



**The Ministry of Education of Azerbaijan Republic**

**“Role of business incubators in increasing innovative activity”**

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# Contents

<b>Acknowledgements.....</b>	<b>2</b>
<b>Contents .....</b>	<b>3</b>
<b>Introduction.....</b>	<b>4</b>
<b>CHAPTER I. Business incubators in the modern economic system.....</b>	<b>6</b>
<b>1.1CONCEPT AND HISTORICAL DEVELOPMENT OF THE BUSINESS INCUBATORS..</b>	<b>6</b>
<b>1.2 Innovation work and innovation activity in the modern economic system..</b>	<b>14</b>
<b>1.3 Modern experience of business incubators .....</b>	<b>21</b>
<b>CHAPTER II. Problems of development of business innovators and innovative activity.....</b>	<b>28</b>
<b>2.1 Business incubators activity issues .....</b>	<b>28</b>
<b>2.1.1Key resources and support measures of business incubator.....</b>	<b>32</b>
<b>2.1.2Main Goals of Business Incubator.....</b>	<b>33</b>
<b>2.1.3 Stages of regular business .....</b>	<b>34</b>
<b>2.2 Role of Business Inhibitors in Support of Innovative Activity.....</b>	<b>35</b>
<b>2.3 Business incubators activity mechanism and innovation assessment .....</b>	<b>41</b>
<b>2.3.1 Project Selection Models .....</b>	<b>43</b>
<b>2.3.2 Requisites of the models.....</b>	<b>44</b>
<b>CHAPTER III. The prospects of business incubators in Azerbaijan and their perspective impact capabilities on increasing of innovation activity. ....</b>	<b>48</b>
<b>3.1 Support mechanisms for business incubators in Azerbaijan .....</b>	<b>48</b>
<b>3.2 Existing and prospective capabilities of Business Initiatives in Support of Startups and Innovative Activity in the Azerbaijani Economy .....</b>	<b>54</b>
<b>CONCLUSION AND IMPLICATIONS.....</b>	<b>62</b>
<b>REFERENCES.....</b>	<b>64</b>

## Introduction

The innovation system, which encompasses the competent and correct application of scientific and technical achievements in the field of modern business, is developing rapidly. Business incubators also play an important role in this development. The main objective of business incubators is to expose interesting business ideas and help them turn into a business project, assist in product development and access to the market. The incubation of the business is one of the infrastructure tools to support long-term entrepreneurship.

One of the key elements of economic development in the national context is the development of national innovation system. Innovation policy, which forms the basis of innovation potential and its realization in modern economic conditions where the market economy has been transformed into the knowledge economy, has become one of the main developers of the national economy. Business incubators are both launching and supporting them, whether they are regional or nationwide innovation.

Innovation policy and innovation infrastructure should be developed to ensure that entrepreneurs are constantly supporting and protecting them to engage in more active innovation activities. It is important that this policy is more effective and that the outcome of the innovation policy is adequate to the potential of existing entrepreneurship subjects in the regional context. The subjects are more exposed to regional and global competitiveness, and their more competitive demands require support for business incubators

This function of business incubators in our country and in some of its regions is more important because of the complicated situation due to competition in the domestic and foreign markets.

The aim of the dissertation work is to analyze the role of business incubators in increasing innovation activity. To achieve this goal, innovation-driven development

strategies have been described, and the organizational-methodological mechanism of the business incubation process has been evaluated.

The issues raised in the research work create great opportunities for proper organization, implementation and proper monitoring of innovation projects.

Scientific novelty of the research work: The scientific novelty of the research work consists of:

- The role of innovation and its role in ensuring competitive advantages;
- The evaluation and implementation of innovation ideas for business incubators has been studied
- The influence of the business incubators on the creation of a favorable innovation environment has been identified;
- The role of business incubators in innovation activity and its enhancement has been analyzed;
- Perspectives of business incubators development in Azerbaijan were analyzed

## **CHAPTER I. Business incubators in the modern economic system**

### **1.1 CONCEPT AND HISTORICAL DEVELOPMENT OF THE BUSINESS INCUBATORS**

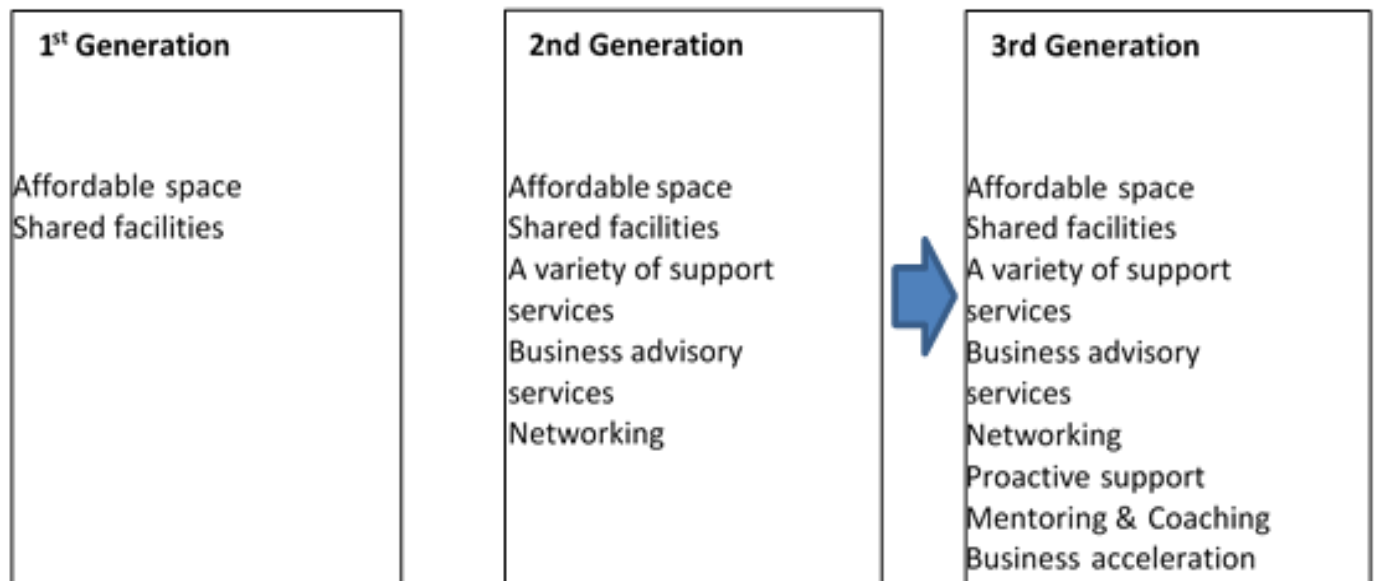
In the contemporary world, measures are being taken to create and actualize methodologies for maintainable monetary advancement in the nation. The way to supportable financial improvement is the advancement of development. The degree and level of advancement movement rely upon the prosperity of inventive thoughts of business subjects. For in the course of recent years, business incubators have assumed a critical part in supporting and actualizing inventive thoughts in worldwide practice.

Since the primary business incubator, the Batavia Industrial Center in New York in 1959, the idea and its sign into physical foundation quickly flourished in America and afterward around the globe. Its universal interest has been fuelled by various examinations that demonstrated the capability of business brooding as a vehicle for financial advancement (Smilor and Gill, 1986). However, regardless of this surge of enthusiasm for scholastic and strategy making hovers in numerous created and creating nations, there is still no agreement over what business hatching is, or ought to be, and which factors add to effective business brooding. Also, the degree to which business brooding includes esteem has been addressed.

The roots of the term can be followed back to the Batavia Industrial Center, normally known as the primary U.S. business Incubator, opened in Batavia, N.Y., in 1959. In any case, the idea of giving business help administrations to beginning time organizations in shared offices did not get on with numerous groups until in any event the late 1970s. Around then and particularly in the start of the following decade, western industrialized nations, looked with a fast ascent in joblessness coming about because of the crumple of conventional businesses, perceived the requirement for new procedures that would recover emergency divisions, areas and groups.

Systems sought after in the 1980s were comprehensively described by a change in accentuation from "top-down" approach depending on exogenous factors and including open mediation to exchange surplus versatile capital and employments from created to immature or declining locales, to a "base up" approach concentrating on boosting the indigenous potential for financial improvement. In the meantime, 10business incubators started to be utilized as instruments to help advancement and innovation exchange. Lalkaka aggregates up the development of the Incubator idea as takes after.(Figure 1)

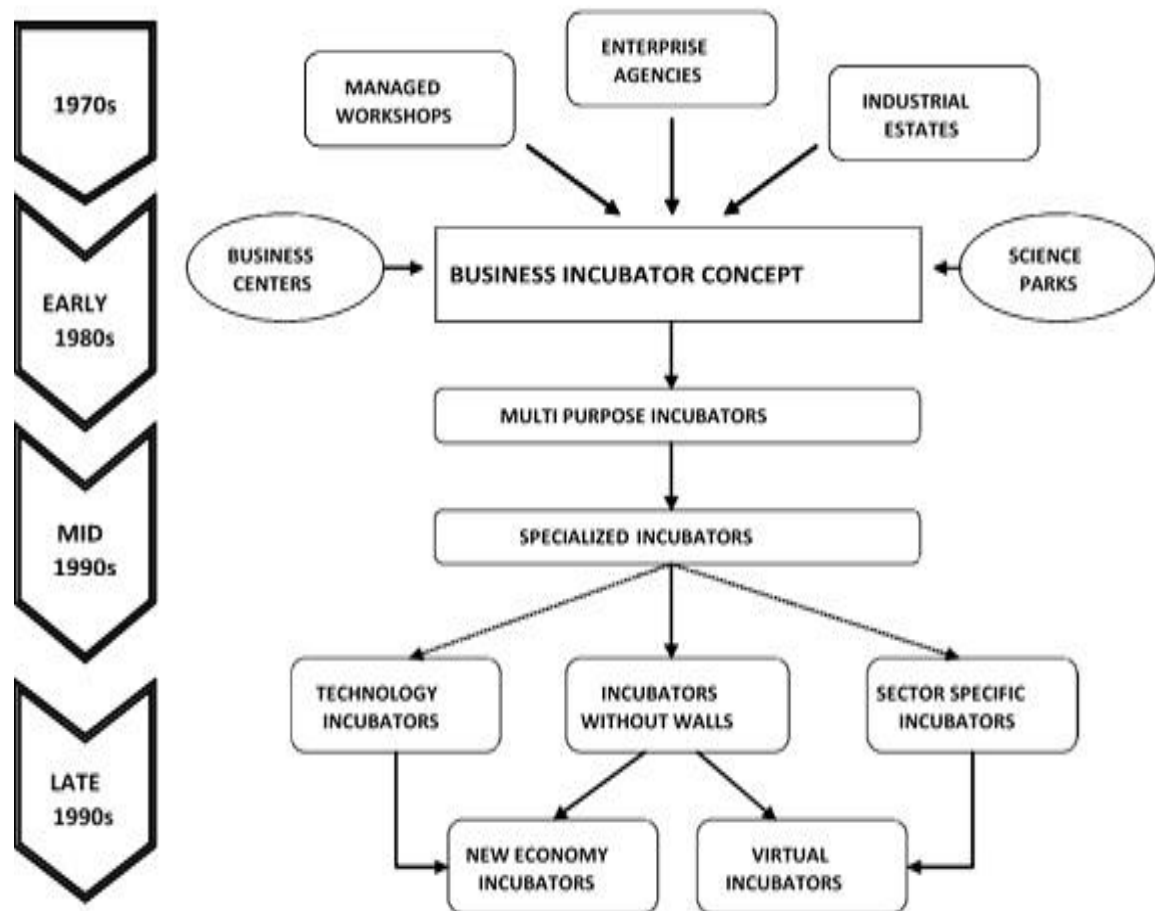
**Figure 1: The Evolution of Business Incubators from first to third Generation**



The 'first generation' incubators in the 1980s were basically offering reasonable space and shared offices to painstakingly chose entrepreneurial gatherings. In the 1990s the need was perceived for supplementing the work space with directing, abilities improvement and systems administration administrations to get to proficient help and seed capital, for occupants inside the office and subsidiaries outside. This has prompted the 'second era' Incubator, albeit numerous in the creating nations are as yet stuck in the first mode. Beginning in 1998, another hatching model rose in parallel. This is proposed

to prepare ICT and give a merging of help, towards making development potential, tech-based ventures. The new economy demonstrate has obviously not created to the degree initially trusted. There are presently thought to be around 3,000 business Incubators of different kinds around the world.(Figure 2)

**Figure 2: The Evolution of the Incubator Model**



Most examinations consider business Incubators as an enterprise improvement device for monetary and social advancement; the basic rationale is that more effective new companies would upgrade development, work creation and social attachment (Smilor and Gill, 1986; Lewis et al., 2011). Despite any accentuation on monetary or social execution, business Incubators are set to give incubatees moderate office space and an assortment of help administrations both in-house and through outer offshoots. Be



that as it may, past this wide level, simple accord on what a business Incubator is about, there are sure enduring definitional issues concerning the ideas of 'business brooding' and 'business Incubators'.

