

Success Factors of Business Incubators in Qatar: Investigating the factors that affect the success rate of tenant companies in business incubators from the perspective of entrepreneurs

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What are business incubators?

Business incubators are organizations that support and develop the local entrepreneurship environment.

Business incubators provide useful facilities and services to support and increase the "success" rate of startups.

These facilities and services typically include business consulting services, networking events, access to funding and free co-working spaces.

Literature review

There is no universal "best practice" for success because the factors of success depend on the culture and bureaucratic structure that a business incubator is located in - Pals, S. (2006)

Business incubators in Kuwait should focus on providing managerial skill development, time management strategy, and strategy development based on the lack of confidence of Kuwaiti entrepreneurs in those aforementioned areas - Saadouli, N. (2010)

Non-availability of funds, risk avoidance, fear of failure, market barriers, knowledge barriers, stress avoidance, and attitude towards change are the main barriers to start-up new business activities among Qataris. - Kebaili, B. (2015)

Research Question

What facilities and services are factors of success within the incubators in Qatar?

Why are these facilities and services (in)effective?

Study 1:

Aim: Identify facilities/services that are factors of success

Recruitment: Emails

Data collection: Survey (Demographics form, Incubator evaluation Questionnaire)

Data Analysis: Descriptive statistics

Sample size: 18 Participants

Study 1 Methodology: Weighted Average

Success categories will be split into 5 different segments as suggested by Pals, S (2006):

1. Surviving and growing profitably.
2. Surviving, growing, and on a path to productivity.
3. Surviving, but is not growing and is not profitable, or is only marginally profitable.
4. Operations were terminated while still in the business incubator, but losses were minimized.
5. Operations were terminated while still in the business incubator and losses were large.

Companies were split into two groups "successful" companies (Groups 1 & 2) and "unsuccessful" companies (Groups 4 & 5) and results from group 3 were discarded.

For a specific facility or service to be considered a factor of success the following conditions must apply:

1. The weighted average of successful tenant companies for the specified service/facility is greater than
2. The weighted average of unsuccessful tenant companies for the specified service/facility is less than 3

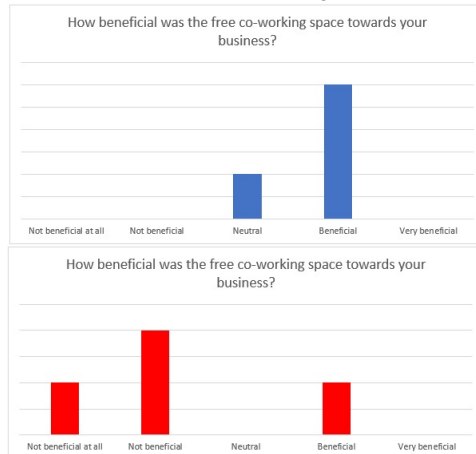
For a specific facility or service to be rejected as a factor of success the following conditions must apply:

1. The weighted average of successful tenant companies for the specified service/facility is less than 3.

For a specific facility or service to be identified as an uncertain factor of success the following conditions must apply:

1. The weighted average of unsuccessful tenant companies for the specified service/facility is greater than
2. The weighted average of either successful or unsuccessful tenant companies for the specified service/facility is equal to 3

Sample of analysis



The weighted average for the successful tenant companies is 3.75. The weighted average for the unsuccessful tenant companies is 2.25. Therefore, free co-working space is a factor of success for tenant companies because it passed the conditions set for the service/facility to be considered as a factor of success.

Study 2:

Aim: Explore reasoning for factors and nonfactors of success

Recruitment: Emails

Data collection: Semi-structured interviews

Data Analysis: Business case

Sample size: 3 Participants

Main findings of study 2:

Training sessions are monotonous

Networking events help increase exposure and image of company tremendously

Business support center employees lack motivation

Implications:

Focus on increasing opportunities for networking events

Diversify training sessions

Increase motivation and evaluation of employees in business support centers.

Recommendations:

Conduct an in-person survey and in-person interview to boost sample size significantly

Further research into the psychology and reasoning behind each facility and service's perceived efficacy

Findings of study 1:

Factors of success:

- Free co-working space
- Mentorship services
- Networking events

Funding programs

Uncertain factors of success:

- Business support centers
- Workshops
- Prototyping facilities
- Research and development centers

Non-factors of success:

- Training sessions