BENCHMARKING PRACTICES BY BUSINESS INCUBATION CENTRES IN KENYA

BY

RUTH WAMBUI KIHUGU

A RESEARCH PROJECT SUBMITTED IN PARTIAL FULFILLMENT OF THE REQUIREMENTS FOR THE AWARD OF THE DEGREE OF MASTER OF BUSINESS ADMINISTRATION, SCHOOL OF BUSINESS, UNIVERSITY OF NAIROBI

NOVEMBER, 2017
DECLARATION

This is to declare that this research project is my original work and has not been presented to any other university or institution of higher learning for examination or any other purpose.

Signed …………………………………….. Date ……………………….

KIHUGU RUTH WAMBUI

D61/67755/2013

This is to declare that this project has been submitted for examination with our approval as the university supervisor.

Signed …………………………………….. Date ……………………….

PROFESSOR EVANS AOSA

School of Business

University of Nairobi
ACKNOWLEDGEMENTS

First of all, I am very thankful to the Almighty God, who has empowered me with His guidance throughout my life to achieve my missions in life. This course would not have been successful had it not been for the valuable support, assistance and guidance from my family members, friends and colleagues. My classmates for the great discussions, insights and assistance during my MBA programme. I am grateful to all of them for their support. I am obliged to mention a few of them to acknowledge their special contribution.

I would like to offer my gratitude to my supervisor Professor Evans Aosa for giving me valued guidelines that enabled me to work efficiently. Without his kind supervision, I would never have had the chance to complete my research work on time.

I would also like to say special thanks to my family members for their underlying support and encouragement.

Further appreciation is also extended to my colleagues and line managers for their fullest cooperation throughout the project.

I am thankful to all my friends and relatives who have supported me in all respects of my study and research.
DEDICATION

My study is dedicated to the following: my loving and supportive father Peter Kihugu, my loving mother Lucy Kihugu, My siblings, Cyrus Kihugu and Mercy Kihugu for their time, prayers, understanding, support and patience as well as the encouragement during the entire period of my study.

Special dedication goes to my friend, Oscar Ochieng’, for his spirit of dedication and support towards the successful completion of this research and study.

Finally I pay glowing gratitude and tribute to the Almighty God who has brought me this far and enable me complete my study successfully.

May God Bless and Grant them a long and healthy life.
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>DECLARATION</td>
<td>ii</td>
</tr>
<tr>
<td>ACKNOWLEDGEMENTS</td>
<td>iii</td>
</tr>
<tr>
<td>DEDICATION</td>
<td>iv</td>
</tr>
<tr>
<td>LIST OF ABBREVIATIONS</td>
<td>ix</td>
</tr>
<tr>
<td>ABSTRACT</td>
<td>xi</td>
</tr>
<tr>
<td>CHAPTER ONE: INTRODUCTION</td>
<td>1</td>
</tr>
<tr>
<td>1.1. Background of the Study</td>
<td>1</td>
</tr>
<tr>
<td>1.1.1. Concept of Benchmarking</td>
<td>4</td>
</tr>
<tr>
<td>1.1.2. Business Incubation Centres in Kenya</td>
<td>6</td>
</tr>
<tr>
<td>1.2. Research Problem</td>
<td>9</td>
</tr>
<tr>
<td>1.3. Objectives of the Study</td>
<td>11</td>
</tr>
<tr>
<td>1.4. Value of the Study</td>
<td>11</td>
</tr>
<tr>
<td>CHAPTER TWO: LITERATURE REVIEW</td>
<td>13</td>
</tr>
<tr>
<td>2.1. Introduction</td>
<td>13</td>
</tr>
<tr>
<td>2.2. Theoretical Foundation</td>
<td>13</td>
</tr>
</tbody>
</table>
4.3. Best Benchmarking Practices at Business Incubation Centres in Kenya............. 27

4.3.1. Benchmarked Processes.............................................................................. 28

4.3.2. Benchmarking Partners............................................................................. 30

4.4. Discussion of the Findings........................................................................... 32

4.4.1. Comparison with the Theories................................................................... 32

4.4.2. Comparison with other Studies.................................................................. 33

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS 35

5.1. Introduction.................................................................................................... 35

5.2. Summary and Findings.................................................................................. 35

5.3. Conclusion...................................................................................................... 37

5.4. Limitations of the Study................................................................................ 38

5.5. Recommendations.......................................................................................... 39

5.6. Suggestions for Further Research ................................................................. 41

REFERENCES....................................................................................................... 42

APPENDICES......................................................................................................... 51

Appendix I: List of Tech Business Centres in Nairobi......................................... 51
Appendix II: RESEARCH QUESTIONNAIRE................................................................. 52

SECTION A: DEMOGRAPHIC INFORMATION................................................................. 52

SECTION B: BENCHMARKING PRACTICES USED IN BUSINESS INCUBATION CENTRES ....................................................................................................................... 53
LIST OF ABBREVIATIONS

BIAK - Business Incubation Association of Kenya

BIs - Business incubators

EPZA - Export Processing Zone Authority

GoK - Government of Kenya

ICDC - Industrial and Commercial Development Corporation

KeKoBI - Kenya Kountry Business Incubator

KIE - Kenya Industrial Estates

KIRDI - Kenya Industrial Research and Development Institute

NGO - Non-Governmental Organization

SME - Small Medium Enterprises

SPSS - Statistical Package for Social Sciences

UKBI - United Kingdom Business Incubation

NBIA - National Business Incubation Associations
ABSTRACT

Benchmarking, a management approach for implementing best practices at best cost, is not a recent concept in the business industry and businesses at large. The practice has never been an easy process tool and it can be difficult for many organizations. The process tool needs to be tackled with preciness. This is due to the difficulties in comparing data as well as the tool being too general. The process of identifying and implementing better practice has become an important concept with focus on understanding and evaluating the current position of the organizations as compared to best practice. This has then led to many organisations introducing benchmarking. The purpose of the study therefore was to find out the various benchmarking practices adapted by business incubation centres. The study adopted a case study research design and data was collected by use of questionnaires. The study targeted 7 facilitators as the population of study and used a census sampling method. Only 6 questionnaires were returned giving an 85% response rate. Content analysis was employed to analyze the data. The study found that most facilitators adopted the ‘new economy’ business incubators. Most of these business incubators are usually private-owned with a firm drive to make profits and the returns normally stem from investment in companies as opposed to income from rental amenities. They are tech-based incubators unlike the old incubators which were theory based. In comparison with the theories, the study agreed with the theoretical framework as the findings were technology oriented. In comparison with the scholars, the findings were in disagreement as these scholars focused on the old model of incubators. The study was limited to facilitators in Nairobi. The study was also limited to time and resources of the researcher. Respondents in the study may not have given accurate information and thus the findings may be biased. The study recommends that Business incubators should charge customers for the support services they render to them but the level at which costs are pitched ought to be intended to limit the danger of 'swarming out' private area suppliers. The exploration proposes that moderately couple of incubation centres (around 4%) give business bolster benefits on an altogether free premise to customers. In any case, estimating levels have a tendency to mirror a component of endowment (35%) of the business incubators expressed that valuing was beneath advertise levels). Further research should be done on the consistency among the practices of benchmarking, the processes of benchmarking, challenges and other relevant aspects of benchmarking.
CHAPTER ONE: INTRODUCTION

1.1. Background of the Study

The origin of benchmarking can be traced back to the 1970’s and was used by land surveyors to identify fixed points from where other measurements would be made. It took a broader meaning in the 1990’s when organizations applied the process to identify other companies that perform certain activities best and emulating them to improve performance. In the comparison of the performance of firms and business organizations, the various sectors and economies have had to deal with much attention and resources recently. This is majorly because of the enhanced internalization of production levels, increased bilateral and multilateral trade amongst and between regions and the subsequent increase in global engagements and worldwide interactions.

