

The Role of Business Incubators in Supporting Small and Micro-enterprises for Young People

<https://www.doi.org/10.56830/WRBA03202404>

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Abstract:

Business incubators are one of the mechanisms that have proved useful and important in accompanying, supporting, and developing SMEs' economic, social, and technological development programs and the creation of new jobs, Their establishment is mainly due to overcoming problems that may lead to institutions' failure or inability to achieve the potential for progress These problems include the insufficient scope of business skills and lack of funding, and are aimed at addressing the high rate of collapse of these institutions, especially in the early stages of their establishment. This is why business incubators are perceived as integrated development projects for rehabilitation and adopting accompanying medium and small enterprises and ensuring their success and sustainability. This research paper aims to highlight the role of business incubators in providing initial impetus to SMEs to help them overcome start-up burdens and ensure their sustainability through their support and support services, especially during the early years of its life, International experience has demonstrated the efficiency and skill of incubators in increasing these institutions' success rates remarkably s experience and we will try to highlight the problems facing these projects.

Keywords: Business Incubators; SMEs; Creativity and Innovation; Entrepreneurship.

Introduction:

Small enterprises are a tool for balanced and sustainable development. Incubators help achieve the Government's national objectives for development. Today, small enterprises are the focus of policies aimed at reducing unemployment rates and providing jobs. Many international organizations, notably the United Nations Industrial Development Organization and the World Bank, have begun to raise the slogan of support for small and medium-sized industries. (Hu, Ahmad, & Lu, 2023), although it is increasingly important for small and medium-sized enterprises, their development and growth face some problems and constraints that have prevented them from reaching higher levels than if compared to economic strategies and policies geared towards strengthening them. (Ayalu, Abbay, & Azadi, 2023), and it is these difficulties that have led many countries to establish incubators through their programmes to overcome difficulties centrally and coordinate projects attached to incubators for success. Given the importance of business incubators as an instrument of economic development and their main focus is on supporting entrepreneurship and developing creativity through collaboration between business incubators and small enterprises, business incubators are a specific place that hosts small enterprises that are afraid of being unsuccessful in the market and provide a suitable environment for them to reach maturity and stability. This is confirmed by economists around the world (Saunila, 2020)

The Research problem.

Small and medium-sized enterprises are of great importance to young people as one of the economic sectors that are of great interest to the countries of the world and their critical role in production, operation, increased income and progress. Economists believe that the development and establishment of enterprises are among the most important sources of economic development in developed countries. s business incubators and their role in supporting young people's micro-enterprises by answering the following questions, By answering these questions, the problem of study is identified in the description of business incubators used to support young people's microenterprises.

- What is the reality of youth business incubators?
- What role do business incubators play in supporting young people's micro-enterprises?

- What is the goal of establishing business incubators?
- What are the most important factors for the success of business incubators?

Significance of the Study:

- Identify business nurseries in terms of their role and problems to help them play their role in supporting small enterprises among young people.
- Microenterprises achieve many objectives of a state's economic nature.
- The importance of this study is to obtain information on the subject of incubators, which is one of the important strategies for the development of small enterprises in young people.

Study Objectives:

- Determining the effectiveness of business incubators and their efforts to support small projects for young people.
- Measuring the role of business incubators in providing assistance and aid to young people's small enterprises.
- Identification of programs and mechanisms used within business incubators in small and micro enterprises.
- Finding proposals to increase the effectiveness of business incubators in supporting youth micro-enterprises.

Research Questions:

- What is the role of business incubators in providing administrative services to support young people's microenterprises?
- What is the role of business incubators in providing technical services to support young people's small projects?
- What is the role of business incubators in providing post-incubation services for microenterprises?
- What are the proposals for activating the role of business incubators in achieving the sustainability of community development programmes and projects?

Research Methodology

The current study uses a comprehensive social survey curriculum for members of the Board of Directors and officials of business incubators and random social surveys for

beneficiaries of such incubators. The types of studies used for this analytical study and this type of research study involves studying the current facts of the nature of the situation or group of events and conditions in order to demonstrate the interrelated and interrelated relationships between them to achieve these facts.

