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**UNDERSTANDING THE ROLE AND NEED FOR A BUSINESS INCUBATOR IN
ZAMBIA FOR AMBITIOUS.AFRICA**

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Final projects
Term year Spring 2023
Bachelor of Business Administration in
International Business

Oulu University of Applied Sciences

ABSTRACT

Oulu University of Applied Sciences
Bachelor of Business Administration in International Business

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Title of the thesis: Understanding the Role and Need for a Business Incubator in Zambia for Ambitious.Africa

Thesis examiner: Tomi Huhtamäki

Term and year of thesis completion: Spring 2023

Pages: 29 + 2 appendices

Ambitious.Africa is a new youth led organization that strives to connect the African countries with Finland through their “3 E” focus – Entertainment, Entrepreneurship and Education. The organization was founded in 2020 and has since built teams of Nordic and country locals who collaborate on project that would benefit local communities. Ambitious.Africa constructed its own incubator which would complement third level education by using a mixture of a peer-to-peer work environment as well as receiving guidance from leading persons of interest in the industry.

The question posed for this thesis is to find the need for such an incubator and how to provide more quality for its attendees. The aim is to understand how important incubators are in growing economies. There will be a focus on three main areas: the thesis initially explores the education in sub-Saharan Africa and how neighbour Zimbabwe succeeded in creating a synergy that compliments economic growth. Following that, there is a short chapter on the legitimization of businesses which includes a list of appropriate governing bodies within Zambia. Finally, there is an analysis of incubators and their role in education systems.

The data collection method chosen was a series of interviews with a student, an entrepreneur, and a businessman. Each interview was conducted in a way as to better ascertain the usefulness of incubators in Zambia. This method allows the interviewee to provide ample information about informal business culture within the country. The conclusion derived from this work affirms the need for incubators as a support for many new businesses to develop. The author supports these findings and urges Ambitious.Africa to continue providing their incubator.

Keywords: Incubators, Business Development, Higher Education Institutions, University Incubators, Business Collaboration.

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1 INTRODUCTION

The increase in entrepreneurial interest in the last decade has led to a rise in the establishment of small and medium sized enterprises (SMEs) all around the globe. There is an abundance of research and data available for countries in the developed world regarding the issue, contrasting with the lesser developed countries. This thesis is aimed at finding an adequate answer to the question of successfulness in business growth in developing regions. The author believes that a correlation between a lack of educational support tools and rate of successful business growth can be proven and amended by understanding the basic education provided and its applicability in the current environment as well as the increasing provision of surplus support.

Historically, African countries have been exploited for their natural resources to enable further development of the empirical powers we know today. Books, movies, publications, podcasts, research etc. highlight the extraction of natural wealth and the affects thereof. With this knowledge, many have embarked on a journey to better understand the needs to uplift the developing countries of Africa. The author aims to comprehend the potential of local businesses (SME's) on economic development. The hope is that, with adequate education systems, we are able to see a positive impact in the business start-up community that supports the growth and innovation that leads to successful business development.

The primary question the author challenges is “*does tertiary education in Zambia provide entrepreneurs with the most valuable tools to be successful?*” There is an interest in understanding the modules available to the students and how this information can be used.

This thesis was done with a youth centred non-profit making organization called Ambitious.Africa, which was founded in 2020 by a group of Nordic students who understood the negative cost of previous not for profit organizations. Their efforts are aimed at building, educating, and enabling the younger populations to create the change needed for optimal evolution of African countries. They boast a ‘3 E’ focus point in all their aspirations: Entrepreneurship, Entertainment and Education, and have ‘country teams’ all over the continent that accomplish this mission. Each team consists of both local and Nordic members, facilitating the aim of the organization, which functions as a bridge between the Nordics and African countries and promotes the forging of life changing networks for its members to employ.

In 2022, Ambitious.Africa created a course that could be implemented into third level education that targets a more literal and practical method of learning about start up creation. The course trains mentors and provides connections with successful entrepreneurs from a variety of professions and backgrounds and guides the students in their learning in weekly video meetings. The course carries 5 credits and has won the EU Charlemagne Youth Prize 2022 and was only piloted in Hanken School of Economics. It is believed that a course like such may be what business students need to learn the necessary skills needed for their venture to reach its full potential.

There is a discernment of the basic elements needed when starting up a business in Zambia including ideation, registration, funding and support available to young entrepreneurs. Before establishing the processes, chapters relating to education will be presented with the author analyzing information attained in the latter parts of this thesis. There was an article written in "The Pie NEWS" in early 2022 which delves into the impracticability of higher education in African institutions to best equip their students into becoming successful entrepreneurs. This article is the most recent and will be the benchmark for this work as well as other publications and studies related to SME creation in developing countries.

Finally, the majority of primary information attained was through interviews. An interview with a female entrepreneur in Zambia who has recently graduated from a university will be focused on understanding the confidence in incubator programs that are currently available and the ability to create a business post-studies. There will be an interview conducted with a businessman who is familiar with the registration protocols. This interview will go into depth about the unstable ecosystem that hinders economic growth. Finally, a student expresses his opinion about creating a business whilst studying a non-business related course.

