

Digital-Based Incubator Framework Modelling for University

Fandi Halim, STMIK Mikroskil, Medan, Indonesia

Gunawan, STMIK Mikroskil, Medan, Indonesia

Agustina, STIE Mikroskil, Medan, Indonesia

ABSTRACT

A business incubator is an entity which supports a developing business through providing resources and services and has become more common as the number of entrepreneurs increases. This is especially in the university environment for its ability to become a product or service for students entrepreneurs. The research is aimed at modeling a digital-based business incubator framework for universities who intend to establish their own incubators. Research was conducted by analyzing previous models and research. The framework consists of 4 stages which include: preparation, pre-incubation, incubation, and post-incubation. Each stage has its own activity to help prepare an outcome for the next stage. Also considered are its success factor.

KEYWORDS

Digital, Framework, Incubator, University

INTRODUCTION

The creative economy as a pillar of the future economy requires creativity to drive innovation on creating higher added value (kominfo.go.id, 2015). Regarding to this statement, the Indonesia government has given a considerable attention to the creative economy, especially those related to the digital economy. This happen due to the changes in business trends into digital transactions which are happening in various countries, including Indonesia. The government even published a package of economic policies on e-commerce roadmap to encourage this matter. This map is expected to be able to encourage the creation, innovation, and invention of new economic activities among the young generation, also the micro, small, and medium enterprises scale of industry (fa.go.id, 2017).

The creative economy shows great potential in the micro, small, and medium-sized enterprises with an achievement of 850 trillion annually with approximately 15 million workers involved (Nordiansyah, 2017). In order for this value to grow continuously, the young generation play an important role and they have to change the mindset from a “job seeker” into the “employment creator” (Rahayu, 2017). With these facts, universities are expected by the government to become the strategic tool to encourage it by producing new entrepreneurs (Julianto, Pramdia Arhando, 2017). Business incubators are required to foster entrepreneurial interest at every university (Maskartini, 2017). Regard

DOI: 10.4018/IJEEI.2020010102

Copyright © 2020, IGI Global. Copying or distributing in print or electronic forms without written permission of IGI Global is prohibited.

to this expectation, the government then encourages the universities to begin on implementing the business incubator concepts, even providing the grant programs for the technology business incubation. In the technology business incubation grant programs guidelines, it is written that by the business incubation existence, several things such as technological innovation results commercialization and the beginner technology-based companies development are likely to be achieved (Ristekdikti, 2017). It means that the research results will not limited to publication only, but can be forwarded to commercialization level thus it can be implemented in real life.

Business incubator is an institution aimed on supporting the startup by providing the services and resources for them as an effort to facilitate their business development (Pettersson, B and Götsén, A, 2016). Through business incubators, especially in university environments, students as startup candidate are supported to manage and grow their own business, especially on the critical stages of business development. However, the number of business incubators in Indonesia is still lagging behind other countries, such as the European Union of 1100 incubators, Canada of 100 incubators, and China of 450 incubators. According to data from the Business Incubator Association of Indonesia in 2014, there are only 83 business incubators in Indonesia included in the membership of AIBI (Asosiasi Inkubator Bisnis Indonesia – Indonesia Business Incubator Association), with incubators in the ICT field in particular which are still small (Faiq Wildana, Lidya Agustina, Yan Andriarza, Amri Dunan, Ahmad Yani, Deva Primadia Almada, 2016). Whereas a new startup will certainly face many risks, such as business model risk, technological risk, execution risk, and market risk, and to address this matter, the role of incubator is needed as one of the alternative solution (Saputra, 2014). A small number of incubators can certainly inhibit the growth of startup, especially those businesses who based on digital. This condition becomes the reason for this research. This research is aimed to design a digital based business incubator model, especially for university-related incubator type. The author has the expectation that it can become the digital-based business incubator application development basis in the future and being used especially in the university environment to increase the number of business incubator, especially in Indonesia.

LITERATURE REVIEW

Business Incubator

Business incubator is an organization who supports company growth through a systematic process by providing comprehensive and integrated services (Friedrich, Harley, & Langbein, 2010). The Indonesia's Ministry of Communication and Information states that the incubator in informatics industry is a place designed to foster and accelerate the success of Micro, Small, and Medium Enterprises (MSMEs) business development which is usually addressed to startup companies or companies that are still in the early business stages, with incubation period generally between one to three years (Bank Indonesia, 2016).

There are several types of business incubators, include:

1. **Industrial incubator:** Incubators which supported by government and non-profit organizations to create jobs which are typically aimed on decreasing the unemployment rate;
2. **University-related incubator:** An incubator with aims to commercialize science and technology from research results. This incubator type offers laboratory services, computers, libraries, and expertise services from universities to tenants. This incubator is directly supported by the college and cooperates with stakeholders;
3. **For-profit property development incubators:** The type of incubators which provide offices, production sites, and service facilities together. Some office facilities which can increase corporate's reputation can be used together. The incubator withdraws fees from every use of the facilities provided;

12 more pages are available in the full version of this document, which may be purchased using the "Add to Cart" button on the publisher's webpage: www.igi-global.com/article/digital-based-incubator-framework-modelling-for-university/239574

Related Content

Clustering and Ranked Search for Enterprise Content Management

Juris Ratsand Gints Ernestsons (2013). *International Journal of E-Entrepreneurship and Innovation* (pp. 20-31).

www.irma-international.org/article/clustering-and-ranked-search-for-enterprise-content-management/106897

Pushing the Right Buttons?: A Critical Exploration into the Effects of Social Media as an Innovative E-Entrepreneurship Method of Recruitment for Enterprises

Anthony Lewis, Brychan Thomas and Gwenllian Marged Sanders (2013). *International Journal of E-Entrepreneurship and Innovation* (pp. 16-37).

www.irma-international.org/article/pushing-the-right-buttons/100359

Comparative Evaluation of Independent Private Values Distributions on Internet Auction Performance

Timothy L. Y. Leung and William J. Knottenbelt (2012). *International Journal of E-Entrepreneurship and Innovation* (pp. 59-71).

www.irma-international.org/article/comparative-evaluation-independent-private-values/63017

Online Security Cues and E-Payment Continuance Intention

Echo Huang and Fa-Chang Cheng (2012). *International Journal of E-Entrepreneurship and Innovation* (pp. 42-58).

www.irma-international.org/article/online-security-cues-payment-continuance/63016

Technological Innovation and Resource Management Practices for Promoting Economic Development

Emil Joseph (2024). *Innovation and Resource Management Strategies for Startups Development* (pp. 104-127).

www.irma-international.org/chapter/technological-innovation-and-resource-management-practices-for-promoting-economic-development/340240