

# **Business Incubation Models**

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# INSTRUCTOR



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## **COURSE DESCRIPTION**

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This course emphasis on Understanding and describing the difference and importance of the business incubation process. For participants to differentiate various business incubator models based on practical examples of incubators from all over the world

# OBJECTIVE



Understand and describe the difference and importance of the business incubation process and a business incubator



Differentiate various business incubator models based on practical examples of incubators from all over the world;



Communicate the importance of the incubation process



Name the most important success factors and critical mistakes to avoid when planning and operating a business incubator;



Adapt the knowledge gained from the training to their own business incubators

# UNITS OF STUDY

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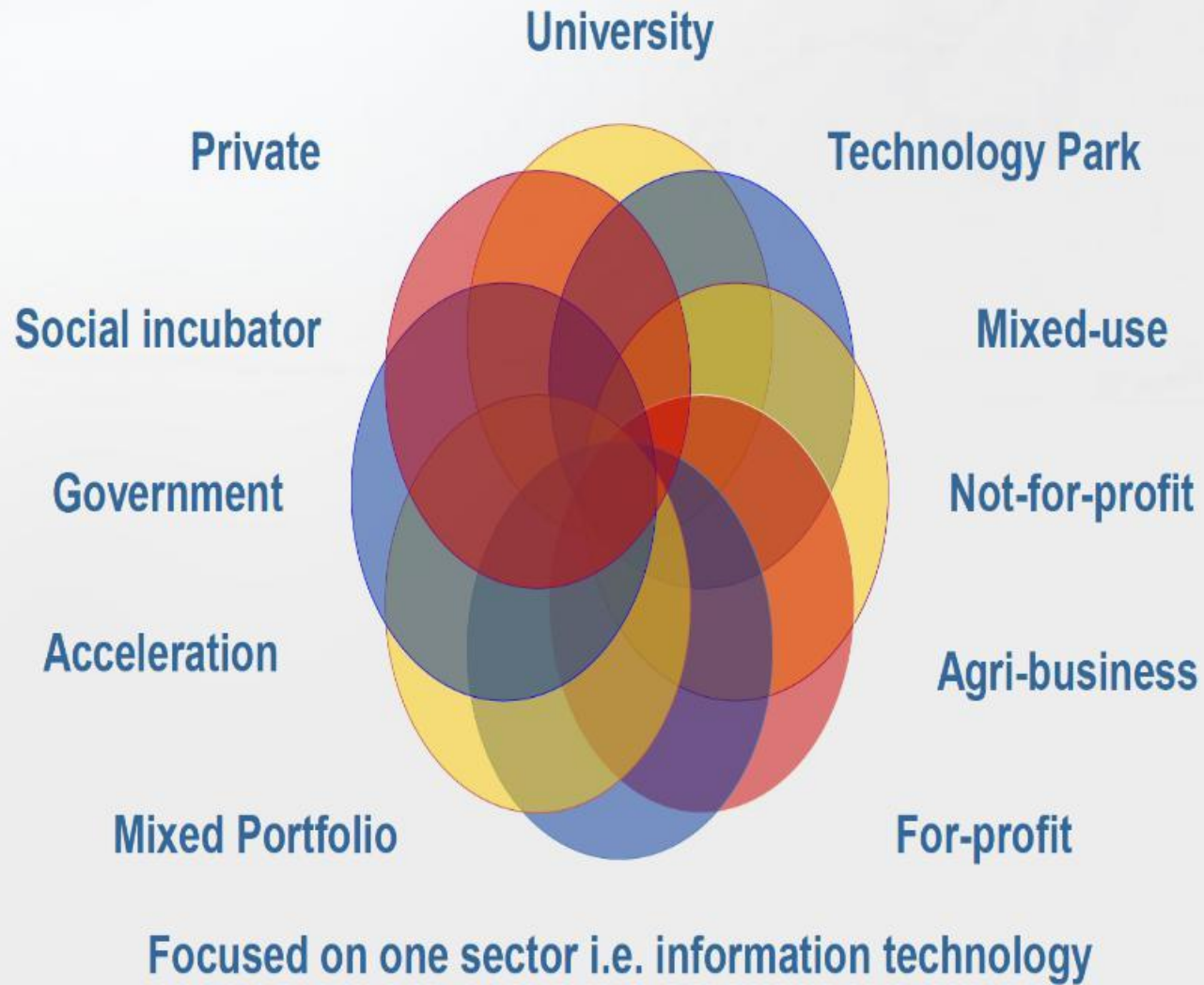
① Introduction to Business incubation processes