2 EDUCATION IN ZAMBIA

The following section discusses the current framework regarding business programs which are available in Zambia. A reflection of the curriculum provided in a business university is provided below. The expectation being the ability to comprehend the scope of courses provided as a basis to all business degree students. There are variations in the courses across each university which solicits flexibility.

This chapter will highlight the effectiveness and approach undertaken by universities. A case study of Harare Institute of Technology delves into the current approach undertaken to boost positive economic activity. The understanding resulting from this chapter should emphasize the need for incubator programs within the current educational system in Zambia. A brief look at Mulungushi University's Bachelor of Business Degree course concludes the chapter.

2.1 Definitions

By defining the new terms, confusion and uncertainty can be avoided. "HEI" is Higher Education Institute and references the universities and/or third level education establishments. The IGI-Global dictionary defines higher education institutions to include "--traditional universities and profession-oriented institutions, which are in Finland called the universities of applied sciences or polytechnics--" (IGI-Global 2023).

Small to Medium Enterprises (SME's) is a blanket term used to describe any business that is not a multinational corporation. Investopedia maintains that SME's "--are businesses that maintain revenues, assets, or a number of employees below a certain threshold" and those thresholds are exclusive to each region or country (see *Table 2* below). Developing countries, for instance, also include micro enterprises (MSME's) and are naturally smaller in size (Investopedia 2023).

2.2 University: a key factor

Bomani, Derera & Fields (2019,1) confirm the presence of support for new businesses in the higher education system in sub-Saharan Africa stating “--HEIs are promoting the development of SMEs through technology transfer, workshops on SMEs, short courses for small businesses and providing consultancy services.” Furthermore, entrepreneurial spirit has been found to positively affect the learning pathways of said higher education institutions. The universities should provide entrepreneurship centred courses for students to learn skills such as forecasting, creativity, innovation, and networking (ibid.,2.) By providing an “entrepreneurship club” or social setting in which students can interact with other aspiring students and/or businessmen, the universities enable an environment in which innovation flourishes (ibid., 9). Duval-couetil (2019) also emphasises the high value of having an entrepreneurial based system in universities which would percolate into the economy.

“Educational crowdsourcing platforms” presents students with a unique opportunity to work alongside SME’s on real-life problems which in turn offers the students the ability to learn skills that could otherwise not be taught (Berbegal-Mirabent, Gil-Dome´nech & Ribeiro-Soriano 2019.) These platforms are built to engage the entrepreneur-type attitude within students by inserting them into the companies. The expectation is to find a solution that is viable and acceptable to the company. The platforms carry a similar structure. The first stage is the registration and delivery of the task by the SME. Following that, the students create teams wherein they work towards finding the best outcome (lecturers assist). The team meets with the company regularly to ensure proper communication and transfer of information. This helps hone the scope and ensures the successful delivery of the task. Finally, the university and SME meets with the team to evaluate the end report. The company chooses whether or not they accept the results presented.

The role of universities in providing a highly skilled and educated task force has increased in recent year, with governments expecting higher education institutions to respond to the economic needs (Bomani, Derera & Fields 2019, 4.) This approach has led the Harare Institute of Technology to be one of the forerunners of successful incorporation through its sector specific entrepreneurial courses as well as its collaborations with SME’s within the country (ibid., 4.) Universities are traditionally renowned for knowledge sharing and therefore inadequate in equipping students to building successful SME’s without industry experience post-graduation. An emerging trend has been university- industry collaboration where the university provides knowledge and the industry work experience opportunities (Berbegal-Mirabent, Gil-Dome´nech & Ribeiro-Soriano 2019).

There's a requirement for a good relationship between the government, SME's and universities within the country in order for it to create effective impact. Bomani, Derera & Fields. (2019,6) divulges the methods used to create a synchronized system between the three parties. A coherent flow of information in exchange for opportunities in the workforce and supported by policies asserted by governing bodies yields better results than independent employment. Below is an illustration of the aforementioned interconnection. By studying its intricacies, the departmental value increases significantly, contributing more into the economy (Berbegal-Mirabent, Gil-Dome' nech & Ribeiro-Soriano 2019, 4).

