

Summary: Co-Solving Entrepreneurial Problems within Business Incubators

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The mission of business incubators is to facilitate the creation of new companies as well as providing support in early stages of their development. Research has suggested that this can be achieved by: i) providing tenants with the appropriate resources lowering their liability of newness; ii) helping to create capabilities within the new firm. Yet few studies have discussed the dynamics of resource provision and the potential role of business incubators in creating capabilities within their tenants. In this theoretical contribution, we discuss how incubators can support their tenants' development by helping those solving developmental problems. The supportive environment under which the incubated firms will be studied is located within the University Business Incubator of the University of Twente in Enschede, the Netherlands. The TOP (Temporary Entrepreneurial Placements) programme is an initiative of the University of Twente to provide support to new start-up firms.

The main research question is: How do nascent firms solve problems under business supportive environment? The unit of analyses is the "problem", and can be defined as follows: a problem yields desirable knowledge and capability that improves the efficiency and effectiveness of the firm's development, if successfully solved. Other research questions include; (1) what are the main and secondary problems being confronted by the firms during the incubation stage? (2) Which resources are utilized by the firm in order to solve the problem? (3) What is the effectiveness of the solution found?

We argue that business incubators support new firm development by helping new firms solve critical problems during the incubation period. The conceptualization of opportunity recognition poses problems as the gap between the opportunity and the solution. Business incubators facilitate capability development by providing the firm with additional resources to fill in these gaps. The gap is defined as a problem that yields desirable knowledge and capability which improves the efficiency and effectiveness of the firm's development, if successfully solved. We present three dimensions of problem; the degree of complexity, the type of problem (managerial, technical, financial etc) and the distinction between problems that are deliberately chosen by the firm to solve (the main problems), and problems that firms stumble upon after the main problem is chosen (secondary problems). We further argue that the search strategy a firm pursues to find an effective solution is related to the complexity and type of the main and secondary problems. The effectiveness of the problem co-solving is the extent to which a problem is solved after the utilization of the business incubators resources by the firm.

A multiple case study strategy will be used to analyze the events that occurred during the incubation phase. Data will be collected through in-depth interviews, additional data will be collected through analyzes of business plans and other documents produced during the incubation phase. The research is currently in the data collection phase. This study differentiates itself by focusing on the dynamics of resource provision and the potential role of business incubators in creating capabilities within their tenants. Results of this study will contribute to the incubatee development research stream.