

**THE ROLE OF BUSINESS INCUBATION CENTRES IN PROMOTING YOUTH
ENTREPRENEURSHIP IN KENYA: A CASE OF YOUTH ENTREPRENEURIAL
PROGRAM AT NAILAB CENTER**

BY

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Degree in Development Studies, University of Nairobi**

2016

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DEDICATION

To the most precious women in my life; Beloved Mum *Joyce* and My precious Wife, *Edwinah*
Thank you for always believing in me.

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While recognizing the invaluable contributions of different people to this work, the views expressed in this paper are solely mine and therefore take full responsibility for any errors and omissions.

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DEFINITION OF TERMS

- Business Incubation - Business incubation is a process aimed at supporting the development and scaling of growth oriented early-stage enterprises (Scaramuzzi, 2009).
- Business skills - According to this study, business skills refers to the ideas an incubatee gets from the incubator on ways of running and operating the business for its growth.
- Entrepreneurship - This refers to the routine of beginning new associations or reviving full grown associations, especially new organizations for the most part in light of recognized open doors (Onuoha, 2007). Schumpeter (1965) characterized "business people as people who abuse showcase opportunity through specialized or potentially hierarchical development".
- Incubation Centers - This refers to the environment that supports new and innovative ideas.
- Networking - This refers to a financial business movement by which gatherings of similar businessmen perceive, make or follow up on business openings (Osterle and Fleisch, 2001).
- Youth - This refers to individuals of age between 18 – 35 (Kenyan Constitution, 2010). This age group includes young people who are transitioning from childhood and getting into the employment world.

ABSTRACT

Business incubation centers are considered to be a foundation of economic growth and development. They contribute to this by pulling together the entrepreneurial motivation of a new enterprise with resources usually available to new enterprises. Whereas concluded studies highlight the role of incubation centers there exists a gap in the literature that focuses on how this incubation centers actually affect the youth in developing countries. The significant role business incubation plays in promoting youth entrepreneurship and start up enterprises has not been fully examined.

The main objective of this study was to find out the role of business incubation centers in promoting youth entrepreneurship. This study discusses business incubation model, network theory and market failure theory as the anchor theories to study meet this objective. The study was directed by four objectives which were to: establish how business network support, financial support, management and business skill training promote youth entrepreneurship in Kenya. To achieve these objectives the study conducted a survey of all the incubates who have gone through Nailab since inception. Also key informants were purposively selected to help enrich the data gathered from the electronic questionnaires from the incubates. Data was collected from the electronically administered questionnaires, key informant interview guide and a face to face discussion with entrepreneurs. Key informants' data were thematically analyzed using Microsoft Word Tables while data from traders were coded and entered into SPSS for analysis.

The study found out that management training, financial support, networking opportunities and management training play a crucial role in promoting youth entrepreneurship. The study established that incubation centers provide a fundamental ecosystem that allows entrepreneurs to experiment, start up, grow and find the right strategic investors for their businesses to be able to compete at national and global levels.

The study concludes that incubation is an essential bridge to solve the challenge of youth unemployment and set the country to achieve vision 2030. In view of this the study recommends better partnerships with stakeholders in the promotion of youth entrepreneurship, better and centralized government policies coupled with better incubation models to ensure sustainability.

SECTION ONE: INTRODUCTION

1.0 Introduction to the Study

Globally, incubation centers are acknowledged as among the most significant sources of creating employment, generating wealth both locally and nationally and the reduction of poverty in general (Aldrich and Zimmer, 2011). Today, incubation centers perform a fundamental part in a nation's financial development and advancement. Little and medium endeavors are generally considered to play a noteworthy capacity in reduction of poverty, economic growth and creation of employment among the youth in developing countries. Incubation centers have generally acted as the drive behind economic growth, generation of employment and industrialization (Harris and Gibson, 2006). Business incubation creates a platform for entrepreneurs to access vital business information, business knowledge, networks, financial investments and other resources fundamental to the establishment and growth of the enterprises that may otherwise be unaffordable and inaccessible especially to the youth in Kenya, (Ombagi, 2010).

1.1 Background of the Study

Business incubators for over 50 years ago have greatly increased and during this period, it has continually transformed businesses. Business incubators have spurred great business growth in the developed world and their influence continues to rise. The steady rise in the number of business incubators universally is a clear indication of the value they are considered to have. In the United Kingdom, “there is a network of around three hundred business incubators which sustains an average of 12,000 industries” (UKBI, 2011). Globally, business incubators have demonstrated capacity to spur growth of businesses. UK has about 23 per cent businesses which recognize the role incubators has on the performance of their businesses. More than 60 per cent admit that the incubators are critical, there are about 17 per cent or less who consider the incubator as insignificant to growth of their business (Centre for Strategy and Evaluation Services, 2012). America has estimated that incubators have supported more than 27,000 new companies with yearly income of about \$17 billion (Knopp, 2014).

International Business Incubators are considered the “third generation” of incubators in most developed countries. These incubators give a wide variety of support services for the growth of innovative enterprises (Harris and Gibson, 2012). Majority of these businesses are geared to

doing export trade and demonstrate remarkable growth rates and revenue improvements. They connect universities, institutes of research, venture capital and global joint partnerships. This incubation model anchored on the aligning of the entrepreneur support – this is being practiced in China, Korea, and Malaysia. Dot.com incubators have a slightly different model, which is portrayed by solid investment introduction and shorter times in the hatching focuses (Harris and Gibson, 2012).

During the incubation period, business facilities are made available to the incubates at relatively cheaper cost than what obtains in the market in addition to training facilities and capacity building workshops and seminars which encourage the young entrepreneurs grow their business into large enterprises and in some cases multinationals (Okpara and Wynn, 2007). The post-incubation exercise is mostly to evaluate how the firm is fairing in the open market having enjoyed the facilities at the incubation centers for maximum of three years. This is important when measuring the impact of incubation within a society or nation as several studies have claimed that most incubated firms remains within the host community after graduation (Okpara and Wynn, 2007).

The process of developing youth entrepreneurship goes through several phases beginning from the idea generation, development of the product or service, making the decision to progress with the gathering of the required resources, initiating the new venture and developing a successful business and finally benefitting from the business prospects (Peters and Perenyi, 2014). Every stage has a different outcome for different entrepreneurs influenced by personal factors. (Peters and Perenyi, 2014).

Youth entrepreneurship and incubation platform provide the most significant policy for stakeholders and governments to lend a hand to SMEs in technology innovation, spreading entrepreneurship education and access to funding. This platform can be anchored on three elements: business support services, business skills and capital investment. Business incubation is a wholesome process of developing enterprises with the intention of growing young enterprises, new products, services and technology (Regis et al, 2007). Business Incubators provide small enterprises access resources for innovation; they enhance their capacity in Research and Development (R&D) and the dynamics of starting up innovative enterprises, in order to facilitate more competitive Small enterprises and support economic growth. Promotion

of innovation and youth entrepreneurship are two fundamental roles played by incubators in SMEs' value creation.

The challenge of unemployment has been growing in Kenya like most developing countries. Among the unemployed majority are the (Republic of Kenya, 2008). The Kenya Government in 1963 acknowledged that poverty and unemployment were the two humongous challenges that faced the young country. After more than half a century, and despite the numerous strategic and policy efforts like the growth-oriented development strategy amplified by wage increases and Kenyanization engrafted at independence, the twin challenge of poverty and unemployment continue to affect Kenyans. Millions of Kenyans particularly the youth are unemployed, underemployed or are in the ever increasing groups of impoverished workers. According to the Kenya National Bureau of Statistics (2007), 12.7 million out of the 14.6 million work drive were portrayed as underemployed with the staying 1.9 million individuals being transparently unemployed. 67% of the unemployed are the youth raising the need to address this (Republic of Kenya, 2005).

The Government of Kenya has also Uwezo fund which is a flagship project anchoring vision 2030. This fund was meant to increase access of finances to youth, women and people with disabilities. The fund was created to provide an opportunity for the vulnerable in society to do business with government. The Fund has acted as a form of incubation providing motivation for innovation, promoting manufacturing, creating employment for the youth and eventually contributing to economic growth. The Youth Enterprise Development Fund is another intervention that was conceptualized in the year 2006 with the basic role of decreasing unemployment among the young who are more than 61% of the unemployed in the Kenya (Youth Enterprise Development Fund Website, 2006). According to the youth fund website, The Fund's vital concentration is on big business improvement as a center technique that will increment financial open doors for, and support by Kenyan youth in country building.

Despite the huge number of efforts to create adequate, productive and sustainable employment for the youth, youth unemployment still remains one of the greatest challenge to the youth in Kenya. These interventions have missed the most crucial part which is to provide youths with skills (communication, organizing, management etc) and provide them with a link to strategic partners. This will make their businesses successful and hence reduce the unemployment gap.

The youth unemployment challenge has, particularly, been given high priority in the country's economic development blueprint: Vision 2030, the first Medium Term Plan (2008-2012), Second Medium Term Plan (2013-2017) and Labor, Youth and Human Resource Development Sector Plan (2008-2012). Experience shows that people become unemployable relative to the amount of time they spend outside formal employment. This makes it harder for the youth to get gainful employment. This is particularly concerning for the youth who possibly develop a weak regard for the labor market. This creates a bad precedent for the youth who may get trapped into a lifetime of weak regard to the labor market. In view of this, this study will analyze the role of business incubation centers in promoting youth entrepreneurship in Kenya.

1.2 Statement of the Problem

Youths are mostly faced with the challenge of transitioning from school to work due to the high unemployment rate. One of the indicators that clearly depict this problem is the youth unemployment rate. (Ombagi, 2010). It is generally agreed by policy makers at all levels that entrepreneurs incubation is a fundamental platform for creation of employment, wealth generation and spurring a culture of innovation among the youth (Nieman, Hough and Nieuwenhuizen, 2003). The innovation sector is an important part of the Kenyan economy contributing around 18% of the nation's Gross Domestic Product (GDP) (ROK 2005). The vision 2030 is anchored on the innovation and creativity which are the key pillars that will make Kenya competitive and encourage successful and sustainable enterprises among the youth (ROK, 2010). This is aptly anchored on statistical evidence which proves that incubation centers have a role to play in economic growth as demonstrated in other countries.

The incubation sector has not fully appreciated the fundamental role they can play in terms of raising business revenues and creating new products and services despite the primary role they play in Kenya. (ROK 2005). A majority of youth enterprises do not grow to ,in instances where they do the challenges of running a business overwhelm them and they don't transition into sustainable. Studies show that out of every 100 new youth enterprises founded in an year, about 60 percent have a tendency to stop doing business during the first year of existence, while the ones that survive this are 40% likely to shut down in the second year (Kenya, 1999). Various challenges have been attributed to this high failure rate of startups in Kenya among them inadequate business skills, minimal strategic linkages with established businesses, limited

technological skills, little or no access to financing and capital investments and a poorly developed end to end supply chain and market access (Wanjohi, 2008). Wanjohi (2008) further recommends the provision of this as a requirement for growth of this sector

There number of studies that in Kenya that capture the role played by business incubation on youth entrepreneurship have been relatively small. Much of the research (Abetti, 2004; Chandra & Fealey, 2009; Rothschild & Darr, 2005) has focused on the role played by business incubation in the economy, neglecting the influence they have on youth entrepreneurship. This has resulted in very minimal knowledge on the fundamental role that business incubation centers can play to spur youth entrepreneurship in Kenya. Given the importance business incubation on youth entrepreneurship and the limited scientific research done so far, the researcher believes further study of the subject is required. The purpose of this study was to analyze the role played by business incubation in promoting youth entrepreneurship in Kenya. It found out how the business network support, financial support, management support and business skill training promote youth entrepreneurship in Kenya.

1.3 Objectives of the Study

The study sought to investigate the role of business incubation centers in promoting youth entrepreneurship in Kenya.

Specific objectives were:

- i. To establish the role business network support in incubation centers play in promoting youth entrepreneurship in Kenya.
- ii. To find out the extent to which financial support in incubation centers promote youth entrepreneurship in Kenya.
- iii. To determine the role management support in incubation centers play in promoting youth entrepreneurship in Kenya.
- iv. To find out what role business skill training in incubation centers play in promoting youth entrepreneurship in Kenya.

1.4 Research Questions

- i. What role does business network support in incubation centers play in promoting youth entrepreneurship in Kenya?
- ii. To what extent does financial support in incubation centers promote youth entrepreneurship in Kenya?
- iii. What is the role of management support in incubation centers play in promoting youth entrepreneurship in Kenya?
- iv. What role does business skill training in incubation centers play in promoting youth entrepreneurship in Kenya?

1.5 Significance of the Study

This research can be valuable to different parties and actors inside and outside Nailab. To the Kenyan Economy, the research can help in examining suitable and attractive fields which could be targeted by the business incubators. This was done through finding out how good management skills, financial support and provision of links to strategic partners can promote youth entrepreneurship. To policy and decision makers, the study might be of value in formal institutions to adopt the best model of business incubation based on other successful models and frameworks implemented and adopt them in Kenyan entrepreneurs. The study might also provide information to donors and supporters of the Kenyan economy to utilize and direct their funds toward sustainable economic development through encouraging new business and job creation.

1.6 Justification

One of the problems facing youth entrepreneurship in Kenya is that many interventions aimed at addressing youth unemployment are not working. Deakins et al. (1997) further argue that the value of small enterprises in an economy and the ability of an entrepreneur to bounce back from missteps in business is not properly understood. Consequently, the need arises to understand what makes programmes for addressing youth unemployment not work. The study therefore sought to assess whether strategic partnership, financial support and training can change the situation and thus bring out some insights which can be used for policy interventions to promote youth entrepreneurship.

SECTION TWO: LITERATURE REVIEW

2.1 Introduction

This chapter reviews the available literature on the role of business incubation centers in promoting youth entrepreneurship. It discusses the theoretical literature, empirical literature, theoretical framework and the conceptual framework.

2.2 Theoretical Literature

This section discusses the literature on business incubation and the role incubation centers plays in promoting youth entrepreneurship.

2.2.1 Business Incubation

The pioneering incubator was founded in Batavia, New York in the United States 1959. In a leased space in Batavia Industrial Centre Charles Mancuso provided the premier support services and mentorship to startup enterprises (Mancuso Business Development Group, 2005). This concept had since spread to other part of the world for development with significant improvement in the process of conducting it. By the year 2000, the count of incubators of different categories stood at around 900 (Peters *et al*, 2004), while in 2006, the number has increased to about 1,200.

As per the Kyalo *et al*. (2013) gauges, since 1980 the North American hatcheries had made around 500,000 occupations and each 50 employments made by a hatchery had produced another 25 occupations in the group. Incubates have championed job creation, become agents of change in society and commercialized innovative products and technologies. This significantly contributed to the growth of not only local but also national economies. The success rate of incubates in the US stands at 87% in addition to reducing the cost of startups of small enterprises by 40-50%. This is mirrored by OECD countries at 85% success rate contrasting to 30-35% of firms that have not undergone incubation (Scaramuzzi, 2009).

