Catalyzing Financing and Management of Entrepreneurial Ecosystem for Successful Business Incubators and Accelerators in Tanzania Higher Learning Institutions

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Abstract

Business incubators and accelerators are support mechanisms for the rapid growth of SMEs and start-ups. The general objective of the study was to explore effective strategies for establishing and governing innovation hubs to support entrepreneurs, SMEs, and start-up growth in Tanzania. Using a descriptive research design to collect primary data, the study used non-probability technique to select a sample of 50 incubators and accelerators from research-based institutes engaging in innovation and entrepreneurial activities in the country. The study findings indicate that 92.5 percent of surveyed business incubators believe lack of innovation and creativity as the major challenges in managing business incubators. Moreover, about 50 percent of surveyed business incubators use social media in marketing products produced by enterprises residing in the programme, this happens to be their main marketing strategy. Various plans have been presented by business incubators in resource mobilization, clear organizational goals and objectives scores the highest in terms of resource mobilization plans. The findings and theoretical propositions offered in this research have key implications for the theory, practice, and policy of incubators and accelerators as enablers of entrepreneurship in developing countries.

Keywords: business incubators, accelerators, entrepreneurial ecosystem, entrepreneurs, small & medium enterprises (SMEs), Higher Learning Institutions (HLIs).


Introduction

Background and Objectives of the Study

The entrepreneurial ecosystem consisting of institutions, actors, and linkages offers an effective supporting environment in which entrepreneurs are embedded as they innovate (UNFCC, 2018). The ecosystem facilitates the provision of incentives, training, finance, and networks that are crucial for sustaining the development and performance of entrepreneurship (UNFCC, 2018; Mian et al., 2014). Therefore, building up and strengthening of entrepreneurial ecosystem in developing countries is important to enhance the national innovation process.

Start-ups and small & medium-sized enterprises (SMEs) businesses need sound financial management and data as they start and grow their businesses. Studies and successful stories indicate that incubators and accelerators are good support partners as enterprise growth hubs (Mian et al., 2014; Pauwels et al., 2016). Simply put, incubators and accelerators are support mechanisms for the rapid growth of SMEs...
and start-ups. More specifically, the literature defines incubators as typically physical spaces available on relatively flexible terms that provide additional support services, specialist equipment, or facilities such as laboratories. On the other hand, accelerators are more focused on supporting growth and access to funding, typically aiming to stimulate small companies’ rapid growth (UNFCC, 2018). Accordingly, incubators and accelerators are probably the best models of business support for SMEs and start-ups in developing countries.

Research Problem

Studies have agreed that SMEs and start-ups through technological innovation have always played a major role in the provision of services and in supporting the national economy ((UNFCC, 2018; Vincent and Zakkariya, 2021). However, in developing economies, such ventures are mostly subjected to challenges such as weak entrepreneurial support systems, fragmented linkages to markets, and a lack of effective supporting financial systems (Vincent and Zakkariya, 2021).

Incubators and accelerators can play an important role in addressing the challenges through the provision of vital support to SMEs and start-up firms. Nevertheless, incubators and accelerators struggle to perform since, developing nations like Tanzania are characterized by a weak entrepreneurial ecosystem and supporting financial system (Briggs, 2017). Moreover, the model adopted is mostly based on that used in Silicon Valley which is not reflective of the developing country context. This research therefore aimed to analyse the diverse actions that can be taken to increase the chance of success for business incubators and accelerators in supporting SMEs and start-ups growth in Tanzania. Specifically, this study has explored the potential of Tanzania’s Higher Learning Institutions (HLIs) in establishing Innovation Hubs to support young entrepreneurs, SMEs, and start-ups' growth.

