ABSTRACT

Entrepreneurs provide the last mile connectivity for an innovation to reach markets. This entrepreneurial effort when initiated by an individual or a team of professionals is known as ‘Start-up’. The start-ups as in the case of any other biological system face several risks. Technology risks, market risks, funding risks and / team (management) risks are the ones frequently encountered by the start-ups.

Innovating inside an established corporate firm is becoming increasingly difficult. World over, many corporate firms have moved away from ‘Closed innovation’ system to ‘Open Innovation (OI)’ system. Firms started partnering with academia, competitors, customers and start-up firms either to receive innovations from outside the firms or to take dormant innovations from inside to the market.

‘Business Incubators (BIs)’ support start-up ventures by providing access to infrastructure, mentoring, funding, talent, market, and legal /Intellectual Property Rights (IPR). Such a support mitigates the risks faced by start-ups and makes them successful. This study envisages to identify dominant success qualifiers of start-ups, and to investigate dominant incubation environment influencers affecting success of start-ups. More importantly, it postulates a new theory of transforming ‘Business incubators’ into OI hubs for providing access to market support to start-ups. In addition, the study explores if this transformation would increase the success of incubation efforts.

The study focuses on fifty-two Indian business incubators promoted by ‘National Science and Technology Entrepreneurship Development Board’ that were operational during July 2014. All of them were taken as ‘Universe’
and using survey research technique, data was collated using a structured questionnaire. Key findings were validated using elite interview method with a group of experts. Data was subjected to reliability and validity tests. Data analysis was carried out using ‘Structured Equation Modelling’, ‘Descriptive Research’, ‘Correlation’, ‘Confirmatory factor analysis’, ‘Mann-Whitney U test’ and path analysis. Visual PLS and SPSS were the tools used in the analysis.

Achieving market goals and customer acceptance is the most important qualifier of a start-up’s success. Access to market support from an incubator is the most important determinant among various BI service offerings to help incubatee firms succeed. Opinion of respondents on importance assigned to ‘Access to market’ positively relates to the postulation that ‘Business incubators’ can become open innovation hubs. Further it needs to be noted that the BI transforming into an OI hub could eventually lead to success of incubatee firms.