Business incubations (BIs) have no universal definition but almost with equal characteristics in diverse definitions given to them. In most cases, they are described by the ranges of activities offered, goal and purpose they serve, nature and type among other features. The UK Incubators (UKBI) (2001), describes BI from the goal perspective that the primary focus of any business

incubator is to support and create enterprises that are successful. The challenge for the entrepreneurs is to acquire the skills and manage to operate and independent, successful and sustainable business upon graduation. (UKBI, 2001). According to Benchmarking of Business Incubators (2002), business incubators accelerates and creates a path of growing thriving enterprises by providing the budding entrepreneurs with a wide variety of services ranging from secretarial support, networking, strategic linkages, marketing networking among other opportunities. Business incubation provides great support in carrying through enterprises at the most vulnerable start up phase. (Zhao, 2015).

Business Incubation assists startups to overcome early challenges associated with high mortality rate of small business thereby increase their survival rate (Wanjohi and Mugure, 2008). Wanjohi and Mugure (2008) notes that incubation is a more detailed and meticulous process which requires more than grouping entrepreneurs together, it needs to be tailored to fit the need of individual enterprises in the centre, it goes beyond offering secretarial support and offices for enterprises to function in. According to the UKBI (2001), incubation centers jump start the business growth process by providing the required skills, access to strategic networks, markets and opportunities to fail up and eventually create successful enterprises. Generally incubation centers grow economies, introduce new services and products while creating jobs for the youth and wealth for regional and national economies.

Eikebrokk & Olsen (2011) did a study in Norway, Finland and Spain and found a positive relationship between training, competence and performance in promoting youth entrepreneurship. Based on their empirical analysis, the authors claim that training explains the differences in e-business competencies and highlights performance in terms of efficiency in running enterprises and profitability (Eikebrokk & Olsen, 2011).

Bowen et al. (2010), in a study done in Nairobi, Kenya, demonstrated that that 49.5% of entrepreneurs who had acquired a form of training in business reported an improvement in their business. The study results also showed that 60.8% of those without business training indicated that their businesses were doing badly in comparison to 39.2% whose enterprises were performing well without business training. This study was based on 198 respondents comprising of business owners and managers.

Although a fairly good number of researches have been conducted in areas of promoting youth entrepreneurship such as links to strategic partners and management skills, more studies need to be done with a specific end goal to determine the genuine effect of preparing on execution of enterprises. Falkang & Alberti (2012) point out a need to further investigate the methodologies used in measuring how effective entrepreneurial training is. Indeed, it is not relatively easy to measure the impact of training on performance of enterprises but it is reasonably possible to establish the nature and level of training skills that accrue to entrepreneurs. Therefore, how discrepancies in promoting youth entrepreneurship can be resolved for them to have a positive impact on enterprises' operations remains a viable area of study.

2.2.2 The Role of Business Incubators

The goal of most business incubators is to support entrepreneurs to launch successful ventures. This plays a big part to cover a gap that exists in the system since not all aspiring can access formal business training. Apart from training access to resources is also a huge impediment especially in developing countries. Incubators step in and provide the required resources in terms of access to office space, secretarial services, basic entrepreneurship training and in most cases a link to strategic partners who invest to grow the business. They provide this from inception until the business achieves a level of success before graduation. (Al-Dosary, Rahman, and Aina, 2006).

The business incubator is not meant to replace innovativeness, personal drive and resourcefulness but rather enhance and support them. Incubators discourage overreliance on the consultants and encourage entrepreneurs to take the driver's seat in ensuring that their enterprises graduate as successful businesses.

Incubators differ in their business models, organization structure and the kind of entrepreneurs they target depending on the core purpose of the incubation centre. Classical incubators are geared towards offering office space, secretarial services, and business training among other services. Some of them have great connections to sources of capital but rarely do they themselves invest in businesses.

Technological incubators support technologically oriented firms. They mainly work closely with higher institutions of learning, institutions of research and science and technological parks (National U.S.-Arab Chamber of Commerce, 2010).

A majority of technological incubators serve virtual clients who are not physically present in the incubation centers. Virtual incubates benefit from the services of the incubation centre electronically. This is sometimes caused by geographical barriers or the fact that the business is already in its own premise. (Albert, & Gaynor, 2001).

Business incubators are differentiated from science and technology parks by the virtue that they are focused mainly on startups and nascent companies, on the contrary Science and technology parks principally focus on a wide array of projects from corporate, government or college labs to little scale organizations, basically science parks don't give business bolster administrations which frame the heart of business hatching. This notwithstanding science parks can house incubation programs. (Alfantookh, & Bakry, 2013).

Albert, & Gaynor (2001), quoted Linda Knopp (2007), that the most prevalent incubator services are: dissemination of business skills, business networking, marketing assistance, financial and accounting training, access to financing from bank loans and ensure programs, access to heavenly attendant financial specialists or investment, presentation abilities preparing, connections to, connections to strategic business partners, setting up and scaling up of enterprises. They also argued that majority of the incubators offer their clients office space and secretarial services that act as the core of an authentic business incubation program.

Business incubators differ from all other form of business assistance by the fact that they do not serve all types of enterprises. Meredith (2007) asserts that enterprises that wish to get an admission into an incubation centre must apply and meet the set criteria. Different incubation centers have different criteria depending on their goal and mission. Ultimately only those with practical and workable business ideas are admitted. (Meredith, 2007).

Knopp(2006) argues that the duration an enterprise spends in an incubation centre can differ broadly depending on the level of business skills incubates have, the type of service or product the enterprise intends to venture into. Companies that require more research and development tend to take longer in incubation centers than service companies.(Knopp, 2006). Knopp also

argues incubation programs set metrics for success by different firms as revenue and number of staff, rather than the duration spent in the program.

Alshumaimri, et. Al, 2010, quoted Pitra, 2006, arguing that business incubators place a cost for the office space and other administrative resources that they provide to incubates, but considering that most of them are subsidized in one way or another by the state, universities or grants, the costs are considerably lower than those in the market.

Given this scenario, understanding role of business incubation centre is not only necessary for the development of support programs and policy reforms but also for the economic prosperity of the entire Kenyan nation. In this regard, it will be therefore useful to investigate how strategic partnership and business success can be improved by linkages to strategic partners. Furthermore, the study will feature links to strategic partners and management skills.

2.3 Empirical Literature

Olaopa (2010) identified business skills as one of the major service provided by the incubation centers. He argues that Links to strategic partners and management skills are important services provided to young entrepreneurs. This section reviews what others studies have done on the roles incubators play in providing these business skills in their centers.

2.3.1 Links to Strategic Partners

Links to strategic partners either locally or internationally are particularly important to the development of youths' business skills because they create a platform for providing the much needed capital and transmitting essential business skills to incubates (LEA, 2013). Siwadi (2010) conducted a study in China and focused on identifying how skills on how to connect to partners influence entrepreneurs. He found that through links to strategic partners, success in the business can be significantly improved. This is occasioned by taking advantage of economies of scale and the lessening of expenses of operation eventually leading to competitiveness in the local and global market. This study did not lay emphasis on the youth and how incubation particularly affects youth entrepreneurship which the current study aims to achieve.

A study by Hussain (2000) looked at the effect business incubation centers have on youth entrepreneurs in Egypt. The study found that links to strategic partners provided in business

incubation centers comes with marketing support by way of providing access to fresh markets and marketing skills for upcoming entrepreneurs. They uplift the potential of local youths by increasing their ability to compete and preparing to handle the challenges of running enterprises. Regardless of these advancements, as indicated by Voisey, Gornall, Jones and Thomas (2006) there is negligible confirmation to show how hatched firms advantage from this experience and development experienced by business visionaries themselves, notwithstanding the way that much business writing on novel business development and improvement has been composed. From the above foundation, it is obvious that business hatcheries assume a critical part in financial development. Be that as it may, there is practically nothing, if any examination, to show the apparent essentialness of the brooding procedure particularly to the adolescent and genuine administrations got by the graduate undertakings from these hatching focuses. (Hannon, 2005) states that despite the fact that a great deal has been composed about hatcheries, almost no if any has been archived on the real brooding procedure. In this manner, there exists an exploration crevice between studies on business hatcheries and research on administrations offered in business brooding focuses furthermore on the view of business visionaries on the estimation of administrations in incubation centers in developing countries specifically. Therefore, a similar study is needed in Kenya would go a long way to establish the role the incubation centers play in providing necessary skills to youth entrepreneurs who need to partner with strategic partners to become globally relevant in their businesses.

Omondi (2001) establishes that forming alliances, clustering and networking helps young entrepreneurs launch their products and compete with more established cooperate. By pulling together, entrepreneurs gain the benefits of economies of scale and collective efficiency, this gives them the ability to form great partnerships with producers and consumers and eventually break into national and international markets. Promoting entrepreneurship through business incubation centers forms horizontal links amongst incubates and vertical links with more established service and manufacturing industries for improved market access, attracting capital investments, skills development and advancements in technology (Omondi, 2001). However, Omondi (2001) did not investigate other business skills like management skills which are the focus for the current study.

Omar and Shaduk (2005) demonstrated an array of gains that Kenya reaps from investing in business incubator programs. The authors argue that Kenya's small and medium enterprises have continually benefited from inter-firm linkages that act as a platform to enhance individual proficiency in business and capabilities through accelerated combined efforts rooted in the essential area of manufacturing value chain. The small youth enterprises gain greatly from an extensive range of bulk sourcing of raw materials and sharing of crucial facilities that include testing, calibration and warehouses to hold inventory. This in essence indicates that youth entrepreneurs benefit from producing goods of acceptable market standards, enhanced technology capabilities and gain entrepreneurial training. The uptake of technology in different sectors of the economy has improved chances of entrepreneurs in accessing advanced services essentially fostering productivity within their industries. The current study will provide an understanding of how business incubators providing linkage skills promote youth entrepreneurship.

2.3.2 Training

Nichter and Goldmark 2009, point out that the focus of entrepreneurial training is to change perceptions, improve skills and empower entrepreneurs to recognize and take advantage of entrepreneurial opportunities. Levie and Autio (2008) also assert that training provides entrepreneurs with the mental capability that matches their respective skills with prospective entrepreneurial opportunities. In addition, Van der Sluis, et. al,(2005) demonstrate that rigorous levels of entrepreneurial training lead to improved entrepreneurial results and an equally higher formation of startups enterprises. These associations echo with a global survey of entrepreneurs, who indicate that entrepreneurial training can provide impetus to tap into existing entrepreneurial opportunities and achieve success (Monitor Consulting Group 2012).

Karlan and Valdivia (2011), argues that overall self-discovery, entrepreneurial mindsets and business and skills needed for business start-ups and development such as book keeping, accounting, marketing, risk assessment and resource mobilization skills can be developed through training.

On the contrary, Haase and Lautenschläger (2011), argue that particular aspects of entrepreneurial skills cannot be trained. In support of this argument, Akola and Heinonen (2006), recognize the "science" and the "craftsmanship" of business. The workmanship for this situation

which includes creativity and innovative thinking, is not acquired by training, but through practical experience, and the science that entails business and management skills is obtained through training. However, a report by the World Bank (2010), suggested that mindsets and skills related to the “art “of entrepreneurship can be transmitted when training systems incorporate entrepreneurial skills with instruction methodologies.

Bjorvatn and Tungodden (2010) argue that while entrepreneurial training and business management both focus generally on enterprise development. Business management education traditionally moulds students to managed already established firms, on the contrary entrepreneurial training goes ahead of business education to zero in on the unique conditions entrepreneurs face. Vesper and McMullan (2009) argues that entrepreneurial training focuses on not only empowering people with entrepreneurial skills but additionally creating aptitudes particular to making new items and services for business start-ups, growth and sustenance.

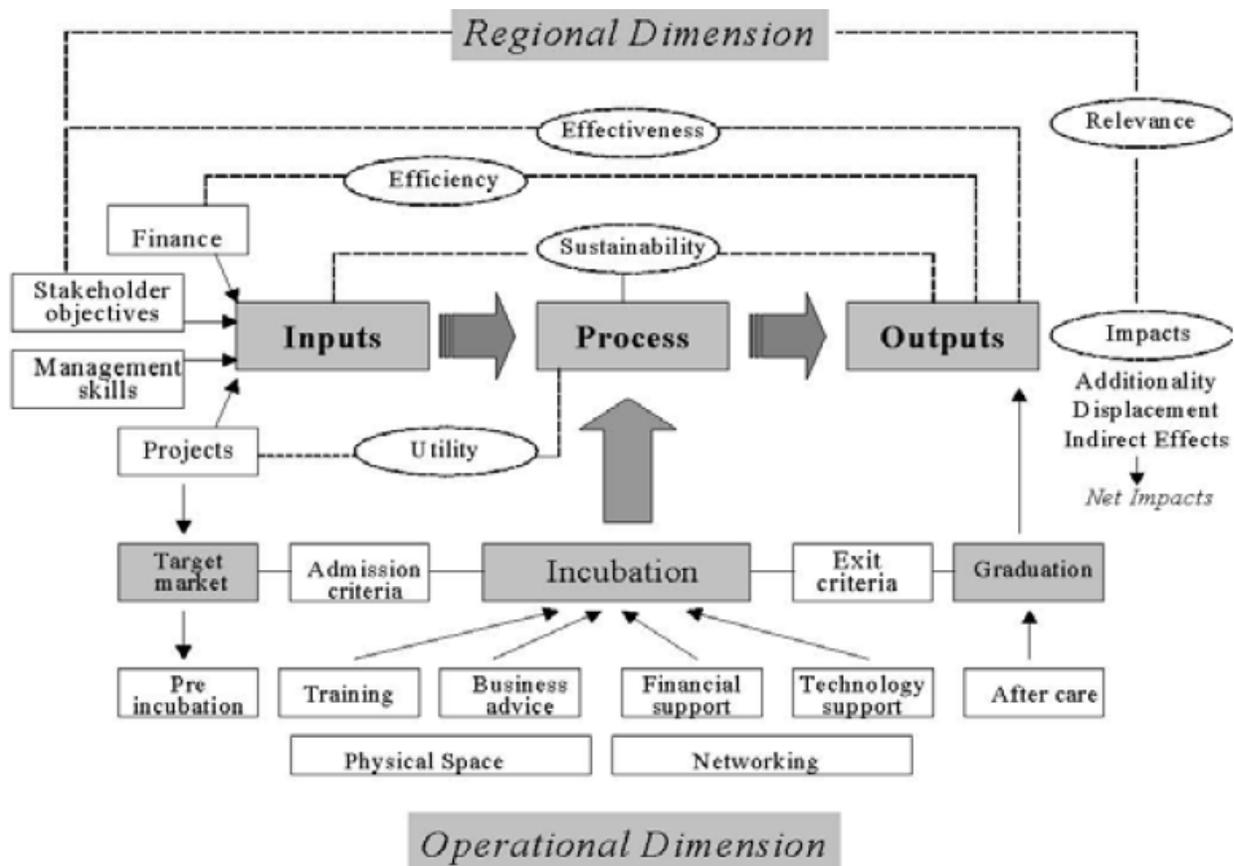
There is no single model for business incubation. Business incubator models difer depending on their specific objective and core mandate, their business setting, their owners and funders. This study discussed Business Incubation Model, Network Theory and Market Failure Theory.