Research Objectives

The general objective of the study was to explore effective strategies for establishing and governing innovation hubs to support entrepreneurs, SMEs, and start-up growth in Tanzanian HLIs. Specifically, the study has been guided by the following specific objectives:

i. To explore the challenges and opportunities in areas of sustainability, competition, development, and an effective business model for managing business incubators and accelerators;

ii. To examine the role of stakeholders in establishing business incubators and accelerators;

iii. To determine effective market strategies for the sustainable management of business incubators and accelerators; and

iv. To determine risk management strategies in managing business incubators and accelerators.

Literature Review

Business Model to Sustain Business Incubator and Accelerator Growth

Using content analysis, Bagnoli et al., (2018) define incubators and accelerators’ business models as consisting of four main dimensions value, modeling principles, functional, and strategy dimension. It has been noted that the business model for start-ups transpires differently such as by adding new activities, combining activities in new ways, or changing one or more activities (Urbaniec & Żur, 2021). However, unlike incubators, accelerators tend to rely on corporate sources for funding rather than the public sector or universities (Bone et al., 2017). A frequently used framework for analysing incubators’ and accelerators’ business models, is the one proposed by Osterwalder and Pigneur (2010).

As noted by Bliemel, et al., (2019) accelerators and incubators do more than just support entrepreneurial skills but may go further to provide tangible and intangible dimensions of start-up infrastructure to form a positively reinforcing cycle of entrepreneurial activities hence emphasizing the important role of business models on incubators and accelerators growth and success.
Stakeholders in Establishing Business Incubators and Accelerators

As noted by Secundo et al., (2023), close interaction among students, academia, companies, and institutions creates a favourable environment that enables opportunity identification, and idea generation through deep contamination of knowledge, skills, and experiences. Accordingly, incubators and accelerators allow entrepreneurs to utilize a group of both internal (sponsors, directors, and staff) and external- network stakeholders (sponsors, partners, investors, and portfolio companies) to attain organisation goals (Vandeweghe & Fu, 2018). Therefore, the involvement of a variety of stakeholders such as entrepreneurs and many other support actors is essential (Wright et al., 2017). Regrettably, such a framework to understand the ecosystem required to enable the governance of stakeholders for successful business incubators and accelerators in the context of Tanzania is missing.

Effective Market Strategies for Sustainable Management of Business Incubators and Accelerators

The literature mostly posits a positive significant impact of incubators and accelerators on start-ups due to the lack of network opportunities with potential partners, customers, suppliers, and funders, hence posing challenges to most entrepreneurial ventures (Yusubova & Clarysse, 2016). Business incubators and accelerators work as supporting mechanisms by providing the necessary facilities and assistance such as complementary facilities, financing, and marketing for the establishment of emerging institutions in the early stages of start-ups until they attain competitiveness (Fetni & Barhoum, 2022). Hence, knowledge of strategic gains, such as access to new market knowledge and organizational learning are important pillars to the sustainable growth and competitiveness of incubators and accelerators.

Risk Management Strategies for Business Incubators and Accelerators

Risk identification and mitigation strategies are important elements in the sustainable growth of any entrepreneurial venture. Kaszuba-Perz & Czyżewska (2020), have shown that customer development, design thinking, lean startup, and the role of investors as essential elements in managing risks for start-ups. On the other hand, Wonglimpiyarat (2017) found the business environment; risk assessment; control activities; information and communication; and monitoring as challenging factors for innovative start-ups. Bagnoli et al., (2020) concluded that the role of stakeholders and their motivations are important sources of identifying the source of failure and risks in incubators and accelerators in the broader ecosystem they operate hence denoting what the startups emphasize and avoid. Considering that a consolidated strategy with a well-structured risk management process is important for startups during the innovation stage (Todeschini et al., 2017).

Research Methodology

Research Design

The study has adopted a descriptive research design to collect primary data using interviews and questionnaires in different regions of Tanzania; where incubators and accelerators are currently operating (COSTECH, 2022). A sample of 50 incubators and accelerators from research-based institutes engaging in innovation and entrepreneurial activities in the country were selected using a non-probability technique to ensure an effective representation of the study population (Briggs, 2017). The study established the sample size after a pilot study of a few incubators and accelerators, which was also used to determine the major players in business entrepreneurial and technological innovation activities in the country.

