“Exploring the parameters for the optimum funding of Australian incubators from an incubator manager perspective”.

By

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Declaration

This project contains no material that has been accepted for the award of another degree, diploma or award at any University or other educational institution. To the best of my knowledge and belief, it contains no material previously published or written by another person or persons, except where due reference has been made.

In relation to the various articles where I was the lead author, this has been clearly indicated in the citation and only the material for which I am personally and directly responsible has been included in the thesis.

Signed,

……

Abstract

Incubators assist new businesses to grow by providing start-up entrepreneurs with physical and/or internet space, access to shared equipment, administrative services and business assistance programs. This qualitative research study explored management and stakeholder practices in business incubators to gain deeper insights about the motivations and objectives of incubator sponsors and the clients-entrepreneurs served by the incubator manager.

The thesis is centred on two major research questions:

1. What are the challenges of the not-for-profit incubator manager, split between the social objectives of the sponsors and the need to run the incubator as a self-sustaining entrepreneurial business oriented organisation?
2. What are the parameters for optimum sponsorship and funding of Australian not-for-profit incubators?

These questions, divided into a number of sub-questions, were investigated in ten incubators during two research phases with data collected over a period of two and a half years from forty six incubator tenants, four Australian incubator managers and six managers of incubators and incubator programs in Portugal, the UK and the Netherlands.

The data sets were coded and analysed following grounded theory principles primarily using NVivo®7 software in which the data was subjected to open, axial and selective coding processes.

The findings showed that there was a direct link between the sponsor's strategic orientation whether for-profit and not-for-profit and the effectiveness and organisational performance of the incubator manager and thus the incubator as a whole. The findings further indicated that despite inadequate finance, lack of profit making tools, autonomy and training to optimise success, not-for-profit incubator managers almost single-handedly contributed to the successful performance of the incubators because of their high levels of social capital and entrepreneurial orientation styles. Based on these findings, a new conceptual model was developed in order to determine the parameters for the funding of not-for-profit incubators that would facilitate both its financial success and its socio-economic mission.

Following the dialectic system of requisite holism and critical realism perspectives (Neergaard, 1999; Rebernik and Mulej, 2000) which views incubators as part of a complex social system, a new conceptual model was developed depicting relationship-based traits and activities recognised as socio-economic tools that have an impact on business performance and success in Australian and international incubators.

List of Acronyms and Abbreviations

ABS	Australian Bureau of Statistics
AGSE	Australian Graduate School of Entrepreneurship
ANZABI	Australian and New Zealand Association of Business Incubation
BBI	Brunswick Business Incubator
BI	Business Incubation or Business Incubator
BIIA	Business Incubation and Innovation Australia
BITS	Building on IT Strengths (Australian government program to strengthen the IT sector)
BTC	Bedrijfs Technologisch Centrum (incubator in Enschede, Netherlands).
CSIRO	Commonwealth Science and Industry Research Organisation
CV	Corporate Ventures
DECL	Darebin Enterprise Centre Limited; a Melbourne incubator
DEST	Department of Education, Science and Training
EA	Entrepreneurial activity
EC	European Commission
EiR	Entrepreneurs in residence (a BITS incubator in Perth, WA).
EO	Entrepreneurial Orientation
EU	European Union
iDISC)	Information Development (InfoDev) Incubator Support Centre
FP	For-Profit
ICT	Information and Communications Technology (ies)
IP	Intellectual property
MBSI	Manchester Business School Incubator
MEC	Monash Enterprise Centre (incubator in Melbourne)
NBIA	National Business Incubation Association (USA)
NBDS	New Business Development Services (SME survival program)
NENSI	North European Network for Service Incubators
NFP	Not-For-Profit
NIKOS	Dutch Institute for Knowledge Intensive Entrepreneurship
NTBF	New Technology Based Firm
NSW	New South Wales, Australia
OECD	Organisation for Economic Cooperation and Development
ROI	Return On Investment
SC	Social Capital
SME	Small and medium sized enterprises
TEC	Technology Enterprise Centre, (a Melbourne incubator connected with LaTRobe University).
TOP	Tijdelijke Ondernemings Plaatsen (Dutch program for start-up entrepreneurs)
TT	Technology Transfer
TPP	Technological product and process innovation
UK	United Kingdom
UKBI	United Kingdom Business Incubator
UMIC	University of Manchester Incubator Corporation

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