



Fostering Innovation: The Role of Business Incubator Centers in Student Startups

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Abstract. This qualitative study aims to investigate the role of a business incubator center in promoting creativity and innovation among students in developing startup businesses. The study was conducted at Universitas Swadaya Gunung Jati, where entrepreneurship learning activities are encouraged. Data was collected through observation and documentation. Results show that students who participated in the UGJ Incubator Center were successful in developing digital startup businesses. Implications of implementing the UGJ Incubator Center include the potential for job creation and the growth of student-led businesses. This study suggests that business incubator centers can be effective in fostering entrepreneurship and innovation among students.

Keywords: Entrepreneurship · business incubator center · students

1 Introduction

Since the release of the Independent Learning-Independent Campus (MBKM) policy by the Minister of Education and Culture with the aim of giving students the opportunity to master various sciences that are useful for preparing themselves during the process on campus before entering the world of work. One of the programs in the MBKM policy is a form of entrepreneurship learning activity. This program is expected to provide opportunities for students to improve their business competence, as well as have the potential to become entrepreneurs who create jobs, absorb labor, and contribute to increasing the number of entrepreneurial ratios. Student entrepreneurship coaching programs can open students' insights, competencies and entrepreneurial attitudes, and are able to create jobs for the community [1].

Entrepreneurship development programs through higher education business incubator centers can foster and develop student businesses with various products or services. There are three basics in forming students to become novice entrepreneurs in forming creativity, namely (a) this type of creativity can accept contemporary views, (b) the type of creativity in rejecting current views by changing them and (c) this type of creativity is synthesizing current views or paradigms [2]. The business incubator in which there are various facilities and supported by adequate resources is expected to be able to develop student creativity and be able to produce innovation in developing entrepreneurship. The business incubator concept adopted the concept of incubation of chickens in a building

located in New York City, then this incubator concept was changed to be used to incubate companies from a business incubator concept which was then adopted by several countries including Indonesia and this incubation was used as a medium for carrying out a business approach that sustainable with the hope of becoming a high business potential [3]. Business incubation is a coaching process for small businesses and/or new product development carried out by business incubators in terms of providing business facilities and infrastructure, business development and management and technology support [4]. Furthermore, in Business Incubator activities there must be a measure of success including indicators such as (a) the addition of new businesses, (b) job creation, (c) the failure rate of new business development, and (d) the ability to obtain investment funds [5]. Success in business can also be known from the longer a person can survive and prevent voluntarily leaving, the more successful a person will be [6].

A business incubator in a tertiary institution can be used as an entry strategy to produce young entrepreneurs who are competitive in the global market, so that students are expected to be able to foster initiatives in entrepreneurship to achieve goals through awareness regarding the context of the ability to seize opportunities, creativity, and dare to take risks. The growth of entrepreneurship not only has an impact on the availability of goods and services but also has other social impacts, namely the availability of jobs [7]. Therefore the Gunung Jati Swadaya University takes the role of facilitating students in developing their business through the Business Incubator Center. The established business incubator center is believed to be effective in fostering an entrepreneurial spirit that is creative, innovative, resilient and courageous in facing various challenges. With the increasing number of students who are able to build businesses through entrepreneurial activities at the Business Incubator Center, it is hoped that they will be able to encourage regional and national economic growth and progress to achieve a prosperous life. Therefore, the purpose of this study is the role of business incubator centers in increasing creativity and innovation in developing student startup businesses or businesses.

2 Methodology

This research is a qualitative research using observation and documentation methods. Observations were made on students who took part in the entrepreneurship program at the UGJ Business Incubator Center, namely as many as 32 students. The data analysis technique used in this study uses the Miles and Huberman model [8]. Data activities in the data analysis carried out include; data collection, data reduction, data presentation, and drawing conclusions.

3 Results and Discussion

The pattern of student business development carried out by the Gunung Jati Swadaya University through the Business Incubator Center begins with various stages including (a) outreach to students who have an interest in entrepreneurship, (b) opening student registration/recruitment, (c) conducting interviews with students, (d) determine students who meet the criteria as participants in the Incubator Center, namely 32 (thirty two)

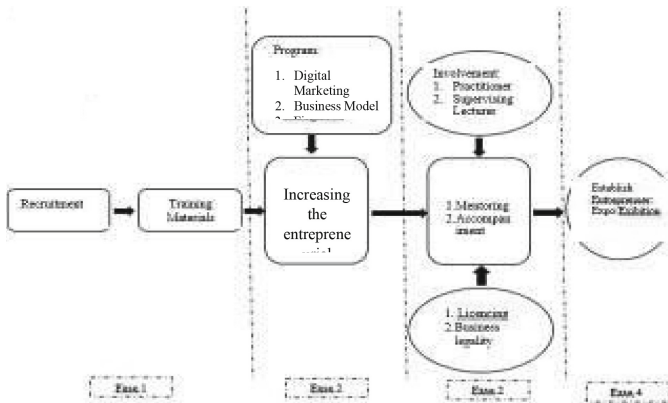


Fig. 1. Business Incubator Approach

students. Furthermore, students who meet the requirements will take part in the *digital-preneurship program* according to student needs which includes (a) providing material from mindset to *digital marketing material*, (a) entrepreneurial internships, (b) mentoring and mentoring. Mentoring activities are carried out by practitioners who have capacity in the digital field, while mentoring lecturers are BNSP certified and have a concentration in the field of entrepreneurship.

