

Business Incubation Management Training Program

Training Program Overview



+ INNOVATION & ENTREPRENEURSHIP



THE WORLD BANK



International
Finance Corporation
World Bank Group



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Training Program Overview

infoDev is a global program within the World Bank Group that works at the intersection of innovation, technology, and entrepreneurship. Our program creates opportunities for inclusive sustainable growth and employment in developing countries. infoDev assists governments and technology focused small and medium sized enterprises (SMEs) to improve capacity and skills, increase access to finance and markets, ensure the appropriate enabling policy and regulatory environment for business to flourish, and test out innovative solutions in developing country markets. Business incubators can play an important role in supporting small business development and growth.

infoDev has found that high quality leadership is a key factor determining the probability of success for a business incubator. infoDev therefore seeks to increase the capacity of business incubation managers – and their stakeholders – through one-on-one technical assistance, regional and topical peer-to-peer networks, the bi-annual Global Forum on Innovation and Entrepreneurship, and its web-based networking and knowledge-sharing tools. The Business Incubation Management Training Program was designed in direct response to repeated requests from infoDev’s innovation and entrepreneurship community for an in-depth business incubation training program relevant to the developing country context.

This training program is the first-of-its-kind, drawing from the lessons, models, and examples in business incubation from across Africa, East Asia and the Pacific, Europe and Central Asia, Latin America & the Caribbean, Middle East & North Africa, and South Asia. More than 30 business incubator experts around the world contributed directly to the writing of the training modules, and the materials were tested with more than 300 professionals in emerging and developing countries, all of whom provided inputs to the final design. To date, more than 900 business incubator managers and stakeholders have been trained, with good results and a persistent demand for more training opportunities.

This training program is designed for business incubation managers and other business incubation stakeholders wishing to increase their understanding and know-how of the business incubation process. It currently consists of 12 training modules ranging from introductory topics designed for professionals who are new to business incubation, to specialized topics such as Technology Commercialization, Virtual Business Incubation and Agribusiness Incubation.

A 13th module on Innovation Ecosystem Development will be launched in early 2014.

infoDev wants to bring training closer to its clients. There are currently over 60 trainers from more than 35 countries around the world who have been certified to deliver infoDev's Business Incubation Management Training program. After a rigorous process of selecting, coaching and assessing these trainers, they are now ready to provide training in their local or regional markets. infoDev manages the overall quality of its training program together with appointed coordinators in each of the five regions where infoDev-certified trainers are represented.

Please visit www.infodev.org/training to meet the trainers and learn more.

Contributors

The training program is made possible by generous contributions from valued donors:



International Finance Corporation , Ministry for Foreign Affairs of Finland, SPARK (The Netherlands), King Abdulaziz City for Science and Technology (Saudi Arabia), BADIR Technology Incubation Program, Canadian International Development Agency.

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Deciding where to Begin your Training with infoDev?



The chart below offers guidance on what training modules will be the most helpful for participants with various levels of experience.

B Basic

for business incubation/acceleration stakeholders or practitioners who have less experience in this field, seeking to understand the building blocks and impact of incubation



MODULE 1

Business Incubation
Definitions & Principles

MODULE 2

Business Incubation Models,
including Success Factors

MODULE 3

Planning an Incubator

G General

for business incubator managers and staff seeking to develop their skills and capacity in a particular field related to business incubation management



MODULE 4

Marketing and Stakeholder
Management

MODULE 5

Financing a Business
Incubator

MODULE 6

Managing the Incubator

MODULE 7

Monitoring, Evaluation
and Benchmarking

MODULE 8

Implementing a Mentoring
Program

MODULE 9

Deals and Financing for
Incubator Clients

S Specialized

for incubation managers who deal with specialized services or are seeking to expand their service offering and understand the practical implications of this