Review of Literature:

With the extrapolation of previous studies and Arab and foreign research related to the topic of study, they have been reached as follows:

First, studies on business incubators

- The study (Aernoudt, 2004) dealt with business incubators as a tool to promote entrepreneurship in developing countries. This study aimed at knowing the suitability of incubators to enhance leadership in developing countries and what are the basic requirements for the success of incubators. The study also drew many conclusions. Among the main weaknesses in incubators in developing countries are concentrated around highly tangible services and the causes of poor business development.
- A study (Ali & Nazmi, 2023) aimed at identifying the reality of business incubators and their role in supporting small enterprises in Iraq and determining the role that business incubators play in supporting projects by providing many services they need and the middle of the study with the need to integrate and enter into partnerships between them.
- The study (Pinto & Rua, 2023) noted an understanding of the meaning of incubation and the factors influencing incubation processes and their implications for the creation of a new project and its objective to recognize how incubation phases take place by relying on a curriculum that includes analysis of the impact of the process through targets, resources, incubator support, expertise and academic background.
- The study (Deyanova, Brehmer, Lapidus, Tiberius, & Walsh, 2022) addressed the impact of business incubators in the development of developing countries. The study aimed to show the strengths and weaknesses of business incubators in developing countries and know the role of incubators in entrepreneurial business for economic development. The study found that the work of business incubators provides support for start-up projects. Business incubators also contribute to achieving greater success opportunities for positive women.

Second Focus Studies on Microenterprises and Microenterprises

- The study (Maksimov, Wang, & Luo, 2017) aimed at identifying the implications of micro-enterprises for improving the family's standard of living and came up with a set of important results in the reality of micro-enterprises.
- A study (Högström, Balfors, & Hammer, 2019) aimed at identifying the extent to which small enterprises contribute to the process of development and the concept and importance of such enterprises and the problems they face in the growth and development of developing countries. The study concluded that confronting the problems must be identified, classified, prepared a database for them, as well as inventory of major problems and identification of central aspects to supervise and coordinate with them.
- A study (Al-Mubarak & Busler, 2017) aimed at knowing the most important constraints to microenterprise and microenterprise financing and the most important criteria for success.

Study terms:

Definition of small and microenterprises: Small enterprises are small businesses owned and operated by an individual or small group of individuals (Mandviwalla & Flanagan, 2021).

Concept of business incubators

Incubators are institutions that help startups establish and start through a range of services such as consulting, expertise, technical support, office insurance, public relations, finance, etc. (Grimaldi & Grandi, 2005), business incubators can be affiliated with government or private enterprises whether they are for profit or nonprofit incubators provide all the requirements needed by the project so that the project can recover its strength and exit the incubator with great competitiveness that helps it to be in the market. The incubator also assists entrepreneurs in providing them with assistance and services from the inception of the small enterprise to the acquisition of a product and support for this project so that it can compete in the labour market, Business incubators also provide a range of support resources and services designed and managed by the incubator administration (Bruneel, Ratinho, Clarysse, & Groen, 2012).

Business Incubators are organizations that help startups and individual entrepreneurs develop their business by providing a full range of services from management training and office space, to venture capital funding. It takes the hands of new companies that have a promising idea as well as entrepreneurs that are still in the process of the idea. They are then supported and trained to go beyond their embryonic phase (Albort-Morant & Ribeiro-Soriano, 2016), and since each start-up develops at its own pace, the foster program can run anywhere from several months to a few years. In any event, the aim is to provide the startup with the tools and knowledge it needs to get back on its feet.

Establishment of business incubators

The concept of business embrace originated in the United States in 1959, when Joseph L. Mancuso opened the Batavia Industrial Center in New York. The incubator then expanded into the United States of America in the 1980s, then spread to the United Kingdom and Europe through various forms such as innovation centres (Gao, Cui, Lew, Li, & Khan, 2021) and spread over the years, not only to developed countries. There are now incubators in developing countries that receive the attention and financial support of international organizations such as the World Bank.

Objectives of business incubators

- Provide support to startups and entrepreneurs through an incubation program that is well aligned with their needs (Urbaniec & Żur, 2021), and provide the right working environment to develop SMEs and increase their chances of success.
- Aimed at developing human resources and promoting entrepreneurial spirit (Moritz, Naulin, & Lutz, 2022), creating new jobs and reducing unemployment rates.
- Linking incubated projects with projects based on the ground.
- Leverage scientific research outputs and support innovation and innovators.
- Contribute to the State's economic and social development.