To start with, there is an issue with wording adjustment. This identifies with the rehashed adjustment of the first business Incubator idea so as to fit changing nearby needs and conditions" (Kuratko and LaFollette, 1987: p53). An a valid example is the treatment of the virtual Incubator, or 'Incubator without dividers' ((Nowak and Grantham, 2000; van Tilburg et al., 2002). Virtual brooding intends to convey a scope of help administrations (without a physical framework) to incubatees who are situated outside of a Incubator. In spite of the fact that the objective is the same (i.e. to improve the probability of survival and development of new firms), it doesn't give business visionaries physical framework under an occupancy course of action. Therefore, the idea of 'virtual Incubator' has been tested (Lewis, 2001).

Second, there is an issue with the assortment of the business brooding/Incubator thought. This is shown by the tradable way in which terms other than 'Incubator' show up in the writing, however which by and by obviously allude to a similar idea. These, include: 'explore parks' (Kang, 2004), 'undertaking focuses' (Smilor, 1987), seedbeds' (Felsenstein, 1994), 'science parks', 'technopole' (Castells and Hall, 1994), 'mechanical parks' (Autio and Klofsten, 1998), 'development focuses' (Smilor, 1987; Reid and Garnsey, 1997; UKBI, 2009), 'learning parks' (Bugliarello, 1998), 'business quickening agent' (Barrow, 2001; UKBI, 2009), 'frosty edges', 'incubation facilities', 'hives', 'germinators', 'center points', 'hot-work areas', 'graduators', 'develop on space', 'spokes', 'thoughts labs', 'oversaw workspace', 'wander labs', 'business focuses', 'fertilisators' (UKBI, 2009, 2012) and the 'arranged Incubator' (Hansen et al., 2000; Bøllingtoft and Ulhøi, 2005; McaAdam and McAdam, 2006). Put another way, analysts have

characterized and alluded to the term of business brooding/Incubator throughout the years from multiple points of view.

At long last, to exacerbate the situation, the business brooding procedure isn't correctly characterized in numerous important investigations. Hackett and Dilts (2004: 60) suitably allude to this as, "... [the] steady inclination to not characterize the hatching procedure, or when characterized to differ on where and with whom the brooding procedure happens". The above definitional issues regularly make it hard to survey the business hatching industry's real size in the UK and abroad, thinking about just certifiable business Incubators (instead of oversight domains). Moreover, such issues thwart speculation of discoveries and guessing in the field of business brooding. Utilizing typologies, for example, the generational groupings (see for example, Aerts et al., 2007; Bruneel, et al. 2012) improves challenges identifying with heterogeneity, however can't illuminate the issue of definitional equivocalness completely.

**At the 1998 Helsinki workshop, a business incubator was defined as:**

A place where recently made firms are packed in a restricted space. Its point is to enhance the shot of development and rate of survival of these organizations by furnishing them with a measured working with basic offices (fax, registering offices, and so forth.) As well as with administrative help and move down administrations. The principle accentuation is on neighborhood advancement and occupation creation.'<sup>11</sup>

This definition goes back to 1990 and in light of advancements from that point forward ostensibly puts excessively accentuation on physical parts of Incubator activities. An elective definition that features alternate administrations offered by Incubators is given by the US National Business Incubation Association (NBIA):

Business hatching is a dynamic procedure of business undertaking advancement. Incubators support youthful firms, helping them to survive and develop amid the start-

up period when they are generally powerless. Incubators give hands-on administration help, access to financing and arranged presentation to basic business or specialized help administrations. They likewise offer entrepreneurial firms shared office administrations, access to gear, adaptable leases and expandable space — all under one rooftop. 12

The definitions received by the UKBI and German ADT are comparative. While the arrangement of physical space for new companies is again observed as a characterizing normal for Incubators, level with accentuation is set on different angles including, on account of the UKBI, business visionary preparing, coaching and perceivability which are not said in the NBIA definition:

Business Incubation is a dynamic business advancement process. It is a term that covers a wide assortment of procedures, which help to decrease the disappointment rate of beginning period organizations and speed the development of organizations which can possibly end up considerable generators of work and riches. A business Incubator is typically a property with little work units that give an educational and strong condition to business people at start-up and amid the beginning times of organizations. Incubators give three principle fixings to developing fruitful organizations - an entrepreneurial and learning condition, prepared access to guides and speculators, perceivability in the commercial center.

Conversely, the definition utilized by ELAN in France does not say the physical attributes of a Incubator at all and rather puts the destinations of advancing start-ups and helping existing firms to extend at the focal point of its definition. A to some degree comparable approach – with an accentuation on the 'yield' side of the business brooding procedure instead of 'inputs' - is embraced by EBN. This goes more distant than quick yields and stresses the more extensive, regionally orientated mission of business Incubators :

The European Community Business and Innovation Centers (EC BICs) – as they are authoritatively known – are bolster associations for creative little and medium-sized organizations (SMEs) and business visionaries working in people in general intrigue, they are set up by the key financial administrators in a territory or district, with a specific end goal to offer a scope of coordinated direction and bolster administrations for ventures did by inventive SMEs, in this manner adding to territorial and neighborhood advancement.

Two principle conclusions are drawn from this concise audit of the different Incubator definitions. Right off the bat, there is a significant level of cover with the engaged way to deal with SME advancement, and blend of Incubator units and business bolster administrations being viewed as what makes the Incubator idea one of a kind. Besides, the distinctions, to the degree that they exist, lie in the shifting accentuation put on the significance of physical viewpoints rather than different business bolster administrations, and the business brooding procedure itself, as constituting the substance of the idea.

Business hatching programs are frequently supported by privately owned businesses or civil elements and open organizations, for example, schools and colleges. They will likely help make and develop youthful organizations by furnishing them with vital help and budgetary and specialized administrations. There are roughly 900 business incubators across the nation, as indicated by the National Business Incubation Association.

Incubators give various advantages to proprietors of new companies. Their office and assembling space is offered at underneath showcase rates, and their staff supplies exhortation and genuinely necessary skill in creating business and promoting plans and additionally subsidizing youngster organizations. Organizations regularly spend a normal of two years in a business Incubator, amid which time they frequently share

phone, secretarial office, and generation gear costs with other start-ups, with an end goal to diminish everybody's overhead and operational expenses.

Not all business incubators are similar, nonetheless, so on the off chance that you have a particular thought for a business, endeavor to discover the Incubator that best suits your prerequisites. In case you're occupied with finding a Incubator in your state, visit the National Business Incubation Association's site. Or then again connect with your nearby monetary improvement organization, situated in the telephone directory under the posting for your state government. You can likewise call the data workplaces of your nearby schools and colleges to see whether they have any business hatching programs.

In the event that a hatching program appears to be fascinating to you, be set up to present a fleshed-out strategy for success. The arrangement will be evaluated by a screening board of trustees to decide if you meet the criteria for affirmation. Incubators precisely screen potential organizations on the grounds that their space, hardware, and accounts are restricted, and they need to make certain they're sustaining organizations with the most ideal shot for progress.

**Table 1: Commonly Adopted Definitions of Business Incubation/Incubator**

<b>AUTHOR(S)</b>	<b>DEFINITION</b>
<b>Plosila and Allen (1985)</b>	“A small business incubator is a facility which promotes the early stage development of a for-profit enterprise.”
<b>Allen and Rahman (1985: 12)</b>	“A small business incubator is a facility that aids the early-stage growth of companies by providing rental space, shared office services, and business consulting assistance.”
<b>Albert (1986)</b>	“An enterprise incubator is a collective and temporary place for accommodating companies which offer space, assistance and services suited to the needs of companies being launched or recently founded.”

<b>Smilor and Gill (1986)</b>	“The business incubator seeks to effectively link talent, technology, capital, and know-how in order to leverage entrepreneurial talent and to accelerate the development of new companies.”
<b>Allen and Bazan (1990)</b>	“An incubator is a network or organisation providing skills, knowledge and motivation, real estate experience, provision of business and shared services.”
<b>Allen and McCluskey (1990)</b>	“An incubator is a facility that provides affordable space, shared office services and business development assistance in an environment conducive to new venture creation, survival and early stage growth.”
<b>Hackett and Dilts (2004: 57)</b>	“A business incubator is a shared office-space facility that seeks to provide its incubatees (i.e. portfolio- or client or tenant companies) with a strategic value- adding intervention system (i.e. business incubation) of monitoring and business assistance.”
<b>Hughes, Ireland and Morgan (2007:155)</b>	“A business incubator] is a facility that houses young, small firms to help them develop quickly into competitive business.”
<b>Eshun (2009: 156)</b>	<p>“A business incubator is an environment formally designed to stimulate the growth and development of new and early stage firms by improving their opportunities for the acquisition of resources aimed at facilitating the development and commercialisation of new products, new technologies and new business models.</p> <p>Business incubation is also a social and managerial process aimed at supporting the development and commercialisation of new products, new technologies and new business models.”</p>
<b>UK Business Incubation UKBI (2009: 2)</b>	“Business incubation is a unique and highly flexible combination of business development processes, infrastructure and people designed to nurture new and small businesses by supporting them through the early stages of development and change”.

Sources:Drucker [1992], Kotler [1994], Pomykalski [2001], Brilman [2002], Rogers [2003], Bogdanienko [2004],

## 1.2 Innovation work and innovation activity in the modern economic system

Innovation is a major factor of economic growth and performance in the globalised economy. The connection amongst development and financial development has been all around considered. However, that isn't to state that it is surely known. Advancement is the throbbing heart of the twenty-first century economy, reliably directing new rejuvenating movement through the framework. The restricting power is commoditization—presumably the absolute most effective power in business today—which quickly takes what was particular and productive and quickly makes it typical and minimal, sucking out the essentialness and benefit.

Development can be characterized basically as "another thought, gadget or method". However, advancement is frequently additionally seen as the use of better arrangements that meet new prerequisites, unsaid needs, or existing business sector needs. This is proficient through increasingly compelling items, forms, administrations, advances, or plans of action that are promptly accessible to business sectors, governments and society. The expression "advancement" can be characterized as something unique and more successful and, as a result, new, that "breaks into" the market or society. It is identified with, however not the same as, creation, as advancement is more well-suited to include the down to earth execution of a development (i.e. new/enhanced capacity) to have a significant effect in the market or society, and not all advancements require a development. Development is frequently showed by means of the designing procedure, when the issue being unraveled is of a specialized or logical nature.

Be that as it may, what in actuality do developments represent? Innovation is a procedure of changing the new thoughts, new learning into new items and administrations. Joseph Schumpeter characterizes advancement as a movement which prompts new delivering capacity, new item. He isolates this action in a few stages, as takes after:

- i. ***Introducing a new product***: the entrepreneur should create, to be specific present another item which can be effectively sold and which isn't offered in the market
- ii. ***Introducing a new method of production***: innovation should offer another plan of generation which through existing data sources can prompt an expanded yield, decline of expenses per 2unit item, presentation of new information sources and change of existing ones.
- iii. ***Opening new markets***: innovations can expand the offer in new districts, and furthermore increment the quantity of clients.
- iv. ***Finding of appropriate sources of raw materials***: The crude material provider can regularly bring down crude materials' quality or increment their cost and this specifically impacts over the quality and the offering cost of the new item. In this manner, the business person should locate a fitting wellspring of data sources, which are required for generation of new items.
- v. ***Establishing a new organization in the industry***: Schumpeter portrays this progression as a passageway of the business visionary in the syndication showcase, where there has been no opposition beforehand; or making conditions through which the business person would take the imposing business model position in the market.

As indicated by Tom Cannon , the qualification between these terms is as underneath:

1. **Creativity** speaks to a chance to make new appearance, substance or process by joining existing information sources or factors of creation.
2. **Inventiveness** is a procedure of making something new, which relegates a commitment to the level of general humanity learning.
3. **Innovation** is connected to the conclusive promoting of the new item, benefit or technologic process, which is an aftereffect of the innovativeness.

**Table 2 – Innovation, creativity, invention and science**

INNOVATION vs INVENTION
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<i>Invention</i> is the creation of a new concept.
<i>Innovation</i> is reducing that concept to experience, and making it a commercial success.
<b>INNOVATION vs CREATIVITY</b>
<i>Creativity</i> is coming up with ideas.
<i>Innovation</i> is bringing ideas to life.
<b>INNOVATION vs SCIENCE</b>
<i>Science</i> is the conversion of money into knowledge.
<i>Innovation</i> is the conversion of knowledge into money.
<b>Source: Composed according to Feldman, M., <i>The Significance of Innovation</i>, School of Management University of Toronto, 2004, p. 3-5</b>

According to Kanter innovation incorporates unique development and imaginative utilize and characterizes advancement as an age, confirmation and acknowledgment of new thoughts, items, administrations and procedures.

Two fundamental measurements of advancement were level of oddity (patent) (i.e. regardless of whether an advancement is new to the firm, new to the market, new to the business, or new to the world) and kind of development (i.e. regardless of whether it is process or item benefit framework development).