MODULE 10

Technology
Commercialization through
Incubation

MODULE 11

Setting Up Virtual
Incubation Services

MODULE 12

Agribusiness Incubation

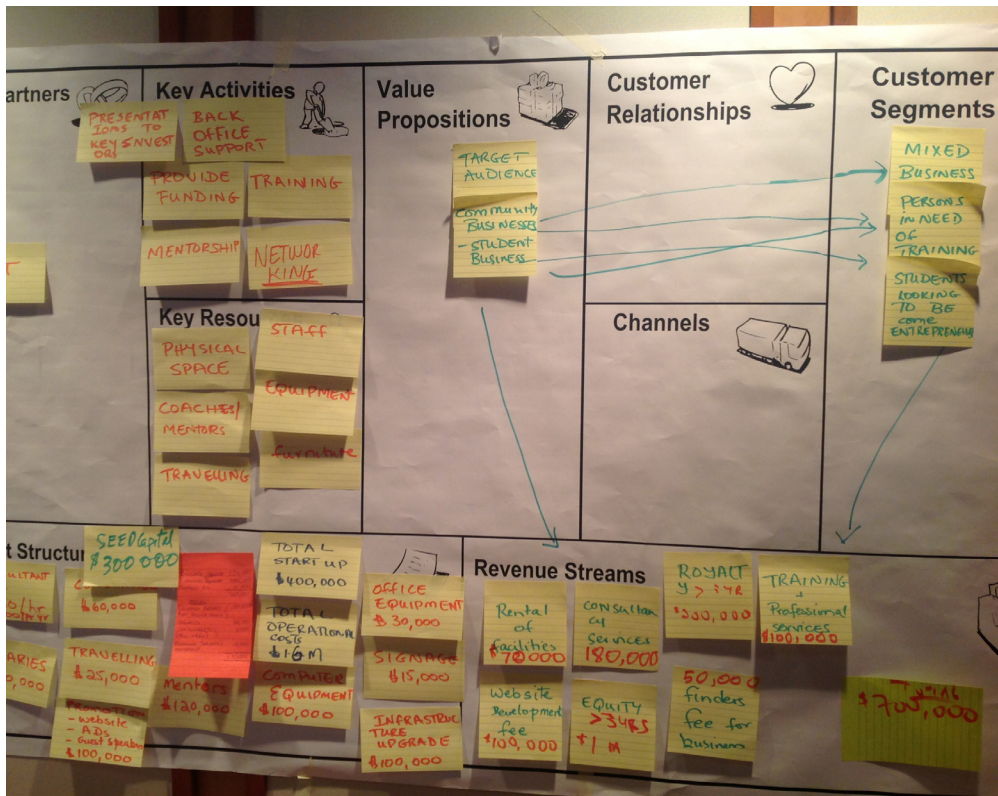
MODULE 13

*Innovation Ecosystem
Development Coming in early 2014*



- Each module is held over the course of one full day.
- Participants receive a trainee manual, slides and a number of exercises to work on throughout the day.

infoDev training is highly interactive, utilizing Participant Centered Training methodology to ensure maximum engagement and discussion among participants. Small working groups and various collaborative exercises are held throughout the training sessions, with optimum results coming as a result of active participant involvement.



Sample of business model canvas session



"Building a network" group activity at a training in East London, South Africa

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The Offered Suites Include:



Suite 01 Business Incubation Basics

- Module 1 – Business Incubation Definition and Principles p. 10
- Module 2 – Business Incubator Models and Success Factors p. 12



Suite 02 Business Incubator Operations

- Module 3 – Planning an Incubator p. 14
- Module 4 – Business Incubation Marketing and Stakeholder Management p. 16
- Module 5 – Financing a Business Incubator p. 18
- Module 6 – Managing the Business Incubator p. 20
- Module 7 – Monitoring, Evaluation and Benchmarking p. 22
- Module 8 – Implementing a Mentoring Program p. 24



Suite 03 Advanced Incubator Management

- Module 9 – Deals and Financing for Incubator Clients p. 26
- Module 10 – Technology Commercialization p. 28
- Module 11 – Virtual Business Incubation p. 30
- Module 12 – Agribusiness Incubation p. 32

- *Module 13 – Innovation Ecosystem Development – Coming in early 2014*



01 Business Incubation Definition and Principles

Objectives

After completing the module participants will be able to:

1. Describe where incubation fits in the broader ecosystem;
2. Distinguish different types of entrepreneurs;
3. Describe how their learning styles differ from other entrepreneurs and large businesses;
4. Draft the services that need to be provided by incubators to help businesses;
5. Differentiate the main components of business incubation;
6. Describe the key principles of business incubation; and
7. Conceptualize ideas to start their own incubators.

