

Beyond Incubators: Youth Entrepreneurship Generation

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Abstract

Purpose of this paper is to explore, investigate and identify the youth entrepreneurship dimension as an outcome from business incubation program. The identification is based on successful implementation of case studies. Methodology/approach: The research methodologies adopted in this research study are desk-research and case study of 5 incubator organisations in the developing countries. Findings: The findings of this study indicate the entrepreneurial spirit of business incubation program and lead to sustain incubators. Practical implications: The empirical results highlight some implications for successfully developing and implementing best practice of creating an entrepreneurial generation to support economic development. Originality/value: This study makes a contribution to knowledge about the youth entrepreneurship.

Keywords: Jobs creation, developing countries, entrepreneurship, incubation program

1. Introduction

The first U.S. business incubator open in 1959 when Joseph Mancuso started the Batavia industrial, center in Batavia, New York the business incubation programs have emerged as successful economic development tool throughout the country and around the world.

Today, there are more than 7500 incubation programs around the world; approximately 1400 business incubators operated in U.S (NBIA, 2010), 900 business incubators operated in Europe (Monkman, 2010), 1000 business incubators in Asia (European Commission Enterprise Directorate General, 2002; Lalkaka, 1996; Lalkaka, 2003), and more than 21 business incubators in Middle East (NBIA, 2010).

From the previous year's experience, it is evident that the strategic outcomes from business incubation program were economic development, entrepreneurship, innovation, acceleration of business growth, job creation, technology transfer and commercialization (NBIA, 2006).

The objective of this paper is to explore, investigate and identify the youth entrepreneurship dimension as outcomes from business incubation program. The identification is based on successful implementation of case studies.

The structure of this paper is as follows: Section 2 provides a literature review of the business incubation (BI) such as definitions, types of incubators, services provided by incubators and goals of each business incubation program. In section 3, the research methodology included the evidence from the literature review and ten successful case studies to illustrate different key performance of the business incubation. In section 4, the authors briefly discuss the finding of the study drawn from quantitative approaches of incubators. Section 5 concludes with implications of the business incubators from successful developing countries.

2. Related Literature Review of Business Incubation

Business incubation, as a driven tool for economic development, can provide a critical platform to connect individual interests and passions with organizational goals. This may also embody the concrete and well-articulated policies and programs of firms as well as formalize top management's beliefs and value of entrepreneurship, creativity, and innovation. The social and economic outcomes may transform its environment-culture, structure, and strategy into a flourishing one that can leverage the entrepreneurial spirit, creative prowess, and innovative skills of employees and managers (Joseph and Eshun, 2009).

The tool of the new economy will be creativity, innovation and entrepreneurship. In fact, most, if not all firms that dominated the rankings of the top 100 most innovative companies across the globe compete on creativity, innovation, and entrepreneurship, rather than labor and capital. These firms based on innovation and entrepreneurship through experiences, proven best practices and processes as well as ideas and success stories (Joseph and Eshun, 2009).

There are ten strategic benefits from supporting youth entrepreneurship:

1- *Sustain Interest in Your Incubator*

The major benefit of youth entrepreneurship programs is their ability to capture and maintain a community's interest in the incubator.

2- *Leverage Existing Local Resources*

Initiating a youth program enabled existing local resources and focuses them on creating a new genera-

tion of entrepreneurs in the area such as its Office of Technology Licensing and experts in technology commercialization.

3- *Help Kids Understand the Realities of Owning a Business*

Most entrepreneurs are overly optimistic. Through its youth program organized in connection with Junior Achievement and take part in the program have the opportunity to meet with incubator clients and ask them questions to gain valuable learning experience.

4- *Make Entrepreneurship a Viable Career Option*

An incubator can view the young people of its community as a pipeline of future clients, but talent and dreams alone do not make successful entrepreneurs. One way to ensure that the pipeline stays full is to help young people put a structure to their dreams. In addition, entrepreneurs need facilities to test their ideas a real benefit for a young person to know that in their community, there's a business incubator that is about helping people start businesses that have adult businesses in it that can serve as role models and possible.

5- *Enrich School Curriculum*

The fundamental concepts of entrepreneurship through curriculum from the National Council for Economic Education, its Young Entrepreneurial Scholars (YES) program- in which they use the National Foundation for Teaching Entrepreneurship curriculum is geared toward high school students is offered during school hours.

