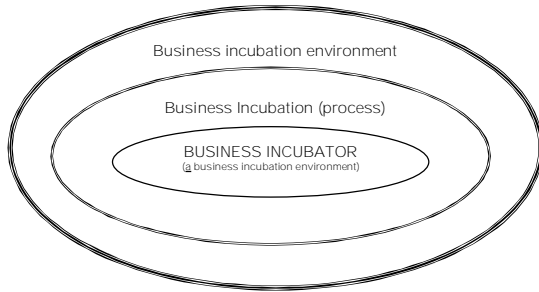


HOW TO ESTABLISH BUSINESS INCUBATORS AND MAKE THOSE SUSTAINABLE



DEFINITION

The (wider) Business Incubation Environment is the wider context which should be conducive to the sustainable nurturing of growth potential and the development of enterprises.

Business incubation (process) is a public and/or private, entrepreneurial, economic and social development process designed to nurture business ideas and start-up companies and, through a comprehensive business support program, help them establish and accelerate their growth and success.

The Business Incubator is a physical space or facility that accommodates a business incubation process.

MAIN COMPONENTS OF BUSINESS INCUBATORS ARE

- Entrepreneurship promotion and start-up and business planning support
- Business development consulting, training and support
- Networks that provide access to specialized business consulting, technology commercialization and business financing resources
- Physical facilities (buildings, rooms to provide office, production or laboratory space for lease, flexibly according to the demand of client)

THE NUTS AND BOLTS OF DEVELOPING BUSINESS INCUBATOR

- Identify sponsors, vested interests and commitments
- Conduct needs assessment
- Choose the right real estate
- Evaluate organizational issues, financing options
- Determine the business support services and do an operating pro forma
- Select a management team, finalize the business plan

Sustainability of the project may be defined as the interrelationship of three factors that impact on the future continuation of the initiative as follows

- **Financial:** the ability to bring in new local sources of the income on continuous basis while managing to keep costs within an appropriate level
- **Institutional:** the commitment to the project provided by an established organisation that provides a resource of location, low or no-cost resources, and available personnel. All these are part of the image necessary to give any project the perception of strength and a long-term viability to those who choose to use its services
- **Managerial:** the leadership capacity and project-related skills of those managing the project and their commitment to stay with the project and train others over time

INCUBATOR SUSTAINABILITY

Foundation Phase	Development Phase	Mature Incubation Phase
<ul style="list-style-type: none"> •Property acquisition •Local support •Fundraising •Selection Policy •Incubator Strategy •Skilled Incubation Team •Entrance/Exit Policy 	<ul style="list-style-type: none"> •Infrastructure •Operations •Processes •People 	<ul style="list-style-type: none"> •Program development •Business support network