Participants

The module is for people who want to understand the principles and important work patterns of business incubation, as well as the necessity to embed a business incubation initiative in its local and regional environment. This training module is not only for (potential) managers and staff members of business incubators, but also for representatives of (potential) stakeholder organizations. Together with Module 2, a comprehensive introduction to the topic is provided that is also useful for participants not directly involved with business incubation.



Content

Business incubation is an important mechanism to support growth-oriented entrepreneurs. It needs to be well understood and properly integrated with other tools supporting SME development.

There are thousands of business incubators around the world working in very different environments with a wide variety of aims and missions. Business incubation, for example, can be mainly focused on fostering entrepreneurship in general (mixed-used incubation), or in specific areas like tourism or handcraft businesses. It can also concentrate on specific technologies or industries, like agribusiness, information & communication technologies, climate change or biotechnology. To operate any kind of business incubator successfully, it is essential to have a solid understanding of the basic principles of business incubation, the different approaches towards successful business support, and the difference between business incubation and other tools of entrepreneurship support (e.g. business development services, science/technology parks or pre-incubation services).

Module 1 contains information about the history of business incubation, which provides a better understanding of the knowledge development and the adaptation to the different purposes that incubators are serving. It includes an introduction to the possibilities for financing business incubation activities based on different business models (more details are provided in Module 5, Financing a Business Incubator). And it offers insight into the incubator services to be provided to client companies for effective start-up and growth support. Understanding the different types of entrepreneurs is essential to help incubator managers select and understand their clients.

The influence of the given environment in which an incubator is working in, its integration with local partners and regional or national networks, as well as the impact incubators may reach after sufficient time for development are other important parts of this module.

Finally, the first module includes a number of examples and case studies from a variety of backgrounds, and introduces the development phases of an incubator from a feasibility study (more details in Module 3, Planning a Business Incubator) through the development stage of an incubator to its maturity.

02 Business Incubator Models and Success Factors

Objectives

The module is for people who :

1. Understand and describe the difference and importance of the business incubation process and a business incubator;
2. Differentiate various business incubator models based on practical examples of incubators from all over the world;
3. Name the most important success factors and critical mistakes to avoid when planning and operating a business incubator;
4. Describe the principles of different business incubator models; and
5. Adapt the knowledge gained from the training to their own business incubators.

Participants

Participants should have a good understanding of business incubation, and the different business models for such initiatives. If such experience is not acquired yet, it is recommended to first attend Module 1.

Participants can be current or future incubator managers and staff members as well as representatives of incubator stakeholders, economic development agencies, and other organizations active in supporting the development and growth of enterprises.



Content

Module 2 builds on the knowledge from Module 1 and gives a good understanding of the framework for successful business incubation.

There is no single model for business incubation. Business incubator models vary depending on their precise objective, business environment, owners and funders.

The content of this module focuses on the importance of the multi-stakeholder concept in public-private partnership and provides insights into single stakeholder/sector business incubator concepts. The pros and cons of these concepts are illustrated with examples and case studies. It is important to understand the different interests of stakeholders from various institutional backgrounds and how such diverging interests can be combined for mutual benefit.

The module discusses the meaning and importance of for-profit and not-for-profit concepts for business incubators. Short statistical summaries illustrate the practical relevance of such approaches on different continents.

Another important differentiation discussed is related to the areas that incubators are focusing on, may be it market or technology segments or mixed-used incubators. The most important steps are summarized in "Principles and Good Practices of Business Incubation". Common success factors are addressed, along with issues to avoid.

Finally, principles of income generation for business incubators are described, and the most common business models used by incubators to generate revenue to finance their operations are outlined and discussed (more details are provided in Module 5, Financing a Business Incubator).

03 Planning an Incubator

Objectives

After completing the module participants will be able to:

1. Understand the importance of putting together the right team to plan an incubator, who should be involved in such a team and what their initial tasks should be;
2. Know what is involved in a feasibility study, how long it takes to complete, who should complete it, and how this should be undertaken;
3. Be able to interpret the results of the feasibility study, to arrive at a “Go” or “No Go” decision about whether or not to proceed with the establishment of an incubator; and
4. Understand how to develop a strategic and business plan to guide implementation of the incubator.