Forces of competition have continued to rule the present global and worldwide business and economic relationships and thus, business agents have had to be interested in the knowledge of how good or bad they are doing as compared to international and global competitors and level of competition. At an organizational level, the use of benchmarking may help bolster creativity and innovation, demystify courses, paths and the specific resource gaps and thus, help boost the quality of goods produced and services offered. (Ogden and Wilson, 2000); (Dattakumar and Jagadeesh, 2003). In addition, at a government’s level, benchmarking would preferably be applied in the formulation of frameworks intended to influence the level of business execution and performance at different ranks so as to realize a certain objective.
Benchmarking has also been utilized as a technique, a tool and a methodology for the continuous enhancement and improvement in the various operations of the different sectors. This is aimed gaining and ensuring that a competitive advantage is maintained. Benchmarking practices and participations have also led to active promotion of culture that revolves around the thinking about quality and standards, assessment of individual performance and the assumption of personal responsibility for each and every action or performance. The aim of the aforementioned is to enhance customer relations and bolster personal and self-criticism.

However, benchmarking also determines the direction an organization assumes, its priorities and urgency depending on how indifferent, bad or excellent the relevant firm’s operations are. The above influences the organization’s appetite for change and offer the elusive drive to ensure that high quality is achieved. At the very least standards of competitive performance, it would merely entail of passing a verdict on whether the realized performance of a level of operation is worse than similar to, or better than those of its competitors (Norman, 2011).

Historically, business hatching and hatcheries goes back to 1967 when the Industrial and Commercial Development Corporation (ICDC) established the Kenya Industrial Estate (KIE) as one of its backup. In view of the mechanical bequests' idea, the principal assignment of the KIE was the arrangement of protected land benefits broadly together with the arrangement of money related and business advancement benefits as an arrangement equipped to push industrialization and nearby adjustment (Ikara, 1988).
This prompted the coming up of different sorts of business hatcheries, for example, virtual hatcheries which included Willpower Business Solution Center. Hatcheries without dividers additionally jumped up. These included Non-Governmental Organizations (NGOs) and church-based establishments. Furthermore, hatcheries with dividers likewise rose and incorporated the International Finance Corporations, Small and Medium Enterprises (SMEs) Solutions Center, the Kenya Kountry Business Incubator (KeKoBI) and the Kenya Industrial Research and Development Institute (KIRDI) (Bwisa, 2005).

A few colleges, universities, and specialized preparing foundations have innovation and business hatchery activities at various phases of improvement. These incorporate University of Nairobi; Maseno University; Kenyatta University; Jomo Kenyatta University of Agriculture and Technology; Strathmore University; and the Technical University of Kenya. There are likewise administration of Kenya (GoK) business hatching activities that incorporate the Kenya Industrial Research and Development Institute (KIRDI); the Kenya Industrial Estates (KIE); and the Export Processing Zone Authority (EPZA).

At that point there are a few private business hatching activities that incorporate the Kenya Kountry Business Incubator (KeKoBI); International Finance Corporation's SSC Business Incubator; and NaiLab; Mlab, HumalPO, among others. The Business Incubation Association of Kenya (BIAK) founded in 2006 is a business incubator membership organization with a focus on facilitating capacity building and networking for its members.
1.1.1. Concept of Benchmarking

Benchmarking refers to the process applied in management (strategic management) and demands for organizations to evaluate the various and different perspectives of their operations in relation to the best practice(s) that allows for the organization to develop strategies for adoption and adaptation to the practices. This is usually done with an objective of raising most perspectives of organizational performance. The initial international benchmarking practice was undertaken in the 1990s as suggested by Wragg (1998) and Fielden & Carr (2000) to ensure the development of benchmarking in a manner that would help various people, scholars and business organizations enhance their own practices while improving their overall system capacities. This helps people and firms to develop, regulate, improve and sustain themselves and their own practices.

The term benchmarking was first used by Rank Xerox to depict a procedure of self-assessment and change through the precise and collective correlation of practice and execution with rivals and competitors keeping in mind the end goal to distinguish claim qualities and shortcomings and figure out how to adjust and enhance as conditions change (Camp, 1989). Benchmarking has been, thereafter, embraced by numerous segments of business and industry as a component of the quality development (Spendolini, 1992).

The business hatching segment is no exclusion. In light of natural considerations and expanded rivalry an industry, firms react deliberately to arrangement procedures, items and administrations to client desire while embracing effectively showed or best practices
of lead firms inside segment or fruitful firms in different enterprises. This is essential for firms to increase upper hand to empower them react to, and contend viably in the market.

By recognizing their center qualities, firms can focus on ranges that give them a lead over contenders through prevalent items and administration offerings. The appropriation of best practices in the business pushes a firm to new levels of intensity.

A business firm has high ground at whatever point it has an edge over its competitors in securing customers and protecting against competing forces (Thompson and Strickland, 2002). The term benchmarking has turned out to be progressively utilized throughout the most recent decade at a wide range of ranks for different objectives. Experts have used benchmarking research papers to recognize best practices crosswise over associations, campaigning gatherings to make worldwide correlations and ensure that the assignment of assets on particular divisions or exercises as well as governmental institutions to establish needs and arrangement reactions.

Benchmarking, as a procedure and a process, is a practice and, or methodology that can be adjusted by firms, businesses and organizations in order to characterize its course and extent over the long term. This serves to achieve the minimal advantage that allows the organization to compete favorably through proper alienation of assets inside a testing field (Johnson and Scholes, 1999). Systems exist at a few levels extending from the general business to the people embedding it. Procedure can occur on a corporate level, specialty unit level and operational level. Vital administration then again is worried with taking key choices. It comprehensively includes vital examinations, key decisions and key executions. Key examination focuses on the breaking down of the quality of the
business position and understanding the critical outer elements that may impact that specific position.

Key decision includes understanding the way of partners' desires, recognizing vital alternatives and afterward assessing and settling key choices and making special informed decisions. Vital usage which is regularly the most troublesome is included in making an interpretation of procedure into authoritative activity.

1.1.2. Business Incubation Centres in Kenya

The Business Incubator is putting forth tremendous undiscovered market openings and hotspots for developing, inventing and inspiring innovations. Hatching is a bolster procedure that supports the improvement of starting, upcoming and rising organizations through a scope of assets and administrations. The essential objective of an incubation centre is to create organizations that end up boosting the brooding project as a self-reliable association amid the beginning period when they are very feeble (Barrow, 2001; Aernoudt, 2004; Hackett and Dilts, 2004).