**Table.3 Definitions of innovation according to different authors**

Author	Definition of innovation
J.A. Allen	Introduction of new products, processes or procedures to widespread use
L. Białoń	Introduction of new products and new technological process to production, and introduction of new organizational systems in order to achieve higher economic efficiency
J. Bogdanienko	Turning an invention into material reality; first application of a new idea in practice

J. Brilman	Application of a creative idea, which is a factor contributing to the development of a company and enabling it to meet challenges posed by competitors
H.G. Burnett	Every idea or thing that is new, as it is qualitatively different from the existing, well-known standard
D.M. Rogers	Anything that is perceived by a person, or another entity adopting it, as new, regardless of the objective novelty of the idea or thing
A. Pomykalski	A process including all activities related to the creation of an idea, development of an invention, and its subsequent implementation in the form of a product or process
<i>Oslo Manual</i>	Introduction of a new or significantly improved product (goods or services); a new or significantly improved process; a new marketing method; or a new organisational method in terms of business practice, organisation of the workplace or relationship with the external environment

Source: Burnett [1953], Allen [1966], Mansfield [1968], Pietrasiński [1971], Białoń [1976]

## Sources of innovations:

According to research, we met these sources of innovations:

- 1. The market-Watch it carefully.** Surprising business sector or industry structure changes can give potential inventive openings. What's more, changes in socioeconomics, social mind-sets, values, standards, even in way of life, may require creative answers for rising needs. For example, Johnson and Johnson reacted to declining birth rates in Western markets by urging grown-ups to utilize their child items.
- 2. Existing clients are regularly a significant wellspring of innovation.** Consider inundating yourself or potentially a group of market confronting and conveyance individuals in your client's business to increase more prominent knowledge. Watching

—a average day for your customer may give profitable information on neglected needs and point to creative answers for existing issues. What's more, disturbances in you client's industry may likewise yield conditions where imaginative item or administrations might be only the response to new or rising needs. Working helpfully with driving or inventive clients may likewise help cultivate development

**3. *Suppliers can also provide valuable input.*** Your providers have a personal stake in working with their market driving clients. The improvement of solid associations with key providers will encourage open exchanges tended to atidentifying your rising business needs and distinguishing conceivable inventive arrangements that incorporate the best of the two organizations.

**4. *Learn from experience.*** Unexpected Sudden achievement and disappointments can give new and possibly important data. Try not to clear disappointments under the table however rather utilize them to investigate what learnings may make advancement in present or new markets.

Economic growth is most generally estimated utilizing changes in the aggregate estimation of merchandise and enterprises delivered by a nation's economy or what is know as Gross Domestic Product (GDP). Obviously, since the extent of nations changes this number is balanced for the span of the populace which gives an unrefined measure of the normal person's well-being.As expressed in an exploration paper done by Torun and Cicekci that a hypothetical connection amongst advancement and monetary development has been mulled over since in any event as ahead of schedule as Adam Smith (1776). Not exclusively did he verbalize the profitability picks up from specialization through the division of work and in addition from innovative enhancements to capital hardware and procedures.

Developing part of advancement in financial and social improvement, and how governments can help guarantee that development is converted into new items and

systems that can enable society to address the worldwide difficulties of the 21st century. EU combination is among the best needs of Macedonia. In this way, huge endeavors are put resources into setting up the nation for EU enrollment – national enactment is being adjusted to EU enactment in all territories secured by EU law, EU guidelines are received in monetary, political and social zones and thorough level changes of the general population organization are led. Government authorities and analysts have perceived this reality and have required a wide range of substantive motivations for empowering advancement. A few center conditions empower development and energize financial development:

- Strong benchmarks and compelling requirement of licensed innovation insurance,
- Vigorous rivalry and contestable markets,
- A solid and economical principal innovative work foundation,
- Encouraging Information and innovation correspondence advancements,
- A solid accentuation on instruction at all levels.

The primary pointer of development movement is advancement action and the association and administration of business incubators in supporting development action is significant.

Development exercises are for the most part logical, mechanical, hierarchical, money related and business steps which really, or are proposed to, prompt the execution of advancements. Some advancement exercises are themselves creative, others are not novel exercises but rather are vital for the usage of developments. Advancement exercises additionally incorporate R&D that isn't specifically identified with the improvement of a particular development.

Regular component of a development is that it more likely than not been actualized. Another or enhanced item is actualized when it is presented available. New procedures, promoting techniques or authoritative strategies are executed when they are brought into real use in the association's tasks.

Development exercises shift significantly in their inclination from firm to firm. A few firms take part in very much characterized advancement ventures, for example, the improvement and presentation of another item, while others fundamentally make persistent enhancements to their items, procedures and activities. The two kinds of firms can be imaginative: an advancement can comprise of the execution of a solitary critical change, or of a progression of littler incremental changes that together constitute a huge change.

In the inexorably aggressive condition, the way toward acknowledging inventive thoughts and making them focused items is long haul and very gainful. Accordingly, the state underpins the production of business Incubators to accelerate the procedure.

### 1.3 Modern experience of business incubators

Development and creating of new companies assumes an essential part as beginning new business is one of the pointer that demonstrates the economy level of every nation. Around then start-ups require support and one of such help organizations is business Incubator who can give all assets that start-ups require. Diverse examinations exist about business Incubator as a help measure and the part of them for new companies, however there is an absence of concentrates in breaking down this point in various business conditions.

Global experience ought to be examined keeping in mind the end goal to comprehend the working of business Incubators and to broaden them in the nation's economy. Hence, we attempted to take a gander at the experience of US, German and Turkish business Incubators in short.

## BUSINESS INCUBATION IN THE USA

Business hatching has a history in the US going back to the late 1950s. The development of US business brooding parallels the development of the US high innovation industry.

As the USA recuperates from the "Incomparable Recession" business brooding is ex-ploding – up 28% over the most recent five years - over the USA – particularly in zones which cultivate development and innovativeness such Austin, Texas, Atlanta, Georgia, Bos-ton, Massachusetts, Boulder, Colorado, Los Angeles and Silicon Valley, Califor-nia, Seattle, Washington, and also various littler urban communities. These imaginative regions hold onto business Incubators as both a powerful and proficient mode to coordinate business visionaries with the scholarly capital, administration, and money related re-sources required to make effective new undertakings.

### The Batavia Industrial Center

The Batavia Industrial Center (BIC) is perceived as the main US business Incubator. The Batavia Industrial Center was established in 1959 by Joseph L. Man-cuso in Batavia, New York. The first point of BIC was to make occupations in the area where the neighborhood economy was hailing, yet what gathering however was a radical new strategy of making effective new pursuits.

In 1958, Massey Ferguson, a huge producer of tractors and related ranch executes, covered its 850,000 square feet (78,968 square meters) manufactur-ing plant in Batavia, New York. The manufacturing plant utilized 2000 individuals from the com-munity of roughly 16,000 (Hurley, 2002). Subsequently, joblessness in Batavia, New York bounced to 20%, and the nearby economy quickly crumbled.

### Three Types of USA Incubators

In the USA, there are three principal sorts of business Incubators . The biggest rates (54%) of the US Incubators are blended utilize Incubators – incu-bators that work with customers from numerous ventures. The second biggest (37%) segments are Incubators which cultivate innovation customers. There is an expanding enthusiasm for innovation Incubators since they make higher esteem include employments than blended Incubators . The rest of the 9% of Incubators center around assembling, benefit, and other monetary areas [Knopp, Linda, 2012, pp. 10].

There is wide assorted variety of Incubators extending from vast scale Incubators , for example, the still operational blended utilize Batavia mechanical Center (BIC) Incubators to the innovation centered Silicon Valley Industrial Park established by Stanford University and also projects, for example, Louisiana State University's "Incubator on wheels," established after typhoon Katrina, to help entrepreneurs in rustic Louisiana reconstruct their organizations [D'Angostino, 2009]

### **BUSINESS INCUBATION in Germany**

As indicated by the 2017 Global Entrepreneurship Report (GEM), Germany isn't one of the main countries as to fire up exercises. In 2017, 5.3% of Germany's working age populace were currently attempting to begin a business or were proprietors or directors of firms that were close to 3½ years of age. Germany positions 20 out of 24 advancement based economies with respect to Total Early-Stage Entrepreneurial Activity. Nonetheless, the TEA rate has stayed stale when contrasted with the earlier year, however is extensively higher than contrasted with the years preceding 2017 (Table 4 Sternberg et al. 2017).

#### **Table 4: Ranking of Innovation-based economies, Total Early-stage Entrepreneurial Activity (TEA) 2017**

1	USA	9	Norway	17	Spain
2	Singapore	10	Korea	18	Slovenia
3	Netherlands	11	Israel	19	Denmark
4	Slovakia	12	Greece	20	Germany
5	Austria	13	Sweden	21	Belgium
6	UK	14	Ireland	22	France
7	Portugal	15	Finland	23	Italy
8	Taiwan	16	Switzerland	24	Japan

The offer of incipient business visionaries in Germany was around 3.51% (Spring 2016). In this unique situation, Germany positions 13 in the portion of development based economies. Notwithstanding, in late year the beginning business enterprise rate has demonstrated a critical increment when contrasted with the TEA rate. In any case, nations like the US, the Netherlands, Austria or the UK are still well in front of Germany (Sternberg et al. 2017).

**Table 5. Ranking of innovation-based economies, nascent entrepreneurs 2017.**

	USA	9	Ireland	17	Taiwan
	Singapore	10	Greece	18	Belgium
	Slovakia	11	France	19	Denmark
	Austria	12	Norway	20	Slovenia
	UK	13	Germany	21	Switzerland
	Sweden	14	Israel	22	Korea
	Portugal	15	Finland	23	Italy



	Netherlands	16	Spain	24	Japan
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A positive advancement as per GEM 2016 is that the offer of business visionaries with a genuine business thought that they look to execute is more prominent than the quantity of the individuals who begin a business for reasons of constrained elective work. In any case, this last inspiration is all the more often referred to by new business people from Germany than contrasted with different nations (see index for additional data). To be sure, patterns demonstrate that the extent of chance based business enterprise has expanded in Germany since 2009 (Sternberg et al. 2015).

### **A bird's-eye-view of the German Start-up eco-system**

Berlin has been evaluated as the start-up center point in Germany; notwithstanding, contrasted with other global urban areas it is just number 15 around the world. The main center points are Silicon Valley, Los Angeles, Tel Aviv and Seattle.

Figure 3. gives an outline of the most critical partners and exercises associated with the start-up advancement framework in Germany. An onion show is utilized to separate between the center players in the start-up eco-framework, fundamental supporting performing artists and exercises, and also imperative subsidizing programs that help the advancement of new companies.

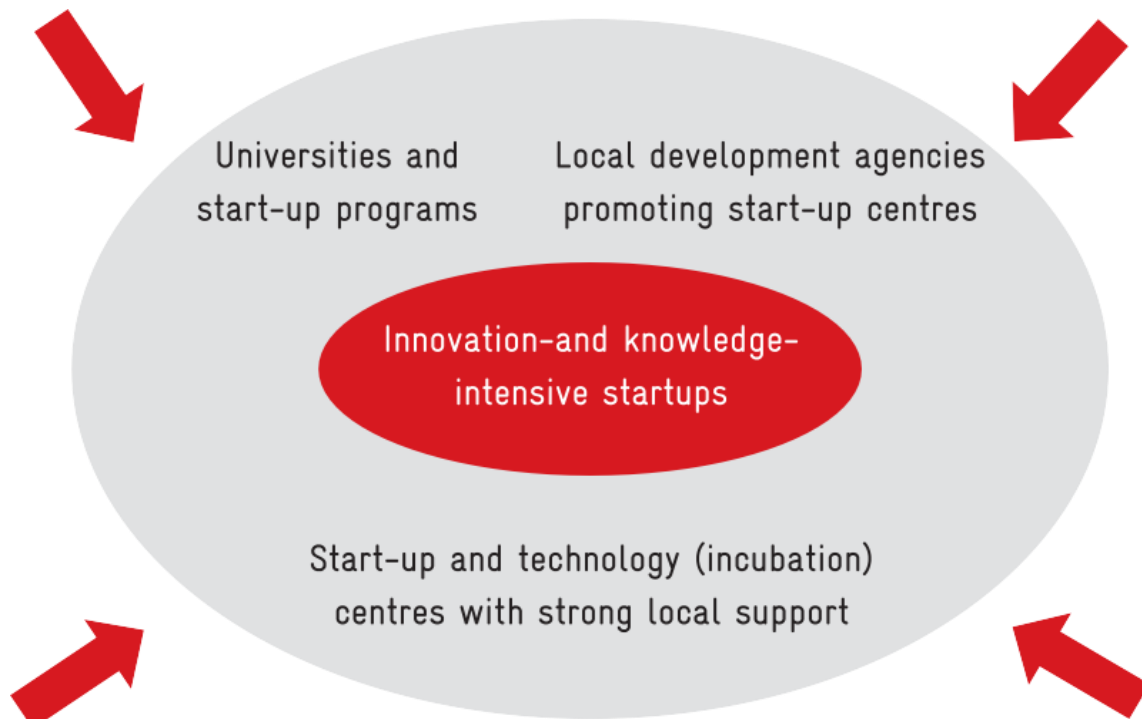


Figure 3: The inner circle of the German start-up eco-system

**Source: [medium.com/startup-foundation](https://medium.com/startup-foundation)**

#### BUSINESS INCUBATION IN THE TURKEY

Business enterprise in Turkey has plainly gained huge ground. Most colleges have started projects and territories to advance business enterprise, for example, innovation improvement zones, innovation exchange workplaces, and brooding and pre-hatching focuses. The primary pre-hatching focus in Turkey was set up in 2004; now, there are very nearly 40 such focuses. The vast majority of them have been in presence for under 5 years. The effect of these focuses will turn out to be more obvious inside the following couple of years. The most serious issue these focuses confront is the absence of an entrepreneurial attitude among incubatees. This fast development has underlined the need to lead the present examination, which intends to give a general outline of university based pre-brooding focuses in Turkey.