Economic importance of business incubators

- Saving costs on young companies through co-working spaces and access to low-cost guides.
- It is also a direct communication method between startups, investors and venture capitalists.

- He then refined the startup's business plan and helped create a compelling presentation, through mentoring and training to help attract investors (Merrifield, 1987).
- and assistance in establishing productive and service enterprises that provide basic services to society.
- Connect embraced new projects together to share experiences and ideas and overcome missteps and difficulties.
- Linking new projects with the market to be complementary to existing projects in the market.
- Developing small and medium enterprises for entrepreneurs and start-ups (Block, 2023), thereby supporting and developing the local economy and reducing production costs.
- Localizing Industries and Encouraging Investors to Support Enterprises and Continue their Investments (Özdemir & Şehitoğlu, 2013).

Types of incubators

1. Virtual business incubator: also known as online incubators. They also appeared in the early 1950s. These organizations provide online support to companies that need capital and guidance in their early stages (Nowak & Grantham, 2000). It also requires the establishment of a physical store on the incubator's website. Of course in this way the company is supported with its offices and workplaces remaining away from the incubator site.
2. Medical incubator: Incubators that provide new medical companies with the necessary financial resources, equipment and guidance to meet the challenges they face when developing a medical product or verifying its effectiveness (Kovačević, Gurbeta Pokvić, Spahić, & Badnjević, 2020). It also aims primarily to enhance the performance of healthcare companies by playing the central role in a tripartite network of healthcare systems and healthcare start-ups and venture capital. Currently, incubators lead health care innovations in the medical industry.
3. Public incubator: Social incubators are also called incubators. Its purpose is in the public interest. This goal is achieved by providing social entrepreneurs with the resources necessary to expand their business (Tavoletti, 2013). Social

entrepreneurship is now a global phenomenon that is transforming people's lives through innovative approaches to solving social challenges.

4. Regional incubators: serving a specific geographical area with a view to its development in all areas.
5. International incubators: attracts foreign capital with the aim of developing local start-ups (Pinto & Rua, 2023), and then moving them to the international market.
6. Industrial incubators: specialized in industry and established within a specific industrial area (Becker & Gassmann, 2006).
7. Research incubators: operate within research centers or universities and invest scientific research outputs in projects (Sansone, Andreotti, Colombelli, & Landoni, 2020).
8. Technical incubators: owns advanced hardware and equipment with the aim of investing them to bring new products to the market.
9. Specific sector incubators: Serve a specific sector such as engineering and modern technology sectors.
10. Tourism incubators: Specialized in supporting and developing tourism projects such as Spanish incubators (Rosado-Cubero, Hernández, Jiménez, & Freire-Rubio, 2023).

Advantages of business incubators

- Learning and Growth: Through networking with a network of trainers as entrepreneurs, HR experts and investors, as well as access to educational programs designed for business development and innovation.
- Access to finance: Your foster is connected to venture capitalists who can finance your project and execute your ideas. Just being admitted to an incubator program is proof of your skills.
- Provide operating expenses through co-working spaces provided by incubators.
- Communicate with start-ups and start-ups as incubators offer co-working spaces for startups.

Downsides of business incubators

- Incubators provide support and resources to emerging employers, but at a slow pace, and the application process for programs is rigorous in most incubators.
- There are varying degrees of selectivity in programs.

There is a strict timetable to be adhered to and not to be absent in training, workshops or other activities.