2.4.1 Business Incubation Model

Costa-David *et al* (2002) proposed a model containing the incubation process. According to him, business incubators operation can be demonstrated as a simple input output model. The Inputs are made by stakeholders, resources by management, and business ideas put submitted by entrepreneurs. The outputs are successful incubate graduating with a successful enterprise and capacity to create wealth that impacts both the local and national economies. Costa-David *et al* (2002) explains that the processes happens in between the inputs and outputs through the provision of incubator space and other support services to provide successful outputs, in this case successful incubate graduates.

Considering the dimension of operation, enterprises are selected that strictly meet the set criteria to target a particular pool of entrepreneurs. Particular entrepreneurs are advised to go through a ‘pre-incubation’ process, usually involving a mixture of training and business planning, prior to being admitted into to the incubator. The process of incubation typically brings together three types of business support services –business training, business mentorship, financial support and

technology support. Internal and external networking constitutes the other basic features of the package (Costa-David *et al*, 2002).



Source: Costa-David *et al* (2002)

Rouwmaat *et al* (2003) described the pre-incubation services provided by technology and other business incubators as a term used to describe the services given to potential entrepreneurs prior to launching their enterprises. These services are usually sequenced from proactive identification of entrepreneurs, assisting them prepare business plans and finally offering guidance on the steps to form a new company. The pre-incubated entrepreneurs are typically offered office space with accompanying basic secretarial support (e.g. internet, printing) for a stipulated amount of time amid which they are relied upon to think of a marketable strategy.

The process of registering enterprises is carried out after a successful pre incubation period when the incubates and nascent entrepreneurs have acquired adequate knowledge, business skills and required expertise to set up and manage a company on their own. Because of the self-confidence and expertise the nascent entrepreneurs gain during the pre-incubation period, their reservations

of running their businesses are considerably reduced. This model fits well in this study because it explains the way business incubators operate by making certain investments and expecting a particular type of output from incubated firms. In any business incubators, the Inputs are made by stakeholders, resources by management, and business ideas submitted by potential entrepreneurs. This theory provides a good foundation for the study whose main aim was to find out the role the inputs made by the incubation centers have played in producing successful enterprises as their output. This is backed by the findings of the study with more than 80% of the enterprises sampled indicating an expansion after incubation.

2.4.2 Network Theory

This hypothesis on business hatching is tied down on the capacity of systems administration and social cooperation in hatcheries, by utilization of the expressions "social capital hypothesis" or "interpersonal organization hypothesis" by Bollingtoft & Ulhoi (2005) arguing that both of these terms can be used interchangeably. The two propagators of this theory illustrated that performance of business incubation is a combination of the joint social networks, ties and structures that make it possible entrepreneurs access information as well as prerequisite skills for managing and growing their business. They argue further that social ties can be classified as either weak or strong. Weak ties have been typically been linked with generation of ideas, while strong ties have been linked with solving problems. The core of their argument is that through the lens of this theory the success of an incubation centre can be measured based on the level of social capital surrounding it. They go further to claim that this can be used as a good pointer to the success or failure of an incubate or enterprise (Bollingtoft & Ulhoi, 2005). Social network theory takes into account the value of social dimensions in economic relationships

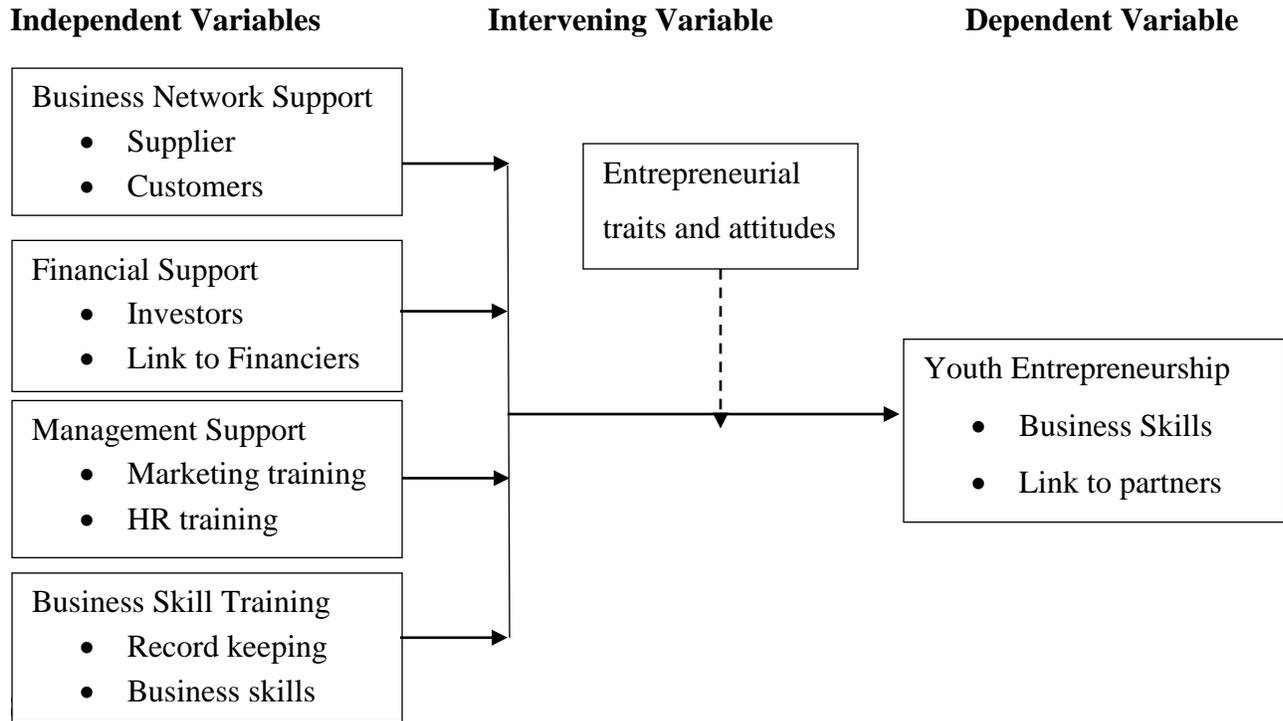
This hypothesis is tied down on the feelings of Aldrich and Zimmer (1986) who apply four parts of the interpersonal organization hypothesis to clarify business. They recommend that having a gathering character without any restrictions among them greatly encourages entrepreneurialism. On the next level the close associations that the entrepreneurs develop with their mentors and strategic partners make it easier for entrepreneurs to access information and resources. Apart from that they argue that increased networking also grows opportunities for entrepreneurs. Finally, they argue that enhancing associations with fellow entrepreneurs who have vital social resources increases entrepreneurial opportunities (Aldrich & Zimmer, 1986). This theory fits

well in this study when discussing the how links to strategic partners and networking opportunities promote youth entrepreneurship in Kenya. The links and networks that business incubation centers provide to incubate both individual and aggregate interpersonal organizations, ties and structures that help youth business visionaries access data which eventually translates to expansion of their businesses. This is demonstrated in the findings of the study which point out that more than 80% of the businesses surveyed confirmed growth of their business after joining incubation centers.

2.4.3 Market Failure Theory

Hackett & Dilts (2004) have relevantly connected the market disappointment hypothesis to business hatching. They depict showcase inability to happen when rivalry for creation and offer of products or thoughts neglects to deliver a wanted result focusing on business incubation centers in this case. The researchers project an argument that flawed information, market domination by monopolies and other external factors can hamper growth of new enterprises, and that business incubators can be viewed as among the solutions to bridge the gap of market failures. Hannon (2004) applies this theory more precisely by differentiating between various types of incubators — particularly accelerators which work with ventures that show great potential and indications of quick growth. On the other hand germinators work with nascent enterprises. He argues that incubators that operate in areas of market failure are principally those working with nascent as opposed to high potential enterprises (Hannon, 2004). While this theory to a certain extent explains the role of business incubators, it does little in bringing out the processes and challenges of operating in the incubation centre. This theory offers an indication that management skills taught in incubation centers can act as a bridge to stem market failure. This is in line with most findings on reduced failure rate of incubated enterprises. This theory therefore fit well in describing how acquired management skills can be used to promote entrepreneurs' in the market. Youth entrepreneurs need to understand how to communicate well to the external market and organize their information to avoid failure in the market and eventually promote youth entrepreneurship.

2.5 Conceptual Framework



The dependent variable is youth entrepreneurship, which is the variable of primary interest. From the Business Incubation Model, business incubators operate in terms of a simple input-output model. Inputs are made of strategic partners who support the business. In this conceptual framework, business network support is an input which is indicated through strategic partners such as suppliers and customers. Financial support is also an independent variable, which is an input to the business. The indicators for financial support are investors and links to financiers through an incubation center. The inputs for management support are marketing training and HR training while indicators for business skill training are business plan development and record keeping skills. Network theory as well focuses on networking and social interaction in incubators which help inputs as a form of strategic partnership in businesses to grow.

Over years, links to strategic partners has been used as a tool for business maintenance and youth business visionary help systems as vital apparatuses for financial improvement. The reason for these connections as further clarified by Erlewine and Gerl (2004) is to empower youth entrepreneurial action in hindered territories by helping youth business people beat obstructions and to at last get to fundamental assets important to make, develop and maintain new organizations. Then again, preparing sustains environment for new companies through

arrangement of business-bolster programs and systems administration including networks to suppliers and customers that makes it possible for businesses to develop within a friendly and guided environment.

SECTION THREE: RESEARCH METHODOLOGY

3.1 Introduction

This chapter discusses research design, target population, sampling procedure, sample size, data collection techniques and data analysis.

3.2 Research Design

A descriptive research design was adopted. This method sought to display a record or wonder, the conveyance of qualities in some populace, the examples of connections in some social setting at a specific time or the progressions of those attributes after some time (Bulmer, 1986). Blaikie (2009) contends that these graphic records may incorporate the qualities of a social gathering or a demographic class, the stages or successions of social procedures or examples in social connections.

Prior to actual data collection, the researcher conducted preliminary fieldwork which involved both qualitative and quantitative data; thus this study was well placed to adopt the design since this study uses both qualitative and quantitative data.

3.3 Target Population

Ngechu (2004) defines study population as a very much characterized, indicated set of individuals, gathering of things, families, firms, administrations, components or occasions which are being explored. This populace ought to be fitted a specific determination, which the specialist concentrates on. The study targeted all startups that had been in Nailab and those who were currently at the center. Since 2012, the center had been able to graduate 14 startups and was having 5 startups making a target population of 19 startups. Therefore, the study conducted a census survey on all the 19 startups. The study targeted two partners from each of the incubated startups making a total population of 38 incubated partners as this made the target population efficient for the study. The study tracked and interviewed eight of the entrepreneurs who are currently in the incubation centre and also had three key informants who were not related to Nailab. These were complemented by the founder of Nailab and the incubation managers who acted as key informants because of their experience and expertise. Therefore, the basic idea of

doing sampling was to help a researcher select elements in a population that will be a representation of the whole.

3.3.1 Sampling of Key Informants

The key informants were sampled based on their expertise knowledge about youth entrepreneurship and incubation, the main issue that the study sought to investigate. Therefore, six key informants were sampled for the study using purposive sampling technique. The key informants included a founder of a virtual incubation centre (KI#1), a professor of business and economics and youth mentor (KI#2), KIRDI incubation manager (KI#3), Founder of an incubation centre (KI#4) and the operations, technology, product development, communications and marketing managers of incubation grouped together (KI#5) as explained in the limitations of the study.

3.4 Data Sources and Data Collection Methods

The study was conducted from the 1st to 30th of September 2016. Both quantitative and qualitative data collection methods were used. Data sources included both primary and secondary sources. The primary sources included the survey responses and key informant interviews.

Primary sources were used in data collection and involved gathering information from electronic questionnaires. The questionnaires were structured using open and shut finished inquiries. The open finished surveys were utilized to gather subjective information while the nearby finished ones were utilized to get quantitative information. Boiie (2011) states that polls deliver rich, enlightening information that should be translated through the distinguishing proof and coding of subjects and classifications prompting to discoveries that can add to hypothetical learning and functional utilize. Interview guides were used to interview the key informants. Five key informants were interviewed; two were from Nailab and three from outside Nailab. From Nailab, operations, technology, product development, and communications & marketing managers were interviewed as a roundtable discussion. From outside Nailab, Kenya Industrial Research & Development Institute, Ministry of industrialization, academia and business coaching and mentoring expert were interviewed.

Secondary sources of data such as books, theses, dissertations, academic journals, survey reports were used in collecting data since they form a basis for identifying knowledge gaps that the study needs to fill. Secondary sources of data were also used to guide the study to relate the topic under study with existing literature from other studies, especially the theoretical aspects related to the role of business incubation centers in promoting youth entrepreneurship. General information of the incubates, importance of small businesses within the economy, links to strategic partners and management skills were covered by the questionnaire.

Finally, in-depth key informant interviews were used to provide deeper insight and verification of information gathered through the survey questionnaire. Based on their expertise and experience, the key informants provided relevant information on the role of incubation centres in promoting youth entrepreneurship and the challenges they face in Kenya.

3.5 Data Interpretation and Analysis

According to Mugenda (1999), data analysis is the process of bringing order, structure and meaning of the mass information collected from the field. Orodho (2005) notes that this process involves classifying collected data into some purposeful and usable categories. Data analysis commenced first by ensuring that all the questionnaires are electronically filled and returned. About 10% of all the respondents did not fill the questionnaires correctly. Editing of the gathered information contained in the completed questionnaires and filled observation schedules for accuracy, usefulness and completeness followed. In cases of failure of answering some parts of the questionnaire, the researcher linked external data sources, and in part examined the responses of the entrepreneurs interviewed face to face in Nailab during a follow-up interview with the entrepreneurs currently at Nailab. The information given by the respondents was analyzed by using descriptive statistics such as mean, mode, median, frequencies and percentage. The analyzed data was then presented using tables, charts, graphs and inferences made.

