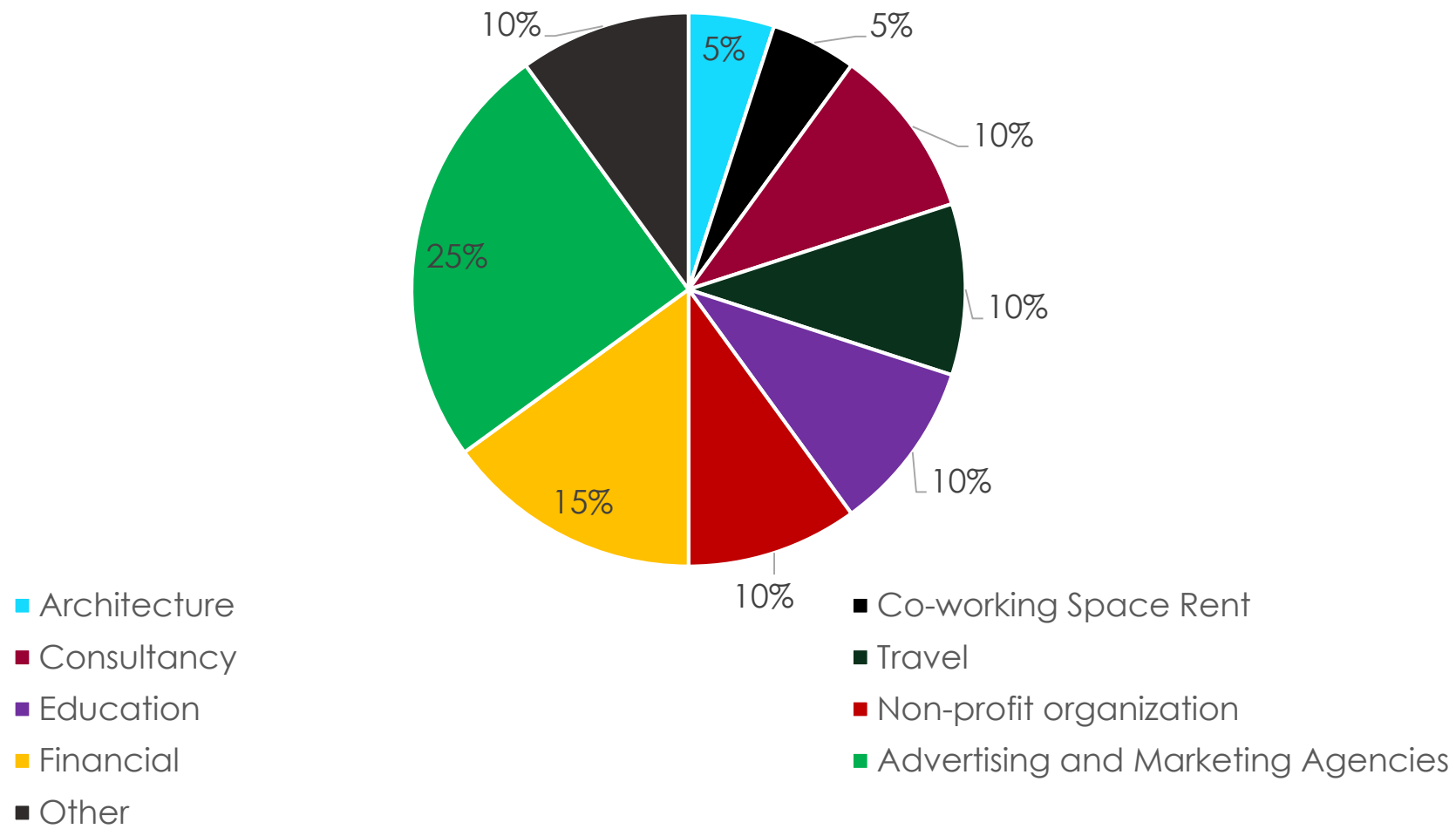


# Key results – Technology sector (64%)




- Education
- Training
- Consultancy
- Technology startup subculture communities, and services
- Fintech
- Architecture
- Advertising and Marketing Agencies
- Media & Content
- Other
- Retail
- Virtual Reality
- Travel
- Investments
- Telecommunications
- Ecommerce
- Edtech
- Information Technology