The essential explanation behind start and developing organizations to join a hatchery or a business incubator is to assemble effective undertakings and to interface and system inside and within their group, society and, or community (Tötterman and Sten, 2005). Alumni of a hatchery will possibly create job opportunities, revive neighborhoods, popularize new advancements, and fortify the nearby economy. Brooding projects are recognized by a guarantee to join industry best practices to little or emanant organizations (Rice and Matthews, 1995; Barrow, 2001). Business hatcheries diminish the danger of
small and independent venture disappointments and failures, and thus, aid the advancement and development of existing organizations (Allen and Rahman, 1985).

Incubation centres give access to office space with adaptable leases that offer essential business administrations and gear. The hatchery will have close by innovation bolster administrations and money related help essential for organization development. As per Saxenian (1987), Asheim and Gertler (2005), Walshok et al. (2010) colleges are frequently highlighted as affecting numerous parts of development exercises, including support for new and developing endeavors. In any case, connection improves execution (Rothschild and Darr 2005; Ratinho and Henriques 2010) yet rather gives better access to cutting edge innovation labs, hardware and other research and specialized assets and a pool of ability, for example, personnel, staff and understudies (Phillips 2002; Hackett and Dilts 2004; Koh et al. 2005; Phan et al. 2005).

However, the openness of college assets is probably going to be impacted by the entrepreneurial introduction and bolster structures of the college and locale (Clarysse et al. 2005). The qualities of genuine or potential occupants additionally impact the decision of hatching technique. A hatchery may concentrate on a particular specialty or be more generalist. Specialty hatcheries can be found in divisions, for example, sustainable power source and biotechnology. The decision of specialty will manage what assets and administrations should be given, and the kind of physical foundation gave.

On the off chance that the objective specialty requires a particular physical design of structures, and access to pro capital gear, this is probably going to decrease the capacity
of the hatchery to roll out huge improvements in vital heading because of changing conditions and require conceivably higher starting venture.

In Kenya, there is interest for early stage independent companies looking to enhance their chances to produce comes about against the results that the partners in the group need and need. A wide scope of supporting partners in the group, for example, state and nearby governments, business and group based organizations look to business incubation centres as a strategy to control chance to the organizations that they serve, as well as to the areas in which they are found. The focuses additionally improve the insight for business for little and medium endeavors in both provincial and urban settings through financial strengthening and limit building.

The Kenyan economy can likewise pick up enormously through neediness annihilation and data spread through business hatching focuses. The development in the quantity of business hatching focuses in Kenya can be ascribed to the entrepreneurial soul. The brooding model has been adjusted to meet an assortment of requirements, from advancing commercialization of college advancements to expanding work in financially upset groups to filling in as a venture vehicle (NBIA, 2007).

The Kenyan government has put intensely in media transmission foundation through setting up a methodology for ICT approach structure and usage. The technique adjusted by the legislature is to offer support to the present business brooding focuses to expand achievement rates for the business thoughts and ideas. Kenya has the biggest strengths in terms of manpower but there is lack of support in terms of creating wealth for themselves
and the country. The business incubation centres can provide guidance and support from stakeholders and provide open community workspace (Silicon Africa, 2013).

1.2. Research Problem

Benchmarking within the organization, with competitors in the same or different field or even across borders becomes even more important in delivering this competitiveness (Fink, 1993). Revisiting the definition of benchmarking, it is a method used as a piece of organization and particularly key organization, in which affiliations evaluate distinctive parts of their strategies in association with best practice, when in doubt inside their own particular territory. This by then empowers relationship to make expects how to grasp such best practice, generally speaking with the purpose of growing some piece of execution.

Benchmarking may be a whimsical event, yet is routinely viewed as a relentless technique in which affiliations constantly hope to challenge their practices (Jackson and Lund, 2000). From this point, it is clear that in the event that one doesn’t recognize what the standard he/she can’t think about his/herself against it. In benchmarking one gets to know where his/her competitors or peers stand. Business experts world over contend that organizations do not just happen to be world class. It is usually a slow and deliberate process of setting targets and working towards achieving them (Lema and Price, 1995).

This is where benchmarking plays a crucial role, identifying best in class parameters that deliver world class performances (Roider, 2000). There exists a deep understanding of the concepts of benchmarking in many organizations in the developed world (Lema and Price, 1995. However, the same cannot be said of developing nations, especially in Sub-
Saharan Africa. It would be inaccurate to assume that no benchmarking is carried out in these countries, but rather the reason may be lack of adequate research data to evaluate the extent to which benchmarking is applied.

Having comprehended the pivotal played by assembling area and the scaffold offered by benchmarking in empowering the segment accomplish aggressiveness, a few inquiries emerge that should be answered. The brooding model has been adjusted to meet an assortment of requirements, from advancing commercialization of college advancements to expanding work in financially upset groups to filling in as a venture vehicle (NBIA, 2007). As per Hackett and Dilts (2004), business centers ought to be seen and comprehended from the perspectives of systems that are in operation inside and additionally outside of the center points.

Various researchers have additionally stressed that business center points make a dynamic procedure for new businesses where organizations by business visionaries are supported in order to guarantee development and survival, Remedics and Cornelius (2003). The Kenyan government has put intensely in media transmission foundation through setting up a methodology for ICT approach structure and usage. The technique adjusted by the legislature is to offer support to the present business brooding focuses to expand achievement rates for the business thoughts and ideas.

The research aimed at covering and espousing the business incubators and incubation activities that are present in Kenya and the various initiatives at different stages of development. They include various higher education and training institutes, government-backed and non-governmental institutions. Kenya has the biggest strengths in terms of
manpower but there is lack of support in terms of creating wealth for themselves and the country. The business incubation centers can provide guidance and support from stakeholders and provide open community workspace (Silicon Africa, 2013).

Many businesses feel the void caused by lack of the necessary manpower in terms of knowledge, skills and abilities as attributed to the manpower being not properly exposed to incubation centers and initiatives. Many organizations have thus opted to hire expatriates from different countries to make up the perceived deficiency in the country to be able to gain an edge in the market place. Kenya’s manpower, if adequately exposed, has the ability to create wealth and employment opportunities thus become self-sustaining. This means there is a gap which this study seeks to address. What are the various benchmarking practices that are employed by business incubation centers in Kenya?

1.3. Objective of the Study
The objective of the study was to establish the benchmarking practices by business incubation centres in Kenya.

1.4. Value of the Study
This research paper will present an opportunity for business practitioners to acquire clientele by improving on services offered by comparing their products and services to those of their competitors both locally and globally.

For business incubation centres and their employees, the study will enlighten the process of evaluating performance with the view to improving services offered. Academicians
will benefit from this study as it will serve as a platform for further research, review and critiques which will notably help bring to fore new knowledge in incubation centers in Kenya. Additionally, new insights can also be drawn from the comparison of benchmarking across centres as shall be presented in the paper hence new knowledge.

The government as a facilitator of incubation and entrepreneurship development will find this paper useful as it can inform its decisions and policy papers especially on intervention areas and mechanisms that are geared towards entrepreneurship growth. The study will act as a notable point of reference for strategic management students and managers. It will also serve as a guiding tool to any party or students interested in expanding their knowledge on benchmarking.
CHAPTER TWO: LITERATURE REVIEW

2.1. Introduction

This chapter provides a discussion of the theoretical framework guiding this study. It also links benchmarking concept and strategy to the research objectives.

