



## Role of Student Incubators Off-Campus

The Catalysts for Enterprise Development at the Confluence  
The Catalysts for Intellectual Capital 2020  
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### Abstract.

Interactive experiential learning for entrepreneurship has had a proven positive effect on students launching successful businesses. Integrating students into independent business incubators not only allows for experiential learning, but also enriches the incubator atmosphere through creative thinking, teamwork, and skill sharing. This will provide an experiential base for students to launch their own business ventures, which can lead to positive effects on the community. Based on the research and best practices found, it is a recommendation that the Greater Binghamton Innovation Center allow students from the surrounding areas to reside in their incubator to improve their learning experience and develop an entrepreneurial spirit at an early age.

*Keywords:* independent student incubator, satellite incubator

*Binghamton Keywords:* Greater Binghamton Innovation Center

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### I. INTRODUCTION

This research paper will focus on the benefits of student involvement within a satellite incubator that is independent from a university. It is important to first demonstrate that student involvement in independent incubators has a positive effect on the incubator as well as the student's learning experience. It is also necessary to address the effects a student incubator can have on the surrounding areas and society.

Many scholarly research papers have addressed such issues and found positive impacts from integrating students into a community using a satellite incubator.

## **II. Advantages to Students Through Use of Satellite Incubator**

### ***A. True Feeling of Entrepreneurship***

A large complaint of entrepreneurs is a sense of loneliness when starting up a company. While an incubator may not make it necessarily easier to succeed, it can provide a social and entrepreneurial atmosphere that can encourage student entrepreneurs to push on when times are tough (Roush 2009). Many independent incubators are hosting student entrepreneurs for a semester or more in their incubators to get a true feel of the life of an entrepreneur and the challenges one may face. The students are accepted for a limited amount of time and receive business mentorship, product development, office and legal support, and work space. The general feel from students is that incubators provide a positive experience in entrepreneurship with a collaborative environment focused on success (Roush 2009). The support network formed through an incubator fosters the positive, determined atmosphere needed to launch a successful business.

### ***B. Applied Knowledge***

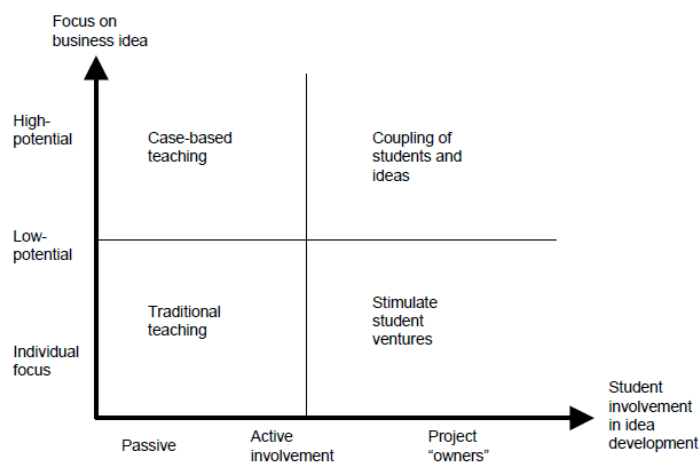
A large part of fostering the entrepreneurial spirit in university students is the skill set that younger generations have acquired. The way information is spread throughout the world is constantly changing and students are typically on the forefront of that change. Ashkan Afkhami, the founder and CEO of Northeastern University's venture accelerated IDEA (Inter-Disciplinary Entrepreneurship Accelerator), states the important skills that students bring to a business:

We're going through a tech renaissance, especially with new social media outlets – Twitter, Facebook, LinkedIn – they have changed the landscape for companies. Students are the early adopters, the first to start using it. People who graduated within the last four years, they're the industry experts and know the ins and outs of social media (Linebarger 2010).

Because of this, students have the advantage of marketing their business while being in touch with current societal and technological changes.

A major restriction in entrepreneurship is finding competent individuals to manage a business successfully. This issue can be addressed by universities influence and support of student entrepreneurs to become the next generation of businesses. Traditionally entrepreneurship education has been focused on classroom setting learning. The trend of entrepreneurship education has been towards action-learning with applied concepts and experiential learning (McAdam, McAdam 2011). Several case studies were done on five Swedish universities. Cases studies concluded that action-based entrepreneurship education focused more on learning-by-doing activities performed in groups to encourage networking was more successful in creating

entrepreneurial students that launch businesses (Rasmussen, Sorheim 2006). The number of educational institutes in the United States that include entrepreneurship learning has been rapidly growing in the past 50 years going from a few universities in 1970 to more than 400 universities in 1995. This shows the importance of entrepreneurship in today's society and the need for professional education on entrepreneurship. The trend has been towards an educational strategy of using the 'business generation model' where a university creates an environment with the necessary conditions for a startup company to launch (i.e. an incubator). With greater student involvement in learning has been very successful (Rasmussen, Sorheim 2006). Figure 1 shows the university strategies for entrepreneurship education and the difference between a focus on business ideas versus involvement in the development of ideas.