The Student Business Incubator approach pattern uses the *Participatory Action Learning System* (PALS) method. This method emphasizes the involvement of students in the active learning process of participants in the entrepreneurship program naturally so that participatory learning interactions are formed, both personally and communally [9]. In the activities of the Universitas Swadaya Gunung Jati Business Incubator Center, there are three phases implemented, namely; (a) the phase of strengthening the entrepreneurial mindset, (b) the capacity building phase, (c) the facilitation phase, and (d) the phase of institutionalizing a new business as an entrepreneur. The activities carried out at the UGJ Incubator Center are in accordance with the research of Budiyanto, et al. (2017) which revealed that there were three phases of activities implemented in an effort to improve student entrepreneurship conditions through three phases namely (a) awareness phase, (b) capacity building and mentoring phase, and (c) the institutionalization phase. Figure 1 below provides an overview of the business incubator approach used;

Entrepreneurship coaching methods through the Business Incubator Center at Universitas Swadaya Gunung Jati use the *Participatory Action Learning System method* which directly involves students in learning and training activities. This is done so that students can actively participate in all the programs being carried out and can explore entrepreneurial potential directly either guided or independently. Thus, the role of the Gunung Jati Swadaya University as a higher education institution that seeks to give birth to young entrepreneurs born through the Incubator Center is realized. Higher education has an important role in the economy of a country. Jamil, et al.(2015) revealed that higher education is the center of a position in a country's economic growth by playing an active role in research and development, innovation, incubators, technology and commercialization. In addition, tertiary institutions are also mandated as producers of ready-to-use

workforce which are categorized as skills in terms of knowledge, skills, and mentality. However, considering that the field of work is very limited and contested by many people, one solution is to open up your own job opportunities by doing business or becoming an entrepreneur. The success of the Universitas Swadaya Gunung Jati Business Incubator uses an effectiveness approach, namely through (a) the target approach, (b) the process approach, (c) the results approach. Based on the results of observations and documentation in the field, the achievement of goals is assessed based on the advantages and independence of students in building and developing their business. Therefore, the UGJ Incubator Center always plans programs and evaluates incubator programs so that you can see the level of success in organizing the student entrepreneurship incubation process.

3.1 The Role of the Business Incubator in Universitas Swadaya Gunung Jati

1. Business Mindset Strengthening

The understanding of business that each student has is of course different, so this has an impact on the sustainability of the business that will be or is being built. Through a series of debriefing activities or providing training materials, students can open their business mindset so that there is an increased understanding of business and business risks that they might experience. Furthermore, with an open business mindset, students can run and execute their business.

2. Team building

Building a business can be started from teamwork that has the same vision. With the support of an adequate team and personnel, building a business or business will be realized well. The UGJ Incubator Center holds a mentoring program for students in groups, each group is accompanied by one mentor and one supervisor. With the guidance of mentors and supervisors, students are trained to work as a team on how to make business plans, analyze business risks, analyze consumer/market needs and how to evaluate the activities carried out.

3. Facilitate market access

With the support of the facilitator and collaboration with several institutions or companies as well as SMEs that can be used as market targets. One of the UGJ Incubator Center programs is the *digitalpreneurship program* which provides students with supplies and skills in the digital field. UGJ students who have participated in the program at the Incubator Center can provide services to institutions or companies and SMEs to promote various products in various digital media.

4. Funding support from the incubator

Entrepreneurship development through the Business Incubator Center at UGJ provides incentives for entrepreneurial activities. This is done as a stimulant for students

who have business ideas and want to develop their business. This amount of funding can of course be used as initial capital to build a business even though the amount of funds received is relatively small. Based on the results of field observations, it was shown that several students who had participated in the Business Incubator Program at UGJ had startups.

5. Facilitate wider networking

In the business incubator program run by the UGJ Incubator Center, it involves practitioners, entrepreneurs or mentors in several activity sessions. Of course, the initial network was built through the interaction of fellow incubator participants, then practitioners, entrepreneurs and mentors who fill in the activities are the next way to increase the network of incubator participants. In addition, the existence of potential investors introduced by the incubator is one way to expand the network.

The implications of the implementation of the Incubator Center which is run through the existing work units at UGJ, based on research results, include being able to grow student startups and being able to contribute to opening jobs. So that students' hopes of getting decent jobs after student graduate can be realized, this is also in line with the achievement targets of the Gunung Jati Swadaya University Performance Indicator, Cirebon

4 Conclusion

The entrepreneurship program through the UGJ Business Incubator Center is the right program to develop student entrepreneurial potential. The UGJ Business Incubator Center has a role; building a student business mindset, building a team, facilitating market access, funding support, and facilitating wider networking. Students who take part in the entrepreneurship program at the UGJ Business Incubator center get practical experience that is not obtained from college so that various problems are identified from interactions with SMEs and resource persons during entrepreneurship training. The existence of a pattern of cooperation with stakeholders and the Office of Cooperatives, SMEs, Trade and Industry of the City of Cirebon can support the development of student entrepreneurial potential.

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