Data Collection Tools

The research has used questionnaires and interviews with a small sample of forty (40) operating incubators in Tanzania to award an extended period to each participant, to gain a rich and in-depth detailed insight into their experience and emergent entrepreneurial learning outcomes (Farrall, 2006). Data collected were coded and analyzed using triangulation and descriptive methods to interpret the study findings and hypothesis.
Findings and Discussion

Challenges, Opportunities and an Effective Business Model on Managing Business Incubators and Accelerators in Tanzania

Skills and Knowledge Required Managing Incubation

The concept of incubation entails the process of nurturing start-up companies (incubatees) by supporting them with all available resources, value-added services and networks at the vulnerable early-stages of growth and development. The incubatees acquire shared support services under “one roof” for a given period of time (mostly 36 months) after which they are expected to exit from the incubator as financially viable and freestanding businesses. In this section we present major skills and knowledge mention by surveyed business incubators as necessary for development and sustainability of managing incubation business. Figure 1 provides a graphical presentation of the results.

Based on provided information, all surveyed TBIs consider entrepreneurial and technical skills as the necessary knowledge required and also transformed to SMEs. Furthermore, management experience and flexibility also mentioned as required skills followed by leadership skills in which only about 2.5 percent of the surveyed business incubators consider it necessary for managing incubation business. Management competencies view technical skills as very important to lower level managers. Based on the findings on managerial skills learnt and their impact on business growth, this study concludes that the majority of the TBIs learnt the business plan and human capital development skills. This is in congruence with the need to develop clear and concise business plans to facilitate not only funding, but also business efficiency.

Challenges in Managing Business Incubators

Notwithstanding the growing interest in business and technological incubation programmes and the benefits derived from such programmes, the path is beset by numerous challenges worth to be considered. This study investigates the challenges faced by business and technological incubators as they strive to support their clients (incubatees). The study utilized a qualitative approach to collect data by way of interviews to gain in-depth knowledge and understanding of the concept and challenges of business incubators. Figure 2 provides a graphical presentation of the results.
Based on provided information, 92.5 percent of surveyed business incubators believe lack of innovation and creativity as the major challenges in managing business incubator. Furthermore, 87.5 percent believe that lack of entrepreneurial skills is also a challenge in business incubation. In addition, 97.5 percent of surveyed business incubators believe that lack of venture capital is major challenge in managing business incubators; the larger the venture capital the higher the SMEs can be enrolled into the programme. Poor industrial growth 87.5 percent and low productivity 57.5 percent were also mentioned as challenges encountered in managing business incubators. In order to encourage attendance at their programs, TBIs should also seek what is demanded by incubatees apart from trying to solve their own challenges. TBI managers should strive to collaborate with tenants, where tenants will view them as stewards with their best interests in mind which allows for successful outcomes for both parties involved.

**Objectives of Establishing the Incubator**

Business and technological incubators have emerged as a valuable resource for startups seeking to overcome business and operation challenges. Business incubators provide startups with the necessary support, resources, and guidance to help them grow and succeed overtime. The primary function of business and technological incubators is to enhance the chances of success for innovative startups and facilitate the entrepreneurial process. This study also delves into the objectives of establishing business incubators and incubation and their significance, and the phases that make up the development of business incubation. Figure 3 provides a graphical presentation of the results relating to objectives of establishing business incubators.
Based on provided information, about 97.5 percent of the surveyed business incubators they are in the incubation business purely for entrepreneurial purposes. Furthermore, 95 percent they aim at developing SMEs as their primary objectives. In addition, 87.5 percent of the surveyed business incubators they aim at making profit (business oriented) as their objective/purpose in operating business incubators. It also worth mentioning that 77.5 percent of surveyed business incubators also aim at creating employment opportunities as people are being employed in order to undertake business incubation process particularly graduates from college and universities. The findings of this study support the fact many highly successful and well known SMEs began as startups that used incubators. BTIs are growing in popularity due to the many benefits that they provide to startups and businesses with a growth mindset.