Participants

The module is for people who want to develop, or who are involved in the development of a business incubator. They may be stakeholders, members of the development team, potential staff of the incubator, consultants and other interested parties. People who are new to business incubation should complete Modules 1 and 2 first, to get an overview about business incubation and the variety of possible models.



Content

Many incubators fail because they copy something that works elsewhere, without adapting it to the local ecosystem, the needs of local SMEs and particular stakeholder objectives. Development and design of an incubator should commence with a feasibility study, to ensure it is needed by SMEs, supported by stakeholders, and delivers relevant and effective services with a viable business model. Then strategic and business plans are needed to guide implementation.

The first part of the module focuses on conducting a feasibility study. This includes the steps to form a stakeholder development team and the components of a feasibility study, including how to gauge stakeholder support and the market for business incubation, with a SME needs analysis survey.

Incubators are not always the most appropriate solution to the problems faced by the SMEs. The module therefore considers the main “Go” or “No Go” decision points, in terms of the market for business incubation, a strong financial base, good community support and the presence of true champions, which can determine whether incubation is feasible or not, or that more research is required.

After considering feasibility studies, the module focuses on development of the strategic and business plans to implement the incubator. The strategic plan sets out the mission, a precise description of what the incubator does, and the vision, which summarizes the image that the incubator would like to convey regarding its future and the key strategic objectives. The business plan addresses how to achieve these objectives and includes detailed financial projections. Sustainable business models are considered in terms of sufficient demand from quality clients, ongoing support, and financial sustainability.

04 Business Incubation Marketing and Stakeholder Management

Objectives

After completing the module participants will be able to:

1. Identify key customers that will provide the financial resources necessary to sustain the incubator as a viable enterprise;
2. Identify additional stakeholders that must be engaged if the incubator is to fulfill its mission;
3. Assess the customer and stakeholder needs that must be met to attract and ensure a long-term and successful relationship between them and the incubator;
4. Recognize and assess other organizations serving the same customers;
5. Determine how the incubator can complement rather than compete with other organizations serving the same customers;
6. Define the incubator's "value proposition", with appropriate modifications for different audiences, and ensure that the tactical marketing components support this value proposition; and
7. Identify the channels through which the incubator can convey its marketing messages and understand how to use them.

Participants

The module is for managers and other incubator team members concerned with marketing the incubator to both client businesses and stakeholders. Other people involved in the development and management of an incubator - such as board members, staff and incubator development teams - will benefit as well, by better understanding how marketing is critical for all aspects of developing and running a business incubator. Participants do not need a background in marketing.



Content

All too often incubators struggle to find good client businesses and to retain stakeholder support, because they do not properly understand the real needs of each and do not conduct effective marketing. Module 4 starts by analyzing the different markets incubators work with, incubatee businesses on the one hand and stakeholders who sponsor the incubator on the other. The needs of each can be very different. For instance universities and governments, which may fund the incubator, have different needs and expectations to the businesses an incubator supports. The module helps participants determine the particular needs of each of the incubators different markets and the related marketing objectives, leading to detailed consideration of how the 7Ps of marketing can be used to achieve these objectives.

Incubators succeed when they work with the other players in an ecosystem rather than try to do everything themselves in competition with people and organizations who could be strategic allies. This module addresses business incubator competition in terms of the challenge of turning potential competitors into constructive complementing organizations and individuals.

The module also helps participants define their incubator's "value proposition" in terms of customer needs. Unless the value to customers is understood, along with the Unique Selling Proposition, an incubator will struggle. Module 4 concludes with an analysis of the various channels that can be utilized to promote the incubator, including networking, testimonials, entrepreneurship days and publications, which helps incubators implement effective and efficient promotion.

Through developing an understanding of the main aspects of marketing, participants will be in a better position to develop and implement effective marketing strategies that attract and retain the customers and stakeholders needed for incubator sustainability.

05 Financing a Business Incubator



Objectives

After completing the module participants will be able to:

1. Analyze and budget for the incubator's costs and revenues;
2. Identify the funding needs of the incubator and the corresponding available funding and revenue sources;
3. Develop an adequate fundraising strategy; and
4. Monitor the financial performance of the incubator towards financial sustainability.



Participants

The module is designed for both people involved in the development of a new incubator and those who are responsible for managing and governing an incubator's financial performance. Knowledge of accounting is not essential.