In Turkey business Incubators have been broadly used to help recently settled

organizations. Contrast with USA and numerous European nations, business Incubators are moderately new in Turkey. There are two diverse Incubator programs which is utilized to encourage enterprise, development, and creation and survival of recently settled firms. These are: Business Development Centers (ISGEMs), and Technology Development Centers (TEKMERs).

MetuTech Ankara and Cyberpark Ankara are pioneers in innovation exchange and advancement improvement in Turkey, with a solid spotlight on ICT.

Point of Bilkent CYBERPARK is being a focal point of fascination and an innovation base that rouses business visionaries. To wind up a main universal technopark by utilizing its data and correspondence innovation. To wind up a focal point of R&D that adds to the nation's logical and mechanical improvement.

- Provides viable technopark administration to cutting edge innovation and programming improvement foundations and associations
- Promoting the development of existing organizations and the foundation of the new organization who can possibly create propelled innovation
- Bringing together residential and global organizations which are working in the field of innovative. Building up systems that furnish collaborations with the colleges and other open establishments.
- Marketing abroad of cutting edge innovation items. In this field, adding to get outside capital nation

## **CHAPTER II. Problems of development of business innovators and innovative activity**

### **2.1 Business incubators activity issues**

The presence and exercise of commercial enterprise incubators has started to play a most important role in national monetary development. Thanks to improved economic ties and networks, the variety of progressive thoughts has increased. To gain greater successfully from this activity, enterprise incubators be explored.

The Business Incubation features as a project capitalist by way of investing in management, rather of just ideas. The Business Incubator calculates the potential of the entrepreneur as well as the market attainable of the challenge to determine the business potential. Various tools and strategies are used to verify the entrepreneur and commercial enterprise potential. This requires the involvement of financiers, enterprise and enterprise development experts. Highly profitable entrepreneurs have high inside locus of control and a profound want for achievement. They are less hazard averse and have excessive level of education.

Business incubators guide the improvement of start-ups via offering them with advisory and administrative guide services. According to the National Business Incubation Association, an incubator's principal objective is to produce profitable and financially manageable firms that can continue to exist on their own. Early incubators centered on science corporations or on an aggregate of industrial and carrier companies, but more modern incubators work with organizations from various industries.

#### **Finance**

Incubators help new companies save money on working expenses. The organizations that are a piece of a incubator can have similar offices and offer on overhead costs, for example, utilities, office hardware rentals, and secretary administrations. Start-ups can likewise exploit bring down rent rates if the Incubator is situated in low-lease mechanical parks. Incubators may likewise help start-ups with

their financing needs by alluding them to heavenly attendant speculators and investors, and helping them with introductions. New companies may have better fortunes securing financing on the off chance that they have the blessing of incubator programs.

### Management

Notwithstanding monetary help, start-ups likewise require direction on the best way to contend effectively with built up industry players. Hatcheries can take advantage of their systems of experienced business people and resigned administrators, who can give administration direction and operational help. For instance, a biotechnology start-up would profit by the advice of resigned pharmaceutical administrators who have direct involvement of the medication improvement and clinical endorsement process. Essentially, an eatery business visionary could find out about the troubles of abroad development from resigned accommodation industry administrators. New companies ordinarily advantage from having regarded people on their sheets of executives and logical warning boards, in light of the fact that these people convey precious associations and experience to the table.

### Synergy

The nearby working connections between a hatchery's new companies make collaborations. Indeed, even after the new companies leave a hatchery, the associations and systems set up through these connections can continue for quite a while. Start-up business people can give consolation to each other, and representatives may share thoughts on new ways to deal with old issues. New businesses may design joint advertising efforts and collaborate on item improvement activities. These cooperative energies don't really exist among new businesses subsidized by investors, in light of the fact that, as Kenneth Liss brings up in a March 2000 Harvard Business School Working Knowledge article, the organizations that get the assets don't really know each other and they might be situated in various geographic areas.

## Economy

By helping new organizations succeed, hatcheries help with making dependable employments for their host groups. In a March 2003 Association for Small Business and Entrepreneurship gathering paper facilitated by the University of Central Arkansas Small Business Advancement National Center, Northwestern Oklahoma State University educator Patti L. Wilber and her partner referred to research to compose that new companies in brooding projects have more noteworthy suitability and show better money related execution over the long haul. They make dependable employments for new graduates, experienced mid-vocation staff, and veteran administrators. This advantages groups and drives financial development

New businesses don't have an indistinguishable assets from official organization, so the asset base of new companies is deficient and as yet advancing, which advances "liabilities of novelty" of such firms that was specified in foundation part. Business hatcheries as far as asset based view, are considered as an answer for "liabilities of novelty" as they give asset rich condition that permits new businesses to finish their asset base. Along these lines, hatcheries or hatchery's systems can give all assets that new businesses require.( Table 6 )

**Table 6 - basic tangible and intangible ingredients of incubation**

<b>Main elements of incubation</b>	<b>Definition and examples</b>	<b>Benefits on Incubatees</b>
<b>subsidized rental space</b>	offices, laboratories, and small production space	helps to reduce early-stage fixed costs through co-location and shared

<b>collectively shared facilities and services</b>	secretarial support, laboratory equipment, communication infrastructure, etc.	small firms or one-man businesses as well as firms from R&D-intensive sectors, can face sriouse challenges if they have not access to such expensive and important facilities
<b>Business assistance services</b>	marketing, accounting, human resources	These services assist the incubated firms in areas where they do not possess the relevant knowledge and expertise
<b>Credibility</b>	firm's image, its reputation and legitimacy in the market	Obtaining the benefits of an image associated with an incubator location and acquiring credibility is another important mechanism of incubation
<b>Networking</b>	Potential customers and suppliers, a wide network of specialized service providers (e.g. lawyers, tax accountants), financial institutions (e.g. banks, venture capitalists), public and private research facilities and political institutions (e.g. local development agencies, funding agencies) and linkages to academic institutions	fosters co-operative, formal contract agreements as well as informal interactions between the incubatees is seen as decisive for a successful incubation process Social networks among entrepreneurs are seen as a critical strategic resource

**Source: Entrepreneurship: theory and practice p 19**

### **2.1.1 Key resources and support measures of business incubator**

In the wake of clearing up what business hatchery and business brooding is, it is essential to specify what business hatchery give. Major unmistakable highlights of business hatcheries comprise in arrangement of oversight workspace for deliberately chose new businesses, shared articles, handy administration help, business condition, instruction, access to fund, business and specialized help needs and access to coaches and speculators (Lalkaka, 1997; Cassim, 2001). As per NBIA hatcheries give administration proposals, specialized help, counseling and instructing for start-up organizations, financing support, hardware, fundamental business administrations.

Real openings and key assets of business hatcheries are condensed in the investigation of Bøllingtoft and Ulhøi (2005) and comprise in giving a domain that is secured for developing and creating organizations (Allen and Rahman, 1985); helping new companies in a roundabout way by placing them in the business condition by giving assets (arrange), and furthermore mental help; on the opposite side helping new businesses straightforwardly through office space, administrations, and hardware, likewise helping new companies with acquiring authenticity, besides business hatchery increment perceivability and validity of new business and furthermore assisting with financing by putting resources into new businesses or by giving speculators Bøllingtoft and Ulhøi (2005).

Diverse kinds of help measures gave by business hatchery other than space and hardware incorporate such administrations as "help with creating business and advertising designs, building administration groups, getting capital and access to a scope of more particular expert administrations" (Grimaldi and Grandi 2005, p.116). Thus, business hatcheries assume the part of help, help and guidance administrations for youthful organizations, and these administrations organization on beginning period can not bear (Bøllingtoft and Ulhøi, 2005; Karatas-Ozkan et al., 2005). As indicated by



Aernoudt (2004) business hatcheries give benefits as well as give a chance to enter new markets and access to know-how.

Subsides et al. (2004, p.85) guarantee that "the part of the hatchery in the entrepreneurial procedure has changed from being only a business focus with office offices to one offering preparing, organizing and counseling in all subject matters to startup firms". Karatas-Ozkan et al. (2005) concur with that claim, when say in their examination that "business hatcheries are not the idea of a mutual office and workspace office yet business hatcheries quality enterprise abilities, offer access to business administrations, can enhance working condition and open doors for business organizing" (Barrow, 2001, p 5).

### **2.1.2 Main Goals of Business Incubator**

Researchers accept that essential objectives of business hatcheries are making of undertakings and fortifying development, culture of enterprise, work creation, financial advancement, development and commercialization of innovation; to auxiliary objectives researchers incorporate enabling the enhancement of monetary base of a district, utilizing a current or accessible assets, producing wage for the hatchery, make business notoriety in the group and institutional participation (Business Incubators and Customer Satisfaction p 25-28). Aernoudt (2004) abridge and infer that the fundamental general objective of business hatcheries is "to deliver effective firms that will leave the hatchery fiscally suitable and unsupported inside a sensible deferral" (p.128).

#### **Measurement of BI success**

Aernoudt (2004) states that great business hatchery can be estimated by the "quantity of new, youthful endeavors with development potential, an ideal pivot rate, a high survival rate of graduates, a positive effect on the impression of business visionaries and on the production of an entrepreneurial culture, a positive effect on the view of business visionaries and on the making of entrepreneurial culture, solid connections with industry, R&D focuses and colleges lastly a structure encouraging

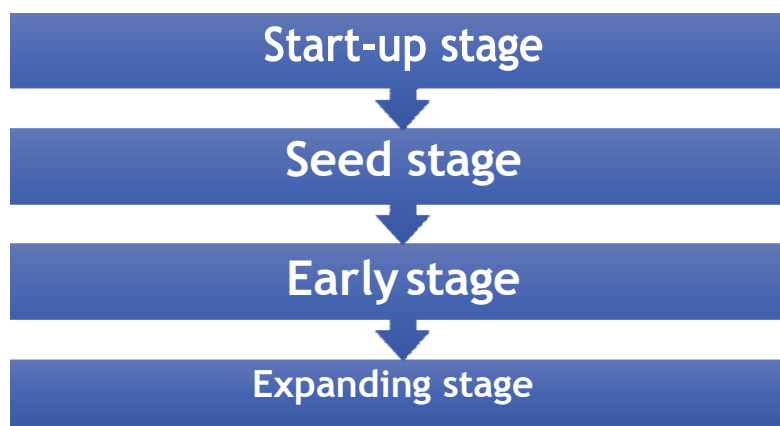
access to monetary markets" (Small Business Economics, 17 (2001), pp. 157-166). In any case, Peters et al. (2004) assert that the graduation of youthful business people relies upon the level of salary, hatcheries 'due dates and lease installment that hatcheries increment for new businesses that are not dynamic to leave the hatchery. Researchers consider that the normal time for new businesses to grow up is around 3 years when they wind up free and self-managing organizations ( Technovation 25 (2005) 111–121. ).

As it was specified before business hatcheries administrations comprise in framework instructing and organizing and each factor influence the graduation rate of start-up groups in the business hatcheries, yet the quantity of graduation additionally relies upon the sort of business hatchery ( Delusions Inventory (PDI).Peters et al., 2004).

### 2.1.3 Stages of **regular** business

Before we will break down the necessities of new companies, first we will consider what are the phases of normal business and discover on which stages start-up can have issues and need bolster. A considerable measure diverse sentiments of business researchers exist about what number of stages are ready to go, however it generally changes from 3 to 6 phases. As indicated by Markova and Petkovska-Mircevska (Financing Options for Entrepreneurial Ventures Report 2009) four fundamental stages that each organization has on its way are displayed in Table 7.