**Business Incubators Main Strategies**

During operation there are a few key items to keep in mind when developing a business incubation strategy: Set your goals and objectives, identify your targeted market, develop a chain value proposition, create a marketing plan, build a team of experts to work with, create a financial plan, develop operational guidelines, and you will also need to evaluate and adjust your program accordingly. Figure 4 provides a graphical presentation of the results relating to strategies adopted by different business incubators.

![Figure 4. Strategies used by Business Incubators](image)

**Figure 4. Strategies used by Business Incubators**

Source: Researchers

Based on obtained information as presented in figure 4.9, about 45 percent of the surveyed business incubator main strategy employed is place location and promotion of products. Furthermore, about 40 percent of business incubators surveyed they employ product marketing as their main strategy. In addition, about 15 percent of surveyed business incubators they employ holistic approach as their main strategy in offering business incubation.

**Benefits Offered by Business Incubators**

Business incubations have several benefits to enterprises involved in the programme, among others they can: help entrepreneurs overcome the isolation and stress of starting a business operation; help young firms to negotiate the hurdles that often lead to their early downfall in operation; provide access to an array of expertise, mentors, investors and specialist advisors; provide visibility and credibility in the marketplace to offer their products; facilitate linkages with and the commercialization of university or corporate research and new ideas utilizing research and development expertise and proof of concept functions; encourage faster sustainable growth and greater survival rates of new and existing firms. In generally this will enable growing enterprises to become stand alone entities within the community. This
study also presents benefits provided by surveyed business incubators. Figure 5 provides a graphical presentation of the results relating to main benefits offered by different business incubators.

**Figure 5. Benefits Offered by Business Incubators**

Source: Researchers

Based on provided information, 97.5 percent of surveyed business incubators they offer managerial, technical skills and support to enterprises join the program, while about 92.5 percent they offer financial assistance to incubatees. Moreover, about 65 percent of the surveyed business incubators they offer office space to operate for those enterprises which join the programme. Business support is the most important aspect BTI's as shown by the findings of the study. In this study, it was noted that the most important activities of BTIs were related to the incubation process and delivering business support, and also related to executing SMEs businesses.

**The Role of Stakeholders on Managing Business Incubators and Accelerators in Tanzania**

**Business Incubator’s Source of Funds**

Business and technological incubators typically work on a fee-basis as opposed to taking an equity stake in the startup firm. This is when business incubators are funded by institutions, such as universities, municipal organizations or donor funded projects. However, for-profit incubators will look to gain equity in the firm in exchange for their services or seed capital. Gaining equity in an early-stage of the firm with strong growth prospects will normally be the ultimate goal of profit-oriented business incubator. This study also looks at different sources of fund employed by surveyed business incubators. Figure 6 provides a graphical presentation of the results relating to the main source of funds employed by different business incubators.

**Figure 6. Business Incubator’s Source of Funds**

Source: Researchers
Among surveyed business incubators, about 97.5 percent source of their funds is from different government agencies. Moreover, about 95 percent and 90 percent of their source of funds is from international agencies and loans from financial institutions respectively. In addition to that, about 20 percent of the source of funds of surveyed business incubators is from personal funds and about 7.5 percent is from personal and friends. From the findings major business incubators source of funds is from government agencies. Different government agencies provide funding for economic and other development purposes of public interest, often facilitated and distributed through local, regional, or national government agencies. These agencies frequently have an interest in creating jobs and local community development, upgrading skills, and retaining their human capital. Other major source of funds to BTIs is international agencies which refer to programs supporting international or cross border development. In comparison with bilateral programs that are based on a bilateral relationship between one donor and one beneficiary nation, multilateral programs are managed by groups of countries, multi donors supporting several beneficiary nations. Multilateral donors are often financial institutions that provide financing for national development. The best known multilateral donors are development banks like the World Bank, the African Development Bank, the Asian Development Bank, the Inter-American Development Bank and the European Bank for Reconstruction and Development.