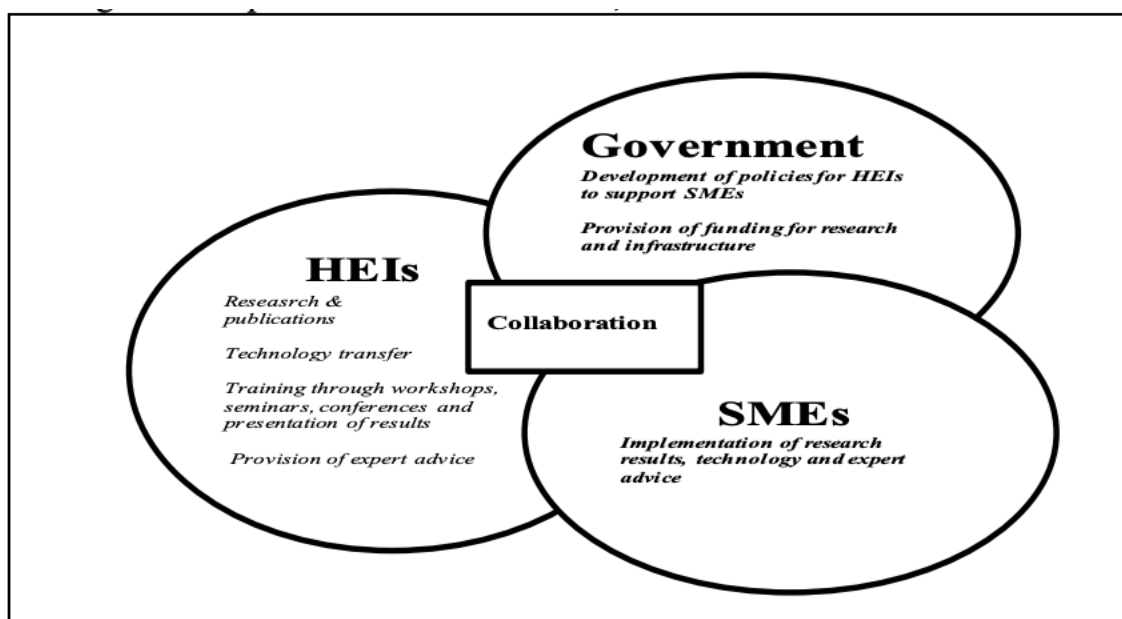


Diagram of successful relationship between HEI's, governments and SME's (Berbegal-Mirabent, Gil-Dome' nech & Ribeiro-Soriano 2019)

2.1 Mulungushi University (MU)

MU has fourteen undergraduate programs in their business department. Their courses are four years long. The program of interest is the Bachelor of Business Administration and Entrepreneurship. Below is a table (Table 1) of the program and it highlights the current curriculum that is taught.

	Semester I	Semester II
First Year	<ol style="list-style-type: none"> 1. BMG101 Ethics and Sustainable Behaviour 2. SSE121 Micro-economics I 3. MSM131 Mathematics 4. PSM101 Purchasing & Business Environment 5. BCS151 Communication Skills I 	<ol style="list-style-type: none"> 1. BCS152 Communication Skills II 2. SSE122 Micro-economics II 3. MSM192 Business Mathematics 4. ICT132 Introduction to Computer & Software Packages 5. BEN142 Fundamentals of Entrepreneurship I
Second Year	<ol style="list-style-type: none"> 1. BAC211 Principles of Accounting I 2. SEC221 Intermediate Micro-economics 3. MSS241 Business Statistics 4. BMG241 Principles of Management 5. LIR251 Business Law I 	<ol style="list-style-type: none"> 1. BAF212 Financial accounting II 2. BMK242 Principles of Marketing 3. SEC222 Intermediate Macro-economics 4. MSS242 Business Statistics II 5. LIR252 Business Law II
Third Year	<ol style="list-style-type: none"> 1. BBE351 New venture creation 2. BBE371 Intermediate entrepreneurship 3. BMG381 Organizational Behaviour and leadership 4. BAC311 Cost and Management Accounting I 5. BAC331 Financial management and risk appraisal 	<ol style="list-style-type: none"> 1. BMK302 Marketing Research 2. PSM332 Project management 3. BAC312 Cost and Management Accounting II 4. BBE362 Innovation and Entrepreneurship <p>Electives 1/2</p> <p>BBC362 Business communication</p> <p>BAC322 Taxation</p>
Fourth Year	<ol style="list-style-type: none"> 1. BMG401 Business Research Methods 2. BBE441 Intellectual Property 3. BAC411 Corporate Finance 4. BMG461 Strategic management <p>Electives 1 / 2</p> <ol style="list-style-type: none"> 1. BMK481 Selling and sales management 2. BMG491 Performance management 	<ol style="list-style-type: none"> 1. BMG402 Research Report 2. BBE452 Organizational Learning 3. BBE482 International Business 4. BAF462 Investment and Portfolio management <p>Electives 1 / 1</p> <ol style="list-style-type: none"> 1. BMG462 Quality management

Table 1: Bachelor of Business Admin. & Entrepreneurship Course (mu.ac.zm)

There is an introduction to entrepreneurship from the second semester in the first year which may include the fundamentals to best equip students who are thinking about that pathway. The next entrepreneur specific course that's offered isn't until the third year. The course covers other areas of business such as economics, law, innovation, accounting, and marketing.