② Determinants of models chosen by incubators

③ Incubation Models

④ In depth on different models

# Types



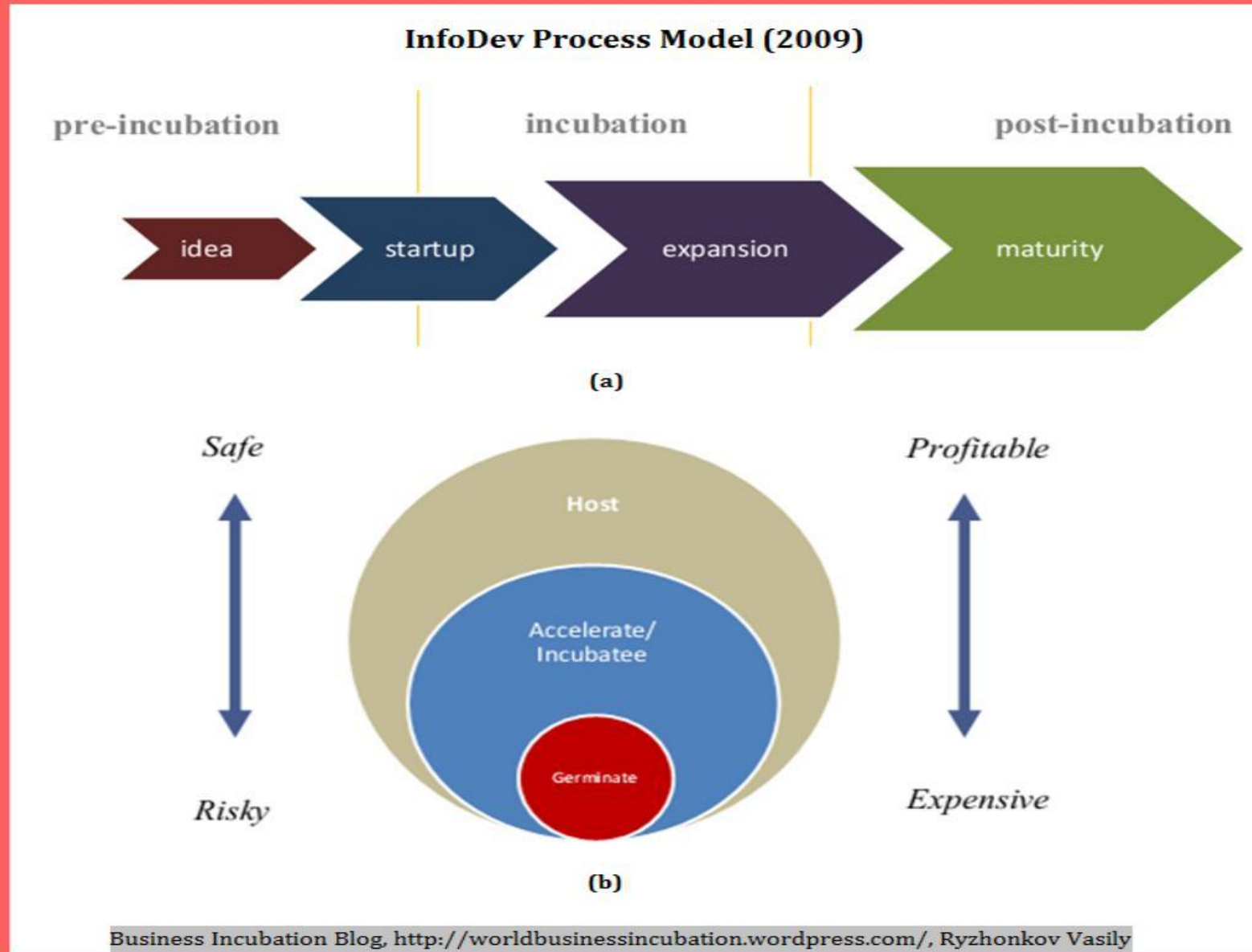
# Introduction to business incubation processes

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Business incubation is a unique and highly flexible combination of business development processes, infrastructure and people designed to nurture new and small businesses by helping them to survive and grow through the difficult and vulnerable early stages of development

# Incubation process





# Determinants of models

The stakeholders Determine the type of model that is adopted by the incubator

Business incubator models vary depending on their precise objective, business environment, owners and funders.

The type of incubator being set up and by whom

For example, a university incubator will focus on idea stage businesses by virtual of their mandate, they will most be non profit also.