Major Supporters of Business Incubators

From the literature point of view, about one-third of business incubation programs are sponsored by economic development organizations. Government institutions account for 21% of program sponsors. Another 20% are sponsored by higher learning academic institutions, including colleges, universities, and technical colleges. In many countries developed and developing ones, business and technological incubation programs are funded by regional or national governments as part of an overall economic development strategy (Pauwels et al., 2016). In the context of Tanzania, this study also looks at the major supporters of business incubators. Figure 7 provides a graphical presentation of the results relating to major supporters of different business incubators in Tanzania.

![Figure 7. Major Supporters of Business Incubators](source: Researchers)

Based on provided information, public organizations are major supporters of surveyed business incubators for about 97.5 percent. Supports from international organizations to business incubators are about 95 percent, while private organization accounts for about 92.5 percent. In addition to that, Non Government Organization (NGOs) account for about 85 percent of supports to business incubators. NGOs often have the objective to promote and stimulate development, entrepreneurship and the creation of wealth in developing countries, while supporting their goals with financing mechanisms. If the incubator has similar objectives, an incubator manager may find such organizations to be of interest as a potential source of financing for the incubator. These institutions may include foundations, such as
the Bill & Melinda Gates Foundation, or in a more specific area the International Foundation for Entrepreneurship Science and Technology.

**Effective Market Plans for Sustainability of Business Incubators and Accelerators in Tanzania**

**Ways to attract Businesses to Reside in Incubators**

A business incubator normally brings local entrepreneurs together under one roof to build new businesses, create employment opportunities and stimulate economic growth at large. Making available resources and facilities that local startups need but may not be able to afford on their own creates an environment in which businesses can easily connect with community leaders, local and foreign investors, and higher learning academic institutions. Business admitted to the programme have unlimited access to advisors and tools that they wouldn’t have otherwise everything from affordable office space and networking events to workshops on specific skills and knowledge. This opportunity gives business more time to focus on what matters most: building their business overtime. This study assess different ways business incubators use in order to attract enterprises to reside in their incubation programmes. Figure 8 provides a graphical presentation of the results of different ways business incubators use in order to attract SMEs to reside in their programmes in Tanzania.

![Figure 8. Ways of Attracting Business into Incubators](source: Researchers)

Based on obtaining results, about 40 percent of surveyed business incubators they use door to door outreach as way to attract enterprises to reside into their programme. Moreover, about 35 percent of the incubators they use trade fairs as way to attract businesses to reside into the existing programmes. In addition, social media awareness is also being used by about 28 percent of the incubators in order to attract business to join the programme. In most cases, because SMEs often share common goals and challenges with BTIs, they benefit from support networks that help them learn from each other’s successes and failures and refine their strategies for success.

**Marketing Strategies adopted by Business Incubators**

Business and technological incubators can adopt several marketing strategies to attract entrepreneurs and promote its services. Content marketing, this involve creating and sharing valuable content such as blog posts, whitepapers, and videos that provide insights and guidance for entrepreneurs. Social media marketing, this involve utilizing platforms like Instagram, Twitter, and Facebook to engage with the entrepreneurial community, share success stories, and promote upcoming events or programs. Networking events, this involves hosting and participating in workshops and conferences to connect
with potential entrepreneurs and build relationships within the startup ecosystem. Partnerships and collaborations, this involves forming partnerships with other organizations, such as higher learning institutions, industry associations, and corporate sponsors, to co-promote programs and reach a wider audience. Testimonials and case studies, this involves, showcasing success stories of enterprises that have benefitted from the incubator’s support, which can be served as powerful testimonials for attracting new entrepreneurs. By implementing a combination of these marketing strategies, business and technological incubators can effectively market its services and attract promising entrepreneurs to its programs. This study also looks at various marketing strategies adopted by business incubators in Tanzania. Figure 9 provides a graphical presentation of the results of different marketing strategies adopted by business incubators.