3 BASIC FORMATION OF SMES IN ZAMBIA

There is a prevalence of informal businesses within the country, namely roadside sellers of local farm produce (Zulu 2022.) This dominance in black market income has both hindered the development and nullified the progression of relevant services and products offered as the majority of business activities are undocumented. Nonetheless, there are some businesses that are legitimized and follow the outlined guidelines. The process is similar to that of Finnish business formation – requiring a registration for business, tax matters, applying for any special certification needed and a form of accounting records to be kept (ibid).

Formalizing a business in Zambia is completed by these authorities below:

1. Register with PACRA
2. Zambia Revenue Authority (tax compliance)
3. Bank account (Tax PIN connected to bank account)
4. Business Levy (paid to city council: annually)
5. Physical business needs a Fire Clearance Certificate and business permit.
6. Manufacturing companies need a manufacturing license, Health and Food Safety license for food related businesses.

Unfortunately, the processing time can hinder business development and perhaps deter an entrepreneur from completing the process (Nakasamu, 2022). Another issue that has been prevailing is that of paying taxes. The lack of formality and majority black market work has fed into a culture where tax can be ignored. It has been noted that “informality clouds tax issues” (Zulu,2022).

3.1 Funding

Start up capital is imperative per the size of the business, whether it be micro, small or medium (ZDA.ORG). According to the Zambian Development Agency’s website, the various business sizes qualify for a range in the amount of registration fee. A universal handling fee of K33.30 is also

expected to be paid initially and applies to every category. The table below explains the size limitations and amount payable:

CATEGORY	MICRO	SMALL	MEDIUM
TOTAL INVESTMENT (ASSETS)	K1-K80,000	K80,001- K200,000	K200,00- K500,000
ANNUAL SALES TURNOVER	K1-K150,000	K150,001- K300,000	K300,001- K800,000
EMPLOYEE SIZE	1-10	11-50	51-100
REGISTRATION COST	K333.30	K500.01	-

Table 2: Registration fees according to enterprise size (ZDA.ORG)

A full list of fees required for legitimizing a business can be found on the PACRA website under the heading “Resources – Fees”.

3.2 Accessibility

Government websites have been optimized to include as much information regarding business formation, development and investment management. Each agency has its respective forms and information visible on their website, therefore providing those applying ease of transition. A Google search of “starting a business in Zambia” yields websites offering processing services as well as specific local government portals, congruent with earlier statements.

According to the World Bank (2020), only twenty percent of Zambians use the internet. This statistic has drastically increased relative to the technological advancement. Services and websites offer information for entrepreneurs but is inaccessible to the majority who live in the rural and peri-rural areas.

4 INCUBATORS

This section of the thesis will focus on incubators. There is a multitude of definitions regarding incubators, all are dependent on the industry in which the incubator functions. This chapter will cover the understanding of business incubators in underdeveloped countries, with focus on South African studies due to the inadequate resources in relation to Zambian incubators. There are some points of interest, both positive and negative, regarding the availability and use of said programs as well as notes extracted from an interview with local a businesswoman who has knowledge of recent incubators. The success of incubator-type programs is also assessed in this chapter to discern the scope of said form of education.

4.1 Definitions

It is important to set apart certain terms that will be in use throughout this section that may be unfamiliar. “Entrepreneur” is “--a person who engages in economic activity on their own account and at their own risk. An entrepreneur can be an employer or a self-employed person. A person working in a limited company who, alone or together with their family, owns at least half of the company is also considered an entrepreneur” (Uusyrytyskeskus.fi, 2023). When referenced below, entrepreneurship involves a singular entity as opposed to joint ventures and other forms of business acquisition. “Incubators” are designed to provide external support to those interested in creating their own business or who have already begun the process. The duration and content of each incubator is reliant upon the offering body, resources and market needs and therefore cannot be disclosed within this limited research. “Incubatees” describes the participants of said programs.

There are a variety of ways that define incubators, dependant on the literary source. Entrepreneur.com (2023) provides a concise definition by stating “An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections.” Their most common attributes are best described by assuming that incubators provide real-time training and development that is more easily accessible to the public, when compared with formal education institutions. Businesses are created as a reaction to the lower class’s inability to secure formal employment and are often informal in nature (Haugh 2020, 158).

Lose et al. (2016, 132) states that business incubators are mainly for the purpose of promoting and fostering the development of new and existing businesses. Furthermore, it can also be noted that the scope of incubators extends to the creation of vital entrepreneurial networks which could later be employed (Haugh 2020, 169).

Incubators motivate entrepreneurs to think beyond their immediate needs and expand their business scope. "Necessity Entrepreneurship", stated by Haugh (2020, 159), is when businesses are created as a last resort i.e. before absolute poverty. This form of business creation lacks substantial growth with no intention of development and is unfortunately prevalent in many underdeveloped countries (ibid., 160). The aim of incubators, therefore, is to teach entrepreneurs how to look for opportunities instead of only serving local needs (only providing products that satisfy immediate consumers). An understanding in the value of shifting the focus from product availability to opportunity search will benefit those businesses (ibid., 164).