# Incubation Models

## Categories



**Physical spaces**



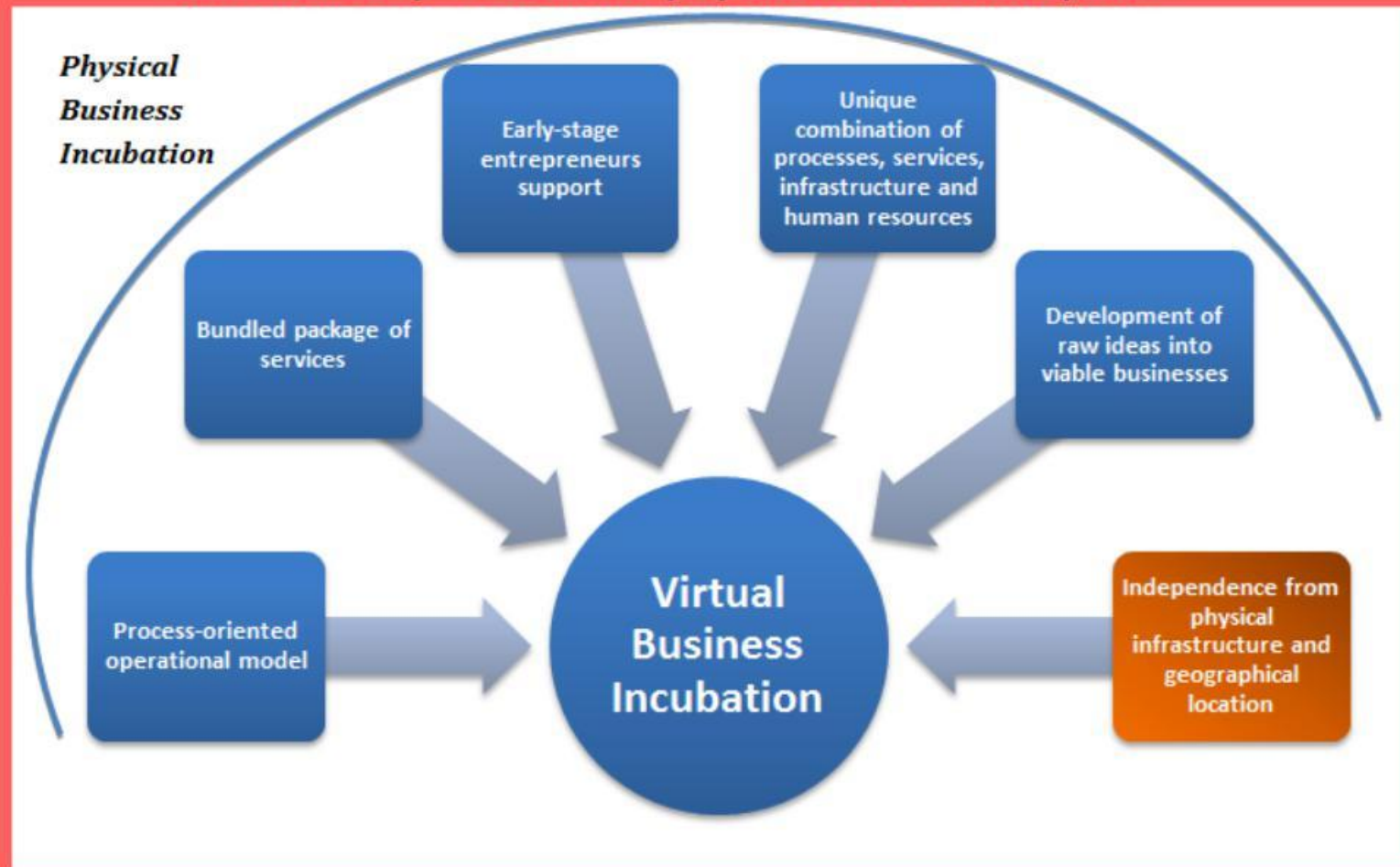
**Hybrid**



**Virtual  
Incubation**

# Virtual Incubation elaborated

Incubation does not take place in a physical setting but rather online. A virtual incubator implies that all incubation services are delivered electronically. There is no physical incubation space.



# Types of Incubation Models

## Generic business incubation

Looks at all incubation stages, business life cycle and funding stages. focus is on the entrepreneur and the success of the business.