![Figure 9. Marketing Strategies adopted by Business Incubators](image)

Source: Researchers

Based on obtained information, about 50 percent of surveyed business incubators they use social media in marketing products produced by enterprises residing in the programme. Moreover, about 28 percent of the incubators use content marketing, while about 25 percent use networking events in marketing produced products to the society. For a startup, there are countless reasons to use social media to raise awareness. Social media is one of the most cost-effective marketing tools available. It’s a great way to reach a large audience without spending a lot of money. Social media can help BTIs to build relationships with potential customers and partners. It’s a great way to connect with people who might be interested in your product or service.

**Designing a Framework and Risk Management Strategies in Managing Business Incubators and Accelerators in Tanzania**

**Incubator’s Businesses Model**

This section presents Business Incubation Models. The main purpose of this section is to assess existing Business Incubator’s Models which are being applied in Tanzania, and evaluate their efficiency for business innovation purposes. Business Incubation is a concept which involves multiple stakeholders, various types of resources and several services. Figure 10 provides a graphical presentation of the results of different business incubation models adopted by business incubators in Tanzania.
Among surveyed BTIs, about 50 percent of them employ franchise business model. Furthermore, about 32 percent employ leasing business model, while remaining 18 percent were found out to employ fee for service business model in running their day to day operation. The purpose of the Franchise Incubator Programme is to develop potential franchisors by resolving the challenges they face, which includes among others; lack of knowledge on how to franchise their business operation, lack of proper business strategy and implementation plans, lack of infrastructure to support their franchisees, marketing strategies to grow their franchise business and access to capital to assist their franchisees.

**Business Incubators Main Source of Growth and Sustainability**

Business and technological incubators are models to support entrepreneurship, being central to economic growth and as catalysts for the formation and maintaining of new business. Business and technological incubators have a practical relevance as an effective mechanism to support small business development. In relation to the sustainability, the notion of incubation for sustainability to meet global development agendas also needs to be explored. The incubator-sustainability relationship in practice can support sustainable development through new enterprises and incubators profiled on sustainable. Table 1 provides summary of the results of main source of growth and sustainability of business incubators in Tanzania.

<table>
<thead>
<tr>
<th>Source</th>
<th>Response in Percentage (%)</th>
</tr>
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<tbody>
<tr>
<td></td>
<td>01</td>
</tr>
<tr>
<td>A. Selection Process and Criteria</td>
<td>77.5</td>
</tr>
<tr>
<td>B. Business Support Services</td>
<td>15</td>
</tr>
<tr>
<td>C. Network</td>
<td>47.5</td>
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**Notes:** 01- Very Active; 02: Active; 03: Passive; 04: Very Passive; 05: Inexistent.

Source: Field Research (2024)

A chosen sample of business incubators were also allowed to recommend on the main source of growth and sustainability of their incubators. 77 percent point out that selection process and criteria is very active, while 47.5 percent indicate that networks very active contribute to growth and sustainability. Furthermore, only 15 percent of selected business incubators they indicate that business and support services very actively contribute to growth and sustainability. These findings indicate the importance of
different attribute contributing to growth and sustainability incubators and accelerators in Tanzania as presented by surveyed BTIs.

**Business Incubators Total Annual Turnover**

One of the key factors in achieving financial sustainability for business and technological incubators and accelerators is a solid business model. Consequently, incubators and accelerators must generate revenue to cover their costs and provide a return on investment to their stakeholders. Surveyed business and technological incubators were asked about estimated total annual turnover of their businesses as a way of measuring their performances. Figure 11 provides a graphical presentation of the results of estimated total annual turnover of surveyed business incubators in Tanzania.