# Key results – Non-technology sector (36%)

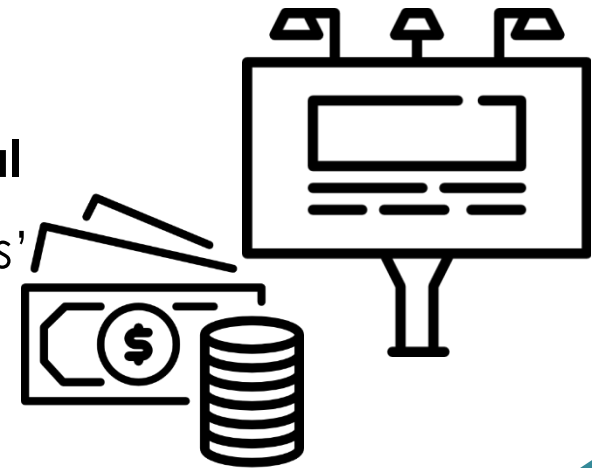
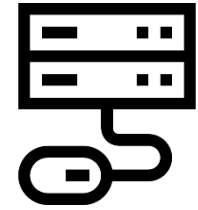
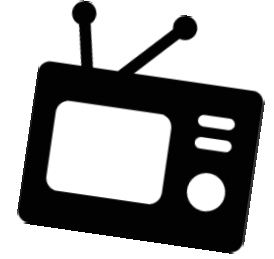


# Key results - Sectoral

## Business Activities

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- Within the technology sector, **Information Technology** has the biggest share in our sample (14%), followed by **media and content** (11%). The other category includes companies' business activities: contact center, artificial intelligence, and filmmaking.

- In the non-technology sector, **advertising and marketing agencies** represent 25% of the sector, followed by **financial businesses** at 15%. The other category includes companies' business activities: design, logistics, and shipping.