6- *Energize Your Adult Incubator Clients*

The most successful adult incubation programs have found that supporting youth programs benefits the centre's overall environment as well as the adult incubation process. Having youth entrepreneurship here adds a lot of energy and excitement.

7- *Mould Responsible Entrepreneurs*

The youth entrepreneurship programs can help teach young people how to be responsible adults and conscientious business owners.

8- *Build more Partnerships*

Supporting a youth program is also a good opportunity to build partnerships. The businesses that partner with the incubator can serve as role models to young people by speaking at camps, providing internships, and participating in other activities.

9- *Teach Skills that have Life-long Benefits*

The skills young people can learn through entrepreneurship education and programming will benefit them no matter where they go in life. If they choose to start a business, they will have the preliminary skills to do so. If they do not choose to start a business, they will make better employees because they will understand the fundamentals of how a business operates.

10- *Bring more Exposure to Your Incubator*

An incubator's role in the community is to connect people who are looking to become entrepreneurs and people who provide services to entrepreneurs, the youth entrepreneurship can benefit incubators from a marketing and branding standpoint.

3. Research Methodology

The research methodology that has been used in this research study is compromised of desk-research, interviews and case study of 5 incubator organisations in the developing countries.

Interviews were conducted with senior executives of 5 incubators organizations across the developing countries. As a result of the interviews, it was identified that currently, there are 21 incubators across Middle East, 900 in Europe, 1000 in Asia, and 1400 in Latin America (NBIA, 2010; Al-Mubarak and Busler, 2011). Also, it has been noted that in developing countries, the business incubators could be particularly valuable in contributing to the economy, promote technology transfer, and create new enterprises and impacts on job creation. Table 1 shows a summary of case studies included the country name, objectives, services, incubator start date, type and financial information.

4. Findings and Discussion

From the current literature, it is evident (see section 2 above) the strategic benefits from supporting youth entrepreneurship for accelerating jobs creation and Entrepreneurship climate. The World Bank estimations indicate that there will be three billion people in the world under 25 by the year 2015. While the youth population grew by 13.2 percent between 1995 and 2005, employment among young people grew by only 3.8 percent to reach 548 million. Furthermore, statistics also indicate substantial differences between regions and cultures. Youth entrepreneurship is lowest in East Asia with below 10 percent, and highest in the Middle East and North Africa with 25 percent (infoDev., 2011).

The entrepreneurs companies receive support and guidance to market their business concepts, work effec-

tively to reduce the failures and ability of free standing in the market after graduation from the incubation program. In addition, business incubators provide the transformation of entrepreneurship ideas into start up business or viable business ventures (infoDev., 2009).

Table 2 presents the highest percentage of the number of entrepreneurship client firms and number of graduated firms 84.47%, 85% in China respectively. This percentage reflects the high demand youth entrepreneurship inside the incubators. Finally, the total number of entrepreneurship client companies 2511 create the total number of entrepreneurship graduate companies 716; this is the positive impact of case studies will be create high rate of employment.

5. Conclusion and Reflection

Entrepreneurship can unleash the economic potential of young people and be a source of new jobs and growth, while improving their economic independence. Entrepreneurial economy based on the technologically-driven economy where wealth creation is directly derived from innovation (Romer, 1990). Innovation must be understood not only in terms of conventional problem-solving techniques and improvements but also openness, alertness, and sensitivity to new and emerging opportunities. Finally, this study has clearly stated that the incubators are supporting entrepreneurship generation and innovation to lead jobs creation and economic development with the smart generation.

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Table 1. Summary of Case Studies

No.	Country	Objectives	Services	Start Date	No. of Client Firms	No. of Graduated Firms
1	China	Job creation, profitable enterprises, research commercialization, entrepreneurship awareness, export revenues, policy impact and income generation	Business information, advisory services, business management, business development, training, mentoring, angel investing, share the services and office space, financial training management, overlap financiers with venture capital, coaching the business, incubates program networking and networking events, technology commercializing, common laboratories and workshops	2004	2123	609
2	Australia			1997	358	90
3	Morocco			2005	8	4
4	Indonesia			1995	9	11
5	Philippines			2001	13	2

Table 2. Summary of the countries' Entrepreneurship firms

Country	Entrepreneurship firms			
	No. of Client	%	No. of Graduated	%
China	2123	84.47	609	85
Australia	358	14.3	90	12.5
Morocco	8	.3	4	.56
Indonesia	9	.4	11	1.5
Philippines	13	.53	2	.28
Total	2511	100	716	100