3.6 Operationalization of variables

Table 3.1: Operationalization of Variables

Research Question	Data needs	Data Type	Measurement scale	Source	Data Collection Instrument	Data Analysis
What role does business network support in incubation centers play in promoting youth entrepreneurship in Kenya?	<ul style="list-style-type: none"> • Producers • Customers • Debt collector 	Quantitative Qualitative	Ordinal Nominal	Survey Respondents	Questionnaire Interview guide	Frequency Distribution Descriptive Statistics Content Analysis
To what extent does financial support in incubation centers promote youth entrepreneurship in Kenya?	<ul style="list-style-type: none"> • Investors • Links to Financiers 	Quantitative Qualitative	Ordinal Nominal	Survey Respondents	Questionnaire Interview guide	Frequency Distribution Descriptive Statistics Content Analysis
What is the role of management support in incubation centers play in promoting youth entrepreneurship in Kenya?	<ul style="list-style-type: none"> • Marketing Training • HR training • Financial management support 	Quantitative Qualitative	Ordinal Nominal	Survey Respondents	Questionnaire Interview guide	Frequency Distribution Descriptive Statistics Content Analysis
What role does business skill training in incubation centers play in promoting youth entrepreneurship in Kenya?	<ul style="list-style-type: none"> • Record keeping • Business plan • Communication skills 	Quantitative Qualitative	Ordinal Nominal	Survey Respondents	Questionnaire Interview guide	Descriptive Statistics Content Analysis

3.7 Data Analysis

The study benefited from both qualitative and quantitative data, hence, the use of qualitative and quantitative data analysis techniques to analyze field data. Quantitative data collected through the survey was cleaned to counter irregularities arising from wrong entries and/or error in responses. After, the data was coded and keyed into the Statistical Package for Social Science (SPSS). Analysis of the resultant data was done using descriptive statistics such as frequencies, percentages and cross-tabulations. The data gathered from key informant interviews was analyzed through thematic analysis.

Table 3.2: Data Analysis Table

Research Question	Data Type	Data Analysis
What role does business network support in incubation centers play in promoting youth entrepreneurship in Kenya?	Quantitative Quantitative Identifying areas for networking businesses	Descriptive analysis with frequency tables Thematic analysis explaining business networks provided by the centres
To what extent does financial support in incubation centres promote youth entrepreneurship in Kenya?	Quantitative Quantitative Identifying areas where financial support is required	Frequency analysis and thematic analysis explaining how financial support through incubation centres promote businesses
What is the role of management support in incubation centres play in promoting youth entrepreneurship in Kenya?	Quantitative Quantitative Explaining how training in HR and marketing promote youth evade formal entrepreneurship	Frequency Distribution and thematic analysis
What role does business skill training in incubation centres play in promoting youth entrepreneurship in Kenya?	Quantitative Quantitative Identifying business skills provided by incubation centre	Frequency Distribution and thematic analysis

3.8 Limitations of the Study

The study faced the limitation of response turnout time. Since the study used electronic questionnaires, it was intended that respondents would fill and return duly filled questionnaires within a week. However, some respondents took up to three weeks to respond to the questionnaires after several follow-ups through phone calls.

Nailab managers were not interviewed as was intended by the researcher because they claimed that they will end up giving the same information. They preferred a group interview where the researcher felt like some managers held back from giving honest feedback as a result of fear of victimization. These was mitigated by posing the some questions later by follow up phone calls to individual managers and also other key informant guides.

The researcher also faced the limitation of accessing all the key informants despite several requests for appointments but ended up getting five key informants who were interviewed one on one while the third could only give feedback via Skype. One intended Key informant only responded once but never answered the question. With more than 90% of the key informants interviewed the researcher considered this sufficient for the study.

SECTION FOUR: RESULTS AND DISCUSSIONS

4.1 Introduction

This chapter presents results and interpretations as set out in the research methodology. The research was conducted on a sample size of 38 incubated partners from youth entrepreneurship in Kenya to which questionnaires were administered. The study had a 100% response rate.

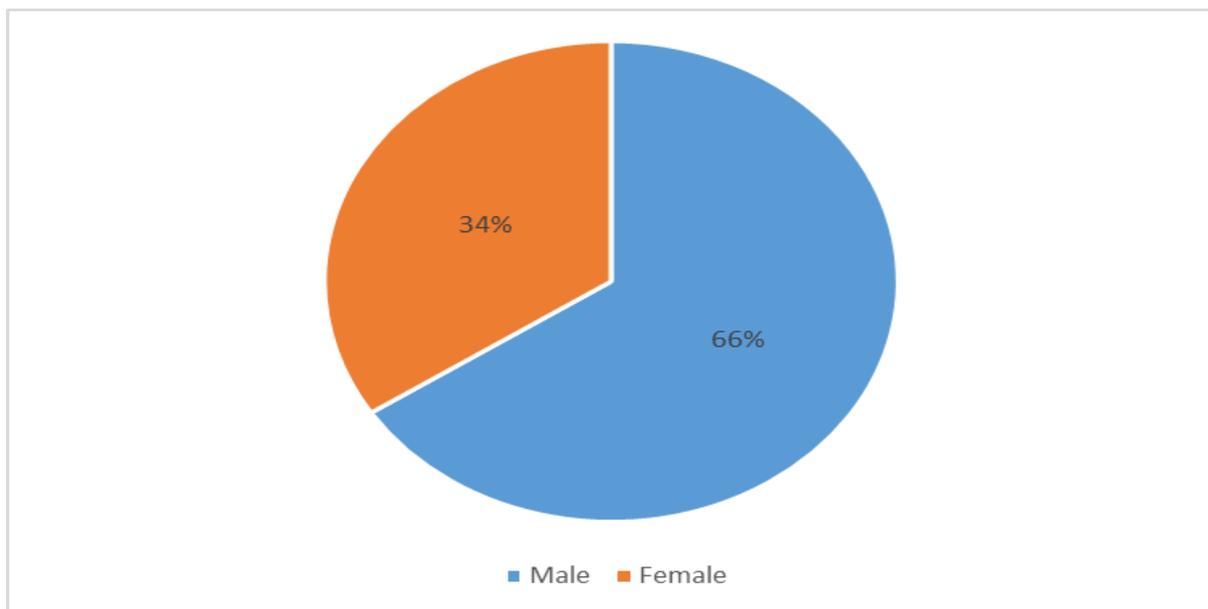
4.2 Demographic Information

The study required the respondents to give information concerning their gender, age, education level, and year of joining Nailab, any business activity, specialization and total number of employees. Demographic findings for this study are indicated as follows:

4.2.1 Gender Response

The respondents were required to state their age categories as outlined in the figure below.

Figure 4.1: Gender Response



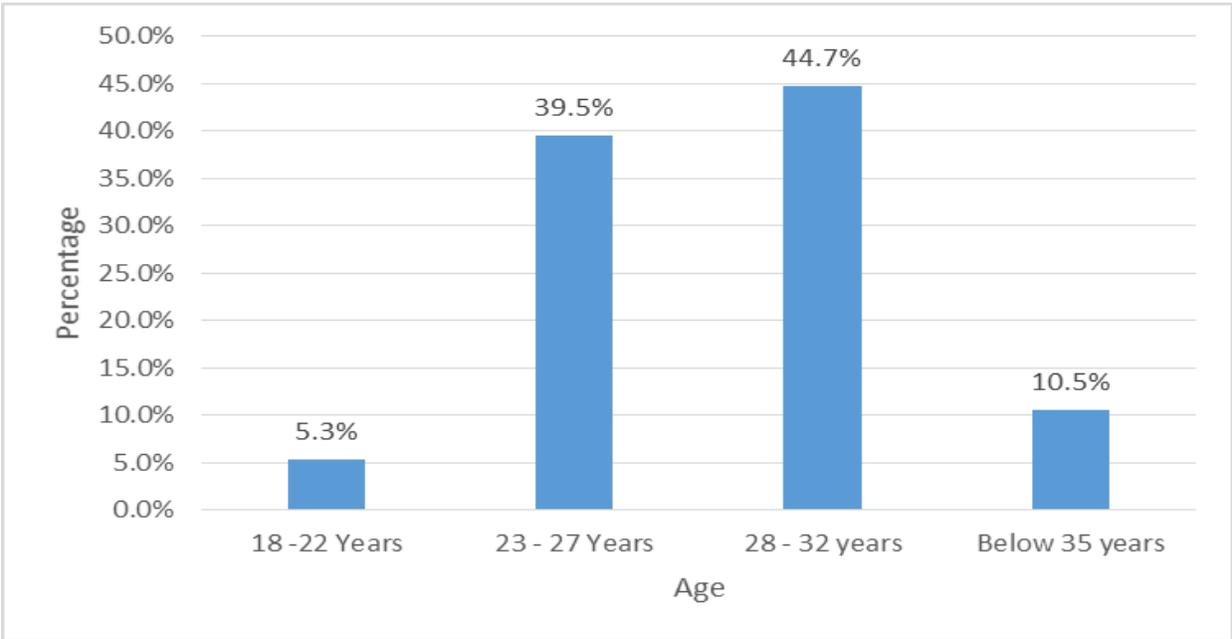
From the findings, majority of the respondents (66 %) were male and 34 % of the respondents were female. The findings insinuate that men comprised the largest percentage of the total

incubated partners from youth entrepreneurship in Kenya. According to the incubation managers it is seen that women are less aggressive especially in tech related enterprises. There is deliberate effort to change this like the current businesses based on reproductive health encourage females to participate more.

4.2.2 Age Analysis

The respondents were asked to state the age in which they fell. The findings are illustrated in the figure below.

Figure 4.2: Age Analysis

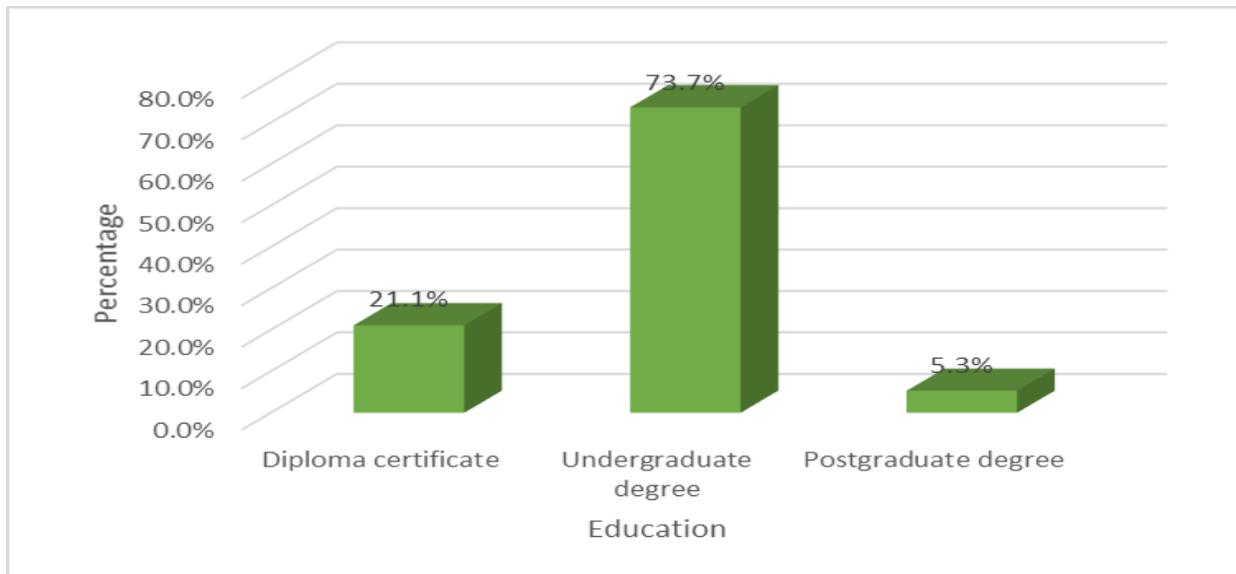


From the findings, majority of the respondents (44.7%) indicated that they were aged between 28-32 years, 39.5% of the respondents indicated that they were aged between 23 and 27 years. Some respondents (10.5%) indicated that they were aged below 35 years while 5.3% of the respondents indicated that they were aged between 18-22 years. These findings therefore stipulate that most of the employees at Nailab were aged between 28-32 years falling into the bracket that is considered youth according to the UN definition.

4.2.3 Education Level

The respondents were also required to give information regarding their education level. The figure below illustrates the findings.

Figure 4.3: Education Level



From the findings, majority of the respondents (73.7%) indicated that they had obtained undergraduate degree as their highest level of education and 21.1% of the respondents indicated that they had obtained diploma certificate as their highest level of education. Some respondents (5.3%) indicated that they had obtained postgraduate degree as their highest level of education. The findings therefore imply that most of the incubates at Nailab had obtained undergraduate degree as their highest level of education hence had broader knowledge on the role of business incubation centres in promoting youth entrepreneurship in Kenya.

4.2.4 Year of Joining Nailab

The study also required the respondents to demonstrate the year in which they joined Nailab. Majority of the respondents stated 2014, 2013 and 2011 as the year in which they joined Nailab while other respondents indicated 2015, 2010 and 2012 as the year in which they joined Nailab respectively. Some of the respondents also indicated 2016 as the year in which they joined Nailab. The year of joining would be used to measure the effectiveness of the incubation process.

4.2.5 Any Business Activity Undertaken

The study asked the respondents to indicate if they were undertaking any business activity before joining Nailab. The findings are illustrated in the table below.

Table 4.1: Any Business Activity Undertaken

Any Business Activity Undertaken	Frequency	Percent (%)
Yes	20	52.6
No	18	47.4
Total	38	100%

According to the study findings, greater part of the respondents (52.6%) showed that they were undertaking business activities before joining Nailab while 47.4% of the respondents indicated that they were not undertaking any business activity before joining Nailab. This implied that almost half of Nailab incubates were undertaking some form of business activity before joining the organization.

For those who were undertaking business activity, they were requested to specify the year when the enterprise was established. Majority of the respondents stated 2 years before joining as the year when the enterprise was established while other respondents indicated 2 and half years before as the year when the enterprise was established. Two and a half years was the oldest business before incubation.

Additionally, the study further asked the respondents to indicate whether they had started any business since they joined Nailab. The findings are outlined below.

Table 4.2: Businesses Prior to Joining Nailab

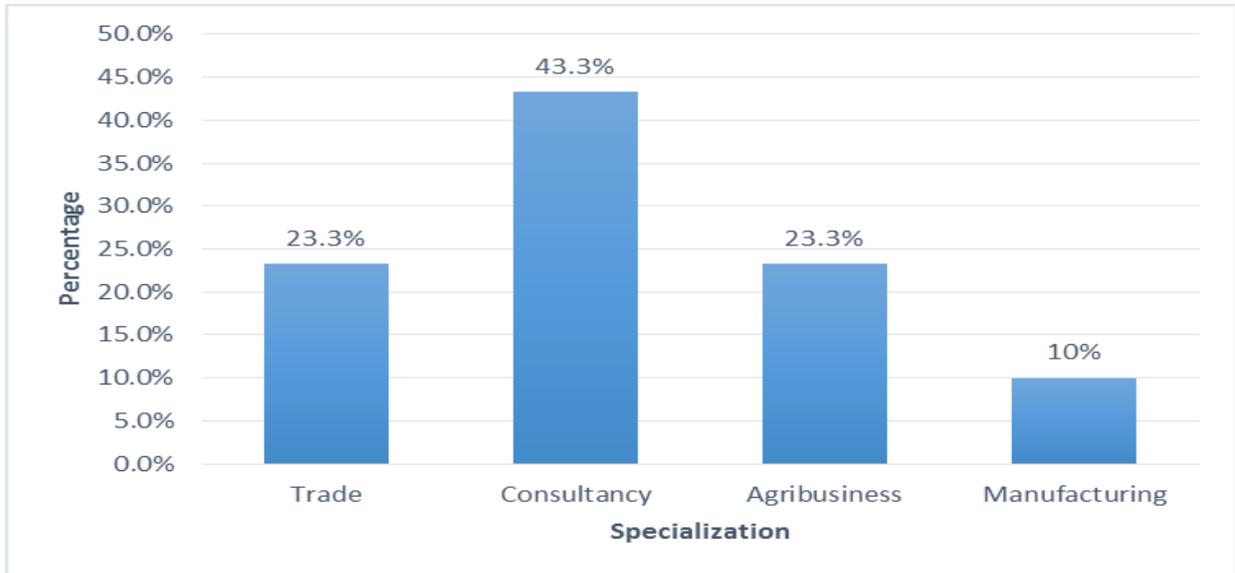
	Frequency	Percent (%)
Yes	24	79.2
No	14	20.8
Total	38	100%

From the discoveries, greater part of the respondents (79.2%) demonstrated that they had started a form business since they joined Nailab while 20.8% of the respondents indicated that they had not started any business since they joined Nailab. This implies that Nailab incubates they had started a form of business after they joined Nailab. This was collaborated by all the key informants who concurred that incubation centers have a significant role to play in promoting the growth of youth enterprises. Further the incubation provides the youth to participate in growing the local and national economies according to the key informants. According to key informants #4 almost 90% of the youth who go through the Nailab incubation process start businesses that last more than the two years failure bench mark.

