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**BEST PRACTICE BUSINESS INCUBATOR MANAGEMENT RESEARCH:  
DEVELOPING A CONCEPTUAL FRAMEWORK**

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**Principal Topic**

This exploratory research identifies and explores the knowledge of best practice management of business incubators in the peer-reviewed literature and establishes its relevance to practicing business incubator managers. As a result, the paper presents a conceptual taxonomic framework that provides strategic context for best practice business incubator management researchers.

The research is important because business incubators are considered to be one of the key economic development tools for the modern economy. Amongst other things, they address unemployment, increase enterprise development, help commercialise research, and assist socially disadvantaged groups. Consequently, they are identified as popular choices among policymakers around the world (OECD 1999).

Business incubator management, however, is not adequately explained by current management theory because business incubator managers require a specific set of unique skills (Lalkaka and Abetti 1999). With the rapid growth of business incubators around the world (OECD 2001), there is a corresponding increasing demand for business incubator managers needing a specialized set of business management skills and knowledge (Rice and Mathews 1995).

Given the importance of business incubators and the corresponding need for specific skills required by business incubator managers, there is concern over the paucity of business incubator research (Carayannis and Zedtwitz 2005). In particular, there is a lack of empirical studies on management and policy implications of business incubators (Mian 1994). Of the research that is available, most lacks a theoretical basis and is largely anecdotal and limited (Löfsten and Lindelöf 2002; Rice 2002; Bollingtoft and Ulhoi 2005). For example, there are real difficulties in establishing the theoretical basis of “best practice” for business incubators (Wareham and Gerrits 1999). Much of the literature that attempts to address business incubator best practice simply discusses practices that appear successful but are not underpinned by best practice theory. Thus a significant gap exists in the literature that requires a more robust research approach. This research is motivated by this gap.

The research makes a contribution at two levels. First, based on a theoretical framework developed by Rimmer, Mcneil et al.(2001), it makes recommendations as to future research topics that will contribute to developing business incubator management theory. It does this by developing a conceptual framework that encompasses existing management theory and the needs of practicing business incubator managers. Second, the research benefits practicing business incubator managers by identifying best practice management research that can be used as a basis for developing business incubator manager training programs.

## **Methodology**

This research searches for the knowledge evident of best practice business incubator management; thus, an interpretive and qualitative approach is suitable (Neuman 2000). The study consists of a literature review and interviews using a conceptual framework that allows business incubator management knowledge to be categorized within three management perspective levels and four central ingredients of best practice. Interviews were conducted with five practicing business incubator managers in Australia using semi-structured questionnaires. The questions were developed from the literature review. The purpose of the questionnaires was to establish the manager's opinions of the relevance of the findings of the literature review. The semi-structured interview allowed the respondents to introduce tangential matters that they found important (Hakim 2000). The interviews were taped, transcribed, and analysed using analytic memo writing.

## **Research Outcomes**

This research highlights the need to develop cohesive theory on business incubator best practice management. The conceptual framework developed enables researchers to identify areas of future research that require attention and that are likely to be significant in improving business incubator management.

Specific recommendations flowing from the research that are directly relevant to practicing business incubator managers are categorised in terms of organisational and operational issues. Organisational issues identified include how to recruit and select business incubator managers, the need for networks to be established between incubators, educational institutions and other economic development programs, and how incubators can achieve financial self-sustainability. Operational issue recommendations include how to best recruit, select, review and graduate tenants, what systems and methods are appropriate to deliver advice and support to tenants, and the need for professional development and support systems for incubator managers.

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