



ROLE OF BUSINESS INCUBATION CENTERS IN PROMOTING ENTREPRENEURSHIP IN TAMILNADU

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PREAMBLE-The Role of business incubators in developing entrepreneurship and creating new business ventures it also aims at identifying and studying the business incubation. Business awareness fields suitable for business incubation, services provided by business incubators, in the entrepreneurial characteristics of university students in Tamilnadu. The present examination comprises of writing survey in subjects identified with business hatchery, gave administrations, achievement factors, confront hindrance and received polices, and the criteria of brooding. The survey of the writing on activity workings, Mentors and entrepreneurial uniqueness, entrepreneurial process, and Training Courses and Interview then Television, center gatherings with specialists and experts and by outlining a poll to test entrepreneurial attributes. It aims the college understudies toward enterprise and to test their business hatcheries even though statistic apparatus and individual profile of business people.

Keywords: Role, Business, incubation centres, Entrepreneurship, Promoting

1.INTRODUCTION:

Business incubators began in the 1960s and really took off in the late 1990s as support for start-up companies who need advice and venture capital to get their ideas off the ground. Business incubators are programmes designed to accelerate the successful development of entrepreneurial companies through an array of business support resources and services. The main goal of a business incubator is to encourage the development of new business within the local community. By assisting a local entrepreneur to start a company in the area, the community is likely to benefit from an increase in the number of available jobs in the area and the additional revenue that is brought to the city or town as a result of the



new business activities. Both elements can help to revitalize a local economy and thus enhance the quality of life for everyone who lives and works in the area.

Business Incubation Centres have been receiving increasing attention as a tool to promote entrepreneurship, both in the developed and developing countries. They have become an integral part of the business assistance framework to offer critical support to newly formed enterprises. Many countries including India are still experimenting with it to foster entrepreneurship. While the Indian Government is trying to aggressively promote entrepreneurship, the entrepreneurs continue to face numerous challenges and the new venture failure rate is very high. In view of this, the Business Incubation Centres have assumed a lot of significance as they provide an enabling environment to deal with the difficulties in the process of entrepreneurship by providing comprehensive and integrated support to the entrepreneurs, thereby reducing the new venture failure rate substantially. These Centres provide start-up businesses with a variety of services such as physical space, office equipment, business services, management guidance and an enabling environment to facilitate their development until they are capable of surviving on their own after exit from the incubator. At the macro level, they regenerate public confidence in entrepreneurship and help create an entrepreneurial environment.

1. ROLE OF INCUBATION CENTRES IN ECONOMIC GROWTH:

Many young fearless entrepreneurs have set the path for a wave of entrepreneurship in the country and this entrepreneurial spirit has resulted in not just innovation but also in entrepreneurship being recognized as the driving force of the market. Innovation is crucial for a thriving economy and especially in today's increasingly competitive world. In India, entrepreneurship is accelerating innovation in areas like Education, IT, Health Care etc and generating solutions to many such problem areas. India has witnessed several innovative ideas and businesses driven by start-ups thus leading to entrepreneurship emerging as a valuable input to the economic growth of the country. Economic development of a country is supported by entrepreneurship in several ways. It is a key contributor to innovativeness and product improvement and a pivotal ingredient to employment creation. Another important aspect to be considered is that in the context of the Indian market, entrepreneurship led economic growth is more inclusive and hence Governments, both at Centre and State level, have been taking initiatives to boost the



entrepreneurial ecosystem as they realize the benefits entrepreneurship brings to the economic growth of the country.