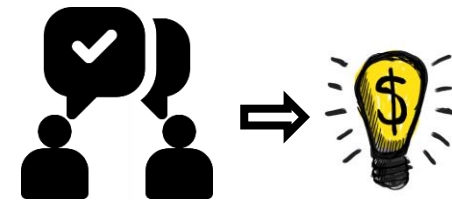


# The GC has a more significant positive impact on the technology sector compared to the non-technology one

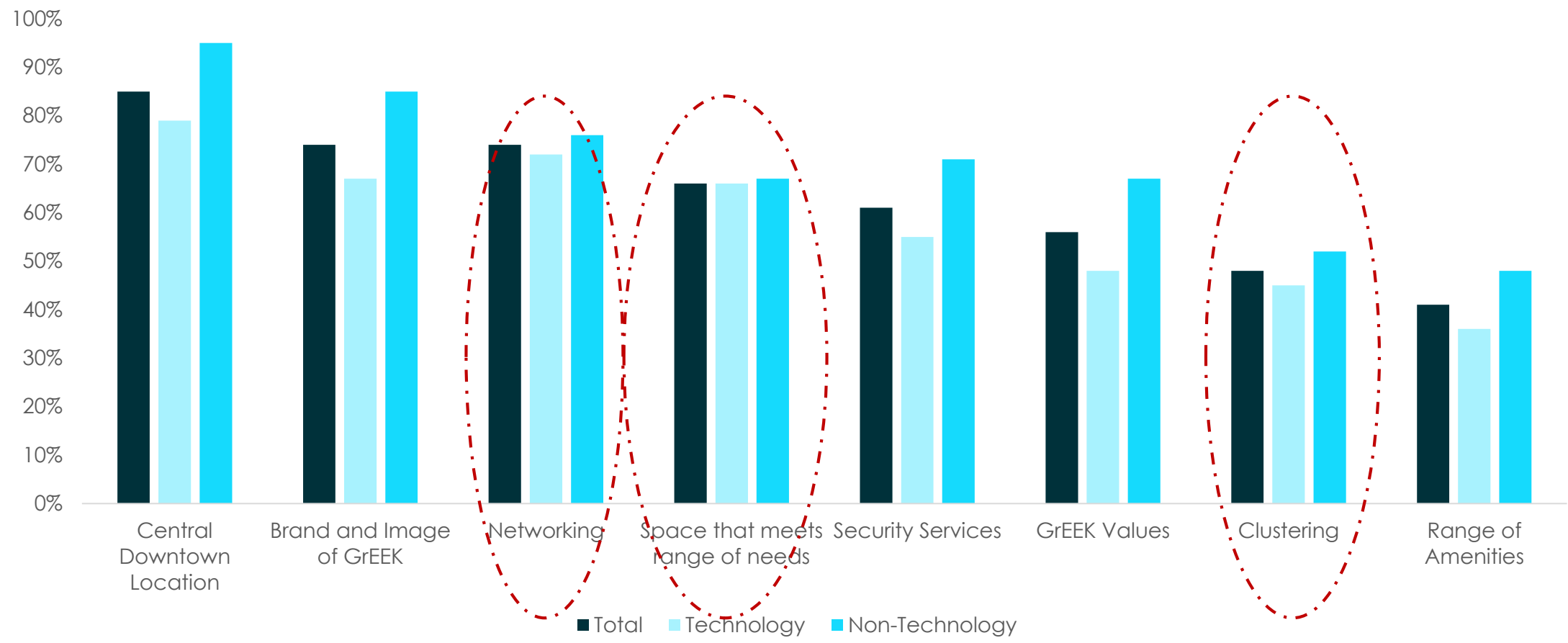
	Technology Sector	Non-Technology Sector
Percentage of companies	➔ 64%	36%
Startups	➔ 62%	43%
In business less than 3 years	57%	57%
Employees 0-1 years of experience	➔ 64%	30%
Employees 1-3 years of experience	19%	27%
GC contributed to company's development	➔ 53%	30%
Helped in recruiting high calibres	50%	40%
Expect employment to increase	79%	86%
Expect turnover to increase	81%	75%
Expect sales to increase	41%	42%

# The GC has a more significant positive impact on the technology sector compared to the non-technology one

- The environment created by the GC is favorable for **creating opportunities, starting new businesses**, and **expanding existing ones**.
- the GC has a unique combination of a **high ratio of technology companies** (64% of sample), a **high ratio of fresh graduates** (64% of sample) and a significant percentage (53%) reporting the GC's **high contribution to their business development**; meaning the GC's contribution has a **multiplier** effect.
- During one interview, one company owner stressed on the fact that having a casual conversation with different tenants in the community space results in **new business ideas instantaneously**.
- GC is a hub for **youth job creation**.
- Since startups have a high risk of closure, the GC community ensures that there is no loss of talent. Those who leave a job go to another, and fresh graduates with **bright minds do not get expelled from the GC**.



# There is a clear difference in responses between the technology and non-technology sectors, with higher percentages reported by the non-technology sector



## There is a clear difference in responses between the technology and non-technology sectors, with higher percentages reported by the non-technology sector

- the results are not strange as the nature of the **non-technology sector involves more interaction with people and visitors** and as such they value more aspects such as location, networking, security, and GC values.
- It has been established and it is further observed at the sectoral level that the **downtown location had the highest rating among all aspects**; stressing on its importance, especially for non-technology companies.
- The importance of the values arises from the **protected environment** offered by the GC that helps enterprises **focus only on their work**.