Table () Role of business incubators in providing administrative services to support young people's small enterprises

phrase	Responses, repetitions and %						Q	N	Ranking
	Yes		to a certain extent		No				
	K	%	K	%	K	%			
The incubator provided office equipment to support your incubated project	36	95	1	2.7	-	-	2.9	0.16	1
Provide incubator for technological equipment for your project	35	91	1	2.9	-	-	2.95	0.16	2
The incubator provided a convenient meeting hall with possibilities and space for your incubated project	32	88	5	14	-	-	2.8	0.35	3
The incubator provided training programmes in line with its objectives for your incubated project	10	26	25	63	11	4	2.2	0.18	5
The incubator provided management capacity support workshops	26	70	12	31	-	-	2.6	0.61	4
The infrastructure provided for incubated projects is characterized by their high quality	20	57	14	28	-	-	2.7	0.51	6
The incubator has made contacts with civil institutions to support your project	21	52	10	26	2	4.8	2.4	0.49	7
The incubator provided online services your project	27	80	1	35	1	5.5	2.8	0.81	9
The incubator sensitized the sponsors of the incubated projects to the laws establishing them	26	65	1	31	-	-	2.6	0.61	10
The incubator facilitates the extraction of licenses and permits for the establishment of your projects	27	37	5	27	-	-	2.70	0.48	8

The previous table shows the level of role of business incubators in providing administrative services to support small and micro enterprises for young people as determined by beneficiaries and the overall variable level as high as the arithmetic average (2). 56) The cuff indicators to moisturize the computational average stated in the first order that the incubator provided training programmes in line with its objectives for incubated projects. It also provided workshops for the incubator to support the administrative and technical capabilities needed by the incubated projects at an average arithmetic (2). 94) Finally, I provided the incubator for the Internet service for those projects offered and incubated at my average account. (2.89) This may be due to the fact that the most important tasks of business incubators are the formation and coordination of works as well as the possibility of marketing and management incubating the company and participating in the provision of services, equipment and offices to the company as well as providing the company with training, services and equipment to support technology and find customers for the emerging companies and plan for the rapid arrival of the company for its goals and self-reliance and help in obtaining these projects the necessary funding for their development The management and technical of these projects are societal development projects to achieve their sustainability in the field of targeted development.

Table () Proposals for activating the role of business incubators in supporting youth small enterprises as determined by experts.

phrase	K	%	Ranking
Create electronic databases that include business incubators and development projects	13	95	2
Establishment of a federation of business incubators to activate and develop their role	8	55	5
Held by Amer Workshops on Business Incubation	14	88	1
Support for Business Incubators	12	80	3
Organizing media brands to raise public awareness of the business incubators' work and how they participate and benefit from them	10	69	4
Activate the association between business nurseries and other organizations and professional financiers	7	47	6
Provide marketing for business incubators, projects and programs	3	20	8
Evaluation of incubators' projects and programmes	6	40	7

The previous table indicates the proposals for activating the role of business incubators in supporting small projects for young people as determined by the experts. The first order of information campaigns to raise public awareness about the work of business incubators and how they participate in them and benefit from them as a proportion. (95%) Osteoporosis in the second order in the creation of electronic databases looks like incubators and developmental projects and finally held workshops with all things related to incubators (88%) This may be due to the fact that the factors of success and incubation of businesses need competence from managers of incubators as well as the association of incubators and the interconnectedness of incubators in the surrounding community and the selection of the continuity of business opportunities as well as the possibility of obtaining funding and creating a suitable business environment within the incubator.

Results

- Business incubators are support for self-employment by providing them with a range of support resources and services designed and managed by the incubator's management, which the incubator either provides to startups directly or through a network of relationships.
- Business incubators differ from each other in the way they provide startups with services, their organizational structure, and the quality of customers they serve.
- Incubator incubation for startups increases their chances of success and continuity. In previous studies, 87% of startups that benefited from incubator support were found to have succeeded and continued in the market. Conversely, the success rate for startups that did not receive support from incubators was about 44%.
- Communicate with investors and capital investors and conduct comprehensive business training programs.

Recommendations

- The need to introduce an updated interrelationship between small and medium-sized enterprises in these incubators through the electronic information network.
- Comply with major projects by contracting with small projects to benefit from their products.

- It is necessary to open outlets to sell products for small and medium enterprises everywhere and not to rely on temporary exhibitions.
- The need to create industrial business incubators that fit the nature of each logic and are characterized by certain products that are complementary to each other to produce a final product that can be utilized.
- It is necessary to make available good loans for small and medium-sized enterprises that are long recovered.
- It is necessary to amend the requirements for granting loans to the owners of these projects while supporting them with the necessary funding without pressure or fear of non-payment.
- Activate the association between business nurseries and other organizations and professional financiers.
- Provide marketing for business incubators, projects and programs.

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