2. REVIEW OF LITERATURE:

Seoane (2014) in a study in Spain on the influence of training and gender in entrepreneurship through business incubators in Galicia, established a positive relationship on incubators assisting incubates to start business, noting that majority of the citizens prefer civil service jobs to entrepreneurship.”¹ Jorge & Rivera et.al.(2007),Studies in Brazil reveal that Incubators in Brazil have been relatively successful due to bench marking for excellence with focus to specific industries, strong monitoring and Evaluation of tenants’ progress and lastly move towards financial viability and sustainability after 3 years post establishment. The infrastructure is further linked to access to finance, export orientation and employment creation.”² Masutha (2014), there have been studies on Incubation in South Africa. Incubation started in South Africa in the 1990’s with “hives of Industry” model. Experience in South Africa shows that incubation needs Management, Market and money to succeed. Where management mean having business incubator managers with strong business management skills in book keeping, business plan development, marketing skills, networking linkages able to link tenant firms with markets, venture capital as well as business development Trainings.”³ Ogutu and Kihonge (2016) have studied that, the technology Business Incubation is a strategic tool of enterprise development and economic growth. It provides business support to high potential/high growth enterprises. Where the incubator is based has shown positive impact in the community by encouraging innovation and entrepreneurship development in the community. Report confirmed a significant relationship between although there was disconnect between the actual services delivered

¹Seoane, F.J.F., Rodriguez, G. R. & Rojo, D. A. (2014) The Influence of Training and gender in entrepreneurship through Business Incubators in Galicia (Spain) International Journal of Social Science and Entrepreneurship, 1 (9), 611-623

² Jorge, Miguel. , Carrillo, Rivera. (2007). an ex post Comparative analysis of SME formation in Brazil and Mexico, International Journal of Emerging Markets, Vol 2 (2) pp. 144-165

³Masutha, M. and Rogers, C. M. (2014) Small enterprise development in South Africa: role of Business Incubators Bulletin of Geography, social – economic series No. 26, Turin: Nicholas Copernicus University Pp 141-155



and the expectations of the tenants. The services delivered fell short of tenants' expectations."⁴

3. LIST OF BUSINESS INCUBATION CENTRES IN TAMIL NADU

The list of Business incubation centers which are established in Tamil Nadu for nurturing and fostering the entrepreneurship could be seen as follows, these business incubation centers are focused on developing the required skills for tenant companies and the Small and medium enterprises. The Business Incubation Centers offer more number of Technology Based services which are highly innovative and those programmes are funded by Government of India and State government for their support to their training services.

Name of the TBI	Features of TBI	Location	Year of Establishment
Coimbatore Innovation and Business	Competency Capacities, Partnerships, Innovation Labs, Business Incubators and Sector Incubators	KCT College of Technology, Coimbatore	2014
IIT Madras Incubator Cell	Nurturing Technology and Knowledge based Ventures	IIT Madras - Chennai	2013
Periyar Technology Business Incubator	Technical Experts, Bankers, Venture Capitalists, Technopreneurship and Academia.	Periyar University, Salem	2006
PSG - STEP	PSG College of Technology, Coimbatore	Coimbatore	1998

⁴Ogutu, V. O. and Kihonge, E. (2016). Impact of Business Incubators on Economic Growth and Entrepreneurship Development. International Journal of Science and Research (IJSR) ISSN (Online): 2319-7064 Index Copernicus Value (2013): 6.14 Impact Factor (2015): 6.391 Volume 5 Issue 5, May www.ijsr.net



Sathyabama University - TBI	Marine Bio Resource Utilization, Marine Technology, Engineering Research, Tech Waste Management.	Chennai	2013
Rural Technology and Business Incubator	Training, Computational Enhandling, etc.	Chennai	2006
Technology Business Incubator, Center For Bio Technology, Anna University.	Robust Training in the frontier areas of Biotechnology, Research and Consultancy Services, Fundamental Areas in the areas of Bio Technology	Chennai	2002
University of Madras, Technology Business Incubator	Knowledge based health care products, herbal Care Products and for the sustainable growth.	Chennai	2006
Vellore Institute of Technology, Technology Business Incubator	Providing Incubation Support services to Startups.	Vellore	2004
Council for Entrepreneurial Development	Automobile and Electronics , Tools, Expertise and other sources to New Venturists	Chennai	2015