2.2. Theoretical Foundation

This study was underpinned by a broad theoretical perspective of two theories; Strategic Positioning Theory and the Schumpeterian Theory on Innovations.

2.2.1. Strategic Positioning Theory

The benchmarking hones on business hatching focuses can best be clarified by Strategic Positioning Theory. As indicated by positioning researchers and scholars e.g., (Ibrahim and Gill, 2005; Lawton, 1999; Wen and Chen, 2011), an organization's aggressive extension and upper hand decide its focused position.

Key positioning is the placement of an organization (unit) later on, while bearing in mind the advancing condition, in addition to the effective affirmation of that arranging. The crucial arranging of an affiliation joins the inventing the desired future position of the relationship on the start of present and unsurprising enhancements, and the making of plans to comprehend that arranging. To perceive upper hand conceivable outcomes in a particular industry, the firm should have bits of knowledge into the basic achievement calculates that win that industry (Barbiroli and Focacci, 2003; Sharma, 2003), an examination that must allude to the key group level (Aaker, 2008). Since key groups emerge from a similar non-specific technique (Johnson et al., 2011), the aggressive extension measurement then gives the premise to such an examination.
Varadarajan (1985) recommends subdividing basic achievement elements into "disappointment preventers" and "achievement makers": the organization or firm must accomplish some limit level of disappointment preventers, yet considerable assets given to this range cannot prompt above-average performance.

2.2.2. Schumpeterian Theory on Innovations

Schumpeter's (1934) hypothesis of innovative profits and creative benefits accentuated the part of business and the searching out of chances for novel esteem and producing exercises which would extend (and change) the round stream of wage through hazard taking, genius action by the undertaking administration and advancement which goes for cultivating ID of chances through scholarly capital of business visionary to boost the potential benefit and development. Schumpeterian change hypothesis goes past budgetary ace theory by seeing unequivocally among physical and scholarly capital, and between sparing, which influences physical cash-flow to make, and movement, which influences adroit funding to make.

It acknowledge that mechanical advance starts from enhancements done by firms moved by the mission for advantage, and that it joins what Schumpeter called – inventive annihilation. That is, every movement is an approach to make some new technique or thing that gives its maker a high ground over its business rivals; it does everything considered by rendering obsolete some past change; and it is along these lines bound to be rendered outdated by future progressions.
This means that each headway is away to make some new methodology or thing that gives its creator a high ground over its business rivals; it does accordingly by rendering obsolete some past advancement; and it is will undoubtedly be rendered obsolete by future improvements (Schumpeter, 1934).

Endogenous improvement theory challenges this neoclassical view by proposing channels through which the rate of innovative advance, and in this way the long-run rate of budgetary progression, can be influenced by cash related parts. It begins from the acknowledgment that mechanical advance happens through progressions, as new things, frameworks and markets, a noteworthy piece of which are the postponed outcome of monetary exercises. For instance, since firms get in reality how to pass on more helpfully, a higher pace of money related improvement can raise the pace of process movement by giving firms more time experience.

Furthermore, in light of the way that various improvements result from R&D utilizes endeavored by advantage searching for firms, money related systems with respect to trade, contention, direction, charges and authorized development can affect the rate of progression by impacting the private costs and preferences of doing R&D (Dinopoulos and Thompson, 1998). For Schumpeter, the business visionary is pushed by the yearning for power and flexibility, the will to succeed, and the satisfaction of finishing things (Swedberg, 2000). He conceptualized innovative decimation 'as a technique of progress that runs with improvement where there is an unending demolition of old strategies for doing things substituted by inventive new ways, which provoke reliable headway (Aghion and Howitt, 1992).
The business person's urgent significance to the movement of the industrialist system streams from how it is the business visionary's headways that bother the economy and propel it starting with one agreement then onto the next. Instead of changing in accordance with external weights, the businessman pulverizes the static adjust from inside the structure by envisioning new things, strategies or practices that distinction the typical systems and activities (Andersen, 2004; McDaniel, 2005; Drejer, 2004).

2.3. Benchmarking in Organizations

The business environment that organizations operate in current times is rapidly changing and there are high levels of competition. This has then made it a necessity for organizations to consider, implement a great variety of techniques and management programs that are innovative. The concept of benchmarking has been expounded upon greatly in the past decade and is one of the programs that organizations have had to adapt (Nyaoga et al., 2012).

For organizations that are high performers, they identify the key indicators of high performance and measure progress over a given period on target metrics so as to determine effectiveness. According to Rudman (2008) the performance measures are tools designed to enable an organization to understand, manage as well as improve based on performance standards set. Organizations use both monetary and non-monetary methodologies for performance to be able to make comparisons. This is measurements in terms of utilization of resources, preparedness to face external pressures such as globalization and competitiveness.
For organizations, benchmarking is a continuous quality improvement processes whereby they assess the internal strengths and weakness while comparing it with leading competitors Min, Min and Chung (2002). Organizations can determine which opportunities they can prioritize for improvement to be able to enhance performance and meet customer expectations. For benchmarking in organizations to be successful, there are various factors that need to be maintained: management commitment to the process to be able to implement the benchmarking strategies for the process to be successful. There is also the aspect of setting specific goals and objectives geared towards benchmarking. This prompts the identification of best practices done in the business to have the capacity to increase upper hand. From the meaning of orderly correlation of hierarchical procedures and execution to make new benchmarks or to enhance forms, the concept has slowly evolved to include different types and methods of benchmarking.

2.4. Types of Benchmarking

There are different types of benchmarking and the suitability depends on the strategic and operational objectives. Researchers and authors such as Camp (1989), Elmuti and Kathawala (1997), and Wober (2001) have categorized benchmarking in four types; process benchmarking, competitive benchmarking, internal benchmarking, and functional benchmarking.

Internal Benchmarking is the comparison of different processes within the same organization. Internal benchmarking is the simplest of the four as it benchmarks against operations in an organization as most organizations have similar functions in their business units (Elmuti and Kathawala, 1997).
This method entails comparing the internal processes and activities of an organization’s branch or unit against other units or branches. The main objective is to determine the standards of the internal performance of an organization. According to Yasin and Zimmerer (1995) and Wober (2001), the researchers have found that once the main objective of establishing the standards of operation in an organization have been attained, internal benchmarking assists the managers of a company identify the strengths, weaknesses, opportunities and threats (SWOT) and thus leads to improved economic efficiency for the company.

A fundamental part of benchmarking is the look for best practice in the external environment. Aggressive benchmarking is a correlation between the procedures of organizations working inside a similar industry. It is very applicable to look at the promoting operations of two organizations offering a similar item and working inside a similar market and with a similar customer base.

Generic benchmarking thinks about the business procedures of organizations paying little respect to the industry they belong to. Some business procedures are normal to all ventures: acquiring and enrollment are two illustrations (Patel, 1995) of upstream parts and segments that constitute the item or thing; it may in like manner need to enhance downstream channels for new thing transport. These may provoke critical coordination endeavors (Bensaou, 1997). As necessities be, propels that assistance reduce coordination costs are more imperative in genuinely forceful and aggressive markets.
According to Elmuti and Kathawala (1997), each company should carefully carry out an evaluation of its own perspective of benchmarking and how to apply it. The focus should be determined in terms of meeting customer satisfaction ratings on good financial results so as to get a positive outcome.