**Table 7.** Stages in the regular business.



Source: Prepared by the author, based on Markova and Petkovska-Mircevska (2009)

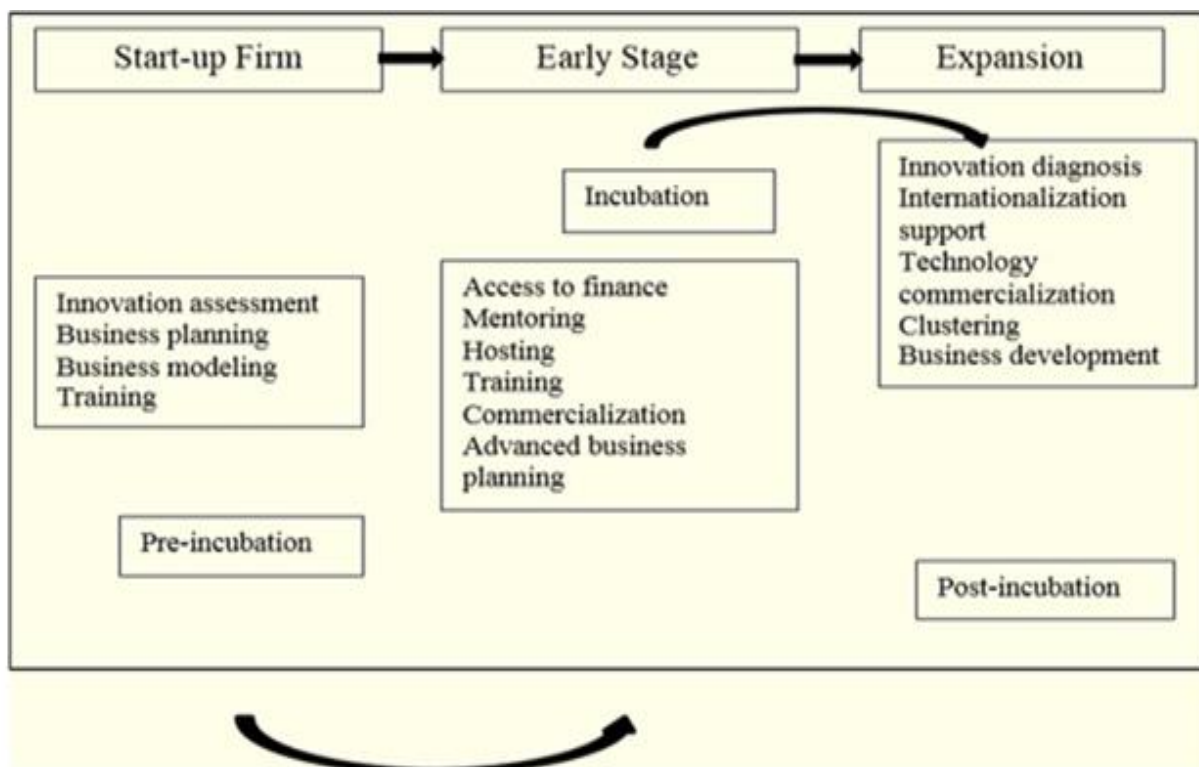
1. The first stage is start-up organize when organization isn't formally existing and business people ought to convince individuals in a method for exhibiting their plans to potential HR and demonstrate that the organization will be fruitful in business.
2. The second stage is seed organize when business visionaries make arrangements, representations and models however creation has not been begun, so in this stage the organization simply enter the market.
3. The third stage, beginning time is when organization started to extend and their items or administrations are created and conveyed yet the organization can be not yet productive.
4. And the last stage is extending stage when firm is as yet developing yet it is beneficial and develop and it can end up open.

These stages are exhibited in the business and youthful business visionaries at all of these stages may require bolster and such help can be taken from business hatcheries. In next area start-up necessities will be talked about.

## **2.2 Role of Business Inhibitors in Support of Innovative Activity**

The improvement of BI was before followed for instance of generational development, yet the consequences of this examination additionally affirmed that BI take after a way of arranged advancement including: start-up where BI regularly give pre-hatching help, for example, advancement appraisal, business arranging, investigation of plans of action, and preparing; early brooding stage where administrations incorporate access to back, coaching, preparing, facilitating, commercialization, and propelled business arranging; and the last extension or post-hatching stage which is the graduation organize where administrations may cover internationalization efforts, technology commercialization, business improvement or development activities, and such BIs are alluded to as quickening agents (Figure 4)

**Figure 4: The Incubation Process**



**Source: [worldbusinessincubation.wordpress.com](http://worldbusinessincubation.wordpress.com)**

It was contended that adaptability was basic in the advancement procedure and the administrations offered ought to rely upon what was accessible in the territory, or as proposed by the European Union (2010) administrations ought to be custom fitted to the phase of brooding whether start-up, beginning time, or extension. A main worldwide promoter of brooding, infoDev, targets administrations to underestimated gatherings, ladies, and individuals in extraordinary destitution, minorities, and youth. To encourage the conveyance of such administrations, infoDev made a hatching system which centers around specific new pursuit empowering influences, for example, portable labs and centers, atmosphere development focuses, and agribusiness advancement focuses. The system is viewed as "an essential course for ventures to internationalize their organizations, for the trading of information, for peer-learning openings, and for

assembling and building trust and joint effort among all advancement biological community partners" (infoDev/The World Bank, 2016, p. 6).

Advancement is a to some degree misjudged idea and exemplifies an attitude which is focused on authoritative change and business aggressiveness. Tidd, Bessant, and Pavitt (2005) distinguished four sorts of development: item alluding to the real contributions of firms; process which includes the manner by which items are made; position insinuating the setting in which items are presented; and worldview which includes changes in mental models of an association. Firms entering hatcheries must know about the diverse sorts of advancement keeping in mind the end goal to center around the sort fitting to the association's condition, business compose, and measure. These regions of development introduce open doors for little firms in light of the expanding part of administrations in national economies, and another attention put on little firms which seek after learning serious business administrations (KIBS).

An arrangement of advancing the improvement of KIBS was propose as: expanding mindfulness and reinforcing hierarchical administration and general coordination; developing data foundation and building an advancement stage; quickening the development and presentation of ability; opening up and updating global aggressiveness; fortifying the interest for information based administrations; advancing group advancement; expanding money related help; consummating the administrative structure; and setting up a credit framework (Yang and Yan, 2010). These components which are pertinent to a hatchery configuration ought to be incorporated into the post-brooding stage.

Advancement based hatcheries (IBI) are seen as working at "the crossing point between the arrangements of development and enterprise supporting business people to benefit from included estimation of imaginative thoughts" (EU, 2010, p.8). IBI can bolster both tech-situated or non-tech arranged creative organizations since "development can be found in downstream utilizations of a nonexclusive innovation, in

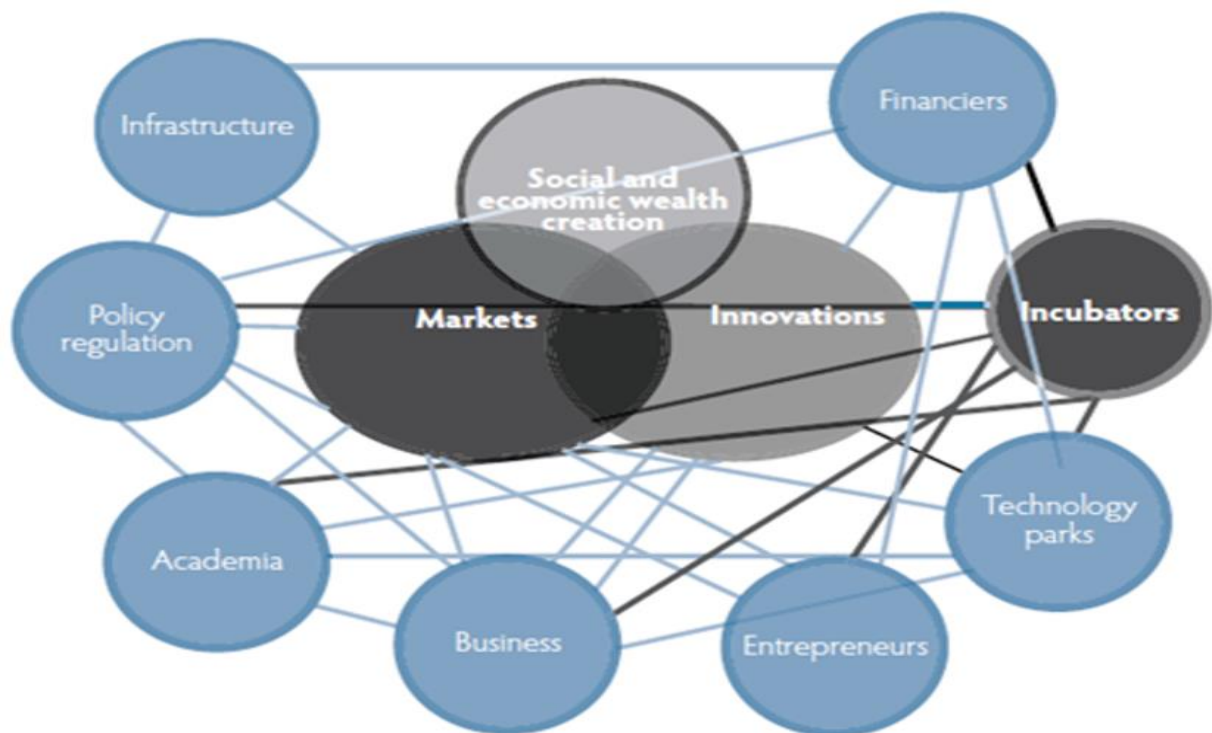
cutting edge and in learning concentrated administrations, in plans of action, in advertising and client drove forms, in outline, in models, in association and administration... " (EU, 2010, p. 9). In this unique situation, the idea of 'development living spaces' as containing the "center of mechanical advancement, hatcheries, pre-hatcheries, innovation parks, imaginative urban areas" and 'eco-development' which address ecological issues are important to hatchery organizations (Machado et al., 2015, p. 71).

In looking at kinds of hatcheries and the particular region of advancement, Barbero et al., (2014) found that BI that concentrated on essential research organizations created more item development than monetary improvement; while college and financial advancement hatcheries produced less item and innovation developments. Barbero et al. recognized that the most imaginative compose BI took after a concentration procedure, while the minimum inventive took after a monetary advancement and particular system. The nearness of systems, both secretly made by the customer business and in addition hatchery facilitated, are basic to the achievement of all hatcheries and especially pertinent to IBI in light of the fact that, as per Correia, Mateus, and Leonor (2015), systems, inventive activities, interchanges procedures, and advertising, are enter ideas in advancing creative organizations. Further, on account of hatcheries for biotech organizations, an investigation in Brazil found that entrance to fund was the best deterrent; the human asset holes should have been filled; enactment representing the protected innovation framework required more prominent straightforwardness and consistency; and the prerequisite for bringing in hardware and gear should have been streamlined (Journal of the Iberoamerican Academy of Management , Vol. 9 Issue: 1, pp.7-31). It can be presumed that the association with colleges, open and private research focuses, and bolster organizations, are key to the improvement to innovation firms situated in IBI.

Business hatching is a procedure went for supporting the advancement and scaling of development situated, beginning period enter-prises. The process gives business people an empowering domain toward the start-up phase of big business improvement, to help decrease the cost of propelling the undertaking, increment the certainty and limit of the business visionary, and connection the business person to the assets required to begin and scale a focused venture. Business people acknowledged into the business hatchery remain until a settled upon point of reference is come to, frequently estimated as far as deals income or profitability. Business brooding is one of numerous devices went for cultivating imaginative endeavor creation and development. there can be other reciprocal vehicles, for example, business advancement focuses and innovation parks. Table 1 shows how business brooding is situated versus these two corresponding vehicles.

What infoDev alludes to as the "advancement and entrepreneurship biological system" is an extension of the purported "triple helix" structure, otherwise called the "development framework." While the advancement framework structure is developing, it emphasizes that there must be adequate linkages between universities, industry, and government with a specific end goal to goad innovation and to offer development for sale to the public (Theory of Innovation and Interactive Learning 22-41 1993, Fagerberg and Nelson, 2004). Developing this school of thought, infoDev's experience shows that effective coupling of advancement and enterprise requires what can be depicted as a biological community with dynamic linkages between lenders, , policymakers, and the business group (Figure 5). On the off chance that any of these linkages is feeble or non-existent, the whole framework endures and the biological system isn't as compelling at empowering imaginative business enterprise as it could be.

**Figure 5.** Innovation and Entrepreneurship ecosystem



**Source: Stanford Social Innovation Review Winter 2008**

Business hatcheries have a remarkable position in this ecosys-tem. they collaborate with every one of the performers in the biological community, either straightforwardly or by implication, through the undertakings they serve, and feel direct the difficulties that their customers confront when look for ing to set up and develop their ventures, regardless of whether the troubles need to do with controls, fund, work, or foundation. On the off chance that these difficulties are viably imparted to the applicable performers in the biological system, a significant input circle can be set up



which benefits the brooded ventures, as well as inventive business people over the economy.

Business hatcheries recommend vital input on difficulties and requirements, as well as open doors for different performing artists in the framework. For example, they can offer agents a pool of high-development potential speculation and loaning prospects at diminished hazard, given the progressing help that these entrepre-neurs keep on receiving in managing business difficulties and openings. they can offer scholastic establishments a vehicle to popularize look into as well as help graduates with setting up another business wander, and furthermore give cor porations access to imaginative thoughts that could conceivably fortify their inventory network, conveyance components, or operation erations.

In this system, business hatcheries that figure out how to make compelling associations with alternate performing artists in the biological system can fill in as critical levers to manufacture positive change that makes an all the more empowering condition for creative entrepreneurs over the economy.

### **2.3 Business incubators activity mechanism and innovation assessment**

In spite of the fact that there is an across the board conviction that higher R&D spending converts into higher monetary execution, considers demonstrates that there is no connection between R&D spending and corporate achievement. As indicated by Kandybin and Kihn (The New Imperative for Creating and Profiting from Technology Harvard Business School Press, 2003), for organizations to augment their arrival on development venture (ROI<sub>2</sub>), an efficient advancement esteem chain (Fig. 6) is required, acing four basic arrangements of abilities: ideation, venture determination, advancement and commercialization.