![Figure 11. Business Incubator's Total Annual Turnover](image)

Based on obtained information, 57.5 percent of surveyed business incubators they have annual total turnover of about 10 to 20 million Tshs, 25 percent with more than 20 million total annual turnover and 17.5 percent have about 5 to 9 million Tshs.

BTIs normally work on a fee-basis from SMEs as opposed to taking an equity stake in the startup. This is when BTIs are funded by public institutions, such as universities, or municipal organizations. However, for-profit BTIs will look to gain equity in the startup in exchange for their services or seed capital and consequently we should expect such business to have a high level of total annual turnover.

**Ways of Attracting Financial Investors in Business Incubators**

Financial investors play a crucial role in a business incubation process, providing both financial support and strategic guidance to the firms involved. The primary role of financial investors in a business and technological incubator is to provide funding. This funding helps business incubators to cover their operating expenses, develop their products or services, and scale their businesses. Financial investors may provide this funding in the form of equity investments, convertible notes, or grants, depending on the structure of the business incubators. This study also examines different ways used by business incubators to attract financial investors. Figure 12 provides a graphical presentation of the results about ways used by business incubators to attract financial investors in Tanzania.
Findings from surveyed business incubators indicate that about 40 percent use international trade fairs to attract financial investors. Moreover, about 32 percent use door to door outreach in searching for financial investors, while about 28 percent of surveyed business incubators use available networks in attracting financial investors to reside with their businesses. Trade shows are designed as business services to encourage business travel and business value for the triad of organizers, exhibitors, and visitors. This study found international trade fair to be the way used by BTIs in attracting financial investors in the businesses.

**Concluding Remarks**

Incubation concept entails the process of nurturing start-up enterprises by supporting them with value-added services, financial resources, and networks at the vulnerable early-stages of establishment. The creation, survival and growth of start-ups enterprises as a result of the incubation initiative lead into sustainable economic growth and development, creation of new jobs, commercialization of technologies, strengthened linkages between higher learning institutions, industry and business community in promotion of innovation.

This research focused on understanding the catalyzing financing and management of entrepreneurial ecosystem for successful business and technological incubators and accelerators in Tanzania. Specifically, the study assessed challenges, opportunities and business model on managing business incubators. Effective market plans for sustainability of business incubators were evaluated. Moreover, study examined essential milestones inputs of business incubator stages in Tanzania. The research questions were aligned themselves with different phases of the research conducted and selected business incubators were surveyed.

Apart from revealing the status of business and technology incubation in Tanzania, the study also found that 92.5 percent of surveyed business incubators believe lack of innovation and creativity as the major challenges in managing business incubators. Moreover, about 50 percent of surveyed business incubators they use social media in marketing products produced by enterprises residing in the programme, this happens to be their main marketing strategy. Various plans have been presented by business incubators in resource mobilization; clear organizational goals and objectives scores the highest in terms of resource mobilization plans.
Policy makers should be involved in incubation business by sponsoring incubators and facilitating participation of other institutions or organizations in the incubation programmes. They should analyze the existing state of institutional supports for business incubation to understand what the critical obstacles for business incubation activities are in the current setup and act accordingly in promotion of these enterprises. If a financial resource is the main obstacle, policy makers should support business incubators either by directly providing financial assistance to the existing and/or aspiring business incubators or by facilitating incubators’ access to internal and external sponsors.

Business and technological incubators should align their incubation models with the available resources and sponsor’s mission and vision. For the aspiring business and technological incubators, should opt with-wall incubation model if there is sufficient infrastructural, financial and human resources, choose without-wall incubation model if there is insufficient infrastructural resources and co-working space if there is sufficient infrastructural and financial resources. Moreover, they should also choose co-working spaces if it is for-profit business incubator because their operating cost are relatively low and the management is flexible and simple.

References