# Key results - Different stages of companies 'development

We define two types of companies based on the number of years the company has been operating in business

Company	Number of years of operation
Early-stage	Three years or less
Established	More than three years

# Key results - Different stages of companies 'development

	Early-stage	Established	Notes
Percentage of companies	57%	43%	<ul style="list-style-type: none"> <li>The GC <b>attracts</b> a significant proportion of <b>early-stage start-ups</b>.</li> <li>This might indicate that the GC is perceived as a good place for <b>nursing new start-ups</b> and helping them kick-start their business on the right foot.</li> </ul>
Companies operating in the same line of business	61% of the early-stage companies have less than 10 companies operating in the same line	43% of the early-stage companies have less than 10 companies operating in the same line	<ul style="list-style-type: none"> <li>On average, the number of companies operating in the same line of business as that of an early-stage company is lower than that of an established one.</li> <li>Early-stage tenants at the GC are the most innovative companies</li> </ul>
Attract high caliber employees	48%	42%	<ul style="list-style-type: none"> <li>The GC's <b>prestigious location</b> has made it a more attractive site for high caliber employees to work for early-stage startups</li> </ul>

# Key results - Different stages of companies 'development

	Early-stage	Established	Notes
<b>Sales growth since relocating into the GC</b>	<b>45%</b>	<b>39%</b>	<ul style="list-style-type: none"> <li>The GC has helped companies grow faster at their early stage.</li> </ul>
<b>Crucial factor to the companies success</b>	<b>20%</b>	<b>18%</b>	<ul style="list-style-type: none"> <li>When asked about the contribution of the GC to the companies' success, the <b>majority</b> that cited that the GC accounted for more than 20% of their success were <b>early-stage companies</b> mostly operating in the <b>technology</b> field.</li> </ul>

# Key results- Different stages of companies' development

To sum up, the GC seems to be **a convenient place for early-stage startups**. As indicated by the questionnaire results, it has been a contributing factor for the development of early-stage companies. Different aspects of the campus have been of great importance for the company's early development. The centralized location, clustering, and networking and sharing experiences with other tenants have all helped companies **grow faster** at their early stage.

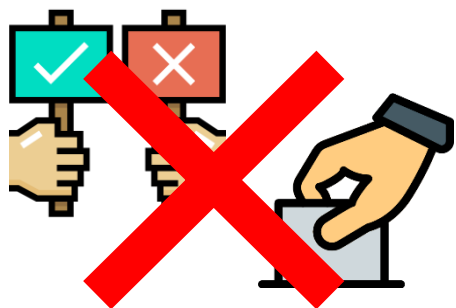


# Tenants' suggestions to ensure the success of the model in other governorates (anonymous)

- “Build on a community model, favor interactions between tenants, organize regular events to make people meet and talk, give access to contact information, and build complementary services between tenants.”
- “Community portal, support for legal and marketing and definitely much lower rent”
- “Replicating the main purpose of the campus (clustering talent, resources and educational and networking events) to create opportunities for startups to grow.”
- “More networking.”
- “Try to get benefit from the diversity you have and the tons of activities of the companies in the GrEEK Campus by organizing free workshops for startups where we can share our experience.”
- “More facilities for the offices and tenants.”

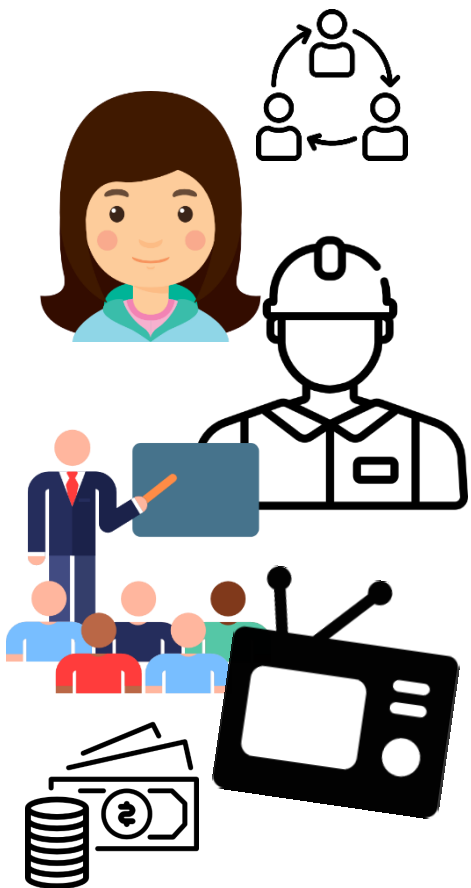
**E. Can we say that the GC experience influenced the ecosystem?**