4.2 Attitudes affecting incubators

One setback concerning business incubators in underdeveloped countries is that providing aid may create and/or exacerbate a parental attitude between the receivers of said aid and agencies (Haugh 2020, 158). Expectations are imbalanced as many who participate in these programs anticipate much more help from the organizational agencies than they are willing to do themselves, an unfortunate side effect of unlevied excessive foreign aid into the region. The understanding of the need to support local entrepreneurship, agriculture for example, has assured multinational corporations (MNC's) and government bodies to build and run programs for start-ups. Knowledge of the dependability of small-scale business ventures sustains future programs, so much so that MNC's continue to invest in social programs as a provision to developing local businesses. Furthermore, the presence of MNC's in any country has disabled the government from forming more comprehensive programs, relying on the social responsibility, so called "good-will" nature of the larger, international corporations. This in turn begins to create a disjoint in the quality of programs available, with potential incubatees fighting for exclusive, better tailored programs.

There have been developments in the attitudes of the youth towards their futures, namely, a more active approach in creating a better work environment. A key factor in creating a successful incubatee is to ensure their skillset prior to the program is aligns with that of an entrepreneur (Kwahene,

Lose, Rens & Yakobi 2020, 5442). A number of third party programs provide some level of business advancement training, one of which is Challenges Zambia's "Youth to Work" program. The outline of the "Youth to Work" Program is to inject young people into small or medium enterprises(SME's) of interest to analyse and upscale the existing business model. These youth in turn learn skills related to critical thinking in a business environment. The incubator is run over a period of 5 months. SME's benefit from this model through discounts in marketing, gaining fresh perspective on key developmental areas and the opportunity to polish their offering for investment and further growth. Kwahene et al (2020) notes that the main goal of this type of incubator would be to create gainful employment for those participating. Kwahene et al (ibid., 5439) also highlights that "--SME's are creators of opportunities, employment, and obliterate poverty through innovative strategies", further establishing the need for incubators as a general. The Challenges Zambia's "Youth to Work" program provides the two social capitals explained by Haugh (2020, 169), which are to increase the network and to support those within the entrepreneurial ecosystem.

Programs such as the "Youth to Work" are expected to be more beneficial given the generalized notion that SMEs are one of the key economic drivers. 91% of the legitimate work sector in South Africa are SME's, who contribute to more than half the Gross Domestic Product (Kwahene, Lose, Rens & Yakobi 2020, 5438). An undeniable fact is the demand that entrepreneurship has on creating, growing, and maintaining trade networks and how it relates to the usefulness of younger participants in incubators. These youth have the possibility to begin creating connections with fellow participants and the businesses in which they work (Lose et al. 2016, 134)

4.3 Incubators in university

A paper written recently poses the question of the importance of obtaining business relationships during the incubation process to achieve a positive goal. (Modaffari & Paoloni 2022,1236.) The author studies the process of business incubators and the effect of having appropriate support (either in investment as angels or mentors). Start-ups are provided with guidance in the crucial early stages of the enterprise which positively impact the growth of said business. Incubators serve as a space where the distribution of knowledge cultivates innovation; early stage start-ups have the access to innovative thinking through services provided by incubators.

Fortunately, universities are knowledge hubs with the ability to facilitate incubator programs. Students who approach said incubators have more access to a variety of databases, deriving information interpersonally as well as technologically. It is also favourable as an economic choice as funds are limited. Aernoudt (2004, 127) likened the start-ups that participate in these incubators unto babies. There is a higher need to care for newly formed enterprises due to their fragile nature, much like newborn babies. The analogy's focal point is that the need that start-ups require should be supported in a contained environment to sustain steady growth. Incubators provide discipline, share knowledge and create innovative environments wherein the business is tested, adapts and matures.

Business incubators provided by universities satisfy another important area in the growth of SME's. They provide the incubatees with networking opportunities between funding, financial institutions and partnerships. These types of incubators encourage "inter-organizational learning and knowledge sharing" (Modaffari & Paoloni 2022, 1239). When seeking resources, SME's must identify the approach the business needs. There are two main approaches relating to the formation of business relationships: the causation and effectuation approach. These reflect the company's' intentions relative to the value it perceives key partners to possess.

The causal approach refers to seeking partnerships that would satisfy predetermined goals. In this instance, the SME would search for the most useful entity that would solve a need, be it investor, technology or financially related. Their primary motivation would be to achieve the goal and to forego the opportunity to create a partnership/relationship. The duration (time spent) of the partnerships built are therefore much shorter than that of the "effectuation approach".

The effectuation approach refers to the activities undertaken that would result in a partage of ideas and resources leading to the evolution of a high value partnership/relationship. When an entrepreneur intends to grow their SME using this approach, there is a favourable outcome as innovation is present. Participating parties often yield favourable results as well as cultivate a long-lasting partnership.

Universities providing incubators gratify the requirements that pre-seed businesses have. A paper written by Grant expands on the idea that an organization's most valuable asset is its knowledge

base. According to his theory, it is more strategic to apply knowledge rather than create it. Entrepreneurs who access incubators as part of their advancements are able to partake of the wealth of expertise and information (Grant 1996, 115).

