

# IADT

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## **1. Introduction**

The Media Cube, IADT's Incubation Centre is a key aspect of the institute's overall package of supports for early stage business ventures, along with our delivery of Enterprise Ireland supports such as the New Frontiers Programme and the Innovation Voucher Scheme.

This Policy sets out the procedures and processes to be applied to the selection of early stage ventures as clients of the Media Cube. The Policy takes into account a number of considerations:

- The need to ensure a strong degree of fit between IADT's incubation activities and IADT's wider strategic positioning as a specialist institute focused on the creative, cultural and digital technologies sectors;
- The need to develop a pathway for IADT students and graduates to work with innovative companies within the Media Cube and beyond;
- The objectives of State enterprise support agencies such as Enterprise Ireland, the Local Enterprise Offices, and of initiatives such as the New Frontiers Programme, which aim to support the development of sustainable, knowledge-based enterprises that have the potential to create employment;
- The need to ensure that the Media Cube offers excellent facilities and supports on competitive and flexible terms for start-ups, particularly in the context of the proliferation of incubation/start-up facilities in the Greater Dublin area;
- The need to ensure that the licence income from the Media Cube can support the operating costs of the facility;
- The need to ensure that application and selection processes are relatively straightforward and do not discourage potential applicants.

## **2. Eligibility Criteria**

In order to be eligible for incubation space i.e. office space and / or hot-desks within IADT Media Cube ventures must meet two or more of the below eligibility criteria:

- (1) Its core area of activity must fit within the definition of a High Potential Start-Up (HPSU).
- (2) It must be an early stage venture.
- (3) It has a synergy with IADT's core areas of expertise.

### **2.1 Area of Activity**

The main activity of the venture should fall within the following HPSU criteria. The venture is:

- Introducing a new or innovative product or service to international markets.
- Involved in manufacturing or internationally traded services.
- Capable of creating 10 jobs in Ireland and realising €1 million in sales within three to four years of starting up.
- Led by an experienced management team.
- Headquartered and controlled in Ireland.

- Less than five years old from the date registration.
- The above Media Cube criteria reflect those of [Enterprise Ireland's High Potential Start Up](#) clients.

## **2.2. Stage of Development**

At the time of expression of Interest, applicant businesses should typically be within their first three years of operation, though consideration will be given to businesses which:

- Have been in existence for more than 3 years but are embarking on a significant business development/diversification project which is knowledge-based and specifically within the creative, cultural and digital technologies sector.

**OR**

- Have been in existence for more than 3 years but are engaging in a programme of research and development collaboration with IADT.

**AND**

- Be or intend to develop to become a HPSU as defined by Enterprise Ireland over the term of the licence.

## **2.3 IADT's Core Areas of Expertise**

Applicant businesses who can demonstrate a synergy with IADT's key areas of expertise will be given favourable consideration. IADT have two faculty:

- Faculty of Enterprise & Humanities
  - Department of Entrepreneurship
  - Department of Humanities & Arts Management
- Faculty of Film, Art & Creative Technologies
  - Department of Technology & Psychology
  - Department of Design & Visual Arts
  - Department of Film & Media
  - The National Film School

## **2.4 Ineligible Businesses**

The following types of businesses are not eligible:

- Consultancy and professional services - unless they would offer a very clear and distinctive benefit to other incubation tenants (e.g. a venture capital provider, or creative industries research);
- Businesses proposing to hold significant levels of stock;
- Businesses proposing to manufacture on the premises;
- Businesses with a retail dimension (excluding on-line retail and/or trading) involving customers visiting offices in the Media Cube to conduct a physical purchase

### **3. Selection Process**

Where a venture expresses interest in licencing office space within the Media Cube, the following process will apply:

#### ***3.1 Initial Meeting with Applicant***

- The Enterprise and Innovation Manager will meet with the business for an initial discussion in order to:
  - learn more about the venture;
  - provide feedback on eligibility for the Media Cube (see Section 2);
  - advise on the selection process.

#### ***3.2 Submission of Applicant Documents***

- The venture will be asked to provide a short application document (e.g. business plan, slide deck, a funding application prepared for another agency) addressing the following:
  - Principal area of activity, products, services etc.;
  - Summary of market research/validation activity undertaken to date;
  - Stage of development as regards:
    - Company formation;
    - Product/service development;
    - Market engagement;
  - Intellectual property rights;
  - Team – background/skills of current team and scope for job creation;
  - Funding status and outlook;
  - Engagement with other start-up support providers (e.g. Enterprise Ireland, Local Enterprise Office, NDRC, etc.);
  - Potential areas for collaboration/engagement with:
    - other Media Cube tenants;
    - the wider IADT academic community.

#### ***3.3 Assessment by Review Panel***

- The application document will be reviewed by a Review Panel comprising the following IADT Staff Members:
  - The Head of the Creative Engagement;
  - The Secretary and Financial Controller;
  - The Enterprise and Innovation Manager
- The Review Panel will have regard for the Eligibility Criteria set out in Section 2 and for the information presented in the application document in determining if the venture should be accepted as a Media Cube incubation tenant, while also agreeing the terms to be applied

### **3.4 Final Approval by Governing Body**

- The Review Panel will recommend the allocation of space and the licence terms to the Governing Body of IADT for its final approval.

### **3.5 Communication of Decision**

- The Enterprise and Innovation Manager will communicate the panel's recommendation to the venture, providing constructive feedback, as appropriate.