# Contribution of the GC in Improving Several Areas of the Entrepreneurial Ecosystem in Egypt



Area of Improvement	Examples of the Contribution of the GC
Cultural and Social Norms	<ul style="list-style-type: none"> <li>• Change in the Egyptian (good career choice)</li> <li>• Enforcing its values (No Politics, No Religion, No Jerks) among tenants</li> </ul>
Market Dynamics	<ul style="list-style-type: none"> <li>• Many opportunities for networking; opening the door for new opportunities of cooperation in business</li> </ul>
Infrastructure	<ul style="list-style-type: none"> <li>• Flexible working spaces rentals ranging from 60m<sup>2</sup> to 1,400m<sup>2</sup></li> <li>• Maintained basic utilities</li> <li>• Complete infrastructure due to the genius location</li> </ul>
Business Environment	<ul style="list-style-type: none"> <li>• Joining the formal sector (registration is required to rent a space in the GC)</li> </ul>

# Contribution of the GC in Improving Several Areas of the Entrepreneurial Ecosystem in Egypt (Cont'd)



Area of Improvement	Examples of the Contribution of the GC
<b>Networking</b>	<ul style="list-style-type: none"> <li>Sharing the same location; thereby establishing business and personal connections, sharing knowledge, and building networks.</li> </ul>
<b>Women Entrepreneurship</b>	<ul style="list-style-type: none"> <li>An empowering, safe environment for women entrepreneurs.</li> </ul>
<b>Labor Market</b>	<ul style="list-style-type: none"> <li>High employment of university graduates, who struggle the most in joining Egypt's labor market.</li> <li>Acquiring accumulative knowledge in the GC helps ensure that no employee is expelled and that they can find jobs inside or outside the GC.</li> </ul>
<b>Education and Training</b>	<ul style="list-style-type: none"> <li>A multitude of events, educational classes and workshops are hosted in the GC</li> </ul>
<b>Media Exposure</b>	<ul style="list-style-type: none"> <li>Entrepreneurs inside the GC are invited to meet key figures in events hosted by the GC (such as Dr. Mahmoud Mohieldin - Senior Vice President, World Bank Group).</li> </ul>
<b>Financing</b>	<ul style="list-style-type: none"> <li>The opportunity to get access to investors and venture capital firms is best guaranteed in the GC.</li> </ul>

## GC has different positive spillover effects observed within the community and outside



- Creates a **multiplier effect** by only renting, building on its community and genius location.

- **Cuts informality** by encouraging companies to join the formal sector; especially technology-based companies that have a tendency to postpone registration.

- Helps **recycle talents** so they are not expelled.



- **Has filled a knowledge gap** where tenants from diverse business activities can meet and discuss their problems and find helping hands. This created circles of information that accelerate the process of solving business problems.
- **The environment** created by the GC management and **the community spirit** is highly unique, unlike other business parks in Egypt that have been designed and built separately like islands.

