ENHANCING START UP AND BUSINESS GROWTH IN THE COUNTRY THROUGH ESTABLISHMENT OF THE UNIVERSITY OF DAR ES SALAAM BUSINESS INCUBATOR

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Abstract

This paper outlines the development of the business incubator model based on previous global and national experiences. The business incubator to be established shall be under UDSM Innovation and Entrepreneurship Centre (UDIEC) which was established on August 2015 aimed at addressing previous challenges between knowledge generation, research and application. In addition, UDIEC is aimed at addressing challenges related to imparting practical entrepreneurship skills to students, academic staff and SMEs in the country for the formation of new start-ups and increased competitiveness of existing companies.

Thus, using incubator models that support business start up as well as business growth in countries such as Netherlands, India, U.K, and South Africa as well as locally established business incubators such as the Dar Teknohama Business Incubator (DTBi) under COSTECH and SIDO Business and Technology Incubator it was possible to establish an incubator model capable of supporting pre-incubation, incubation and post incubation programmes for UDSM graduates, staff, SMEs and a wider community. In other words, apart from supporting start up business, the Incubator shall also "turbo-charge" the business growth as well as providing business counselling services.

The business incubator model shall be a Hybrid one comprising incubator with walls and virtue incubators. To start with, the incubator shall be capable of incubating at least 20 incubatees under the incubator with walls and about 40 incubatees will be under the virtue incubator. However, the number shall be increased depending on the needs and resource capacity to accommodate the incubatees. The financing model include the model that requires a mix of anchor tenants (those paying commercial rates for space rented); resident clients who pay a subsidized rental and a royalty payment on annual turnover generated during the incubation period and during additional years after graduation. The business incubator shall have to rely on an initial cash injection or seed money from the Government or development partners that will, over a certain number of years allow the incubator to operate and generate its own cash resources to support its activities.

Key words: pre-incubation, incubation and post incubation programmes, Virtual Incubator, Incubator with walls, ring fenced budget.