**Figure 1. University strategies for Entrepreneurship Education (Rasmussen, Sorheim 2006)**

Many incubator programs are offered as either extracurricular classes or independent studies in universities. Universities such as Northeastern University, Babson University and Carnegie Mellon University have already begun adding incubators into their school curriculum (Linebarger 2010).

### III. Advantage to Society Through Use of Satellite Incubator

#### A. Universities

The benefits of university involvement include the students' involvement in entrepreneurship and the potential positive connections that could be formed between local entrepreneurs and students as well as between the universities. University involvement will not only open students up to the idea of creating their own business, but it will also connect entrepreneurs to students who may possess skills that they do not have (such as finance, accounting, engineering design, etc). This would benefit the

entrepreneur because the service would be free and the student because they would be getting hands on experience in their field (Liss 2011).

University involvement in student entrepreneurship also provides a unique environment that could potentially attract new applicants (students and professors), research opportunities, and business ventures within the university. It creates an opportunity to draw the 'creative class' to one particular area where collaboration can occur. This could also provide a needed opportunity to commercialize a university's research and further distinguish a university from others.

### ***B. Surrounding Areas***

Entrepreneurship is a major force of economic growth that is necessary for struggling cities. There is a strong correlation between entrepreneurship and the local development of an area (Rasmussen, Sorheim 2006). Implementing an incubator in an economically struggling area could lead to more startup companies beginning in the area, creating jobs and therefore increasing the value of the city.

Having an innovation center in a city can also create a sense of community. Seth Bornstein is the executive director of Queens Economic Development Corporation which also operates 'The Entrepreneur's Space', an incubator in Queens, NY. In a recent article titled 'Business incubation and neighborhood development' Bornstein states the block the incubation resides on has become a village.

While it may not be considered pretty, it is certainly neighborly. And, as neighbors, we help each other out. [...] This little block of businesses employs probably 400 people, has a payroll of a few million dollars, and generates enough in property and sales taxes to pay the salaries of all the teachers in the nearby public school (Bornstein 2011).

An incubator can not only be influential in creating a positive neighborly attitude in a city, it can be a revenue source. It can also be a source of diversity for a community that can create jobs throughout the city.

## **II. Positive Impact on Entrepreneurship and Launch of Companies**

Many young students have the motivation to start their own business; however, they lack the resources necessary. Students are not only attracted to the independence and innovative atmosphere, but also to the aspect of passion for creating something new and different. The sooner universities tap into this student resource in entrepreneurship, the easier it will be for students to begin startup companies because they will feel supported not only by the incubator, but by the university as well (Linebarger 2010). An incubator allows students the opportunity to gain experience through workshops and seminars as well as work in an atmosphere with other entrepreneurs. It also offers the physical means for them to launch their business. The end goal of the incubator environment is to "develop student entrepreneurs in an environment that allows them to learn and grow throughout the process and to ultimately launch their ventures in the real world" (Linebarger 2010).

Although the goal is to launch the business, the more important take-away is the entrepreneurial mindset and experience that can be applied to future ventures. Once a person has gotten experience in a start up company, they are more likely to try again. Participants in an incubator may repeat the entrepreneurial process numerous times throughout their lifetime either by starting new companies, efficiently running their own company, or helping other entrepreneurs (Rasmussen, Sorheim 2006).

The university based programs can also have a positive impact on the launch of companies. In one of the case studies at Jonkoping University data collected showed over 200 student startups began in a period of 5 years. This shows that learning by doing can have a positive impact on students leading to the launching more business ventures which would affect the surrounding areas positively (Rasmussen, Sorheim 2006).

## **V. BEST PRACTICES:**

### ***A. Syracuse Student Sandbox (associated with Syracuse University)***

The Syracuse Student Sandbox in Syracuse, NY was created in 2009 and is a business incubator that allows motivated student entrepreneurs the resources and skills to turn their business ideas into a reality. The goal of the Syracuse Student Sandbox is to accelerate the entrepreneurship process by offering the resources needed such as mentoring, office space, internet, classes and support. The objective of the Sandbox is to develop ideas using a twelve week experiential based program. At the end of the twelve weeks the goal is to produce revenue generating business or an investment ready firm. This allows students to be fully engaged in the entrepreneurship world and get a true feel for the lifestyle of an entrepreneur.

A unique aspect of the Syracuse Sandbox is that it does not claim ownership to any part of the student companies. This gives students more independence and control over their business ventures. The Sandbox acquires funding through some of the participating schools and also in the form of sponsorship and contributions. The Syracuse Sandbox is currently open to students from Syracuse University, Cayuga Community College, Le Moyne College, Morrisville State College, SUNY College of Environmental Science and Forestry, and Onondaga Community College. They are looking to expand to other school such as University of Rochester, RIT, Cornell, SUNY Oswego, and Clarkson.