Focus is on creating successful businesses

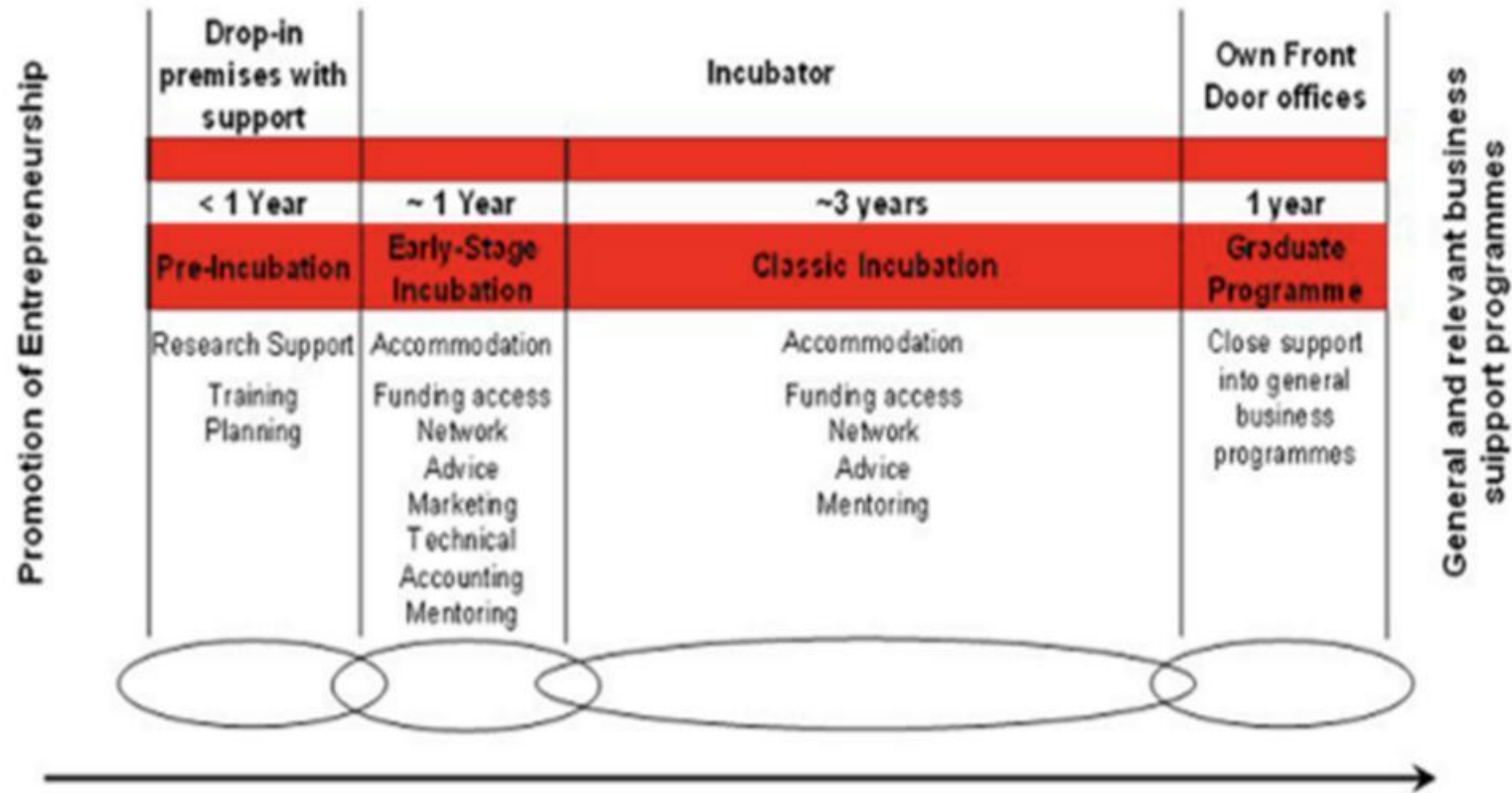
Pre-Incubation: Coworking, Business Plan Competitions,  
Startup Weekends, Accelerators (short term), NxLevel, Makers  
Space, Ignite Events,

Business Incubation: Place-Based Innovation, Dedicated Space  
& Programming for Start-Ups with Mentors, Milestones &  
Graduation

Launching Companies: Economic Gardening, Targeted Cluster  
Strategies, Competitive Intel, Equity Investment,

# Value chain model

Jones's Incubation Value Chain Model (2010)



# Structure Model

## Accelerators

Focus is on;

Credibility development.  
The shortening of the learning curve.  
Faster troubleshooting.  
Access to the network of entrepreneurs.