4.2.6 Specialization of their Firm

The study further asked the respondents to indicate the specialization of their firm. The figure below shows the findings.

Figure 4.4: Specialization of their Firm



From the findings, majority of the respondents (43.3%) indicated consultancy as the specialization of their firm, 23.3% of the respondents indicated trade and agribusiness as the specialization of their firm respectively while 10% indicated manufacturing as the specialization of their firm. The findings therefore imply that incubates specialised mainly in marketing, news distribution, education, fashion, entertainment, payment solutions and safety awareness. These findings are in line with the feelings of Key informant#2 who felt that the role of technology in Agriculture is growing among the youth. According to KI#3, a nation that can feed itself is well on its way to economic growth and development.

4.2.7 Total Number of the Employees

The study further asked the respondents to indicate the total number of the employees currently working within your business. Most of the respondents stated 3 employees as the total number of the employees currently working within their business while some of the respondents stated 2, 4, 6, 7, 33, 35 and 8 as total number of the employees currently working within their business. Furthermore, some of the respondents indicated 100 as the total number of the employees currently working within your business respectively. There was a whole spectrum depending on

the industry, businesses which involve service provision like news distribution like Ghafla could have 3 employees at the onset while those in production like clad light or Keja hunt need upwards of 100 employees. This demonstrated the importance of human resource management skills offered in the incubation centers in promoting youth entrepreneurship. The finding that on average every incubated enterprise has created more than five jobs collaborates the hypothesis that incubation centers have a huge role to play in creating employment. This is collaborated by KI#1 AND#4 who are working towards creating more than 10000 jobs among the youth in the next five years through incubation centers.

4.3 Business Network Support

4.3.1 Opinion on Links to Partners

The study also required the respondents to state whether they perceive links to partners to be effective in promoting youth entrepreneurship. The findings are indicated in table below.

Table 4.3: Links to Partners

Links to Partners	Frequency	Percent (%)
Yes	35	92.1
No	3	7.9
Total	38	100%

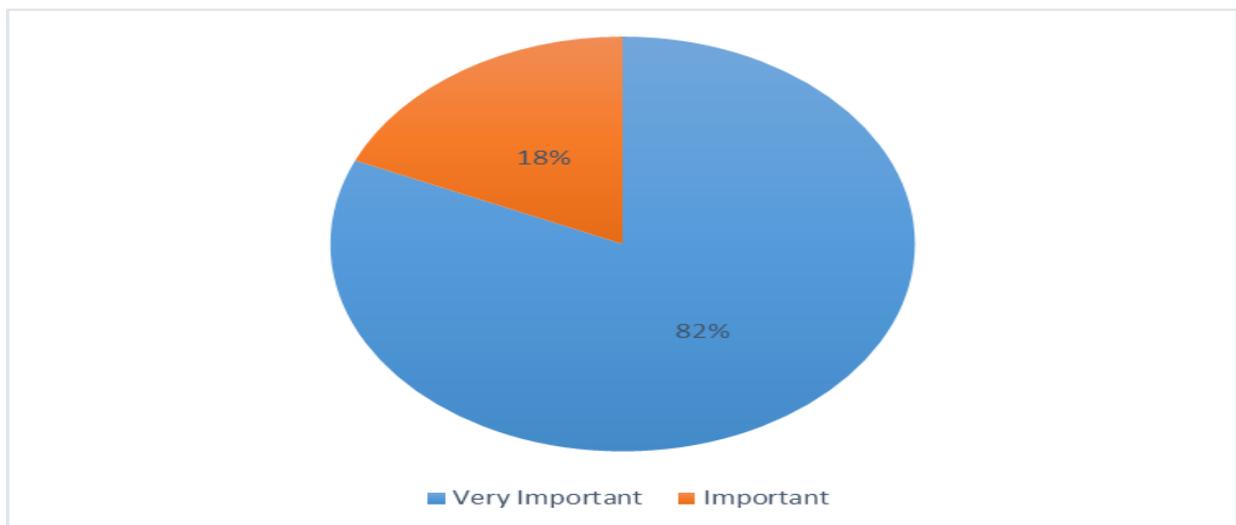
From the findings, most of the respondents (92.1%) revealed that they perceive links to partners to be effective in promoting youth entrepreneurship while 7.9% of the respondents indicated that they did not perceive links to partners to be effective in promoting youth entrepreneurship. This implies that incubates perceive links to partners to be effective in promoting youth entrepreneurship. Links to strategic partners are important to the development of youths' business skills since they give a method for bringing truly necessary capital and diffusing information to the connected firms and above all mentorship which was captured in more than

80% of the questionnaires. This finding therefore supports Bollingtoft & Ulhoi,(2005) arguing that the operations and execution of a business hatchery can be identified with system hypothesis, that putting forth the defense that the measure of social capital encompassing the hatchery inhabitant is a marker of achievement.

4.3.2 Importance of Links

The study also required the respondents to indicate how important these links to the running of their business are. The findings are presented in the figure below.

Figure 4.5: Importance of Links



From the discoveries, lion's share of the respondents (82%) expressed that connections were imperative to the running of their business while only 18% of the respondents stated that links were important to the running of their business. The findings indicate that links were very important to the running of their business. Through vital organization, accomplishment in the business can be upgraded through economies of scale and the decrease of expenses in the esteem chain and additionally quality change. Mentorships also provided access to greater markets and access to financing which led to expansion of most of the businesses.

4.3.3 Strategic Business Partners

The study also requested the respondents to state whether they had any strategic business partners before joining Nailab. The findings are indicated in table below.

Table 4.4: Strategic Business Partners

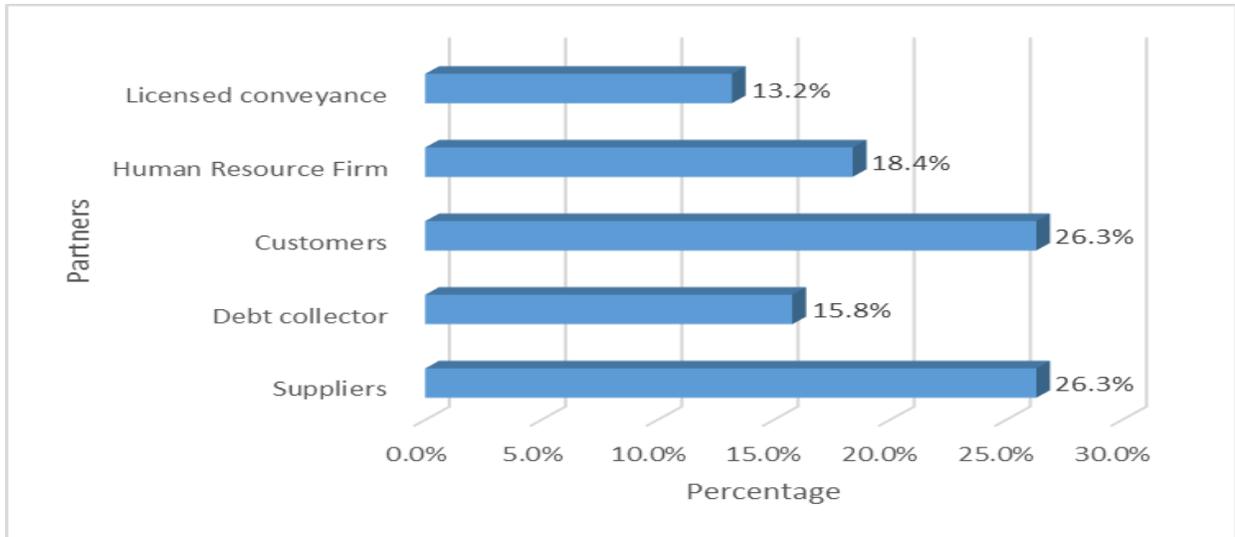
Strategic Business Partners	Frequency	Percent (%)
Yes	7	18.4
No	31	81.6
Total	38	100%

Findings in the table above revealed that most of the respondents (81.6%) did not have any strategic business partners before joining Nailab while 18.4%% of the respondents had strategic business partners before joining Nailab. This implies that incubates did not have any strategic business partners before joining Nailab due to the fact that they did not perceive business-incubation strategic partnership as important while some of them had no access to the relevant industry mentors that Nailab provided. This played a big part in the success of most business as demonstrated in subsequent analysis.

4.3.4 Strategy Link Partners

The study also required the respondents to indicate following strategic partners their business made use of as a result of Nailab Incubation Center. The responses are shown below.

Figure 4.6: Strategy Link Partners



According to the study findings, majority of the respondents (26.3%) indicated customers and suppliers as the strategic partners their business made use of as a result of Nailab Incubation Center respectively, 18.4% indicated human resource firm as the strategic partners their business made use of as a result of Nailab Incubation Center, 15.8% stated debt collector as the strategic partners their business made use of as a result of Nailab Incubation Center while 13.2% indicated licensed conveyance as the strategic partners their business made use of as a result of Nailab Incubation Center. The findings therefore insinuate that customers and suppliers were the strategic partners their business made used of as a result of Nailab Incubation Center. This is a good indication that good networks increase an enterprises opportunity as collaborated by KI#2 who indicated that the export market is big enough if the right policies are in place to grow the kenyan economy to middle income in line with vision 2030.

4.3.5 Statements on Services Regarding Business Network Support

The respondents were asked to rate how important has the following services gained from Nailab been of help in the development of their enterprise. The responses were rated on 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important. The table below illustrates the findings.

Table 4.5 Services Regarding Business Network Support

Services Regarding Business Network Support		Frequency	Percent (%)
Mediation with Customers	Important	15	44.1
	Very important	23	55.9
Mediation with Suppliers	Important	28	70.6
	Very Important	10	29.4
Links to Employees (staffing)	Moderate	3	8.8
	Important	18	52.9
	Very Important	17	38.2
Links to University Researchers	Not at all	2	5.9
	Less important	6	17.6
	Important	12	35.3
	Very important	18	41.2

Total	38	100
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Table 4.6 Mean for Services Regarding Business Network Support

Services Regarding Business Network Support	Mean	Std. Deviation
Mediation with Customers	4.56	0.504
Mediation with Suppliers	4.29	0.463
Links to Employees (staffing)	4.29	0.629
Links to University Researchers	3.88	1.297

From the findings, majority of the respondents were in agreement that mediation with Customers was very important with mean score of 4.56. Some of the respondents were also in agreement that mediation with suppliers, links to employees (staffing) and links to university Researchers were important with mean scores of 4.29, 4.29 and 3.88 respectively. These findings therefore indicate that mediation with customers was important. Promoting entrepreneurship through customers can fashion level connections amongst themselves and vertical connections with bigger assembling and administration businesses for expanded market get to, improved speculation stream, aptitudes advancement and innovative progressions.

4.4 Financial Support

4.4.1 Access of Funding from Nailab

Respondents of the study were asked to indicate whether they had been able to access any funding from Nailab or its partners. The findings are presented in the table below.

Table 4.7: Access of Funding from Nailab

Access of Funding from Nailab	Frequency	Percent (%)
Yes	27	77.1
No	11	22.9
Total	38	100%

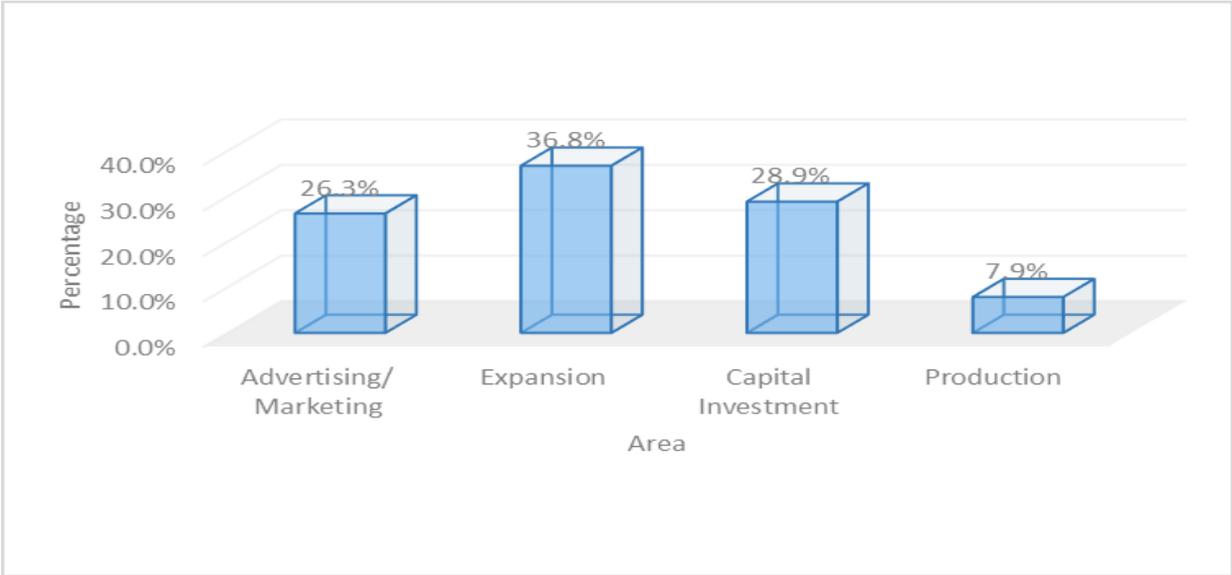
According to the findings, most of the respondents (77.1%) had been able to access any funding from Nailab or its partners while 22.9% of the respondents had not been able to access any funding from Nailab or its partners. This implies that incubates had been able to access any funding from Nailab or its partners. By accessing funding, entrepreneurs can pick up the advantages of aggregate productivity, empowering them to connect with huge makers and break into national and worldwide markets. Financial support was the most repeated theme by all the key informants. One of the biggest reasons of failure for youth entrepreneurs is the lack of access to resources. This coupled with training will lead to very successful businesses according to key informant#4.