Content

Even though they may have social objectives, incubators need to operate along business lines, securing funds and managing financial resources to:

- Establish the business incubator;
- Start its activities;
- Operate efficiently and in a manner that contributes to achieving the incubator's overall goals; and
- Ultimately, reach sustainability.

Many incubators struggle to achieve independent financial self-sustainability, whereas others are self-sufficient. The difference often revolves around management and governance capability. In the end a business incubator needs to be managed with an entrepreneurial mindset, even if independent financial self-sustainability is not an objective.

Module 5 explores the different funding opportunities available to help incubator managers develop a targeted fundraising strategy, in order to secure the most appropriate sources of funding to meet the incubator's funding requirements. This involves determining the most appropriate revenue streams to cover the costs generated by the incubator's activities.

In addition to bringing in funds and revenues, managers must carefully manage how these financial resources are used. This requires careful attention and strict record keeping, monitoring cash flows, budgeted and actual revenues, expenses and investments.

By applying the information contained in this module, incubator managers will learn how to effectively budget for and manage an incubator's finances.

06 Managing the Business Incubator



Objectives

After completing the module participants will be able to:

1. Formulate key incubation policies, such as entry and exit criteria;
2. Formulate, implement and maintain an incubator structure;
3. Manage a Private Public Partnership effectively;
4. Understand roles and responsibilities of various key players; and
5. Manage and motivate the incubator's staff.



Participants

The module is designed for people responsible for managing an incubator. It is primarily geared towards the management team, but will also benefit members of boards and stakeholders involved in the incubator's governance, who will gain a better understanding of the intricacies of managing an incubator.



Content

Managing an incubator is a demanding and challenging role. On one hand incubator managers need to carefully manage the day-to-day operations of their incubator, in order to meet financial and marketing targets and strategic objectives. On the other hand, incubator managers need an entrepreneurial mindset, to facilitate the development of the incubator and its products and services and to successfully incubate entrepreneurial client businesses. These goals are sometimes difficult to balance. For instance, how can an incubator and its staff be entrepreneurial and serve as role models for incubatees when they are a part of a government or university organization, which itself is not entrepreneurial and may not really understand the needs of startup businesses?

Module 6 analyzes the critical aspects of incubator management including the entry and selection of clients, their subsequent graduation, the main policies, procedures and governance arrangements needed, and how to develop the strategic objectives and the mission of an incubator.

The incubator's short and long-term success revolves around the way an incubator is managed, and so the capability of the manager and management team is critical. No one person has all the necessary capabilities, so a team approach is fundamental, along with understanding the critical competencies required by good managers.

Issues relating to the incubator-incubatee relationship also have an important influence on the success of an incubator, including: which businesses to select to enter the incubation program; the terms and conditions of the incubation agreement, and when and why an incubatee should leave the incubator. Governance arrangements are important as well, and should ideally give the incubator autonomy from its sponsoring organizations (allowing 'management to manage'), while still clearly articulating the proper roles and responsibilities of boards. If an incubator gets this wrong, good managers won't stay for long, a challenge struggling incubators often face.

07 Monitoring, Evaluation and Benchmarking

Objectives

After completing the module participants will be able to:

1. Understand the added value of monitoring and evaluating the performances of their incubator;
2. Define relevant and adequate performance indicators of their business indicators;
3. Explore how to monitor and evaluate, notably by studying existing tools and methodologies;
4. Understand how to collect data (i.e. which methodology and tools to use); and
5. Understand how to use the data collected through monitoring and evaluation (M&E) activities and to compare one business incubator's performances with the results of similar organizations.

Participants

The module addresses people who want to establish or enhance the monitoring and evaluation (M&E) mechanism and instruments of existing business incubators or want to understand and plan the M&E instruments for a new incubator as part of the incubator planning process. It is also for people who want to apply or improve benchmarking as an instrument to measure the performance of an incubator in comparison with other incubators. They may be incubator and incubator program managers and planners, as well as consultants and other interested parties.

The module can be combined with Module 5 (Managing an Incubator) to gain a comprehensive understanding of the role of M&E as well as of benchmarking in incubator management. The module can furthermore be combined with Module 3 (Planning an Incubator) for understanding how monitoring and evaluation relates to the performance, output and impact objectives set with the incubator business plan.