# F. Does Egypt need more of the GC?

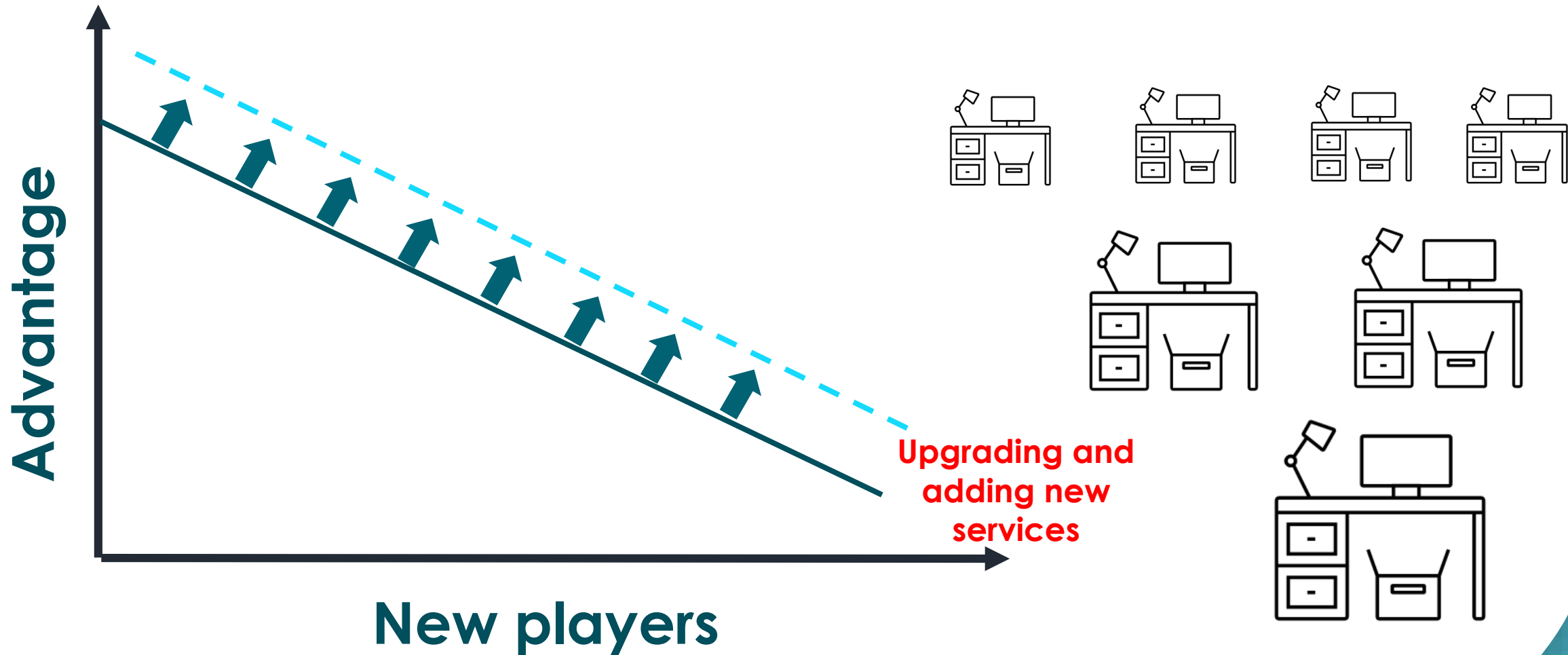
# Does Egypt need more of the GC??

- The GC is just one initiative that cannot impact the ecosystem in a significant way. However, it has an influence that cannot be ignored.
- Future initiatives for entrepreneurs should consider the community aspect by including common facilities for people to interact and benefit each other.
- The GC along with most other existing parks/hubs are relatively expensive and cater certain class of the population. It is crucial to replicate this example with more flexible packages and in other governorates.

**Thank you**



GC was established at a perfect timing where Egypt had no similar model and had the edge of being the first mover; however, ....



# An ideal example: E-hub

- China has 1000 of the technology and innovation hubs
- A whole city of these complexes
- Start-ups stay from 2-3 years maximum
- All the services provided are subsidized by the government especially the rental
- Owned by the government (municipality)
- System of assessment on the basis of which the decision of whether or not the companies are to leave the campus
- Combination of different sizes and stages, creating a community where they benefit each other
- This example is of high relevance to Egypt



前海深港青年夢工場

Qianhai Shenzhen-Hong Kong Youth  
Innovation and Entrepreneur Hub