Where a very early stage entrepreneur wishes to rent a hot-desk within the Media Cube, the same process will apply but the Review Panel will take into account that the venture may not yet be in a position to provide a fully developed business proposal.

## **4. Key Licence Terms**

IADT uses a Standard Licence for all Media Cube Tenants (Appendix 1). Prospective Licensees will be required to agree to this Licence and its Terms prior to occupancy. The Governing Body of IADT is required to approve all tenancies on the recommendation of the Review Panel.

The following are key aspects of the Terms of the Licence:

- Licences (other than Hot Desk Licences) will be for a term of not less than one year and not more than two years and nine months. See also, Section 7 in respect of Licence Renewals.
- Hot Desk Licences will be for a term of not less than three months and not more than one year. See also, Section 7 in respect of Licence Renewals.
- Licences will be in respect of a single numbered office suite. Additional licences for additional office suites may be agreed at the absolute discretion of IADT. Up to two additional office suites may be agreed, subject to IADT Governing Body approval for existing Licensees. Where additional suites are necessary for the development of an enterprise, further office suites and licences may be agreed with the approval of the Governing Body. In such circumstances additional Licence Terms, such as extended notice periods etc., may be required. A detailed proposal, including a graduation/exit plan, will be required from the Company.
- Licences should typically allow a client company to vacate the premises by giving one month's notice.
- Sub-letting will not generally be permitted.

## **5. Licence Preparation & Approval Process**

The process for the preparation and approval of licence agreements is as follows:

- The Enterprise and Innovation Manager will prepare a draft licence based on the IADT Media Cube Licence Template (Appendix 1);
- The licence should be reviewed and signed in duplicate by the licensee, while remaining subject to the approval of the Governing Body;
- The licence will be presented to the IADT Governing Body for approval. The Governing Body meet on a monthly basis;
- Once the licence has been approved by the IADT Governing Body, the licence will be countersigned by the Secretary and Financial Controller.

## **6. Fee Levels & Variation**

The Review Panel will, from time to time, agree a framework of fees to be applied to licences. Taking into account the specific circumstances of any application and current occupancy levels, the Review Panel may agree to vary such fees.

## **7. Licence Renewal**

Licences will typically be granted for an initial period of a minimum of one year and a maximum of two years and nine months, but may be renewed, provided that:

- The venture actively participates in a regular review process undertaken by the Enterprise & Innovation Manager and a Review Panel comprising key stakeholders;
  - The venture continues to operate within an eligible area of activity;
  - The venture can reasonably be considered to be 'early stage' – typically within no more than 3 to 5 years of its establishment;
  - The venture continues to make satisfactory progress;
  - The venture has contributed positively to the incubation environment.
  - The venture is actively engaged in collaborating with the broader IADT institute through student internships, graduate recruitment, supporting institute faculty to embed entrepreneurship in their programmes etc.
  - In general renewals to a maximum of five years (one year for Hot Desks) can be recommended
- The Review Panel is responsible for taking a decision regarding renewal subject to Governing Body approval.

## **8. Invoicing, Payments & Arrears**

### ***8.1 Payments by New Licensees***

A new licensee will make an initial payment to IADT comprising:

- A deposit equivalent to one month's licence fee;
- The licence fee for the first month of the licence period.

Thereafter, licence fees will be collected by way of monthly direct debit.

### ***8.2 Monthly Payment Process***

The process for the authorisation of direct debits is as follows:

- Media Cube Administrator prepares a list of licence fees due in respect of the coming month;
- The Enterprise and Innovation Manager reviews, amends and approves the list;
- The Media Cube Administrator prepares invoices as per the approved list;
- Finance Office compares the approved list and the invoices; approves the invoices; and authorises the Media Cube Administrator to issue the invoices to the licensees;
- Finance Office authorises direct debit as appropriate.

### ***8.3 Payment Difficulties***

IADT will strive to facilitate any client company experiencing cash flow difficulties by agreeing to some of the following in advance:

- a short term pause (maximum three months) in collecting rent, together with schedule of payments towards any arrears that would arise,
- a short term (maximum six months) reduction in rent, together with a schedule of higher rent payable so as to bring the total rent payable to the agreed rent over the agreed period of time (maximum twelve months)

In order to avail of any of the above, the company must actively engage at the earliest opportunity with the Enterprise and Innovation Manager. Retrospective arrangements will not be possible.

Arrangements additional to the above may only be agreed with the prior approval of the Governing Body of IADT.

#### **8.4 Payment Default**

In the event of non-payment of an outstanding account by the monthly due date the following procedures will apply:

- After six (6) days, the Licensor will issue a letter to the Licensee at the Work Area advising of non-payment of the outstanding balance to include a late payment charge of 10% of the outstanding balance ("Late Payment Charge").
- After twenty (20) days of non-payment of the outstanding balance plus the Late Payment Charge, a registered letter will be sent to the Work Area of the Licensee advising of termination of this Licence with a notice to quit.
- The Licensee will have seven (7) days to settle the outstanding balance and Late Payment Charge failing such, the Licensor reserves the right to dispose of, by sale or otherwise, all items contained within the Licensee's Work Area.
- All costs associated with this activity will be added to the outstanding account and such costs will be subject to a further Late Payment Charge of 10%.
- The Licensor will not be liable for any loss or damage as a result of this action.