According to the KI#4 incubators confront a test of reserve deficiencies when overhauling business people, most business hatcheries including Nailab don't have boundless in-house seed stores and most new companies require money for capital funding at the onset of their businesses. This is the single greatest problem to the incubation space in Kenya according to the key informants. the government support that was promised to the incubators has taken more than two years and has not yet been forth coming. To provide employment and support the millions of youth entrepreneurs KI#4 recommends that the youth entrepreneurship funds would be better channeled through incubation centers to avoid a repeat of the current default loan repayment rate that stands at more than 70%.

4.4.2 Financial Support

Respondents were asked to state the area the financial support they got from Nailab helped their business. The findings are heightened as follows.

Figure 4.7: Financial Support



From the findings, most of the respondents (36.8%) indicated expansion as the area the financial support they got from Nailab helped their business, 28.9% indicated capital investment as the area the financial support they got from Nailab helped their business, 26.3% indicated

advertising/marketing as the area the financial support they got from Nailab helped their business while 7.9% indicated production as the area the financial support they got from Nailab helped their business. This implies that expansion was the area the financial support they got from Nailab helped their business. Financial support tends to help in riches improvement, amplification of benefit, augmentation of rate of return of shareholders and fulfilling partners.

4.4.3 Ongoing Contract

Furthermore, the respondents were asked to indicate whether there was an ongoing contract between your business and any investor which was signed by the help of Nailab Center. The findings are presented in the table below.

Table 4.8: Ongoing Contract

Ongoing Contract	Frequency	Percent (%)
Yes	21	55.3
No	17	44.7
Total	38	100%

From the findings, most of the respondents (55.3%) indicated that there was ongoing contract between their business and investors who were signed by the help of Nailab Center while 44.7% of the respondents indicated that there was no ongoing contract between their business and the investors who they signed by the help of Nailab Center. This implies that there was ongoing contracts between their business and investors which were signed by the help of Nailab Center. As such, continuity of contract from investors is a great enabler for youth entrepreneurs to benefit from meeting market standards, highly enhanced technology capabilities and collective entrepreneurial training.

According to KI#2, innovation cannot be relevant if the supply chain is not fully developed. He suggested that even if the innovations are very valuable if not supported by a community of

ready users they would not be relevant. His recommendation was that more should be done to stimulate the whole supply chain for innovations and solid contracts between enterprises and the users he implied that if the supply chain is complete the youth and contracts formalized the youth will not find problems selling their innovation.

4.4.4 Rating on Services Regarding Links to Financial Support

The study asked the respondents to state how important were the following services gained from Nailab been of help in the development of their enterprise. The responses were rated on 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important. The findings are outlined in the table below.

Table 4.9 Services Regarding Links to Financial Support

Services Regarding Links to Financial Support		Frequency	Percent (%)
Links to Investors	Important	20	52.6
	Very important	18	47.4
Links to Financiers	Moderate	3	7.9
	Important	14	36.8
	Very Important	21	55.3
Capital through Equity Investment	Less important	4	10.5
	Important	13	34.2
	Very important	21	55.3
Total		38	100

Table 4.10 Mean for Services Regarding Links to Financial Support

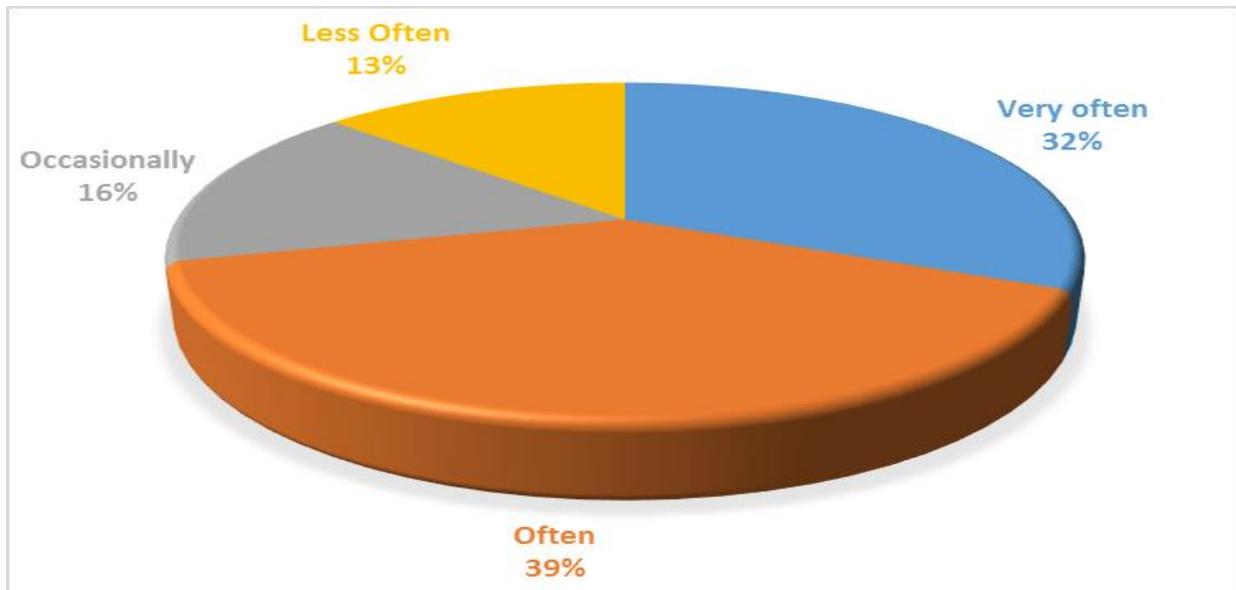
Services Regarding Links to Financial Support	Mean	Std. Deviation
Links to Investors	4.47	0.506
Links to Financiers	3.49	0.647
Capital through Equity Investment	4.45	0.686

From the findings, majority of the respondents were in agreement that links to financiers, links to investors and capital through equity investment were important with mean scores of 4.49, 4.47 and 4.45 respectively. These findings therefore indicate that capital through equity investment, links to investors and links to financiers were important since they help entrepreneurs in accessing advanced services that foster productivity within their industries.

4.4.5 Service Provision Requirement

Respondents were asked to state how often they required service provision such as links to investors, links to financiers, and capital through equity investment from Nailab. The findings are indicated in the figure below.

Figure 4.8: Service Provision Requirement



From figure above, most of the respondents often required service provision such as links to investors, links to financiers, and capital through equity investment from Nailab as indicated by 39%. Furthermore, 32% indicated that very often required service provision such as links to investors, links to financiers, and capital through equity investment from Nailab. 16% of the respondents indicated that they occasionally required service provision such as links to investors, links to financiers, and capital through equity investment from Nailab while 13% of the respondents indicated that they less often required service provision such as links to investors, links to financiers, and capital through equity investment from Nailab. The findings insinuate that incubates often required service provision such as links to investors, links to financiers, and capital through equity investment from Nailab as they will enable entrepreneurs to recognize and seize entrepreneurial opportunities.

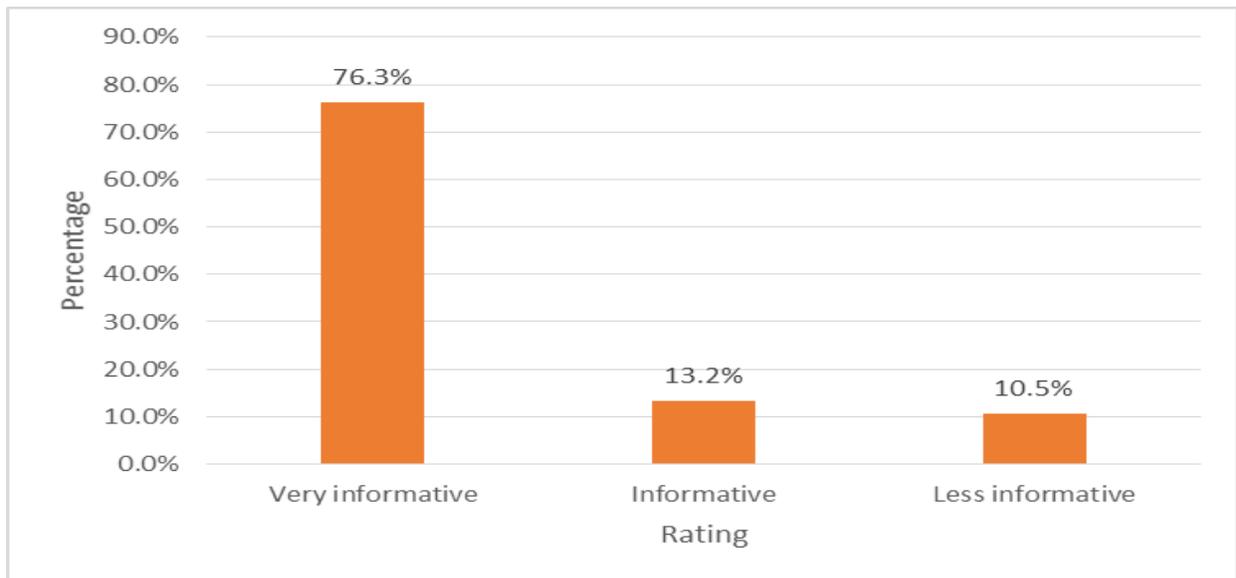
The recommendation of all the key informants was for more collaboration between the incubation centers, government and the private sector to provide financing, mentorship and the required market so as to promote youth entrepreneurship. They also recommended more partnerships and exchange programs with international incubation centers. This would improve the manager's skills ad also impress a global mind set in the startups to create products which have a global impact.

4.5 Management Support

4.5.1 Rating Management

Respondents of the study were asked to rate the management training that they receive in Nailab. The findings are presented in the figure below.

Figure 4.9: Rating Management



From the findings, most of the respondents (76.3%) indicated the management training that they receive in Nailab as very informative, 13.2% indicated the management training that they receive in Nailab as informative while 10.5% of the respondents indicated the management training that they receive in Nailab as less informative. The findings insinuate that the management training that they receive in Nailab was very informative. This in essence means that Intensive levels of entrepreneurial training leads to improved entrepreneurial performance and higher rates of enterprise start-ups.

4.5.2 Impact of the Managerial Training

Furthermore, the respondents were asked to indicate the impact of the managerial training they get from Nailab on their business. The findings are as follows.

Figure 4.10: Impact of the Managerial Training



From the findings in figure above, most of the respondents (38.2%) indicated that the impact of the managerial training they got from Nailab on their business had more than double-expanded. However, 21.7% stated that their businesses had stagnated while 11.5% of the respondents' businesses had declined. The study further sought to find out why businesses had stagnated or declined and yet they had been linked to various strategic partners. The findings revealed that most of the stagnated businesses had not fully utilized the strategic links in financing and customer base they had received from Nailab.

4.5.3 Statements Regarding Management Training

The study asked the respondents to state how important were the following management training sections provided at Nailab to the development of your business. The responses were rated on 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important. The findings are outlined in the table below.

Table 4.11 Management Training

Services Regarding Management Training	Frequency	Percent (%)
Financial management training and Coaching	Moderate 2	5.2

	Important	21	55.3
	Very important	15	39.5
Marketing management training and Coaching	Moderate	4	10.4
	Important	10	26.3
	Very Important	24	63.2
HR management training and Coaching (staffing)	Moderate	5	13.2
	Important	7	18.4
	Very important	26	68.4
Total		38	100

Table 4.12 Management Training

Management Training	Mean	Std. Deviation
Financial management training and Coaching	4.34	0.582
Marketing management training and Coaching	4.53	0.687
HR management training and Coaching (staffing)	4.55	0.724
Strategic Management training and Coaching	4.34	0.582
Project management training and Coaching	4.61	0.679

From the findings, majority of the respondents were in agreement that project management training and coaching, HR management training and coaching (staffing) and marketing management training and coaching were very important with mean scores of 4.61, 4.55 and 4.53 respectively. Additionally, the respondents agreed that financial management training and strategic management training and coaching were important with mean scores of 4.34 respectively. These findings therefore indicate that project administration preparing and instructing, HR administration preparing, guiding (staffing), advertising administration preparing and training were very important. This is because they help the trainees obtain skills such as, accounting, marketing, risk assessment, and resource mobilization, needed for starting and managing a business. These skills help reduce the fear of entrepreneurs to launch new enterprises and increase the propensity of having successful enterprises, this notion is collaborated by KI#3 who has played a major role in creating more than 3000 jobs and looks to create 7000 more.

4.6 Business Skill Training

4.6.1 Writing a Business Plan

The respondents were asked if they had found it necessary to write a Business Plan after the training and the findings are as indicated in Table below.

Table 4.13: Business Plan

Business Plan	Frequency	Percent (%)
Yes	31	81.6
No	7	18.4
Total	38	100%

From the findings, most of the respondents (81.6%) indicated that they had found it necessary to write a Business Plan after the training while 18.4% of the respondents indicated that they did not find it necessary to write a Business Plan after the training. This implies that most incubates

had found it necessary to write a Business Plan after the training as business administration instruction generally prepares understudies to work inside existing chains of importance and serve as administrators of built up firms. However, incubates who had not written business plans felt that business plans were for break and mortal businesses. Findings reveled that most of them had were within age 18-22 and had no previous entrepreneurial training.

The study also asked the respondents to indicate who wrote the Business Plan yourself or they developed it by the help of a strategic partner. The findings are as follows.

Table 4.14: Help on Writing a Business Plan

Help on Writing a Business Plan	Frequency	Percent (%)
Yes	21	55.3
No	17	44.7
Total	38	100%

From the findings, most of the respondents (55.3%) indicated that they wrote the Business Plan themselves while 44.7% of the respondents indicated that they did not. This implies that most respondents wrote the Business Plan themselves. Therefore, entrepreneurial management support goes beyond business education to address the exceptional conditions entrepreneurs face. Business planning is a major skill in outlining the milestones of a good business and anticipating risks involved in the business. The 18% who did not write business plans felt that business plans were for brick and mortar business and that IT firms did not need business plans. Most of them were in the age bracket 18-22 indicating inexperience in the importance of a business plan for any venture to succeed.

4.6.2 Maintaining Business Records

The study also asked the respondents to indicate if they were maintaining business records strategically before entrepreneurial training at Nailab. The responses are as follows.

Table 4.15: Maintaining Business Records Prior to Training

Maintaining Business Records	Frequency	Percent (%)
Yes	11	28.9
No	27	71.1
Total	38	100%

From the findings, most of the respondents (71.1%) indicated that they were not maintaining business records strategically before entrepreneurial training at Nailab while 28.9% of the respondents indicated they were maintaining business records strategically before entrepreneurial training at Nailab. This implies that most incubates were not maintaining business records strategically before entrepreneurial training at Nailab as this build awareness of entrepreneurship and developing skills necessary for creating new products or services for business start-ups and expansion.