Content

Like in any other business or organization, a key function of business incubator management is the monitoring and assessment of the development and performance of the organization in relation to its strategic and operational objectives. While this applies to virtually all types of organizations, business incubators act as growth catalysts for early-stage enterprises in a community or industry cluster. Therefore, it is important not only for the incubator management but also for the stakeholders of an incubator, such as local governments or technology cluster managers, to understand the output and impact generated through incubation activities



and measured against the resources invested for these purposes. M&E is particularly important if considered in terms of the significant role that it can play in fundraising and marketing activities.

Measuring an incubator against others through benchmarking helps incubator managers as well as managers of incubation programs, to identify strengths and weaknesses in the performance of an incubator. Smart M&E and benchmarking systems are inte-grated into the daily operations of incubators, and can therefore generate direct management benefits rather than additional bureaucratic burdens.

The first part of the Module 7 demonstrates good monitoring and evaluation (M&E) practice and provides practical instruments for the development and implementation of an incubator M&E system. To set the scene, the module starts with discussing the added value of monitoring and evaluation, and highlights the “reason why” and the benefits the incubator managers gain from applying good M&E practice in their organizations.

Daily operations of incubators generate manifold data and information, such as financial information or client data. In order to measure efficiently and the incubator’s processes and performances effectively, it is essential to define “What to Measure” and identify the relevant indicators that will be used as the basis for measurement. This module provides hands-on examples and practical tools for defining key indicators and for developing the framework of an M&E system.

The first part of this module also provides participants with guidelines and practical recommendations on “How to Measure” these indicators efficiently and effectively. These include lessons learned from global incubator management practice and discussions about different methods of data generation.

The second part of the module focuses on Benchmarking as a tool for performance measurement through the comparison of the incubator against similar organizations. This part of the module starts with discussing the benefits benchmarking generates for the management as well as for the different stakeholders of an incubator. It also discusses different types of benchmarking systems.

Core to this second part of the module is the Five Stage Benchmarking Process, which enables training participants to properly plan and implement a benchmarking system for their incubator or for an incubator program involving a number of incubators.

08 Implementing a Mentoring Program

Objectives

After completing the module participants will be able to:

1. Understand the mentoring process from three perspectives – the business incubator, the mentor, and the mentee;
2. Assess gaps in the knowledge, skills and attitudes of incubator clients that cannot be adequately addressed by the incubator's staff;
3. Assess potential mentors and mentees for readiness to engage the mentoring program;
4. Provide orientation and instruction to both mentors and mentees to maximize the probability of successful outcomes, and to coordinate the mentoring engagement process; and
5. Develop and implement a mentoring program.

Participants

Participants of this training can be (future) incubator managers and staff members as well as representatives of incubator stakeholders, economic development agencies, and other organizations active in supporting the development and growth of enterprises, interested in how to engage mentors into the incubation process.



Content

Incubator managers are busy people, and establishing and maintaining a solid network of external partners is essential for building up a quality incubation service package. A network of mentors can address the gaps in knowledge and skills of the incubator staff and significantly expand the capacity of the incubator to support business development.

Also, besides practical guidance and know-how, mentors are often able to provide early-stage enterprises with social capital and market links that are essential for newcomers in the business community or in a particular market or industry. Module 8 enables participants to identify the potentials of a mentoring program for their incubator, and to develop and implement a mentoring program.

Part 1 of the module discusses mentoring as a social concept as well as a way to develop people and distinguishes mentoring from other ways of people development applied by incubators, such as training or counselling. It looks at social components such as trust that are crucial for establishing a relationship between mentors and mentees, and provides practical examples for how to address these components. This part of the module also discusses the motivation of mentors as well as the purpose of mentoring from the perspective of the mentee.

Part 2 of this module enables the participant to identify the potentials and opportunities for mentoring as a part of the incubator service portfolio, and provides a hands-on guideline for planning and implementing a successful mentoring program. Based on good practice examples and case studies, this part of the module introduces the important components of the mentoring process, and offers practical instruments and templates for the management and supervision of a mentor-mentee relationships. It also provides a tool for successfully matching mentors and mentees.

Module 8 builds on the knowledge from Module 5 (Managing an Incubator). Combined with Module 9 (Financing for Incubator Clients), it will enable the participant to understand the wider potential role of mentors as potential financiers and business angels.

