

IN BRIEF: THE OCEAN CLUSTER HOUSE

CONCEPT - HISTORY - STATS

Iceland Ocean Cluster 2015

The Ocean Cluster House in Reykjavik, Iceland, is an old 2.700 square meter house by the Reykjavik Harbour. The House is the property of the Reykjavik Harbor Authority but operated by the Iceland Ocean Cluster, a privately owned industry cluster, who rents offices and research facilities of the House to SMEs and entrepreneurs.

Opening late 2012 the Ocean Cluster House accommodated 10 SMEs and a sponsored Entrepreneurial Center (incubator). Since 2012 these 10 companies have, on average, experienced around 30% annual growth in number of employees and an average annual revenue growth close to 20%. (This is excluding 3X Technology Ltd., the largest of the initial tenants, that was acquired by the second largest fisheries tech company in Iceland last year for an undisclosed fee.) This is compared to the average annual growth in the Iceland business sector of around 4-5%.

Early 2014 the House expanded to accommodate around 35 companies and as of March 2015 the House is fully occupied with offices and research facilities of 45 SMEs, all ocean-related companies ranging from fisheries, seafood retail and logistics to sea salt production, pharmaceutical and cosmetics

development, as well as various fisheries-related tech companies. Additionally, five large enterprises, including food processing giant Marel, have smaller offices and meeting rooms in the House.

The number of employees with daily presence in the House is now around 100, but many of the tenants have employees on other locations as well, e.g. in factories. At least 20 of these 100 jobs can be directly traced to the support of the Ocean Cluster House and the Iceland Ocean Cluster for the last three years, according to the tenants themselves. This not only because of the direct and indirect support to SMEs the House and the Cluster provide but because of the new companies (and jobs with them) generated out of the House and the collaboration and networking platform it creates. Three companies with a total of 6 employees in the House are direct spin-offs from the collaboration of companies in the House.

From its opening in 2012 the House accommodates one sponsored Entrepreneurial Centre where start-ups can rent desks on monthly bases for a small price. Two of the companies who started in the Center are now regular tenants in their own offices in the House, "graduated" from the incubator but still a large part of the accelerator, giving advice and support to new start-ups in their old desks at the

Entrepreneurial Center. Herberia, a pharmaceutical company founded in mid-2013 and a tenant at the Entrepreneurial Center since later that year, recently hired a new employee and completed its seed financing round of \$400.000, all from private capital sources. This adds to the \$1.000.000 private capital investment companies in the House have secured in the last two years.

Grants and financing contracts from federal or international sources (e.g. the EU) to companies in the House aggregate to the equivalent of \$350.000 since 2012.

THE OCEAN CLUSTER HOUSE IS ESSENTIALLY ABOUT:

- - Utilizing the potential of external economies of scale for SMEs.
 - - Providing entrepreneurs access to various companies, organizations, consultants and specialists within the cluster network. This has been incredibly valuable, creating business opportunities, facilitated technical development, generated new spin-off companies and supported the overall growth process of start-ups and SMEs.
 - - Driving innovation by creating a platform for cross-company and cross-sectorial collaboration. Connecting people with different backgrounds, skills and perspective has been decidedly successful.
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