Hindustan College of Engineering and Technology	Encouraging Innovative Talent for students - Technology and Entrepreneurship	Chennai	2015
SREC - BI	Nurturing Technology based and Knowledge based entrepreneurs for starting new ventures	Chennai	2011
Technology Business Incubator - Kongu Engineering College	New innovations Lab, Design and Layout for business, canopy, etc.	Erode	2006
St. Peter's Engineering College - Technology	Refrigeration and Cold Chain	Tamilnadu	2009
PSG STEP - Incubation Center	Software's, Hi Tech automation, Electronic Products, Eco Friendly, Electronic Products, etc.	Coimbatore	1998
TNAU - Technology Business Incubator	High Definition Research in the areas of agriculture and allied areas.	Coimbatore	2011
Veltech Technology Business Incubator	E - Waste Management, Plastics Waste Management, Renewable Energy, IT/ITES research.	Chennai	2010



Thiagarajar College of Engineering - TBI	Innovation Management, Software Research and Programming.	Madurai	2006
KLN College of Engineering, Pottapalayam	Engineering Research, Development attributes.	Madurai	2010
Thanthai Periyar Government College - TBI	Entrepreneurship Training, Leather Tanning Training etc.	Vellore	2007
Syed Ammal Engineering College, Ramanathapuram	Technology Training, Engineering Development	Ramanathapuram	2010

4. OBJECTIVES OF THE STUDY:

- ✓ To find out the challenges faced by the business incubators in Tamil Nadu
- ✓ To know the effectiveness of training and services rendered by the business incubators for the entrepreneurship development.
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5. RESEARCH METHODOLOGY:

The study consists of both the descriptive a quantitative method of research. The methods of data collection were employed in the first stage there are 10 Business incubation centres were selected based on convenience sampling techniques. In the second stage there are 200 incubates were selected based on quote sampling techniques.



6. DATA ANALYSIS AND INTERPRETATION:

Table 1

Respondent's opinion towards the training assistance given by the incubation

S.No	Training Assistance	SDA	DA	NAND	A	SA
		N=200 (%)				
1.	There is good linkage of researcher and institutions in the incubation centre	20 (3.3)	30 (17.1)	70 (40.4)	30 (17.8)	50 (21.3)
2.	Active Pre and post incubation training	(3.8)	(19.8)	(43.6)	(19.6)	(13.2)
3.	Effective support on manpower and entrepreneurship training	(3.3)	(18.9)	(42)	(18.7)	(16.9)
4.	Frequent networking activities across the incubation clients	(3.8)	(20.2)	(44.4)	(19.6)	(12.0)
5.	Effective training on presentation and business plan pitch for funding	20 (1.8)	40 (20.0)	30 (12.0)	60 (36.9)	50 (29.3)

Table 2

Respondents opinion towards the challenges faced by the incubates

S.No	Challenges	SD	DA	N	A	SA
1	There is an acquit completion among the domestic and foreign firm	20 (10.7)	10 (8)	60 (28)	30 (17.8)	80 (35.6)
2	There is a Changing government procedures to obtain support	(10.7)	(8.4)	(33.8)	(20.2)	(26.9)
3	Fulfilling government and policy maker rules and regulation	(10.7)	(8)	(31.6)	(18.7)	(31.1)
4	Achieving self-sustaining business operations	(10.7)	(14.7)	(28.9)	(20.9)	(24.9)
5	Unable to accept too much of advice from incubators	20 (8.4)	10 (2.2)	30 (17.6)	50 (28.2)	90 (43.6)



7. CONCLUSION:

Thus the importance of Business Incubator is very clear and it is recommended that the state universities across Tamil Nadu can begin with Business Incubation centers to foster the speedy growth in Small and medium scale sector. In order to help the firms to acquire capacities effectively the business incubation process should be very qualitative in all the aspects. Today India gives more importance to the incubation centres and incubates through “Make in India policy”. It indicates that the government will try to do every possible ways to create more start up and more job to the country. This will increase the GDP of the country. Under this scenario, a study on Role of business incubation centre promoting entrepreneurship in Tamil Nadu is so vital. The present study has investigated fifteen incubation centres in various capacity and various places. Primary method of data collection was employed and 200 respondents responded to the questionnaire. There are five parameters study viz, Business support, Technology support, physical support, training support and financial supporting.