2.5. Value of Benchmarking

There are various benefits that organizations can gain from carrying out benchmarking practices in their processes. The main objective of internal benchmarking for organizations is to determine the standards of performance internally by sharing information and enabling transfer to other parts of the organization as emphasized by Elmuti and Kathawala (1997) in their research.

For benchmarking to be effective for any organization there is need to understand how it works so as to make it applicable to operations internally. External benchmarking entails being aware of how companies in the industry operate and an organization can then adopt the best practices in the industries Camp (1989). This type of benchmarking should enable an organization to set its objectives and goals based on the leading organizations in the industry.

According to Elmuti and Kathawala (1997), an organization should create objectives and goals that are effective so as to be able to come up with measures that are relevant to the business. This then translates to increased productivity and reduced costs and thus better work processes for the organization. For business incubation centres, they can be able to improve efficiency through identification of areas for improvement and the administrative operations.
Benchmarking can lead to improved operational performance through understanding the competitive position that an organization is in as well as its strengths and weaknesses. The process also provides a system for introducing and effecting change Wober (2001). Integrating of the processes can lead to increased productivity which can translate to customer satisfaction to gain competitive advantage.

The process involves benchmarking of products, work processes and services competitively to be able to develop plans that are effective to ensure competitiveness is achieved and maintained. This will then translate to a company delivering services and products that are of superior quality at competitive prices compared to those of its rivals. Benchmarking can also lead to innovative ideas being introduced to the company and can facilitate cooperation between divisions, units and teams.

2.6. **Empirical Studies and Research Gaps**

The findings of Rudman (2008) reveals that the performance measures are tools designed to enable an organization to understand, manage as well as improve based on performance standards set. Organizations use both monetary and non-monetary methodologies for performance to be able to make comparisons. This is measurements in terms of utilization of resources, preparedness to face external pressures such as globalization and competitiveness.

Chung (2002) found that benchmarking is a continuous quality improvement processes whereby an organization can assess the internal strengths and weakness while comparing it with leading competitors.
Therefore, organizations can determine which opportunities they can prioritize for improvement to be able to enhance performance and meet customer expectations. For benchmarking in organizations to be successful, there are various factors that need to be maintained: management commitment to the process to be able to implement the benchmarking strategies for the process to be successful. There is also the aspect of setting specific goals and objectives geared towards benchmarking. This prompts the identification of best practices done in the business to have the capacity to increase upper hand.

From the meaning of orderly correlation of hierarchical procedures and execution to make new benchmarks or to enhance forms, the concept has slowly evolved to include different types and methods of benchmarking. In as much as the two scholars found benchmarking to be ideal in improvement of performance and processes, they fail to address the concept of business environment change and globalization coupled with fast technological advancements. This therefore forms a gap that needs to be addressed by the study on benchmarking in the technologically advanced world in the 21st Century.
CHAPTER THREE: RESEARCH METHODOLOGY

3.1. Introduction

This section portrays the research design and outline, data collection and accumulation, and the different strategies for data analysis that were employed as a part of the study. This includes how the real issues of this research/study were investigated and developed. The methodology were explained under the major headings of population definition, survey approach, and pre-test of the interview guide, final guide, data collection procedure, data analysis and the framework for data analysis of the entire research study.

3.2. Research Design

Orodho (2003) describes research design as the plan blueprint or plan that is utilized to produce answers to research issues. Newing (2011) opines that research design is utilized both for the general procedure depicted above (research methodology) and furthermore, more particularly, for the research design and configuration structure. According to Lavrakas (2008), a research design is a framework for directing an examination or research study to look at particular testable research inquiries of intrigue.

The study adopted a case study design. Kothari (1990) defines a case study as a form of qualitative analysis which involves a careful and complete observation of a social unit or units - a family, a person, a cultural group, or an entire community or institution. The study focused on the benchmarking practices by business incubation centres in Kenya with a specific reference to the seven established institutions in Kenya’s capital, Nairobi.
The results will be expected to provide an insight on the various benchmarking practices and processes by business incubation centres. Yin (1994) also points out that a case study allows an investigation to retain the holistic and meaningful characteristics of real life events.

Benchmarking is a practice that is oftenly adopted by the top level management and, or departmental heads in an organization and therefore, the appropriateness of a case study was in relation to the study’s attempt to focus on ‘how’ and ‘why’ questions raised. This would also allow the study to cover the contextual conditions pertinent phenomena under this research study.

3.3. Population

Burns and Grove (2003) states that population incorporates all components that meet certain criteria for consideration in a review, research or a study. Target population comprises of all individuals from a real or hypothetical arrangement of a set of individuals, occasions or questions from which a scientist wishes to sum up the consequences of their exploration while accessible and available population comprises of the considerable number of people who practically could be incorporated into the sample or specimen (Borg & Gall, 2007).

A population is an entire group of individuals, objects or events that have common features that give certain specifications. The population of the study comprised 7 facilitators from 7 business incubation centres in Nairobi. According to the Silicon Africa Research, as of 2013, there are 7 incubation centres operating in Nairobi. The researcher
chose Nairobi since it’s the capital city of Kenya and the financial and technological hub of East and Central Africa region.

Owing to the small number of incubation centres in Nairobi, the researcher used a purposive sampling design whereby she used all the 7 facilitators drawn from the 7 business incubation centres.

3.4. Data Collection

The primary data in this study was collected through questionnaires as data collection instruments. The questionnaires consisted of two parts, where, part one of the questionnaire sought business information of the incubation centres; years in operation, number of incubates selected and graduated from the centre, components of incubation training programs, best practices considered for benchmarking and part two sought information necessary to answer the research objectives.

The questionnaires were administered through drop and pick from the target population as well as the sample population. The questionnaires were administered to 7 facilitators in the business incubation centres in Nairobi. This is because they were the ones responsible for establishing the success rates as well as outcomes of the business incubation centres. The questionnaires were preferred since they were relatively quick to collect information in a standardized manner and were more objective.

3.5. Data Analysis

Burns and Grove (2003) defines data analysis as a component for decreasing and sorting out information to come up with findings and discoveries that require translation and
interpretation by the researcher. The sole purpose of data analysis was to ensure optimum information necessary to answer the research question. The raw data was edited after collection of data received from all the respondents.

The study employed content analysis to analyze the data collected from the two-part questionnaires. This technique is to be used as a set of categorization for making valid, replicable, implicit and explicit inferences from data to their context.

The information from the various respondents will be further evaluated and documented as findings for this study. The data was edited to check for omissions and errors while categorizing the responses.
CHAPTER FOUR: DATA ANALYSIS, INTERPRETATION AND DISCUSSION

4.1. Introduction

This chapter presents the findings of the data collected and interpreted on the benchmarking practices by business incubation centres in Kenya. It analyzes the data and present results on the basis of the objective set at the beginning of the study. Where closed ended questions were used for data collection, the responses were analyzed qualitatively. The respondents in this study were the various facilitators of the seven business incubation centres in Nairobi to ensure that this is a clear review of the benchmarking practices adopted and, or implemented by the aforementioned incubation centres and thus, to give more than one perspective of the study.