Modaffari & Paoloni (2022, 1245-1252) offer up a case study where a woman created a babysitting service as a medical student. She would have needed help creating her business due to her lack of business training and used a local business incubator who helped her crowdfund from €30,000 in 2013 to €355,000 in 2016. The connections made in the business incubator brought the opportunity for the business to be acquired. This case study attests to the influence participating in incubators would have on a start-up.

5 AMBITIOUS.AFRICA INCUBATOR

This section will describe the incubator that has been designed by the organization Ambitious.Africa. The main points, scope and goals are presented below.

Ambitious.Africa is a youth led organization that works across continents. Country teams consist of Nordic and local African partners who collaborate to create events, workshops, community building projects as well as to educate its participants. The organization focuses on its “3 E” structure which is Entrepreneurship, Entertainment and Education, with the latter being the current focal point of operations. The incubator itself was created in early 2022 and has become award winning. The current aim is to provide the incubator to SMEs to aid further growth. The approved structure of said incubator can be outlined as follows: SME acquisition, attendance, and work placement & evaluation.

Each phase is administered according to its individual schedule. The start-ups are interviewed following their application into the incubator. A small number of candidates are selected to proceed to the next phase. Next, the start-ups go through the onboarding phase which prepares them with the scope and timeline of the incubator. Co-working spaces are provided with mentors available. Finally, the start-ups are relocated to work in a company for two weeks (the aim is to introduce a multicultural experience by exposing the candidate to a new environment). As the organization is based on an Afro-Finn link, a Zambian would visit Finland and vice-versa.

The incubator has three main goals. Education is the priority of the incubator and the SMEs are guided through the content. Another goal is to offer the youth a space where they can co-create and validate their business ideas. The mentors available provide support. As the final stage of the incubator is work placement, the start-ups receive trained youth to assist them.

6 INCUBATORS IN ZAMBIA

In this section, other incubator providers in Zambia are listed. There is also a brief outline of two of the incubators. The country has a strong entrepreneurship hub which has led to the formation of various types of incubators. Some incubators are supported by the government whilst others are from private organisations. The list provided is from the most popular incubator programs. The list has no hierarchical order. Note also that there have been collaborations between some of these incubators (e.g. ABSA Innovation Hub and Jacaranda Hub cooperated in November 2022). Links to these websites are in Appendix 2.

1. BongoHive
2. WEAC
3. Impact Hub
4. Jacaranda Hub
5. NyamukAfrica
6. ABSA Innovation Hub
7. Zanaco Innovation Hub
8. NTBC
9. Ministry of Technology and Science
10. Ministry of SMES
11. Ministry of Youth
12. National Youth Development Council
13. Gender Department

6.1 NyamukAfrica

NyamukAfrica has several incubators which they have run both solely and as partnerships with other organisations in the region. The website boasts in-depth support for aspiring entrepreneurs through their Ask Me Anything (AMA) webchat function. Mentors can speak directly with the enquirer at their earliest convenience. There is no discrimination regarding the types of incubators

offered as NyamukAfrica has hosted incubators for tech start-ups, rural focus incubators as well as the basic form incubators for anyone interested in entrepreneurship. There is a strong focus on providing attendees with an ecosystem to further their business development post-incubator (nyamukafrica.com 2023).

6.2 BongoHive

BongoHive is a large company that strives to build businesses and help them develop. There is a range of incubators provided as well as workshops and a tailored service. Their past programmes have served young women, tech related businesses and the banking sector, to name a few. Their latest incubator is titled “Women in Tech Incubation Program” and offers the successful applicants access to mentors during the initial three-month incubation period. It is in collaboration with Standard Chartered Bank. Furthermore, an incentive of \$10,000 of equity fee seed money is awarded to the top five participants for further advancement (BongoHive.co.zm 2023).

7 RESEARCH METHODOLOGY

This thesis relies on empirical data acquired from the interviews that were conducted with a select group of people in Zambia. These interviewees have either studied a business course or have a business, or both, and therefore provide up-to-date information relating to the topic. The chosen research methodology falls under the area of Qualitative Research.

Qualitative Research is a form of attaining information through interviews and other forms of data collection which results in a library of information. The information provided is in text format and therefore needs to be transcribed into its relevant chapters. This approach is best when dealing with a new, immeasurable topic in which experiences and human interaction is the focal point. The resulting information therefore produces new knowledge for the reader.

Another reason this type of research was chosen is the flexibility in information questions. Seeing as the topic is still unfamiliar in Zambia, the ability to tailor, edit and clearly interpret the questions has resulted in getting more specific answers. The commissioning body would appreciate specific enough information in order to adjust their approach in providing a more suitable incubator.