09 Deals and Financing for Incubator Clients

Objectives

After completing the module participants will be able to:

1. Understand and describe the varied sources of financing for incubator clients; and
2. Describe programs and processes that will enable the incubator manager to achieve the following:
 - Help incubatees develop fiscal discipline and financial management systems;
 - Introduce incubatees to varied sources of financing;
 - Educate incubatees with respect to the typical terms, conditions and risks associated with the various sources of financing;
 - Enhance the readiness of incubatees to engage with different sources of financing; and
 - Connect sources of financing and financial expertise to the incubator.

Participants

The module gives incubator managers and other people who advise and support SMEs (who may or may not work in an incubator) an understanding about the realities of SME financing, how to help SMEs with their finance needs and the various sources of finance available to establish or grow a business. Participants do not need a background in accounting and finance. Specialists in the area typically say they benefit from the module, even though they will know much of the content.



Content

Module 9 starts with the fact that ‘cash is king’ and ‘cash flow is queen’ and describes how to help SME clients manage their cash flows so that the financial tap does not run dry, avoid the common causes of cash flow problems, and know how to cope in a cash flow crisis. In the end good cash flow management is fundamental to business success, for freeing up cash already within the business, and indeed to raising external finance.

The module goes on to analyze the main sources of finance, from conception, through firm birth to growth, along with expectations of finance providers, the obstacles entrepreneurs face seeking finance, and the pros and cons of each source of finance. The module looks into how incubators can connect and work with finance providers, including newer forms such as crowd funding, and how they can help identify and address financing gaps.

Identifying the right source is only one part of the equation. Entrepreneurs have to be ready for financing also, in terms of their own financial management, bookkeeping, management systems, transparency and documentation. The module investigates how incubators go about supporting their clients through the process. It addresses common questions such as: Do I need finance to start and grow a business? What do venture capitalists look for? How can I get a loan? What is bootstrapping? What accounting tools and systems should I use? Why can’t I get finance?

With such a complicated and specialized topic, incubator managers are unlikely to ever have all the knowledge and skills needed and so the module looks at options and sources of external assistance, to both help clients and to develop incubator manager capacity. The final part of the module focuses on how incubators develop programs to make clients “finance ready” and to connect them with sources of finance, and explores need for new culturally relevant sources of finance to address key gaps.

10 Technology Commercialization

Objectives

After completing the module participants will be able to:

1. Understand the basic strategies for commercialization, and the common mistakes made in trying to commercialize new technology;
2. Connect with sources of new technologies for commercialization and support entrepreneurs commercializing technology;
3. Engage with clients in developing expertise related to technology commercialization – engaging both technological and business entrepreneurs; and
4. Identify and connect to potential sources of technology commercialization assistance within the incubator's ecosystem.

Participants

The module is for incubator managers, staff and other counsellors and advisors involved in helping clients to commercialise new technology or adapting existing technology for a new market.



Content

Technology is a driver of competitiveness and success for many businesses, but scientists and technologists rarely understand business and markets, and, in many cases, their business expectations are unrealistic. This module considers technology commercialization from a business incubation perspective, whether the technology is developed from new intellectual property, by universities and their Technology Transfer Offices, inventors, research centers, or transferred from another location to one where it is new.

The sources of intellectual property to commercialize, as well as challenges, expectations and important lessons are considered, taking into account large countries with substantial R&D budgets, as well as those countries that do not have large R&D budgets and so need to approach technology commercialization and associated incubation in different ways.

The most common mistakes are analyzed and with an in depth real world case study participants experience the reality of technology commercialization by way of incubation.

Module 10 looks into how commercialization can be supported at the various stages of incubation, including feasibility, market assessment and planning, securing intellectual property rights, composing the initial team, obtaining financing for technology ventures, prototyping, gaining early market acceptance leveraging early adopters and ultimately growing the business, maybe through internationalization.

Working with Technology Transfer Offices and other R&D commercialization bodies is crucial but not easy and the module looks into the common difficulties and the solutions incubators have instituted.