The implication of the study is that various responses from the various facilitators can adequately explore all the expected responses from the various incubation centres existing in Kenya. This study sought to obtain information on these major objectives: to establish the best benchmarking practices various incubation centres employed, to determine the various processes that get benchmarked by the business incubation centres and, to establish the challenges met by the business incubation centres in adopting and, or implementing of the various identified best practice(s).

4.2. Demographic Information

The research objective was to determine the benchmarking practices by business incubation centres in Kenya. This chapter presents the findings and analysis with regard to the objective and discussion of the same. The respondents comprised the facilitators of the business incubation centres in Kenya.
In total; six respondents out of the intended seven interviewees were interviewed. This represented 85% response rate and thus was considered a good result. All the respondents had worked in the organization for over three years. With this, it was felt that the respondents were well informed and knowledgeable enough on the research subject matter and thus of help in the realization of the research objective.

4.3. Best Benchmarking Practices at Business Incubation Centres in Kenya

Best benchmarking practices is a vital activity for business firms trying to improve their effectiveness and general operational efficiency. It provides businesses with solid facts with regards to operations rate and the talking points concerning the firm’s possible areas of improvement. In this section, the respondents were to give their independent opinion on what they consider to be the best benchmarking practices.

It was important to understand the practices because a proper, comprehensible benchmarking practice will impact on the degree of the success of an incubation centre and, ultimately, the graduate of such an institution. The respondents in totality agreed that the value for clients is key. This, in their explanations, entailed the proper comprehension of what an incubatee required and the application of proper channels to ensure that they obtain it.

Five out of the six respondents also noted that it was imperative a practice that their graduates succeed. They placed an emphasis on the time that it took their graduates to kick start their entrepreneurial lives, on their own, without mentorship and, or guidance from their parent institution.
This was achieved by the collective leveraging of the diverse knowledge, strength, skills and abilities of the various students and mentors against the realities of the success stories in the business world. This served to prepare the graduates of every possibility, eventuality and hostility that the business world may serve them upon successful putting up of their own ventures.

Creation of new employment opportunities was also a preserve of the best benchmarking practices as all the respondents noted with concern that the institutions not only train and mentor people but are also involved in the holistic growth and development of the economy. This they did by, themselves, ensuring that they provided equal opportunities to prospective and knowledgeable individuals in their various ranks. The same culture was instilled in the students, mentors and staff that, their core business was the creation of self-sustained individuals who can learn how to provide, not only to themselves but, to the Kenyan populace in general. This was reinforced by five of the respondents representing a solid 83%.

**4.3.1. Benchmarked Processes**

All the respondents noted that business incubation training program was one of the hot cakes that every institution or business sought to find more about. Respondents implied that their trainings encompassed various processes that sought to equip their students or clients with various facets of skills and knowledge. They indicated that skills such as those relating to customer service were being tailored to clients or students that were looking to have ventures that did put them in direct contact with customers.
Respondents also indicated that their training programs were segmented or divided depending on the specific needs of the clients. In the case of students, the respondents opined that there existed multi-dimension and multi-session programs which aimed at the identification and serialization of emerging leaders. These, coupled with the infusion of soft skills in the curriculum of the various programs, helped to ensure that the incubation centres achieved their incubate development goals by equipping everyone with necessary and relevant skills.

One respondent went further to suggest that they were in the process of blending the various learning approaches that augur well with the needs, flexibility and availability of the mentor or student. These, the respondent said, included the suggested introduction of self-paced programs, online programs and the future introduction of online libraries that will be accessible to all budding entrepreneurs all over Kenya.

The respondents also noted that their programs covered an array of disciplines such as communication skills, business etiquette, customer service, cross-cultural communication, diversity and dynamism, training-the-trainer, writing, negotiation, presentation skills, time management, leadership, sales and information communication technology. This respondent insisted that none of their clients were alike or similar and thus, they tended to be user or client-specific in terms of administration of courses. Respondents also indicated that one of the processes that was benchmarked was the survival or the success of the business start-ups or ventures five years after their graduations from the institutions.
The respondents noted that their institutions had in place structures that ensured constant communications and follow ups with their graduates to know how they were fairing and to offer general guidance and direction.

This, in their opinion, has supported the high success rate with over 60% of all startups, enterprises or business ventures lasting over five years. The statistic, they reiterate, has ensured that the process of ensuring the survival of young business enterprises is a major benchmarking process that institutions or individuals seek.

4.3.2. Benchmarking Partners

All the respondents affirmed that the real value of benchmarking was derived whenever organizations are selected as partners in benchmarking. All six respondents were in agreement with the fact that outside related industries reinforce the importance of reaching out to partners outside instead of doing in-house processes that never meet the detailed criteria. Three respondents, representing 50%, reiterated the importance of maintaining a clean slate before embarking on the pursuit of a benchmarking partner. This, they said, would help the organization not to limit their benchmarking effectiveness through the adoption of a preconceived idea or perception.

All respondents acknowledged that they were likely to engage a partner that was in the same field they were operating in given the likelihood of compatibility and similarity of processes and departments or units of operation. Four respondents suggested that they welcomed the notion of having to benchmark a best practice or a process of a player or organization that belonged to a different field.
This they argued would provide a wider perceptive on practices being benchmarked. It would also help introduce a new concept on how they view their processes to ensure efficiency and maximum productivity.

They argued that it is mostly people who make any system or process be effective and thus, benchmarking of a practice or process was not to be limited to the aforementioned only but also to individuals. Only 1 respondent supported the notion of having to benchmark within an organization. The respondent cited the complexity, cost and challenges of benchmarking as a process and practice as the hindrances to their organization moving outside the confines of their very own departments and operational units.

Five respondents recommended the establishment of properly defined criteria upfront before approaching probable benchmarking partners. This would enable one to comprehend and define what exactly the organization wanted to achieve. One gave an example of seeing to it that their graduates succeed after setting their own business firms as a practice that ought to be selectively and properly benchmarked and implemented given the delicate nature of new entrants into business and the myriad of challenges faced by infant business ventures.

Four respondents acknowledged the importance of having to properly define what a best practice was at their organization before setting out to woo a benchmarking partner. The ‘best practice’ in this regard was viewed as information that ‘could be used’ objectively and was in a way limited to that specific organization or benchmarking partner.
4.4. Discussion of the Findings

The study found that most of the respondents have adopted the latest practices when it comes to benchmarking of business incubators. Most respondents have adopted the ‘New economy’ business. Most of these business incubators are usually private-owned with a firm drive to make profits and the returns normally stem from investment in companies as opposed to income from rental amenities. There is also the tendency to focus on high-tech and internet-based activities and, as opposed to classical incubators, such ventures do not consider their principal aim to be that of creating employment opportunities. The emergence of the virtual presence has led many respondents to adopt the mode of business incubation and incubators given that they augur well with most business and financial services as compared with their counterparts whose focus is mostly the provision of presence at the physical workplace.