Information was sought after in three stages. The first was an open (unstructured) preliminary interview and was conducted as a phone call with a key person in a distribution corporation regarding the work life attitude and business formation processes in Zambia. The second being a (semi structured) phone interview with a female entrepreneur where the main points were noted down. Once this was done, a questionnaire was drafted and sent to a student for their experience in incubators as well as to learn about the level of satisfaction after having completed a degree in a Zambian University.

The findings of these interviews have, in part, been noted in certain chapters with the main body of information acquired being analysed in the following chapter.

8 RESULTS AND ANALYSIS

The information gathered from the interviews with the candidates will be discussed in this chapter. An analysis of the data achieved will also be interpreted with regards each section that has been presented. Ambitious.Africa benefits from the cross referencing and concerns that were raised during the interviews. A comparison between the incubator itself and the need within the entrepreneurial ecosystem exposes its relevance and areas of improvement in order to tailor the best incubator.

Universities in Zambia come equipped with courses that focus either on entrepreneurship or explore topics that are relevant to it. The students who study other industries can have access to workshops/ incubators in their university to further develop their business idea. The student interviewee has studied a Bachelor of Arts with Education in the University of Zambia and is aware of the access to support for his business idea. The approach undertaken for students who do not study business as a major is that of an external advisory. Although the assistance provided may not reflect the curriculum of a business degree, students report a satisfactory outcome (Lukhama 2023). Where there is an abundance of incubators present within the ecosystem, it may be complicated to enter for a start-up. Many incubators have specific criteria that incubatees are requested to possess. This narrows down the number of entrants. Having an incubator that runs outside of a university but with an educational background and followed by real life practice is favoured highly as it provides the aspiring entrepreneur with industry experience (Nakasamu 2023).

When asked about formalizing a business in Zambia, both the businessman and entrepreneur expressed concern over the various intricacies involved. There is a wealth of “businessmen” with high entrepreneurial spirit within the Zambian culture, but the lack of knowledge related to running an official business, scarceness of funds needed to attain the various certifications and permissions and self-sabotaging intrinsic drive to work for oneself depletes further economic development. Many of the SME's are roadside sellers who would only understand the basics of purchase for resale and the difference between profits and losses. These types of self-employed people are content living day to day. The government does very little to help this type of employment. A very valuable point is to think “informality clouds tax issues” (Zulu 2022).

Incubator programs can build these small start-ups if they are tailored correctly. There are two prominent programs to help youth find internships/ jobs but in the corporate/ government world.

The first is USAID Youth Lead and the second being Young Achievers Zambia. This is the first that looks at SMEs with an interesting value proposition. Challenge Zambia's "Youth to Work" program has been beneficial to both youth and SME's who participate in the incubator. Those who are eligible to apply for said incubator should possess the following attributes: young people facing unemployment, SME's that are facing operational costs and people must have background in SME's need. To extrapolate, if a young person is interested in learning about business and requires further development, this incubator would seek where their applicable skills can be better adapted and insert the youth into an SME that is in need of said skills. The cost of being a part of the incubator is considerably lower than hiring professionals and so SMEs with low funds are afforded the opportunity to build and grow with some extra support (Nakasamu 2023).

Similar programs often agree that growth is good, however fast it is. Firstly, the incubator assesses the entrants and matches them up with the correct youth. SME's accelerate quickly so programs like this would help balance quality service with quality promises (Nakasamu 2023.) Another benefit is that this incubator does not just push the SME forward in the market, but entrepreneurs are assured to get proper feedback (report writing) from an outside source upon its completion. Incubators unfortunately cannot be accessed as readily in Zambia as in other countries. Multiple factors include transportation issues as well as limited access to Wi-Fi make it difficult.

The Ambitious.Africa incubator is framed to provide both the student and the connected SME with enough knowledge to react according to macro- and micro-economic needs. As stated before, SME's tend to progress well in incubators with a high success rate upon completion. Relying solely on theoretical studies is detrimental to young entrepreneurs and attending incubators may not only increase the likelihood of success but ensures a strong foundation as well as the acquisition of industry and career-based skillsets (Nakasamu 2023).

9 CONCLUSION & DISCUSSION

9.1 Conclusion

To complete this work, a response to the thesis question is given. The author asked the question “does tertiary education in Zambia provide entrepreneurs with the most valuable tools to be successful?” to which the simple answer is “no”. Throughout the data collection, there was a certainty regarding the need for an incubator that provides a more interpersonal and practical approach. The universities have their own entrepreneur-type workshops where students of all degree programs can participate in and receive guidance during their business ideation. After studying about the synergy between HEI’s, SME’s and governing bodies in Harare, it is clear that the basic education that is provided is insufficient and additional support should be provided to boost and reassure a company’s success. In conclusion, incubators play a large role in encouraging the ideal conditions for entrepreneurs to learn, network and experience trial and error in a controlled environment and this is crucial in ensuring their success in years to come.