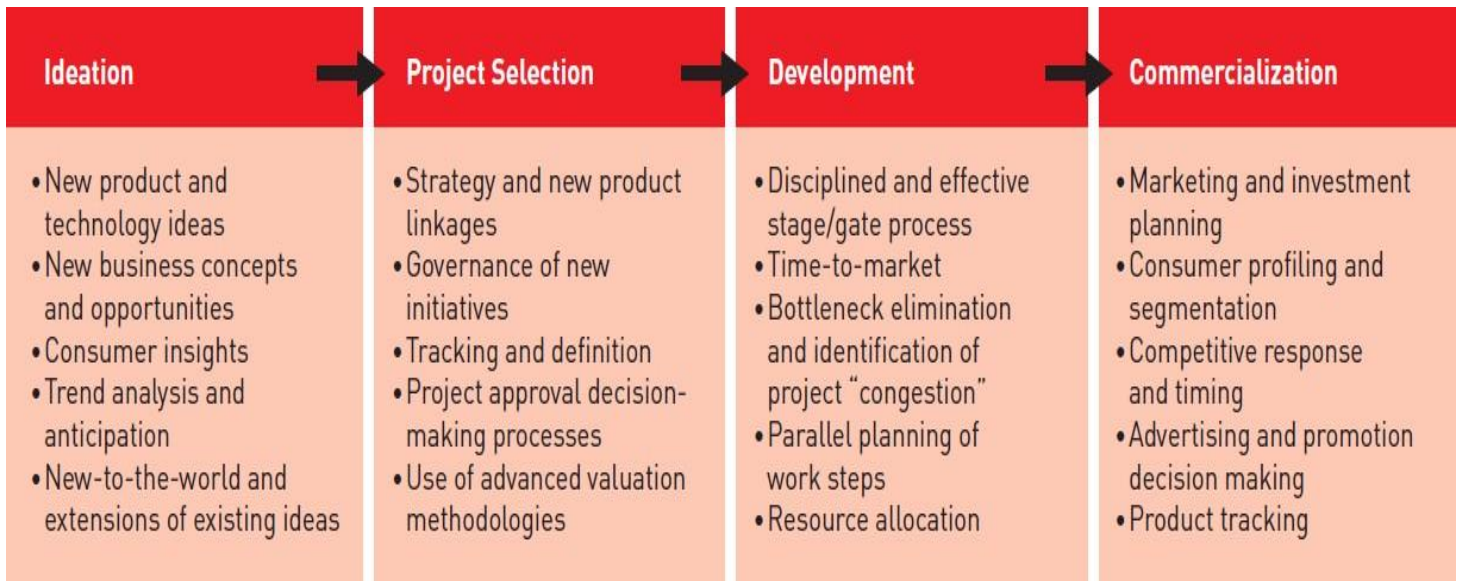


Fig. 6: Innovation Value Chain

Toward the beginning of this chain is the recommendation of a few thoughts and ideas that are passed on through undertaking proposition. Be that as it may, normally just a little division can be chosen since assets are restricted, in this manner, there must be an expert strategy for organizing every potential undertaking, similarly as there are frameworks to deal with the execution stages (advancement and commercialization). This undertaking is perplexing and troublesome in light of the fact that numerous alternatives are available and assets must be allotted thinking about costs, dangers and advantages, which are regularly unverifiable and in some cases impalpable.

Venture determination is, subsequently, a key part in this multifunctional ability that is development, which dependably becomes possibly the most important factor when the quantity of potential activities surpasses the number that can be viably embraced inside time and cash imperatives. There are a few diverse ways to deal with manage venture choice, which ought to be a piece of an unequivocal formalized device for portfolio administration and connected reliably.

Notwithstanding the approach picked by the organization, picking the correct activities is a urgent advance in guaranteeing great venture administration , however it isn't sufficient to ensure development achievement.

Since the start of the period of present day venture administration (around 60's to mid 70's) venture directors centered around effectively finishing ventures (on time, inside spending plan and with quality) and fulfilling partners. Undertaking administrators developed to be regarded experts that strived for venture achievement, which not generally converted into business achievement, conjuring the requirement for the postmodern time of task administration - Project Portfolio Management (PPM) .Harvey A. Levine, previous leader of the governing body of the Project Management Institute, proposes the accompanying definition for PPM:

*PPM is a set of processes, supported by people and tools, to guide the enterprise in selecting the right projects and the right number of projects and in maintaining a portfolio of projects that will maximize the enterprise's strategic goals, efficient use of resources, stakeholder satisfaction and the bottom line.*

Levine

The essential parts of the PPM procedure are the "prioritization and choice of hopeful tasks for the portfolio" and "keeping up the pipeline: keeping, deferring or ending affirmed ventures".

### **2.3.1 Project Selection Models**

Models are utilized to concentrate and manage the significant data about an issue, since the truth is dreadfully perplexing to deal with completely. Consequently, every model, however modern it might be, will dependably speak to just a piece of the truth it plans to reflect and may just yield an ideal outcome in its own specific system.

A venture screening model would thus be able to be a profitable apparatus for an association to help in picking ventures, for the most part in the event that it can produce valuable data in a convenient and helpful mold at an adequate cost. There are different worries to consider while choosing a model, and in addition a few distinct writes, which are drawn closer straightaway.

### 2.3.2 Requisites of the models

As per, the accompanying five perspectives are the most imperative in a venture determination show, which have been embraced by Meredith and Mantel (who included the 6th factor) and Pinto, who propose marginally unique definitions for the attributes.

1. Realism: precision of portrayal of this present reality and in mirroring the association's choice circumstance, targets, constraints, dangers, and so on..
2. Capability: capacity to break down various sorts of choice factors and to manage the few factors (numerous eras, loan cost changes, and so on.).
3. Flexibility: expansiveness of materialness to different sorts of tasks and issues and simplicity of alteration in light of changes in the association's condition.
4. Use: simplicity of perception and utilization of the model. Clear, effortlessly comprehended by every single authoritative part and quickly executed.
5. Cost: cost of setting up and utilizing the model ought to be second rate compared to the potential advantages of the task and low moderately to the cost of the undertaking.
6. Easy computerization: effortlessly assemble, store and control the data with generally accessible programming, (for example, Excel®).

Kerr et al. distributed a paper on the "Key standards for growing mechanically significant vital innovation administration toolboxes" that introduces a huge rundown of "good practice" standards for innovation administration apparatuses saw by a few creators, a considerable lot of which apply to extend determination devices specifically, for example,

- Robust (hypothetically stable and solid).
- Economic, straightforward and viable to actualize;
- Integrated to different procedures and apparatuses of the business;
- Flexible (versatile to suit the specific setting of the business and its condition).

#### Sorts of models

There is a broad measure of strategies that have been utilized for venture determination, from basic cost examination to whole number and straight programming or more adaptable techniques, for example, fluffy scientific programming. Bretschneider records inquire about on venture determination dating similar to 1959, where different criteria and scientific programming strategies were at that point utilized. Badri et al. allude papers utilizing the accompanying strategies: scoring, positioning, choice trees, diversion theoretic approach, Delphi system, fluffy rationale, investigative pecking order process (AHP), objective programming, dynamic programming, direct 0– 1 programming, quadratic programming and non-straight programming. Dey likewise alludes objective and direct programming models, AHP and fluffy hypothesis, including the utilization of utility capacities. A few strategies can even be utilized together, as can be seen in and, which additionally builds the measure of conceivable methods to be utilized for venture choice. Likely hence, creators normally present and examine classes of venture determination strategies

Tab. 8 demonstrates a few strategies for venture choice that have been utilized as a part of various task choice issues, for example, development, offer assessment, data frameworks and R&D. The references to the relating distributed papers can be found at. Table. 8: Various kinds of project selection methods



Decision method/model	Decision problem
Net present value method	Programming investment project selection
Cost analysis (e.g. NPV, DCF and payback)	Construction project selection
Ranking and non-weighted model	Project investment selection decision
Analytical hierarchy process (AHP)	Industrial project selection
Multiattribute utility theory in conjunction with PRET	Construction project selection
Linear and integer programming	Construction project selection
Utility-theory model	Bid markup decisions
Fuzzy outranking method	Design evaluation
Competitive bidding strategy model	Construction project selection
Multiattribute analysis in conjunction with regression models	Public sector design-build project selection
Strategic classes	IS project selection
Fuzzy multicriteria selection	The aggregation of expert judgments
Fuzzy preference model	Construction project selection
Fuzzy logic	Software product selection
Mathematical programming	Vendor selection decision
GREY	Bid project selection
TOPSIS	Bid decision making
Fuzzy stochastic	Construction project selection
ELECTRE I	Construction project selection
Mixed 0-1 goal programming	IS project selection
Possibility theory	Project investment decision
Mathematical programming	R&D project selection
Analytic Network Process (ANP)	R&D project selection
Fuzzy-logic	New product development project selection
ANP	Construction project selection

ANP in conjunction with Delphi and 0-1 goal programming	IS project selection
Packing-multiple-boxes model	R&D project selection
AHP and multiple-attribute decision-making technique	Industrial project selection
Fuzzy mixed integer programming model	R&D optimal portfolio selection
Chance-constrained zero-one integer programming models	Random fuzzy project selection

Source: [www.simplilearn.com](http://www.simplilearn.com)

As it can be seen, there are strategies that are utilized for various choice issues, for example, numerical programming, and there are choice issues that were done with various techniques, for example, development venture determination. Accordingly, it

can be presumed that there isn't a particular strategy for a specific circumstance, yet rather that there is a wide scope of potential outcomes and applications. The points of interest and inconveniences of the techniques ought to be weighted for the specific choice issue close by keeping in mind the end goal to pick the most proper one.

Cooper et al. isolate the diverse strategies into the accompanying six classes:

1. Financial methods, for example, NPV, ROI or payback period, can be utilized to rank-arrange ventures against each other or to make Go/Kill in correlation with decided worthy levels.
2. Business strategy is utilized to allot cash crosswise over various sorts of tasks. For example, the key basins technique separates the activities by pails, that speak to various measurements, (for example, kind of market, sort of advancement, product offering, venture greatness, innovation territory, stage composes, key push or aggressive needs) and disseminates the cash over the containers. At that point, ventures are rank-requested inside each basin (through a budgetary, scoring or some other technique) and the cash is spent continuously until the point that the utmost is gone after each pail. With this technique, the spending is compelled to reflect the business' methodology .
3. Bubble diagrams (or portfolio maps) are utilized to plot extends on a X-Y plot or guide (more often than not the customary hazard remunerate outline ), arranging them as per the quadrant they are in (e.g.: pearls, shellfish, white elephants and bread-and-spread undertakings).
4. Scoring models comprise on scoring the activities on a few criteria, for instance, with { 1, 2, 3, 4, 5 } scales, and afterward conglomerating them to acquire an aggregate score. This can be accomplished by essentially including the fractional scores (unweighted scoring model) or by ascribing weights to the criteria and completing a weighted total (weighted scoring model).

5. Check records are an arrangement of Yes/No inquiries that are responded in due order regarding each undertaking. The quantity of inquiries addressed emphatically can be utilized for organizing ventures or to make Go/Kill choices.
6. Others: all techniques that don't fit in the over five classes, for example,
  - a. Multiple criteria without a formal scoring model;
  - b. Probabilities of business and specialized achievement;
  - c. Methods that are variations or half and halves of strategies involved by the above classifications;
  - d. Informal strategies, for example, choices in light of understanding, top administration orders/inclinations or basically instinct. Mitchell et al. express that instinct can be brilliantly powerful in the event that it gets from solid experience however shockingly deceptive in new circumstances which is unquestionably the case in development ventures – thus however much consistent structure as could reasonably be expected ought to be utilized to help the choice. These classes are currently additionally clarified and a few points of interest and drawbacks are displayed.

## CHAPTER III. The prospects of business incubators in Azerbaijan and their perspective impact capabilities on increasing of innovation activity.

### 3.1 Support mechanisms for business incubators in Azerbaijan

In view of the idea of supportable improvement, diverse nations have created distinctive development models, contingent upon their monetary and societal position. Among these models, the model of financial development in the life-accommodating human condition is more fitting for the truth of Azerbaijan. This model, as the fundamental target, raises the expectations for everyday comforts of the populace and proliferates the human factor as the premise of monetary improvement. Supportable monetary development is incomprehensible without basic changes in the national economy, broadening, upgrade of advancement, raising the part of science, and



additionally expanding speculation. They center around putting resources into a specific zone of the economy from one viewpoint, and, on the other, with the development of advancements, to modernize the economy and give sufficient venture assets to advertise requests. Today, the principle issue is the ID of need issues of advancement compose financial improvement, which will affect Azerbaijan's manageable monetary development.

"In accordance with the fast advancement system, the Azerbaijani government has distinguished five primary headings of modernization of the economy," the first is the inventive improvement of the Azerbaijani economy. This course conceives the procurement of current innovations by the Azerbaijani organizations, guaranteeing the creation of new, aggressive items and extension of fare markets. The experience of nations working in advertise economy demonstrates that advancement assumes a critical part in the improvement of material generation. This is more critical for our free nation since the innovative level of material generation in our nation is much lower than in other created nations. The outcome is that in our nation The nature of most mechanical items (counting concoction items) does not meet the prerequisites of world models.