4.4.1. Comparison with the Theories

The research focused on two major theories based on strategic positioning theory and Schumpeterian theory on innovations. The aggressiveness and upper hand of an organization as addressed by the strategic positioning theory need to be greatly considered so as to achieve a focused position. Business incubation centres have various competitive advantages like their training programs when compared to themselves and the industry they operate in. This include the target market, technological advancement as well as the success rate measures internally. Based on the duration of the incubation centres in the industry, clientele portfolio as well as the scale of operation, they have the advantage of offering quality services in the centres.
The Schumpeterian theory on innovations talks about the innovation natures of an organization. The innovations an organization makes give them a higher ground as compared to that of its business rivals. For business incubation centres, their training programs give them the edge in innovation as they need to be competitive. The training programs in turn determine the success rate of the business ideas set up from the centres giving them the higher ground. The result of the study are in line with the theories on the need for innovations and strategic positioning as part of the benchmarking process to ensure success.

4.4.2. Comparison with other Studies

There are various studies that have been based on benchmarking practices but they focus on the process itself. There are the findings of Rudman (2008), who found that benchmarked practices focus on the performance measure tools designed to enable an organization to understand, manage as well as improve based on performance standards set. There also findings of Chung (2002) who found that benchmarking is a continuous quality improvement processes whereby an organization can assess the internal strengths and weakness while comparing it with leading competitors.

The two scholars focus on the tradidtional benchmarking of incubators and failed to address the concept of business environment change and globalization coupled with fast technological advancements. Hence, this study was able to bring out the best benchmarked practices in business incubators and the respondents were in favor of the practices that focused on globalization and technologically advanced to fit into the modern world of business technology.
The implementation of practices picked from benchmarking practices can be very delicate in organizations as it is challenged by the timelines as well resources required. If the phase is not handled with caution, it can result to lossess in terms of time invested in carrying out benchmarking as well as the resources dedicated to it.

I would then challenge other researchers to carry out more research on benchmarking practices and the challenges faced so as to be able to meet set objectives. This study compared and agreed with other studies that benchmarking in organizations is the key to success.
CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1. Introduction

This chapter focuses on the summary of the findings, conclusion of the findings and the study, recommendations, limitations of the study as well as suggestions for further research. All these areas were covered based on the objective of the study.

5.2. Summary and Findings

In summary, the study revealed that the respondents are aware of the benchmarking practices, processes and challenges faced by the business incubation centres in their attempts to benchmark for best practices. The knowledge about the operations of the institutions and incubation centres has been graced by the respondents by virtue of having worked in the institutions for more than three years and also due to the fact that all of the interviewees were engaged in the day-to-day management and operations of the benchmarking practices and processes in these institutions. Thus, the researcher felt that the results obtained from the respondents reflects the true position as in the institutions and business incubation centres.

The study found that most of the respondents have adopted the latest practices when it comes to benchmarking of business incubators. Most respondents have adopted the ‘New economy’ business. Most of these business incubators are usually private-owned with a firm drive to make profits and the returns normally stem from investment in companies as opposed to income from rental amenities. There is also the tendency to focus on high-tech and internet-based activities and, as opposed to classical incubators, such ventures do not consider their principal aim to be that of creating employment opportunities.
The emergence of the virtual presence has led many respondents to adopt the mode of business incubation and incubators given that they augur well with most business and financial services as compared with their counterparts whose focus is mostly the provision of presence at the physical workplace. The findings of the study disagreed with the findings of of Rudman (2008) and Chung (2002) whose findings were based on traditional business incubators.

The study found out that the success of graduates and creation of employment opportunities was amongst the best practices that incubation centres and institutions went all out to benchmark. All the institutions placed a focus on their clients given that they were the core reason they were in the ‘business’ of incubation. While, in turn, creation of employment opportunities was seen as the hallmark of a successful graduate – having lasted years in the turbulent field of business a new entrant or entrepreneur.

Best benchmarked processes, according to the research, were the incubation training program and, how incubation centres were striving to blend different learning approaches into the ever evolving educational and training setup coupled with unusual dynamics. One such was the evolving technology and the presence of online-based and readily available internet study programs. Most of the institutions were still tapping into that window to enable students and clients from all over the country to tap into their wealthy, abundant resources inform of library and training schedules.
5.3. Conclusion

Based on the research findings and the attempted answers to the research questions, the researcher is able to conclude that the business incubation centres adopted the latest practices when it comes to benchmarking practices and processes. Benchmarking is a key practice that, if carefully undertaken, can result into the success of any organization. The research also found out that business incubation centres ought to have proper processes, plans and benchmarking strategies in place to ensure that the process went through a smooth transition – from initiation to execution.

This may involve the development of an elaborate plan that would actively and proactively evaluate the organization’s need prior to benchmarking. This would be followed by a clear plan that would set forth the path that would be followed while benchmarking and thus prove vital in preventing any clash of programmes or mix ups as to who and what ought to be done at a particular stage.

The challenges in the benchmarking of business practices is the establishment of a compatible and appropriate benchmarking partners whom a standard structure, managerial and operational can be linked and effectively replicated. Another challenge involves the differential skill sets in the benchmarking organizations and those viewed as elite or as successful in the industry or field of practice. These can be bridged by proper background research from the organization intending to undertake benchmarking. Such research may involve the specific needs or requirements to undertake the research, clearly defined
objectives that an organization seeks to realize and lastly, their current positioning and their position of desire after a successful implementation of benchmarking practices.

5.4. Limitations of the Study

Limitations, with regards to the completion of this research, was viewed as a present factor during the entire process and one that, in one way or the other, contributed to the researcher getting either insufficient data or reactions, or, if generally the reaction given would have been entirely unexpected from what the researcher had in anticipation. The limitations also included factors that may have led to the respondents providing inadequate information or unwilling to participate in the interview process.

Some respondents were not willing to divulge information when interviewed. This reduced the probability of reaching a more conclusive study. The study was also limited to facilitators in Nairobi and thus other parts of the country were not involved in the research. The study was mostly hinged on discussions and interviews with the primary facilitators and directors of the institutions that are business incubation centres.

The researcher, however, notes that it would have been of value to obtain information from a variety of stakeholders and interested parties that interact with the business incubation centres and institutions. This would serve to boost the quality of data obtained given that it would be coming from a wider circumference. The scope and depth of study was also limited by the time factor and financial resource constraints. This put the researcher under immense time pressure.
There was also the limitation of measurement, common to social researchers. This was basically due to change in perception of the respondents overtime. There was also the element of different individuals having differing opinions on similar questions asked. The judgement of respondents greatly had an impact on the responses.

5.5. Recommendations

The study recommends that benchmarking not be viewed as an isolated practice that is only undertaken when organizations need better results. Rather, benchmarking may be viewed as a wholesome and continuous practice and process that aims at effecting change in the entire organization.

Behest the management’s call and orders, benchmarking should always be an integral part of the organization’s day-to-day activities – internal or external – given that change is never a one time process. In addition to that, proper management support should be accorded to institutions or incubation centres pursuing benchmarking to ensure that the pursuit is fulfilled to finality – execution and implementation of suggested best practices.