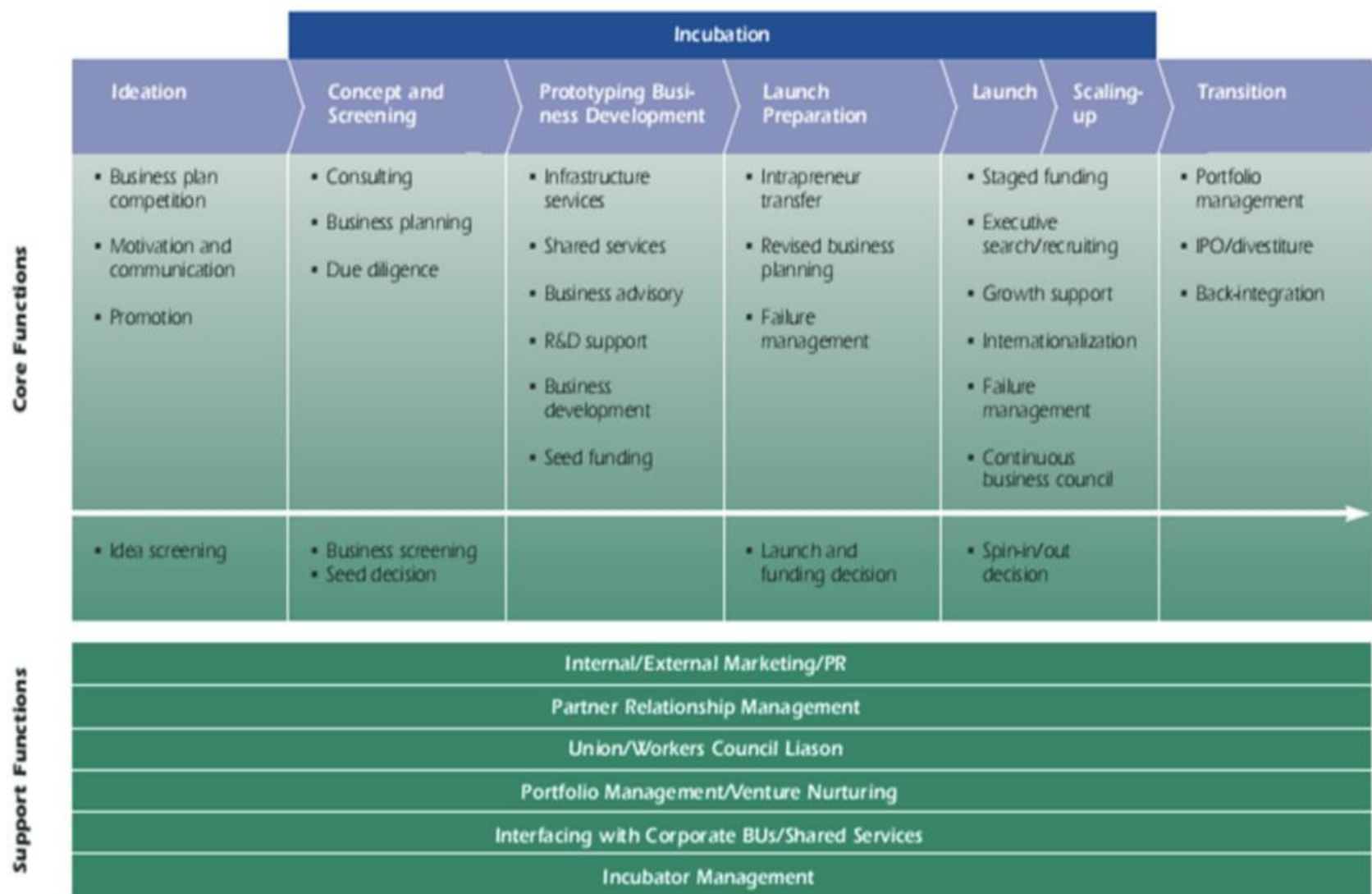
It conceptualizes the incubator as a system that gives incubatees the structure and credibility for the creation of new firms while ensuring a set of immediate, key resources for the setting up of the new undertaking

Presence of both debt and equity financing

Look at Ycombinator, Techstarts

# Booz, Allen & Hamilton Corporate Incubator Model (2000)

## PROCESS OF INCUBATION AND UNDERLYING INCUBATION FUNCTIONS





# Critical success factors for incubator models