4.6.3 Improvement of Record Keeping

Furthermore, the respondents were asked to state whether their record keeping had improved. The findings revealed that all the respondents' record keeping had improved after training at Nailab providing them with accurate and timely information when needed.

4.6.4 Keeping Records after the Training

The respondents were also requested to state whether they started keeping records after the training. The responses are outlined in the table below.

Table 4.16: Keeping Records after the Training

Keeping Records after the Training	Frequency	Percent (%)
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Yes	28	84.4
No	10	15.2
Total	38	100%

According to the findings in the table above, most of the respondents (84.4%) indicated that they started keeping records after the training while 15.2% of the respondents indicated were keeping records before the training. This implies that most incubates started keeping records after the training. 100% of those that were keeping records before the training indicated that their record keeping improved after the training. Keeping records provide accurate and timely information on organizational performance to ensure correct decision-making by incubates. This also acts as a major attraction when looking for financing and strategic partnerships which improve the businesses of the incubates.

4.6.5 Importance of Business Management Skills Learnt

The study further asked to state whether the business management skills learnt from the incubation center were of any importance to them. The findings revealed that most of the respondents (81.6%) indicated the business management skills learnt from the incubation center were of importance to them while 18.4% of the respondents indicated the business management skills learnt from the incubation center were not of any importance to them. This implies that most incubates stated that business management skills were important. Business management skills allow incubates to evaluate whether a company is achieving superior efficiency, quality, innovation, and customer responsiveness and implementing its strategic plans successfully.

4.6.6 Business Management Skills Learnt

The respondents were asked to list the Business Management Skills they learnt from the center. Most of the respondents indicated coordination, leadership, self-management and teamwork as the Business Management Skills they learnt from the center. Some of the respondents also

indicated financial management, marketing and advertisement, record keeping and business planning as the Business Management Skills they learnt from the center.

Leadership, self-management and teamwork give impetuses and inspiration to administration and different representatives to seek after the right exercises towards accomplishment of hierarchical objectives. Then again, budgetary administration encourage observing and assessment of execution and advance on key objectives. This empowers administrators to make a move to, if vital, adjust and fortify the association's plan of action. To permit hatches to react to surprising occasions, the control framework must be adaptable.

4.6.7 Useful Business Management Skills

The respondents were further asked state the business management skills they find most useful in running their enterprise in order of priority. Most of the respondents stated branding, financial planning, business scaling and human resource management as the business management skills they find most useful in running their enterprise in order of priority.

4.6.8 Ratings on Training Sessions

The respondents were requested to state how important were the following training sessions provided at Nailab important to the development of their business. The responses were rated on 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important. The findings are outlined in the table below.

Table 4.17 Statements on Training Sessions

Services Regarding Training Sessions		Frequency	Percent (%)
Financial management training and Coaching	Moderate	2	5.2
	Important	21	55.3
	Very	15	39.5

	important		
Marketing management training and Coaching	Moderate	4	10.4
	Important	10	26.3
	Very Important	24	63.2
HR management training and Coaching (staffing)	Moderate	5	13.2
	Important	7	18.4
	Very important	26	68.4
Total		38	100

Table 4.18 Training Sessions

Statements on Training Sessions	Mean	Std. Deviation
Business Plan development support services	4.45	0.602
Maintaining business records	4.37	0.589
Knowing how to communicate with partners	4.58	0.599
Training in Innovative problem solving techniques	4.71	0.565

From the findings, majority of the respondents were in agreement that training in innovative problem solving techniques and knowing how to communicate with partners were very important with mean scores of 4.71 and 4.58 respectively. Furthermore, respondents were in agreement that business plan development support services and maintaining business records were important with mean scores of 4.45 and 4.37 respectively. These findings therefore indicate that training in innovative problem solving techniques and knowing how to communicate with partners were very important.

According to KI#3 Entrepreneurs do not demonstrate commitment in their business ventures, they consider going into business as a stepping stone or a bridge to generate some income whilst they wait and search for white collar job opportunities. In view of this only a selected group creates lasting businesses according to him. Business incubators are constantly faced with the risk of investing their resources in uncommitted entrepreneurs. This is a big challenge especially in the informal neighborhoods and while selection may be done properly it is difficult to avoid in some instances to invest without getting a return on investment. This has the tendency of discouraging donors making it very hard to operate. Ki#3 recommends that the education system needs to instill values to teach the youth that entrepreneurship is a respectable career and not merely a step to white collar employment for the training of entrepreneurs to succeed in their ventures.

4.6.9 Ratings on Business Skill Training

The study sought to establish the extent they agree with the following statements. The responses were rated on 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important. The findings are outlined in the table below.

Table 4.19 Statements on Business Skill Training

Services Regarding Business Skill Training		Frequency	Percent (%)
I have the knowledge and ability to use different	Moderate	2	5.2

techniques to achieve what I want to achieve	Important	21	55.3
	Very important	15	39.5
Training has provided me a combination of many skills including the ability to plan, organize, budget, and manage the resources at hand	Moderate	4	10.4
	Important	10	26.3
	Very Important	24	63.2
I have learnt to look outside the goals of a single business department and make decisions that satisfy overall business goals	Moderate	5	13.2
	Important	7	18.4
	Very important	26	68.4
Total		38	100

Table 4.20 Statements on Business Skill Training

Statements on Business Skill Training	Mean	Std. Deviation
I have the knowledge and ability to use different techniques to achieve what I want to achieve	4.34	0.938
Training has provided me a combination of many skills including the ability to plan, organize, budget, and manage the resources at hand	4.50	0.507
I have learnt to look outside the goals of a single business department and make decisions that satisfy overall business goals	4.42	0.642
The ability to encourage brainstorming and collaborative decision making	4.53	0.647
The ability to organize and delegate tasks effectively	4.63	0.489

From the findings, majority of the respondents were in agreement that the ability to organize and delegate tasks effectively the ability to encourage brainstorming and collaborative decision making and training has provided me a combination of many skills including the ability to plan, organize, budget, and manage the resources at were very important with mean scores of 4.63, 4.53 and 4.50 respectively. Furthermore, most of the respondents agreed that I have learnt to look outside the goals of a single business department and make decisions that satisfy overall business goals and I have the knowledge and ability to use different techniques to achieve what I want to achieve were important with mean scores of 4.42 and 4.34 respectively. The findings imply that the ability to organize and delegate tasks effectively the ability to encourage brainstorming and collaborative decision making and training has provided me a combination of many skills including the ability to plan, organize, budget, and manage the resources at were very important.

4.7 Youth Entrepreneurship

4.7.1 Form of Entrepreneurship Education

The respondents were requested to indicate whether they had received any form of entrepreneurship education at any incubation centre prior to starting your business. The table below illustrates the findings.

Table 4.21: Form of Entrepreneurship Education

Form of Entrepreneurship Education	Frequency	Percent (%)
Yes	13	34.2
No	25	65.8
Total	38	100%

From the findings, most of the respondents (65.8%) indicated that they had not received any form of entrepreneurship education at any incubation centre prior to starting your business while 34.2% of the respondents indicated that they had received any form of entrepreneurship education at any incubation centre prior to starting your business. This implies that most incubates had not received some form of entrepreneurship education at any incubation centre prior to starting your business.

4.7.2 Usefulness of Nailab Business Incubation Centre in Kenya

The study also asked the respondents to state whether they thought that Nailab Business incubation Centre in Kenya is useful in equipping youths with technical and entrepreneurial skills. From the findings, most of the respondents (94.7%) indicated that they thought that Nailab Business incubation Centre in Kenya is useful in equipping youths with technical and entrepreneurial skills while 5.3% of the respondents indicated that they did not think that Nailab Business incubation Centre in Kenya is useful in equipping youths with technical and

entrepreneurial skills thus propagating the social network theory arguing that mindsets and skills related to the “art” of entrepreneurship can be transmitted when education and training systems incorporates creative and entrepreneurial skills into teaching methodologies.

4.7.3 Statements on Growth of Youth Entrepreneurship

The study asked the respondents to state how important were the following support services in regard to the growth of youth entrepreneurship in Kenya. The responses were rated on 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important. The findings are outlined in the table below.

Table 4.22 Statements on Growth of Youth Entrepreneurship

Services Regarding Youth Entrepreneurship		Frequenc y	Percent (%)
Provision of links with regard to Investors and customers	Moderate	3	5.2
	Important	20	55.3
	Very important	15	39.5
Provision of resource coordination skills	Moderate	5	10.4
	Important	11	26.3
	Very Important	22	63.2
Business Plan development support services	Moderate	9	13.2
	Important	4	18.4
	Very important	25	68.4
Total		38	100

Table 4.23 Statements on Growth of Youth Entrepreneurship

Statements on Growth of Youth Entrepreneurship	Mean	Std. Deviation
Provision of links with regard to Investors and customers	4.53	0.506
Provision of resource coordination skills	4.39	0.728
Business Plan development support services	4.86	0.351
Provision of management skills	4.58	0.500
Provision of strategic Management training	4.39	0.599
Provision of financial support	4.53	0.662

From the findings, majority of the respondents were in agreement that Business Plan development support services, provision of management skills, Provision of financial support and provision of links with regard to investors and customers were very important with mean scores of 4.86, 4.58, 4.53 and 4.53 respectively. Furthermore, the respondents agreed that Provision of resource coordination skills and Provision of strategic Management training were important with mean scores of 4.39 and 4.39 respectively. These findings therefore indicate that Business Plan development support services, provision of management skills, Provision of financial support and provision of links with regard to investors and customers were very important.

4.8 Discussion of Findings

The findings of this study on the extent to which business network support influences success of youth entrepreneurship. This confirms a study by Klinger and Schündeln (2011) who argued that training was critical to the success of youth entrepreneurs since training provided the youth with

business skills, technical knowledge and entrepreneurship experience needed in the field. Equally, in as much as other studies had recorded various entrepreneurial successes that did not go through formalized training, Lussier and Achua, (2011) had noted that training increases the chances of youth entrepreneurship success exponentially.

Management support enables the youth to understand which model is suitable for which business, what opportunities are out there, how to produce the goods and services, and how to create value propositions. To this, Rahmati (2010) argued that management support helps in identifying the source of opportunities available to the youth, and as such, help to develop programs that enhance the success of the youth ventures. Similarly, Rahmati (2010) had argued that youth entrepreneurship training program is designed to help youth entrepreneurs understand how to conduct needs assessment, how to identify community problems, how to access environmental and business trends, and how to establish key metrics that inform the end product or service under the entrepreneurship.

Equally, a study that was conducted by Alvaredo and Gasparini, (2013) revealed that youth entrepreneurs' internal focus of control was the primary consonant that drove youth to succeed in entrepreneurship. Fraenkel, and Wallen (2009) had also argued that entrepreneurs with higher levels of motivation, have higher levels of achievement and success. This was explained by the fact that those with higher motivations were committed to entrepreneurship, despite challenges, and with time they found a working formula for their concept.

The findings indicate that provision of management skills, provision of strategic management training and provision of links with regard to investors and customers. The study by Ghani, and O'Connell (2014) revealed similar findings noting that necessity entrepreneurs need for income security was higher compared to opportunity entrepreneurs. Success in entrepreneurship is measured by how youth are able to sell their ideas for profit. In that regard, both opportunity-necessity motivated entrepreneurs need financial security and success for their endeavors. To this end, it is safe to argue that, just like any other job endeavors, youth entrepreneurs need for income and financial security is informed by the need to secure the future, their family, and other aspects of their life.

CHAPTER FIVE: SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

5.1 Introduction

This chapter is divided into four main sections: summary of the findings, conclusions, recommendation and suggestions for further studies.

5.2 Summary of the findings

For purposes of contextualizing the study, the researcher sought to understand the characteristics of incubation beneficiaries who have graduated and those who currently operate in Nailab such as their gender, age, education levels and specialization of their firms. The study findings demonstrated that 66% of the “incubates” who have gone through Nailab are male with 34% being female. It was established that most of the businesses were tech related and this area is dominated by men. From the interview with the incubation managers and the founder of Nailab there was clear indication that Nailab was making deliberate steps to move this to at least 40:60 by the next season of incubation. The study also found out that 100% were below 35 years indicating that the focus of Nailab is essentially on the youth. With regards to education levels, the study found out that 78% had more than an undergraduate degree making the pool of entrepreneurs very educated,. This has contributed to a high success rate since the transmission of the art of entrepreneurship becomes easier. Further the study established that 52% of the incubates had businesses before joining Nailab, most of these businesses were specialized in marketing, news distribution, education, fashion and real estate. The rest started businesses after joining Nailab since they learnt skills which helped them overcome their fears and launch their businesses. The incubation centre in this regard acted as a bridge to support the youth hone their skills and form new enterprises.

5.2.1 Network Support

The study sought to find out the role of business network support in promoting youth entrepreneurship. First the study found out that 92% of the firms that had gone through incubation perceived links to partners as very important. Links to strategic partners are important to the development of youths’ business skills because they provide a platform for providing the much needed capital and disseminating knowledge to the linked firms. Around 7% felt that links

to partners was not as important. These firms that considered links not to be important were established to be those who had failed partnership after the incubation due to lack of commitment or failure to agree on terms with investors. On the part of strategic partners before joining Nailab the study found out that 81% of the incubates did not have any form of partner before joining Nailab. This findings helped establish that the platform of incubation centers acts as a good pool where nascent entrepreneurs are able to meet strategic partners who promote their success and scalability. The fail up events held every month and the investment carousel held every year proved to be very critical in this respect. The study further found out that 100% of the incubates perceived this links as important. Out of all the types of partners available in Nailab the study found out that most businesses made use of human resource, suppliers and customers indicating that this were the most important for nascent entrepreneurs.

5.2.2 Financial Support

The study sought out to establish the role of financial support from the incubation centers to promote youth entrepreneurship. The study established that more than 100% of the incubates considered financial support to be very important in promoting their enterprises. This was further collaborated through the key informant interviews who shared the opinion that access to finance is the single greatest challenge to youth entrepreneurs in Kenya because of lack of collateral. Access to funding gives the nascent entrepreneurs the opportunity to compete nationally and even have a chance of breaking into the global market. From the equity received by the enterprises 36% of the capital was used for expansion, this indicates that most business needed to expand but did not have the resources. A further 29% of the enterprises used their investments for capital investments mainly required to set up for those enterprises who did not have businesses before joining Nailab, 26% used their investments for advertising and marketing a fact that was attributed to most of these companies being online service companies. It was further found out that only 7% were used in production an indication that very little focus is available on manufacturing. Most of the businesses were mainly in the service sector in industries like fashion, real estate, education among others.