Business incubators should charge customers for the support services they render to them but the level at which costs are pitched ought to be intended to limit the danger of 'swarming out' private area suppliers. The exploration proposes that moderately couple of incubation centres (around 4%) give business bolster benefits on an altogether free premise to customers. In any case, estimating levels have a tendency to mirror a component of endowment (35%) of the business incubators expressed that valuing was beneath advertise levels).
With respect to proper business incubator working techniques, it is fundamental that there is an obviously characterized target market and this is reflected in the affirmation criteria. Experience recommends that the more effective business incubators and incubation centres are the ones that have a specific innovation and business centre. A concentration of this sort empowers incubator chiefs to create particular learning, knowledge, skills and aptitudes and, encourages the grouping and clustering of customer and client organizations, firms and respective companies (e.g. empowering strong business connections to create between business incubator inhabitants and primary tenants).

Also, a division of benchmarking into performance benchmarking, process benchmarking and best practices benchmarking should be adopted further by organizations to avoid confusions with regards to the granularity that some of the benchmarking practices, process and performances degenerate into.

This will help evaluate the process and gauge its relevance and efficiency in the incubation centres. Benchmarking Should be used to measure the success of the business incubation centres.
5.6. Suggestions for Further Research

The research study restricted itself to business incubation centres in Nairobi, Kenya. This research therefore should be replicated in other firms, organizations and institutions in various fields that perform benchmarking and the results were held in comparison as to establish the consistency levels within and among the practices of benchmarking, the processes of benchmarking, challenges and other relevant aspects of benchmarking.

Research could also be done on the relationship between benchmarking and its contribution to successful businesses that have been set up through the business incubation centres. This information can then be used to evaluate the training programs and techniques used in the business incubation centres and their effectiveness and efficiency to the process.
REFERENCES


45


APPENDICES

Appendix I: List of Tech Business Centres in Nairobi

<table>
<thead>
<tr>
<th>No.</th>
<th>Tech Business Centre</th>
<th>Associated Institution if any</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>Nairobi incubation Lab- (NaiLab)</td>
<td><em>(None)</em></td>
</tr>
<tr>
<td>2.</td>
<td>C4DLab</td>
<td>University of Nairobi- School of Computing and Informatics</td>
</tr>
<tr>
<td>3.</td>
<td>iHub,</td>
<td><em>(None)</em></td>
</tr>
<tr>
<td>4.</td>
<td>FabLab</td>
<td>University of Nairobi</td>
</tr>
<tr>
<td>5.</td>
<td>iLab-</td>
<td>Strathmore University</td>
</tr>
<tr>
<td>6.</td>
<td>Business Innovation Incubation Centre (BIIC)-</td>
<td>Kenyatta University</td>
</tr>
<tr>
<td>7.</td>
<td>IBM Innovation Centre</td>
<td>IBM</td>
</tr>
</tbody>
</table>
Appendix II: RESEARCH QUESTIONNAIRE

SECTION A: DEMOGRAPHIC INFORMATION

1. Please indicate the business incubation centre you work with

2. What position do you hold in the incubation centre?

3. Please indicate your age

Below 18 years [ ] between 19-35 years [ ] between 36-50 years [ ] Above 50 years [ ]

4. What is your level of education?

Primary [ ] Secondary [ ] College [ ] Post graduate [ ]

5. Please indicate your business ownership status

Owner [ ] Lease [ ] Partnership [ ]

Others,

specify .......................................................................................................................

6. How long have you been in the business incubation centre?

Less than 1 year [ ] 1-3 years [ ] 3-5 years [ ] more than 5 years [ ]
SECTION B: BENCHMARKING PRACTICES USED IN BUSINESS INCUBATION CENTRES

7. From the list below, tick those aspects your organization considers to be Best practices that can be benchmarked

<table>
<thead>
<tr>
<th>Benchmarking practices</th>
<th>Benchmarking practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Value for Clients</td>
<td>Revenues growth</td>
</tr>
<tr>
<td>Value for Ecosystem</td>
<td>Quick take off of new ventures from incubation centre</td>
</tr>
<tr>
<td>Competence Development of incubates</td>
<td>High-Performance Leadership</td>
</tr>
<tr>
<td>Talent Retention,</td>
<td>Number of graduates/</td>
</tr>
<tr>
<td>Incubator Offer</td>
<td>Incubation training/mentorship program</td>
</tr>
<tr>
<td>Economy Enhancement</td>
<td>Business networks created</td>
</tr>
<tr>
<td>Access to Funds</td>
<td>Creation of new Jobs</td>
</tr>
<tr>
<td>Access to Networks and strategic business partnerships</td>
<td>Business Incubation period</td>
</tr>
<tr>
<td>Attractiveness</td>
<td>Funding received from key donors</td>
</tr>
<tr>
<td>Post Incubation Performance</td>
<td></td>
</tr>
</tbody>
</table>
8. Does the firm practice any benchmarking in its business incubation operations?

- [ ] Yes
- [ ] No
- [ ] Do not know

9. What processes or areas in your organization are benchmarked?

<table>
<thead>
<tr>
<th>Benchmarked processes/areas</th>
<th>Benchmarked processes/areas</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business Incubation training program</td>
<td>Quick take off of new ventures from incubation center</td>
</tr>
<tr>
<td>Number of new start-ups that survive five years post-graduation</td>
<td>Incubation training/mentorship program</td>
</tr>
<tr>
<td>Revenues growth rates</td>
<td>Number of graduates</td>
</tr>
<tr>
<td>Number of jobs created</td>
<td>Number of acquisitions of graduated ventures</td>
</tr>
<tr>
<td>Level of funding received from key sponsor/donors</td>
<td>Sponsor networks and strategic partnerships created</td>
</tr>
<tr>
<td>Number of active mentors</td>
<td>Support to local community and entrepreneurship</td>
</tr>
<tr>
<td>Number of hours spend on</td>
<td>Amount of seed capital available</td>
</tr>
</tbody>
</table>
10. Who/what are the organization’s source of ‘Best in the Industry’ performance

<table>
<thead>
<tr>
<th><strong>Benchmarking partners</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Other departments/sections within this organization</td>
</tr>
<tr>
<td>Other distinct unit but with same parent company as this organization</td>
</tr>
<tr>
<td>(in-case of an international affiliate)</td>
</tr>
<tr>
<td>Other organization in the same field</td>
</tr>
<tr>
<td>Other organization in the different field</td>
</tr>
<tr>
<td>Organization in a different country</td>
</tr>
<tr>
<td>Others (specify/ describe )</td>
</tr>
</tbody>
</table>

11. What challenges does your incubation centre face in adopting and implementing the identified Best Practices?

<table>
<thead>
<tr>
<th><strong>Communication (language differences)</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Units of measurement/reporting between different organizations</td>
</tr>
<tr>
<td>Skill levels between different organizations</td>
</tr>
<tr>
<td>Trade/competitive barriers</td>
</tr>
<tr>
<td>Government/regulatory challenges</td>
</tr>
<tr>
<td>----------------------------------</td>
</tr>
<tr>
<td>Lack of ‘appropriate’ benchmarking partner</td>
</tr>
<tr>
<td>Costs associated with benchmarking</td>
</tr>
<tr>
<td>Lack of management support</td>
</tr>
<tr>
<td>Lack of clear understanding of benchmarking in the organization</td>
</tr>
<tr>
<td>Others (specify/ describe )</td>
</tr>
</tbody>
</table>

12. In your opinion, does benchmarking achieve the desired goals of your incubation centre?

- [ ] Yes
- [ ] No
- [ ] Don’t know