Expanding the advancement action of the monetary exercises in the Republic of Azerbaijan, the arrangement of a focused economy and its viable reconciliation into the worldwide financial framework are among the most squeezing difficulties of the cutting edge period. For this reason, above all else, the administrative base and advancement foundation of advancement improvement ought to be produced in the nation. The readiness of such an idea has positively affected the speedier mix of the Azerbaijani economy to the pattern of creative improvement on the planet. As it is known, the advancement movement of the Azerbaijani economy, at the end of the day, the part of developments in financial improvement is powerless. This can be supported by the absence of foundation for science and advancement and the absence of administrative

structure for the improvement of these zones. Starting here of view, the improvement and execution of the idea of advancement in the Republic of Azerbaijan can assume an essential part in accomplishing focused monetary improvement.

Expanding the advancement movement of the monetary exercises in the Republic of Azerbaijan, the development of a focused economy and its powerful incorporation into the worldwide financial framework are among the most squeezing difficulties of the cutting edge period. For this reason, as a matter of first importance, the authoritative base and advancement foundation of advancement improvement ought to be created in the nation. The readiness of such an idea has positively affected the faster reconciliation of the Azerbaijani economy to the pattern of imaginative advancement on the planet. As it is known, the advancement movement of the Azerbaijani economy, at the end of the day, the part of advancements in monetary improvement is feeble. This can be defended by the absence of foundation for science and advancement and also the absence of authoritative structure for the improvement of these zones. Starting here of view, the advancement and usage of the idea of advancement improvement can assume an essential part in accomplishing focused monetary improvement in the Republic of Azerbaijan.

As we probably am aware, nations as of now overwhelmed by learning and development win in the aggressive fight between the nations of the world. The advancement framework assumes a critical part in forming the information and development based economy. Starting here of view, the advancement and execution of the idea of advancement framework improvement in the Republic of Azerbaijan can assume an essential part in molding the learning based economy, raising the intensity of the economy, and ensuring the authority status in the district. Particularly lately, dynamic improvement in Azerbaijan has made good conditions for its acknowledgment. This guarantees the maintainability of the procedure and its combination into the

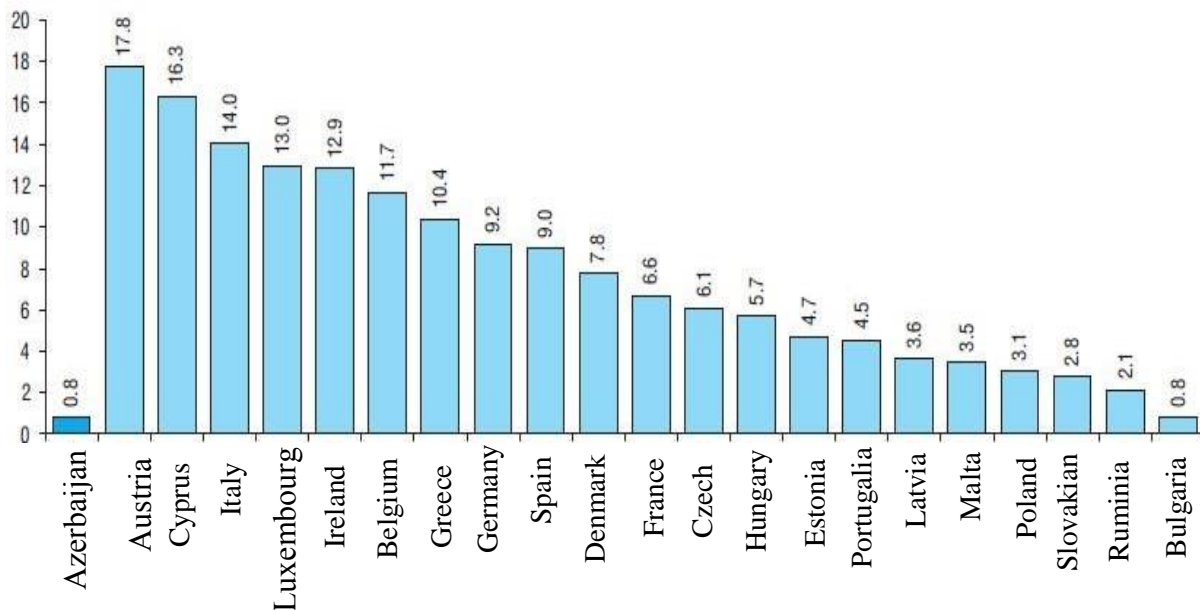
worldwide monetary framework, the advancement of industry-driven enterprises by making a powerful usage of accessible assets. To achieve this, most importantly, the foundation that will enable the current logical potential to turn out to be framed. Regardless of the dynamic advancement of the Azerbaijani economy, the part of developments in this procedure is feeble. Focusing on mechanical advancements on the planet, the measure of assets apportioned to mechanical development from the monetary allowance has been reflected in 2009. As should be obvious, Azerbaijan is in the last place among the nations contrasting with the mechanical development (\$ 0.8 million). Estonia and Latvia are in front of our nation regarding these assets.

When all is said in done, advancement movement in non-oil part of industry is still low in Azerbaijan, and it is difficult to make progress by entering the world market with this development action. Therefore, costs for science and development exercises are inescapable. Truth be told, the preparing business varies more than advancement in mining industry. Since these ventures are principally delivered by shoppers.

As can be found in Figure 7, the volume of development items that have experienced significant changes in the whole business or new application has expanded by 82.8% contrasted with the earlier year and diminished to AZN 6842,000 out of 2011, by 89.4% of every 2012 and added up to 730.9 thousand manats Increased by 500% to 4384,000 manat in 2013, 202% to 13163,000 manat. In 2012, regardless of the decrease in the volume of advancement items, there was a huge increment in resulting years. The volume of the enhanced item expanded by 329.4% of every 2011 contrasted with the earlier year and added up to 1715,000 manats in 2011, down 96% to 68.800 manat in 2012, expanding by 2850% to 2029,000 manats in 2013 and 609.8% of every 2014, achieved 14403 thousand manats.

### **Figure 7. The volume of development**

Percentages



**Source: Handbook of Development Economics, Volume 3A 1st Edition**

With regards to the combination of Azerbaijan into the world economy, the issue of the nation's economy's development and focused capacity accentuates the need to comprehend and adjust the worldwide market and globalization process criteria. Therefore, the arrangement of universal advancement systems for the cutting edge world, and joint logical and specialized innovative work of various nations and companies are trademark. "Countries that embrace the most recent innovation in the worldwide world and put resources into an extensive human improvement will be more focused. Modernization of the country and its aggressive limit are a crucial request of time. On the off chance that we need to meet the developing requests of contemporary history and need to accomplish considerably greater flourishing in Azerbaijan, we should figure with that request. "

It is realized that our nation can possibly create focused items in numerous territories. Be that as it may, some mechanical accomplishments don't supplant the key: in Azerbaijan there is another economy, in view of a profoundly aggressive economy, development, a shrewd state organization, a model of advancement in light of the arrangement of cozy connections between business, science, government and society.

Obviously, the improvement of fields and the foundation of between field relations are of extraordinary significance in the advancement arranged monetary improvement display. Starting here of view, foundation of mechanical focuses in our nation can give positive outcomes. Production of such science and instruction structures (for instance, Sumgayit technopark) and the improvement of logical and specialized action give the foundation and advancement of little inventive undertakings, commercialization and trial configuration works and their application to the business.

It is conceivable to think about the hypothetical and down to earth premise of the advancement and improvement of advancement framework and to build up an authoritative monetary model of the republic's development foundation in light of the national advancement framework. Notwithstanding the national economy, it is practical to utilize three models of advancement focuses in our republic:

- national parks;
- local development focuses;
- innovative regions.

Arrangement of a wander based business framework is fundamental for the further improvement of logical and specialized and inventive circles in Azerbaijan. It ought to be noticed that more noteworthy outcomes in the advancement of investment must be accomplished with close collaboration with global and outside money related foundations, which have impressive involvement in this field. It is important to make a venereal business enterprise framework for advance improvement of logical and specialized and development circles in Azerbaijan. The main part in the advancement of venereal courts must be founded on technoparks. At present, one of the key factors that undermines the improvement of wander financing is the absence of alluring organizations or advancement business visionaries. Hence, not just the organization that is alluring for speculation under the current financial conditions, yet in addition the

development undertaking ought to be distinguished, which requires the extraordinary common impact of all advancement foundation segments.

### **3.2 Existing and prospective capabilities of Business Initiatives in Support of Startups and Innovative Activity in the Azerbaijani Economy**

Vital occasions are likewise being executed in Azerbaijan toward making business hatcheries. For the activity of the Ministry of Economy of the Republic of Azerbaijan since 2013 for the activity of the adolescent of the areas of Azerbaijan to help execution of youth enterprise activities, formation of new business and work openings, fortifying of state support to youthful business visionaries, increment of business action among youngsters in the districts the making of territorial business hatcheries has started. With the making of business hatcheries, the state support to enterprise, business and venture condition will keep on being proceeded, and the advancement of creative and promising business regions, and in addition the work of youngsters will be accomplished.

Guba-Khachmaz is the pilot monetary locale which was chosen to make a business hatchery and the principal territorial business hatchery was made in Azerbaijan at the Guba-Khachmaz Regional Development Center of the Ministry of Economy, which was opened on July 19, 2013 with the cooperation of the President of the Republic of Azerbaijan. On the second floor of the middle 500 sq. M. About 15 rooms have been dispensed for business hatcheries.

With a specific end goal to make a business hatchery, global involvement in this field has been examined and condensed, the idea and regularizing base of business hatchery creation has been produced. What's more, gatherings with in excess of 10 gatherings, workshops, roundtables and gatherings were held in different managerial regions of the monetary area to advance the formation of a business hatchery in the Guba-Khachmaz financial locale. Delegates of the Ministry of Economy, Ministry of

Youth and Sports and National Confederation of Entrepreneurs (Employers') Organizations of Azerbaijan Republic partook in the occasion. In the business hatchery, well ordered measures are being taken to urge youngsters to take part in business thoughts and entrepreneurial action:

In the principal arrange leading trainings on subjects distinguished in the Action Program for 3 months to further business thought and the advancement of marketable strategies;

In the second stage, counseling and data administrations will be given to the Action Program to the reason for actualizing a business thought inside a half year;

In the third stage amid one month observing, dissecting and assessing the aftereffects of on the level of youngsters' learning securing amid the past stages

Business hatchery members are qualified for the accompanying benefits: installment for preparing and counseling administrations isn't conceived; little (representative) installments on rent. Lease incorporates a private room, furniture set, PC, printer, fax, phone, web, power, focal warming and cooling framework.

The following business incubators operate in Azerbaijan at present.

1. Business Incubator (Guba-Khachmaz Regional Development Center)
2. Business Incubator (Aran Regional Development Center)
3. "Baku Business Factory" business incubation center
4. Technopark of Baku Engineering University
5. ADA Innovation Center
6. Innovative Business Incubator Center at Azerbaijan University of Architecture and Construction
7. Azerbaijan State Economic University "Innovative Business Incubator" LLC
8. "SOCIAL INNOVATION LAB" Business Incubator

9. Bakcell APPLab Innovative Mobile Development Center
10. Barama Innovation Center "
11. "Youth Ink" Incubation Center
12. Azerbaijan State Oil and Industrial University "Easi START" Startup and Innovation Center
13. Azersu Training and Innovation Center
14. "Next Step" Innovation Center
15. "INNOVA STARTUP FACTORY" business incubator
16. "AMEA YT PARK" Business Incubation Center
17. Western Kaspi University Technopark
18. Business Intelligence Center of High Technology Park

Barama Innovation Center is a standout amongst the most dynamic business hatching focuses. The action component of the Barama Innovation Center is as per the following:

Barama Innovation and Entrepreneurship Center is a task built up by Azercell Telecom LLC in 2009 as the primary undertaking in Azerbaijan went for cultivating business advancement, develop and keep up Digital and entrepreneurial biological system. Barama Innovation and Entrepreneurship Center picked up the acknowledgment as the most intense focus in Azerbaijan, which principle objective is to enable new companies to manufacture their business, to bring imaginative administrations and achieve new clients.