5.2.3 Management Training

The study aimed at finding out the role of management training and support and their role in promoting youth entrepreneurship. The management training included areas like financial management, human resource management, project management skills and strategic management. The findings demonstrated that 76% of the incubates considered the management training to be very important. This was collaborated by the founder of Nailab who however raise an issue of challenges with the high turnover of management staff; there was also the issue of some of them not being very tech savvy in an environment where most businesses were ICT related. From the training given to the entrepreneurs at Nailab the study found out that 66% of the businesses expanded proving that management training plays a huge role in promoting youth entrepreneurship. There was a feeling among some entrepreneurs at around 30% who felt that their businesses had remained the same after the management training. The study established that Some of this business had strategic partners before Nailab and the entrepreneurs had some form of entrepreneurial training before Nailab. This meant that they already had the prerequisite skills for setting up the business. Lastly it was clear that management training in the diverse areas of project management, human resource management, marketing and the coaching and mentoring offered at Nailab plays a big role in businesses that have no prior training in entrepreneurship helping nascent entrepreneurs gain essential business skill necessary for running and growing enterprises.

5.2.4 Business Skill Training

The study sought to investigate the relationship between business skill training and the impact it had on the performance of youth enterprises in incubation centers in Nailab. The study found out that 81% of businesses that joined Nailab had no business plan. Business plans are fundamental prerequisites for success of any business especially in acquiring and maintaining strategic partners as the study established. After the training the study established that 44% of the incubates wrote the business plan with the assistance of strategic partners. This was mainly occasioned by investors being interested in guarding their investment and ensuring the strategic direction of the investment firm was maintained. Further there was 55% who wrote their own business plan, among these about 17% lost their investment partners because of the changing strategies and lack of maintaining the business model as originally agreed. The incubates and Nailab graduates

indicated that 81% of the firms that had gone through Nailab considered the business skills gained to be essential to the success of their business. They gained important skill like problem solving, planning and management of resources to guarantee return on investment. This was established to play a big role in making the youth enterprises grow and become sustainable. This was especially important for the 65% who were established to have had no prior entrepreneurship training before joining Nailab.

5.3 Conclusions

The main objective of the study was to investigate the role that incubation centres play in promoting youth entrepreneurship in Kenya. Based on the findings, the study draws the following conclusions

The study concludes that links to strategic partners are important to the development of youths' business skills because they provide a platform for providing the much needed capital and disseminating knowledge to the linked firms and above all mentorship which was captured in more than 80% of the questionnaires. Entrepreneurs in the process of starting up and growing businesses require an eco system that provides the necessary support networking and the learning opportunities. This incubation eco system gives the incubators a platform for launching new products and services. The study also concluded that links were very important to the running of their business and providing them an opportunity grow, model their businesses and eventually pitch them before potential entrepreneurs. Through vital organization, accomplishment in the business can be upgraded through economies of scale and the lessening of expenses in the esteem chain or potentially quality change.

On matters concerning financial support, the study concluded that incubation centers play a fundamental role in giving entrepreneurs an opportunity to access capital investment enabling them to produce efficiently and compete not only nationally but globally. The finance is necessary throughout the journey of entrepreneurship from setting up the business growing it and eventually scaling up to compete at global levels. Financial support tends to help in riches improvement, amplification of benefit, expansion of degree of profitability of shareholders and fulfilling partners. The study also concluded that the difficulty of nascent entrepreneurs to access funding was one of the main reasons for increased risk of failure. Furthermore, the study concluded that continuity of contract from investors providing not only money but also crucial

guidance and coaching is a great enabler for youth entrepreneurs to benefit from meeting market standards, accessing highly improved technological capabilities and collective entrepreneurial training.

In regard to management support, the study concluded that the management training that incubates receive in Nailab was very informative. Intensive levels of entrepreneurial training lead to enhanced entrepreneurial performance in revenues and business scalability. It also creates higher rates of enterprise formation. The study also concluded that project management training and coaching, HR management training and coaching (staffing) and marketing management training and coaching were very important. This is because they help the train obtain abilities required for opening and dealing with a business, such as bookkeeping, showcasing, chance evaluation, and asset activation. In general the management training plays a big role in equipping the entrepreneurs with the necessary skills to start, grow and eventually pitch their enterprises to acquire the right strategic partners.

On youth entrepreneurship, the study concluded that when education and training systems incorporate creative and entrepreneurial skills into teaching methodologies, the “art” of entrepreneurship is transmittable. The study found that Business incubation Centers in Kenya is useful in equipping youths with technical and entrepreneurial skills. It found that Business Plan development support services, provision of management skills, Provision of financial support and provision of links with regard to investors and customers were very important to the success of youth entrepreneurship. In other words the art of entrepreneurship is actually transmittable with the right form of training and ecosystem that is provided by the incubation centres. In principle the study established that business incubation centre are a fundamental bridge to promoting youth entrepreneurship.

5.4 Recommendations

The findings of this study have revealed the existence of a significant relationship between youth incubators and success of youth entrepreneurship. Partnership with the government, government being in charge of policies and being the biggest spender in the country is a strategic partner in incubation centers. For any incubation centre to achieve success, it needs to endeavor to have government support both national and county governments as strategic partners. There is a need to reinforce open private association which can enhance new types of financing and limit

building measure along these lines adding to supportability of the broods and successful incubation of youth entrepreneurs.

The challenge of financing came out from the study finding as the biggest challenge to Nailab. There exist plenty of failed promises from government from stakeholders which is not forthcoming. This study recommends that business incubation centers need to be run through a business model that is self-sustaining. This can be done by getting committed equity partners or offering stakes in the incubated companies to venture capitalists who can both grow and coach the nascent entrepreneurs.

From the study findings the level of Private sector partnership in business incubation can be improved. A good relationship will help in networking, financing and even act as customers to the innovations in the incubation centers. This is critical for the success of incubation centers in their core mandate of promoting youth entrepreneurship. This study therefore recommends that incubation centers anchor themselves on private companies or institutions which will play a huge role in promoting youth entrepreneurship.

This study found out from the key informants that a huge policy gap exists between incubation centers and the relevant ministries to grow and promote youth entrepreneurship. This study recommends sensitization of policy makers on the potential of incubation centers in alleviating youth unemployment and creating an opportunity to move towards vision 2030. This will ideally lead to centralization of policies, focus on incubation and improve youth enterprises.

5.5 Suggestion for Further Studies

This study focused on investigating the role of business incubation centers in promoting youth entrepreneurship in Kenya. This study was limited in scope to links to strategic partners and entrepreneurship training. In this regard, the study was not exhaustive in all the factors that contribute to success of youth entrepreneurship. Therefore, scholars and academicians should carry out further studies on the same topic, however, focusing on other factors not considered by this study.

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APPENDICES

Appendix One: Questionnaire for Graduate Incubates

Instructions

This questionnaire is designed to collect information on role of business Incubation Centres in promoting youth entrepreneurship in Kenya. The information obtained will only be used for academic purposes and shall be treated in utmost confidence. You are requested to complete this questionnaire as honestly and objectively as possible. Please tick in the appropriate box and also fill in the blank spaces provided for those questions where elaborate answers are required. Feel free to add any elaboration on the blank sheet attached.

SECTION ONE: BACKGROUND INFORMATION

1. What is your gender?

Male Female

2. Under what age bracket do you belong?

18 -22 Years

23 - 27 Years

28 - 32 years

Below 35 years

3. Level of Education Attained

K.C.P.E certificate

K.C.S.E certificate

Diploma certificate

Undergraduate degree

Postgraduate degree

Tertiary

4. Please indicate the year in which you joined Nailab _____

5. Were you undertaking any business activity before joining Nailab?

Yes [] No []

If Yes, please specify the year when the enterprise was established?

If No, have you started any business since you joined Nailab?

Yes [] No []

6. What is the specialization of your firm?

Trade [] Consultancy []

Agribusiness [] Manufacturing []

Service Provision (e.g. education, health, tourism, clearing, finance etc) []

Other (Specify) _____

7. What is the total number of the employees currently working within your business?

_____ Employees

SECTION TWO: BUSINESS NETWORK SUPPORT

8. In your opinion do you perceive links to partners to be effective in promoting youth entrepreneurship?

Yes No

Please explain your answer

Yes.....

No.....

9. How important are these links to the running of your business?

Very Important Important

Moderately Important Of Little Importance

Not important

Elaborate your answer.....

10. Did you have any strategic business partners before joining Nailab?

Yes No

If yes, indicate how you located the strategic partner.....

11. Which of the following strategic partners has your business made use of as a result of Nailab Incubation Center? (*Kindly tick all the partners Nailab has helped you get access to*)

Suppliers Debt collector

Customers Human Resource Firm

Barrister Licensed conveyance

Patent/trademark attorney/agent Other (specify) _____

12. How important has the following services gained from Nailab been of help in the development of your enterprise? (Please respond by a tick using a 5-Point Likert scale

provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important)

Services Regarding Business Network Support	1	2	3	4	5
Mediation with Customers					
Mediation with Suppliers					
Links to Employees (staffing)					
Links to University Researchers					

SECTION THREE: FINANCIAL SUPPORT

13. Have you been able to access any funding from Nailab or its partners?

Yes [] No []

14. In which area does the financial support you got from Nailab helped your business?

Advertising/ Marketing []

Expansion []

Human Resource []

Capital Investment []

Production []

Other _____

15. Do you have an ongoing contract between your business and any investor which was signed by the help of Nailab Center?

Yes [] No []

If yes, please elaborate your answer.....

16. How important has the following services gained from Nailab been of help in the development of your enterprise? *(Please respond by a tick using a 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important)*

Services Regarding Links to Financial Support	1	2	3	4	5
Links to Investors					
Links to Financiers					
Capital through Equity Investment					

17. How often would you require service provision such as links to investors, links to financiers, and capital through equity investment from Nailab?

- Very often Often
- Occasionally Less Often
- Not at all

SECTION FOUR: MANAGEMENT SUPPORT

18. How do you rate, on a scale of five, the management training that you receive in Nailab?

- Very informative Informative
- Average Less informative
- Not informative

Elaborate your answer.....

19. What is the impact of the managerial training you get from Nailab on your business?

It has more than double-expanded It has expanded
 It has stagnated It has declined

Elaborate your answer.....

20. How important are the following management training sections provided at Nailab to the development of your business? (Please respond by a tick using a 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important)

Statements Regarding Management Training	1	2	3	4	5
Financial management training and Coaching					
Marketing management training and Coaching					
HR management training and Coaching (staffing)					
Strategic Management training and Coaching					
Project management training and Coaching					

SECTION FIVE: BUSINESS SKILL TRAINING

21. Have you found it necessary to write a Business Plan after the training?

Yes No

If yes, did you write the Business Plan yourself or you developed it by the help of a strategic partner?

Self 2. Help of strategic partner

If No, please elaborate your answer.....

22. Were you maintaining business records strategically before entrepreneurial training at Nailab?

Yes [] No []

23. If yes to question 22, has your record keeping improved?

Yes [] No []

24. If No to question 22, have you started keeping records after the training?

Yes [] No []

25. Are the business management skills learnt from the incubation center of any importance to you?

Yes [] No []

Please explain your answer (1) Yes

26. What Business Management Skills have you learnt from the center?

a) _____

b) _____

c) _____

27. Which of the business management skills do you find most useful in running your enterprise in order of priority

a. _____

b. _____

c. _____

d. _____

28. How important are the following training sessions provided at Nailab important to the development of your business? *(Please respond by a tick using a 5-Point Likert scale*

provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important)

Statements Regarding Training of Business Skills	1	2	3	4	5
Business Plan development support services					
Maintaining business records					
Knowing how to communicate with partners					
Training in Innovative problem solving techniques					

29. To what extent do you agree with the following statements? (Select all the appropriate)
 Give your ratings in the scale of 1-5 (where 1= disagree, 2= indifferent, 3= Agree to a small extent, 4= Agree to a moderate extent, 5= strongly agree)

Statements	1	2	3	4	5
I have the knowledge and ability to use different techniques to achieve what I want to achieve					
Training has provided me a combination of many skills including the ability to plan, organize, budget, and manage the resources at hand					
I have learnt to look outside the goals of a single business department and make decisions that satisfy overall business goals.					
The ability to encourage brainstorming and collaborative decision making					
The ability to organize and delegate tasks effectively					

SECTION SIX: YOUTH ENTREPRENEURSHIP

30. Prior to starting your business, had you received any form of entrepreneurship education at any incubation centre?

Yes []

No []

Elaborate your answer.....

31. Do you think that Nailab Business incubation Centre in Kenya is useful in equipping youths with technical and entrepreneurial skills?

Yes []

No []

32. Please, explain your answer

Yes.....

No.....

33. How important are the following support services in regard to the growth of youth entrepreneurship in Kenya? (*Please respond by a tick using a 5-Point Likert scale provided where 1=Not at all, 2=Less Important, 3=Moderate, 4=Important and 5=Very Important.*)

	1	2	3	4	5
Provision of links with regard to Investors and customers					
Provision of resource coordination skills					
Business Plan development support services					
Provision of management skills					
Provision of strategic Management training					
Provision of financial support					

Appendix Two: Interview guide for Nailab Managers.

Interview guide will cover information from managers on admission criteria, processes, training and follow up of graduated incubates in the Nailab centre.

1. Discuss the admission criteria of incubates in light of:
 - Innovation
 - Assessment partnerships
 - Skills
2. Discuss the incubation processes for
 - Business proposal receipt
 - Project idea screening
 - Submission to incubator fund
 - Submission for external funding
 - Prototype of products or services
3. Discuss training program for incubates
 - Training program
 - Training manual
 - Challenges in training.
4. Discuss follow up for incubation graduates with regards to
 - Tracking turnover
 - Profitability
 - Networks after graduation.
 - Partners after graduation.

Appendix Three: Interview Guide for the Nailab Founder.

Interview guide will cover information from the founder of Nailab on investment required to begin an incubation centre, partnership and stakeholder interactions and their role in the growth of the incubation centre, challenges in running the centre, and finally the future plans and recommendations.

1. Discuss investment models for incubation centres
 - Equity
 - Debt
 - Human Resources
 - Grants
2. Discuss partnership and stakeholder management for
 - Government
 - Internal investors
 - Donors international investors
3. Discuss challenges in running the incubation centre
 - Tracking graduates
 - Measuring Success of incubates
 - Research and development
4. Discuss future plans and recommendations in light of
 - Infrastructure
 - Number of incubates
 - Devolution
 - Virtual incubation
 - Expansion

Appendix Four: Interview Guide for the Practitioner and Academia

This guide is intended to gather the general overview of the incubation situation in Kenya. It is intended to enrich the information acquired from the other instruments and get richer opinions on the state of incubation centers in Kenya.

1. Discuss investment models for incubation centers

- Equity
- Debt
- Human Resources
- Grants
- Ideal incubation model in developing countries

2. Discuss ideal partnership and stakeholder management for incubation centers

- Government
- Internal investors
- International investors
- Institutions of higher learning

3. Discuss the role of incubation centers in assisting the youth access

- Startup Loans
- Entrepreneur training
- Business mentorship program
- Extra roles incubations can play to promote entrepreneurship.

4. Discuss youth incubate challenges in relation to

- Access to education
- Adequate mentoring

- Employment
- Financial services

5. Make recommendations on the incubation for the youth

- Devolution
- Virtual incubation
- Partnership and stakeholder management.(triple helix)
- Govt policy to support incubation