The Syracuse Student Sandbox could potentially be implemented in Binghamton because Syracuse as a city is comparable to Binghamton. Binghamton has a population of 47,380 people while Syracuse is approximately 138,560 people; however the size of Syracuse University and Binghamton University are both approximately 14,000 students and thus has the same student power to make an impact on an incubator.

Binghamton University has the resources to implement the same techniques used by Syracuse University to increase student involvement in entrepreneurship off campus. The Greater Binghamton Innovation Center also has some advantages such as already have existing businesses within their center. This has the potential to

integrate student entrepreneurs into the center where professionals are already flourishing.

### ***B. The Dublin Entrepreneurial Center***

The City of Dublin, Ohio partnered with TechColumbus in April of 2009 to create the Dublin Entrepreneurial Center (DEC) with the goal of supporting the creation of new businesses, technologies, and job opportunities. The mission is to tap into the energy of great ideas found in the Dublin community while assisting entrepreneurs to launch their businesses. At the Dublin Entrepreneurial Center, they offer onsite resources to meet the needs of startup companies along with a creative atmosphere to encourage collaborative idea sharing and problem solving. They also are located in close proximity to various industries. DEC tenants do not pay for common spaces and provides free Wi-Fi and technology resources. If an entrepreneur is not ready to lease a space, they are still invited to attend workshops and training opportunities as well as networking events. Numerous colleges around the area have had tenants in the DEC and participated in the events. These colleges include Hocking College, Columbus State Community College as well as many others. The impact on the community has been very positive. The city has found that the incubator site is provided a highly trained workforce that is helping to retain talent within the Central Ohio region.

### ***C. Lyles Center for Innovation and Entrepreneurship (associated with California State University, Fresno)***

The Lyles Center for Innovation and Entrepreneurship is associated with Fresno State in California; however, it doesn't stop with just college students. The Lyles Center educates students from elementary school through college and beyond. It is well known for its program variety along with services that deliver applied learning, consulting and problem solving. The center currently has a successful curriculum with Fresno State to offer entrepreneurial majors, minors, and certificates of entrepreneurship with a focus on experiential learning. The classes offered at the center are extremely varied and range across numerous disciplines.

Although Fresno State has approximately 22,800 undergraduates, it offers a variety of majors which contributes to the incubators diverse class offerings. Binghamton University also offers numerous majors and could have an incubator that operates in the same manner, particularly with the offerings of an entrepreneurship major or minor.

## **VI. RECOMMENDATIONS**

Based on my research and personal experience from trips around the city of Binghamton, I recommend integrating students into the current Greater Binghamton Innovation Center. This would benefit the students by providing networking opportunities with experienced entrepreneurs as well as allow students to get the full experience of an entrepreneurial lifestyle. Integrating students into the Innovation

Center would benefit entrepreneurs by providing them with students who may possess certain skills that are necessary for their businesses (i.e engineering design, accounting, finance). Students also provide a fresh outlook and attitude on new experiences which could create a very entrepreneurial atmosphere.

I recommend that the 'incubator experience' be offered as an independent study with a professor or volunteer business professional acting as a mentor and adviser of the independent study. This would ensure that students are taking advantage of the opportunity and provide guidance during the experience. The independent study must have a clear structure and expectations in order for the student to get the most out of the experience. This could be through a 12 week module as seen at the Syracuse Sandbox with the end goal of having a business that is ready to invest.

The Greater Binghamton Innovation Center faces a major challenge in the lack of awareness that Binghamton has such a great resource in the county. Student involvement and awareness in general could be increased through class field trips to the Innovation Center with a guided tour about the purpose and focus of the incubator and how students can benefit from being involved. Another suggestion is to have the owner or tenants come into classes and explain more about the life of an entrepreneur. Student involvement will naturally increase as awareness of the innovation center increases. Spreading the word about goals, hands on experience, and successes of the incubator will pique student interest.

Another suggestion is to regulate the Greater Binghamton Innovation Center tenants more closely to allow room for students. Currently there are a number of tenants that are not start up companies, yet they still reside in the Innovation Center. A new business, Integrated Office Services, just opened to provide companies with a space to hold their business. This space could be used for the existing companies in the Innovation Center that are ready to move on. This would allow space for student entrepreneurs to come in and keep the atmosphere of the Innovation Center creative and entrepreneurial, as well as support a local business that was founded in the Innovation Center.

Overall it is important to include students in entrepreneurial efforts and give them a unique experience which could end up being their chosen lifestyle. Integrating students into the Greater Binghamton Innovation Center would benefit both the students and entrepreneurs in the center and allow for increased awareness and exposure of the Innovation Center's goals.

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