# Chapter 74 Incubators Management Models

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#### **ABSTRACT**

Management models are grounded in three basic pillars: people, processes, and technologies. In this scenario, the business incubator management model is fundamental because it is important for business incubators to meet the demands of new entrepreneurs and entrepreneurship. Therefore, the objective of this chapter is to map the incubator management models of companies in the world and national scenario. To do so, the methodology used was the integrative review of the literature using the Scopus database and regulations, international, and national documents. One of the problems encountered in these models is that most management models for business incubators describe a business incubator as a transformation mechanism, but do not explain in detail the incubator process and best management practices for the continuous improvement of incubated business.

#### INTRODUCTION

The alternation in the economy is observed since the 1970s, where consecutive changes provided a model of socio-economic development characterized by a dynamic and competitive scenario. It is noticed that the internationalization of the economy has been heated by the technological development of the means of production, making them more efficient and productive, and the traditional production factors are being replaced by a new archetype.

In the late 1970s and early 1980s, period of recession and oil crisis, the economic scenario was marked by market opening and a decrease in production activities. Thus, this decade is marked by an increase of competitiveness and productivity of the organizations, but is also observed a scenario of recession and lack of job opportunities.

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In Brazil, from the 1990s, there was a growth in economic development linked to policies based on the formation of a national innovation context, with greater attention given to small and medium businesses promoters in the generation of jobs and increase of income.

It can be seen that the capacity of innovation, initiated in Brazil in the 1990s, is related to the economic and social growth of the world. It is noted that economically developed countries disseminate the culture of entrepreneurship and innovation through interactions between universities, companies and government, three segments considered as agents of innovation (LEITE; MORAES, 2016). In Brazil, a developing country, there is an urgent need for investment in technological innovation through the partnerships between the mentioned agents.

In order to provide such economic growths, it is necessary to boost the growth of innovative small and medium-sized business through their interactions with the public sector and also with universities. According to some authors (ETZKOWITZ; LEYDESDORFF, 2001; SBRAGIA et al., 2005; CLARIM; SOUZA; JANUZZI, 2010), these exchanges take place within the context of the Technological Innovation Habitats (TIH).

Thus, it is considered that IHs are of great relevance for the development and regional economic growth, since they constitute the mediation of knowledge, productive practices and interactions between companies, universities and government agents. However, one of the great challenges of the innovation scenario is to create a structure for businesses to build the knowledge necessary for their growth and their stay in a competitive market. According to the *Ministério da Ciência*, *Tecnologia e Inovação* or MCTI (Ministry of Science, Technology and Innovation), Brazil has a high mortality rate in the first four years of business existence compared to developed countries. The mortality rate reaches 59.9% (MCTI, 2014). The explanation is due to the fact that most Brazilian entrepreneurs are not prepared for the highly competitive market (WILLIAMS; YOUSSEF, 2013). It is perceived that the companies are created by necessity not by opportunity to undertake, they are created many times by people who lost their jobs or even to increase their income (GEMA, 2013). In this innovation scenario, we have the incubators that allow the establishment of businesses that are driven by education and may after the incubation period become startups (HATHWAY, 2016).

In 1990, through the advent of the internet and the discoveries of the English engineer Tim Bernes-Lee that, through his scientific research, implanted the World Wide Web (www), allowed the use of a graphic interconnection and the invention of websites, and this way, the concept of incubator associated to networks of contacts, called networking. These networked incubators provide access to an extensive and valuable network of resources that can be used and leveraged by startups and can also foster links between businesses and academic institutions, serving as catalysts for the transfer of knowledge and technology, facilitating and accelerating innovation (CANTÙ, 2015).

In the 2000s, there was a significant increase in the number of incubators in the United States due to the launch of two programs: Silicon Valley-based Y Combinator, in Boston, and TechStars program, launched in 2006 in Boulder, Colorado. Both programs have evolved over the years and have traditionally been considered the largest incubation programs in the world. It is noted that, after the installation of these programs in 2008, there is an increase in the number of incubators by 50% each year, from 2008 to 2014 (HATHAWAY, 2016).

In Brazil, according to the *Associação Nacional de Entidades Promotoras de Empreendimentos Inovadores* or ANPROTEC (National Association of Entities Promoting Innovative Enterprises, 2012), the growth rate of the number of incubators between the years 2001 and 2011 was of 156%. In 2011,

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