11 Virtual Business Incubation

Objectives

After completing the module participants will be able to:

1. Understand the fundamentals of virtual incubation;
2. Explain the pros and cons of virtual incubation compared with traditional incubation;
3. Articulate the relationship between the incubator and client in virtual incubation and how this differs to traditional incubation;
4. Determine why an incubator should provide virtual services and to whom;
5. Decide whether or not virtual incubation is the right solution for their incubator and the applicable revenue models;
6. Determine the virtual services needed as well as the important business coaching and other resources and infrastructure required; and
7. Develop strategies to overcome the challenges of virtual incubation, including how to develop trust, foster peer learning and monitoring and evaluation.

At the end of the training, the participants should have completed a draft action plan to implement virtual services.

Participants

The module is designed for people who are running incubators, or who are considering virtual incubation as a stand-alone business model, or who consider extending their existing incubator services to non-resident (i.e. virtual) clients.



Content

The traditional view of business incubation focuses on serving entrepreneurs who are located on the incubator premises, for which one advantage is that physical interaction is a powerful tool for building knowledge and networks among starting entrepreneurs. Needing extensive physical facilities, traditional incubation is capital intensive. Moreover, because not all clients will be able to move into an incubator's facilities full time and because these facilities cannot cater to all physical accommodation needs, traditional incubation inevitably limits the type and number of clients who can be served.

Module 11 focuses on a paradigm shift, from incubation space (incubator) to the incubation process, whereby clients who do not locate in the incubator's facilities can be assisted and the ongoing evolution of virtual incubation models. For the purposes of this module and the examples presented, 'virtual incubation' refers to all online, outreach and drop-in services, whereby a physical incubator extends its services to non-resident clients (who do not locate their business on site), and includes co-work spaces (including co-creation spaces and hubs) which have grown astoundingly fast in the last years. More and more traditional incubators add on virtual services to extend their reach and others are completely virtual. infoDev's analytic work, Lessons on Virtual Incubation Services, and the growth in the number of co-work spaces globally shows the demand and potential for new models in this area. As a result the content of the module is updated periodically.

Why incubators might develop 'virtual services' is considered along with the pros and cons compared to traditional incubation. The tools and services that can be used, at each stage of incubation, from pre-incubation of ideas to helping later stage companies to go off-shore, are discussed, as well as the facilities and infrastructure that are required. These are considered in terms of the incubator manager and other staff roles, the importance of people contact and peer learning (entrepreneurs learn best from each other) and the associated challenges.

For physical incubators, a major source of income is rent for business premises, but this form of income is not available to virtual business incubators. The module presents options for making revenue from virtual incubation services, such as from membership fees, hot desk fees, use of business center services and training.

12 Agribusiness Incubation



Objectives

After completing the module participants will be able to:

1. Understand the fundamentals of agribusiness incubation and how it differs from typical business incubation;
2. Understand why the focus on agribusiness value chains is important;
3. Describe the various models for agribusiness incubators;
4. Understand the success factors of leading agribusiness incubators; and
5. Develop a distinctive action plan for improvement of their incubator's scope and operation.



Participants

The module is designed for agribusiness incubation development teams, managers of agribusiness incubators and people from other types of incubators who assist agribusiness clients and want to improve. There are no pre-requisites, although completion of Modules 1 and 2 about the basics of incubation and the various models will help.



Content

Module 12 outlines the challenges associated with incubation in the agricultural sector, where climate, supply, regulatory and market risks are far higher than for many other forms of business development, making agribusiness incubation far more difficult. It provides an overview of various types of agribusiness incubator models: “One stop” agribusiness sector developers; university and research-based agribusiness incubators; agribusiness supply chain integrators; grass roots innovation incubators; and transnational strategic alliance technology transfer agribusiness incubators.

The module also provides a crash course to learn the basics of agribusiness value chains, which is critical for understanding how the shift from supply chains to value chains and from commodities to differentiated products, opens up new opportunities for food processors and other innovative enterprises to compete on value rather than price. In a highly competitive and commoditized environment this understanding is critical for the success of new and growing agribusinesses.

Finally, the module engages participants in a discussion about the critical success factors for agribusiness incubators, with concepts illustrated by practical examples drawn from agribusiness incubators in developing economies. The importance of specific agribusiness networks is addressed, along with the growing importance of regulation and certification. Participants consider the risks and trends as the context for developing improvement plans for their agribusiness incubation activities.

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