Where this work was aimed at discerning the need for incubators, another alternative was discovered that may lead to creating large-scale change within the macro-economy. This discovery was the success in collaboration between the HEI’s, SME’s and government in Zimbabwe. When wondering about its implementation and feasibility, the author need not hesitate an affirmative response. Strong alliances and information sharing will positively impact and grow an economy. The original question focused on the ability of universities to equip their students with the knowledge and skills to successfully create and grow a business but another secondary question that was explored was “*should there be incubators to help students achieve more than they can by solely studying a degree program?*” To answer this, this thesis delved into the possibility of inter-institutional cooperation and its success. Incubators play a vital role in ensuring adequate knowledge sharing, practicing and skill creation and many can be accessed without the need to attend a higher education institution.

The positives and negatives of business incubators and the need thereof in Zambia (as well as the countries of sub-Saharan Africa) can be summarised briefly. Firstly there is improved access to

funding and resources for start-ups and entrepreneurs when business incubators are present. Additionally, there is an increase in job creation and economic growth through the support of new businesses. Having opportunities for mentorship and training programs to improve the skills of entrepreneurs who participate in said incubators. They encourage innovation and experimentation by providing a supportive environment for new businesses to develop and grow safely. Lastly, they encourage collaboration and foster networking opportunities between entrepreneurs and businesses to build a strong ecosystem within the respective region.

Conversely, the limited access to funding and resources for entrepreneurs who are not part of a business incubator program has negatively affected businesses. Also, reliance on the incubator program for support, which can hinder the development of self-sustaining businesses, has been observed as creating unfavourable results. The limited availability of business incubator programs outside of major cities could limit opportunities for entrepreneurs in rural areas; an issue that has been stated as being the area most in need of development. There also exists challenges in finding the right balance between financial sustainability and providing affordable services to entrepreneurs. Ultimately, the potential lack of diversity in the kinds of businesses supported, which could limit the range of ideas and innovation generated in the ecosystem as a whole.

Ambitious.Africa should approach universities to promote their incubator as an additional tool, rather than implementing it in the core coursework. The resources are therefore spent better on students who will fully implement and make use of the incubator.

9.2 Discussion

The topic had to be changed in order to better facilitate the commissioner which led to making adjustments. The timeline that was proposed initially would have worked very well and therefore the disturbance in work produced and research hindered the quality of the results yielded. Although there was a premeditated plan, the change in direction did alter the data collection. More interviews with key players would have highlighted the focus of the course as well as delivering recent, reliable experience.

Another point that has altered the results of the thesis is the lack of acknowledgement regarding cultural differences. There is a difference in work culture between Finland and Zambia and as the

focus was on ensuring that there was a range of data collected rather than the quantity, there was not enough time to receive more information. Fostering stronger networks and displaying the value in participating in this work would have resulted in more information to compare.

There are a number of points that were momentarily explored during the data collection stage. An interview delved deep into the black-market business that is prominent in rural Zambia. Street vendors and farmers sell fresh produce roadside but do not submit their income to the tax administration. If the government cannot enforce a stricter penalty when businesses evade taxes, there is no incentive to formalize those businesses. In Finland, there are reminders and penalties issued when deadlines are missed. It is clearly problematic and there have been measures laid to support new entrepreneurs to deal with the complications related to filing tax forms.

The lack of registration for the majority of self-employed would negatively impact the statistics in the country. There is an unreliability in not being able to accurately measure the flow of currency within the country. By registering, the government can better understand where there is need for new policies, incentives etc. The lack of education provided in the rural areas also affects how business is conducted.

A new thought that may be a follow up to this could be “should universities teach a specific course relating to business growth and how to move past the rigidity that many new businesses stick with?”

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INTERVIEW QUESTIONS

APPENDIX 1

Richard Zulu, businessman

- 1) What area do you work in?
- 2) What experience have you had involving business creation?
- 3) What difficulties do you believe are present in Zambia regarding formal business formation?
- 4) How prominent is black market work in your area?

Jane Nakasamu, entrepreneur

- 1) How popular is this type of program in Zambia?
- 2) What background do the youth need to qualify?
- 3) Why is the incubator 5 months?
- 4) How do you become part of this program?
- 5) Is the program good for future development?
- 6) Are there a lot of female SMEs?
- 7) What are the most hindering factors for incubators?

Misheck Lukhama, student

- 1) Which university have you attended/ are you attending?
- 2) What is the name of your course?
- 3) Do you have a business idea?
- 4) Do you have a business?
- 5) Have you participated in incubators before?
- 6) Is there support for growing your business idea within the course listed above?
- 7) Are there any courses in your university that help entrepreneurs with their business?
- 8) Are you satisfied with the level of education and support related to business that is provided in your university?
- 9) Could you explain the course contents in your own words? (What are the main topics studies, how long is each module etc.)
- 10) Is there anything else that you would like to add relating to courses, incubators or work in Zambia?

INCUBATOR LINKS

APPENDIX 2

www.absa.africa/absafrica/about-us/work-in-progress/

bongohive.co.zm/

impacthub.net/

jacarandahub.org/

nyamukafrica.com/

weaczambia.org/