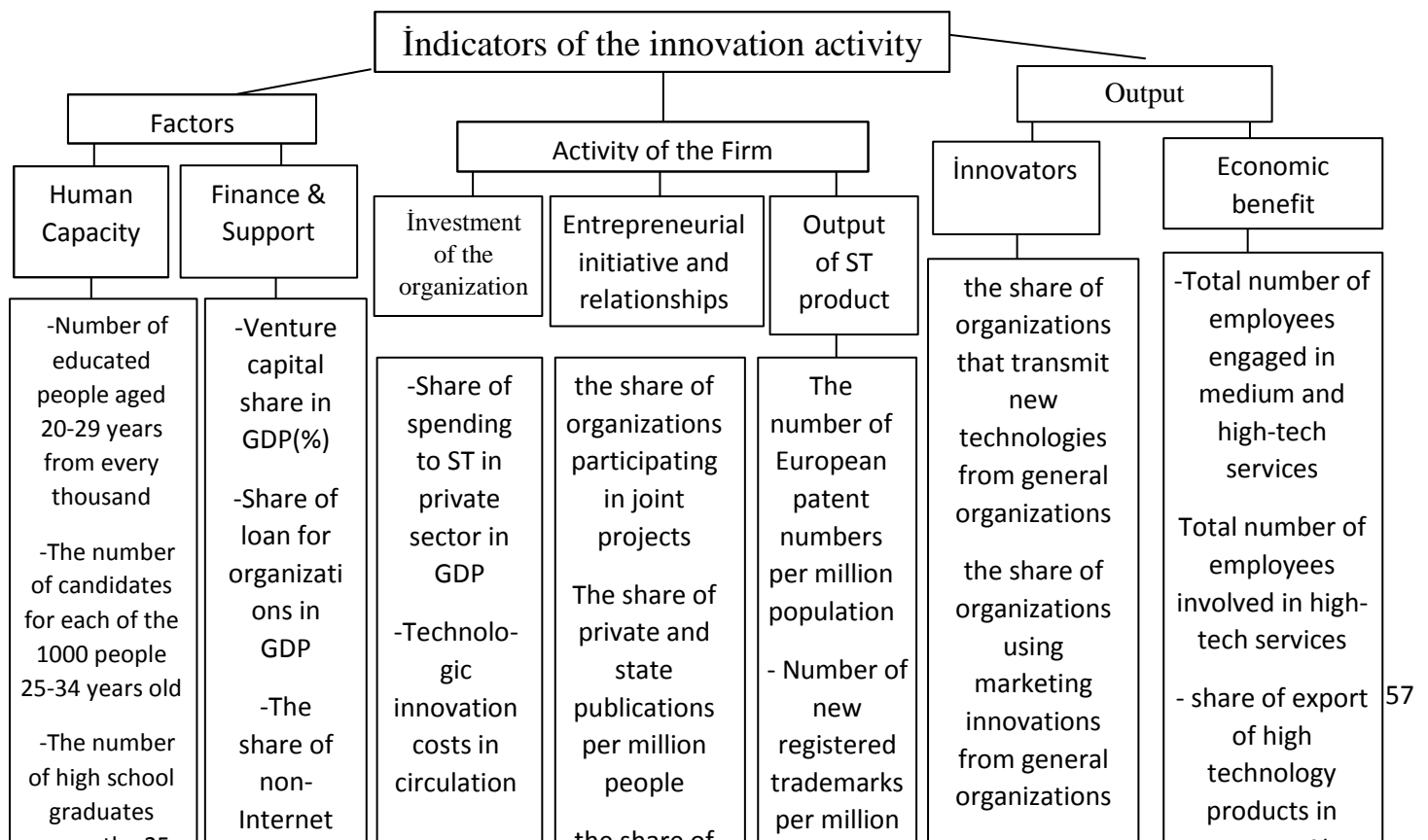
Barama Innovation and Entrepreneurship Center for the most part underpins and develops IT anticipates, Cloud Computing and Business Solutions, Games, IOT, Fintech, Innovative Solutions in Agriculture, Virtual Reality, Enhanced Reality and Artificial Intelligence. Primary territories of Barama Innovation and Entrepreneurship Center are Innovation Lab, Business Incubator, Mentorship and Partnership bolsters. Thoughts transformed into business are made in Barama.



Beginning from 2014, Barama has moved to a more elevated amount as an expert business hatchery and has been acquainted with general society as Barama Innovation and Entrepreneurship Center.

Barama Innovation and Entrepreneurship Center is furnished with the every fundamental instrument for more viable usage of thoughts for future business people:

- Access to a creative office
- Technical bolster as rapid web, boundless espresso and tea
- Individual Incubation program
- Professional counsels in shift fields by Azercell Telecom LLC and PASHA Bank
- Telecommunication bolster by Azercell Telecom LLC as Free number and 300 AZN restrict
- Close participation with neighborhood and remote coaches
- Access to Investors, Partners and Business Connections



Source: Economics of Innovation and New Technology ;**Volume 11, 2002 - Issue 2**

When implementing a regional innovation policy, innovation performance assessment indicators should also be taken seriously. The widest range of them is the assessment carried out by the World Intellectual Property Organization (WIPO), World Business School (INSEAD) and Jonson Cornel University. In this case, the indicators for both directions are identified and evaluated. In 2017, Azerbaijan ranks third with 82 in its 2016 rankings. Indeed, this figure may even be higher than the dynamics of the Azerbaijani economy's development. Accelerating this process further may be possible based on a broad analysis and assessment of measurement indices.

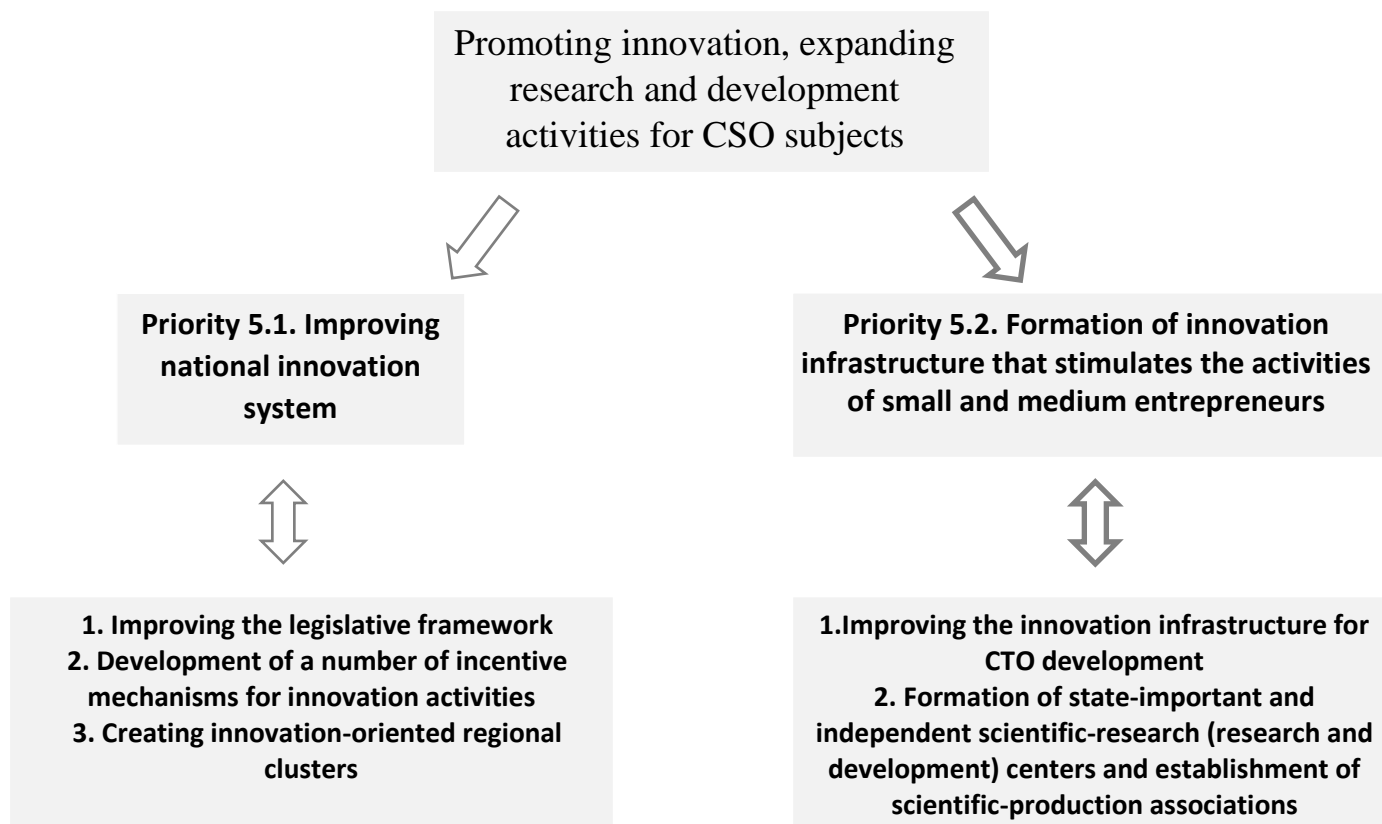
Main indicators	2016	2017
<b>General</b>	85	82
<b>Input signals</b>	81	78
Institutional	76	74
Human capital and researches	93	108
Infrastructure	73	50
Market development	27	23
Business development	123	110
<b>Output Indicators</b>	94	89
Knowledge and technology access	101	104
Creativity	87	87

**Table 9: The Comparative Place of the Republic of Azerbaijan on the Global Innovation Index for Key Indicators for 2016-2017.**

**Source: The Global Innovation Index 2016 and The Global Innovation Index 2017**

The Strategic Road Map on the Production of Consumer Goods at the Level of Small and Medium Enterprises in the Republic of Azerbaijan, which includes the most important aspects of the start ups in Azerbaijan in recent years, is a key road map that ensures the complexity and effectiveness of public policy in this area and its implementation many steps have been taken. The enhanced innovation system for increasing the innovation activity of SMEs and supporting their activities is also reflected in this document.

**Figure 7: Key innovation targets for SMEs to produce consumer goods at SME.**



In order to increase the innovation activity of the startups and to support innovation activities, several measures are being undertaken in Azerbaijan. Identifying the existing infrastructure of innovation is crucial in determining its future use. Elements of innovation infrastructure in the territory of the Republic of Azerbaijan include technology parks, business incubators, scientific and innovation centers and high technology parks, industrial parks, industrial neighborhoods and aquaparks, operating at state and private universities.

However, the development of innovation infrastructure that supports Azerbaijani startups is not at the desired level and it is impossible to develop innovation activity without developing innovation infrastructure. This is primarily the development of non-oil sector in Azerbaijan, the development of knowledge-based areas and science-intensive technologies.

In order to ensure the development of innovation infrastructure in Azerbaijan, the main targets and expectations to be determined in its methodological approach should be identified and the targeted steps to be taken to be systematized and the program for the implementation of innovation policy should be formulated. In general, the following key indicators should be considered.

Identifying a policy model - What policies are being developed and implemented to support the prior innovation activities? What innovation infrastructure support is currently being provided to regional entrepreneurship subjects. What policies and programs have been developed to support future innovation activities?

Identification of the model of cooperation - how the cooperation between industry, government, academia and citizens is organized for the innovation activities of the startups and the development of the infrastructure (Quadrilateral Helix).

Partnership Model - How the Startups work with the Region and its economic entities, along with others, to explore and utilize relevant work experience in the field of innovation at national and global levels.

Regional actors - Better quality of life of entrepreneurs and other subjects who are active innovators of the innovation, the development of advanced regional networks, and the use of financial and human capital efficiency.

Resources - Identify, measure, evaluate, group, and use material and non-material resources to provide a successful, innovative environment for businesses and citizens in the region.

Physical and Digital Opportunities - Enhancing the capabilities of collaborative physical and digital environments that support and develop collaboration, mutual learning, entrepreneurship and regional innovation infrastructure.

The regional entrepreneurship ecosystem for the integrity of regional innovation is determined by the fundamental boundaries and relationships of the regional

innovation infrastructure and, in fact, opens opportunities for interaction within the regional innovation system.

## **CONCLUSION AND IMPLICATIONS**

The major outcome of innovation that is one of the ways to compete in the market economy is to increase productivity and increase profitability. Innovation is not just about increasing the rate of economic growth, but also of changing the direction of economic development and improving the standards of living. One of the key elements of the renewed economic system is innovation and innovation activity. Business incubators open up more sustainable development opportunities for start ups with increasingly active functionality. In the global and regional competition, more active involvement of small and medium-sized businesses is largely dependent on their supported ecosystem, especially if their start ups have a great support mechanism, their innovative ideas can be faster.

In the study of business incubators, it is apparent that incubation has been widespread and more functional in western countries, mainly in business systems and in the form of private sector incubators. This is mainly due to the fact that business in developed countries is more networked than state and university relations.

While studying innovation and innovation, the main focus of the issue is the existence of an ecosystem that can support internal capabilities and innovation. Thus, more active innovation requires more active business incubators to be innovative mediators. Start ups are always open to innovation innovation and their valuation depends largely on the incubator's business idea assessment system.

One of the key factors that attracts attention is the ability of business incubators to develop their own development capabilities. Under modern conditions, the BI does not remain within the scope of the space and mentoring service. It also has the capability to reach markets, provide financial resources and support innovation. Technoparking is one of the main examples of this, and business incubators are now more likely to be created in technology parks or other economic zones and research areas where innovations are more actively created.

## **IMPLICATIONS**

1. Processing of business incubators support mechanism in Azerbaijan
2. Providing more active financial and tax incentives to business incubators
3. Study of external practice and adaptation to internal opportunities
4. Creating regional business incubator networks
5. Developing a supportive startup mechanism for existing business incubators
6. Organization of wider and more specific competitions for start ups incubators created by the state
7. Creating incubators for regional ecosystems and potentials in regions
8. Facilitating access to financial resources for start ups to increase innovation and forming a lower-interest and long-term lending system
9. Creating regional research and development centers and citation of activities related to business incubators

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