



Performance Evaluation of MSME Training at the Pre-and Post-Incubation Stages

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ABSTRACT

An incubator for businesses helps startups to lower their high failure rate. For the purpose of accelerating and systematizing the process of creating successful businesses, it offers incubator space, business support services, networking possibilities, and clustering opportunities. It will create a regular stream of new businesses with above-average job growth and wealth development potential. This paper aims to facilitate substantive incubation for the growth and its effects on Micro Small Medium Enterprises (MSME). A training facility for ICT is available for MSME. It offers technical assistance, advice, and counselling to business owners. Pre-incubation and post-incubation are the two phases of training. Pre- and post-incubation stage performance in trained MSME was compared. The performance of 100 trained MSME and 100 untrained MSME is compared. The comparison shows that pre-incubation stage training and infrastructure for trained MSME are higher than post-incubation stage. Post-incubation stage trained MSME have higher levels of business strategy, infrastructure, and connectivity than pre-incubation stage. The results suggest that trained MSME executes more effectively than untrained MSME.

Keywords: Business Incubator, Business Service, ICT incubator, MSME.

1. Introduction

In many nations around the world, Micro, Small, and Medium-Sized Enterprises (MSMEs) are a major force behind economic development, innovation, and job creation. However, these businesses frequently experience serious obstacles in their early stages, such as a lack of funding, restricted access to markets, and a lack of technological know-how. Many MSMEs are turning to incubators, which offer a fostering environment for startups and small enterprises to flourish, to overcome these challenges and promote sustainable growth.

Mentorship, networking opportunities, finance access, and specialised training are just a few of the support services provided by incubator programmes. Additionally, using information and communication technologies (ICT) has improved the efficacy of incubation programmes even more. MSMEs are given more leverage by ICT tools and platforms including cloud computing, mobile apps, and e-commerce platforms that allow them to streamline operations, access more markets, and engage in global competition.

This essay tries to investigate how incubation affects MSMEs' development and ICT use. We may learn more about how incubation and ICT work together to support the growth and sustainability of MSMEs by exploring this relationship.

MSMEs can grow by taking advantage of the supportive environment provided by incubation programmes. The guidance of seasoned individuals who help startups and small enterprises through various stages of development is beneficial. This mentoring programme aids business owners in enhancing their business plans, creating winning strategies, and navigating the market's intricacies. Additionally, networking opportunities are made possible via incubation programmes, enabling MSMEs to form partnerships and collaborations with business leaders, investors, and industry experts. These partnerships can result in the knowledge sharing, resource access, and market exposure that are essential for long-term growth.

The way MSMEs function has been completely transformed by the use of ICT in incubator programmes. ICT tools give MSMEs affordable solutions for a range of corporate tasks, including accounting, inventory control, and customer relationship management. MSMEs may store and access data remotely thanks to cloud computing, which lowers infrastructure costs and boosts scalability. Mobile apps and e-commerce platforms enable online sales, extending the market's reach and allowing MSMEs to interact with clients around the world. Additionally, ICT improves communication and collaboration within the company as well as externally with stakeholders, increasing productivity and efficiency.

MSMEs can experience rapid growth, increased competitiveness, and improved prospects of long-term success by combining the benefits of incubation programmes with the use of ICT. The effectiveness and results may fluctuate based on aspects including the industry, region, and stage of development, so it is crucial to evaluate the precise impact of incubation and ICT adoption on various types of MSMEs.

In conclusion, MSMEs can overcome initial obstacles and achieve sustainable growth through the use of incubation programmes, which offer a nurturing environment. Their capabilities are further boosted by the incorporation of ICT, enabling MSMEs to take advantage of technology for increased productivity, market expansion, and competitiveness. It is essential for policymakers, company owners, and stakeholders to comprehend how incubation affects MSMEs' growth and usage of ICT in order to design efficient support systems and foster a vibrant ecosystem for small enterprises in the digital age.

The training of ICT incubators is considered to have an impact on the growth of MSME. ICT incubator training consists of.

1. ICT incubators offer MSME financial, connectivity, infrastructure, training, and business services both before and after incubation.
2. The comparison of the aforementioned elements demonstrates that pre-incubation stage provides more effective infrastructure and training than post-incubation stage. It shows that compared to the pre-incubation stage, the post-incubation stage offers more effective financial, connection, and business services.
3. Trained MSME and Non-Trained MSME performance is compared, and it is discovered that trained MSME performs better than non-trained MSME.

2. Review of Literature

The need of governmental interventions is emphasized in recent literature in order to increase the impact of incubation on MSME growth and ICT adoption. The issues posed by MSMEs have been suggested to be addressed by policies centered on offering financial support, enhancing digital infrastructure, and encouraging cooperation between incubators, academics, and industry (Kshetri, 2022). Future studies may also examine the long-term effects of incubation programmes on MSMEs, including the viability and performance of these businesses after incubation.

Recent literature has also emphasised the difficulties and restrictions related to incubator programmes and MSMEs' adoption of ICT. Resource shortages, a lack of digital skills, and restricted access to funding were all mentioned as obstacles to effective ICT adoption within incubated MSMEs in a research by Triguero et al. (2021).

Long-term growth may be hampered by an over-reliance on incubators without the development of sustainability and self-sufficiency (Prabhu et al., 2021).

Research repeatedly demonstrates how incubation programmes contribute to the expansion of MSME. The effect of incubation on MSMEs in Nigeria was explored in a recent study by Egbetokun et al. (2021). Comparing incubated MSMEs to their non-incubated counterparts, the data showed that incubated MSMEs grew significantly in terms of employment, sales revenue, and profitability. The study highlighted the importance of networking, mentorship, and financial access as major forces promoting MSME growth inside the incubation ecosystem.

The adoption and use of ICT by MSMEs has been made possible by the inclusion of ICT inside incubator programmes. Bhaskar and Rha's (2020) study looked into how incubation affected MSMEs in South Korea's adoption of new technologies. The study found that MSMEs that had undergone incubation were more likely to adopt and successfully use ICT solutions, which increased operational effectiveness, improved customer engagement, and competitiveness.

Recent research has looked into the variables that affect how incubation affects MSME growth and ICT adoption. The effect of entrepreneurial support systems, such as incubators, in promoting technical innovation in MSMEs was explored by Duysters et al. (2019). The study emphasised the value of specialised mentoring, sector-specific advice, and networking opportunities for promoting successful ICT adoption and promoting MSME growth in an incubator setting.

3. Objectives

- To assess the effectiveness of Micro, Small, and Medium Enterprises.
- To contrast MSME with MSME who are not trained.

4. Research Methodology

Source of Data: Primary as well as secondary data has been used for collecting the data. Secondary data collected through official reports, websites, journals, articles. Primary data collect through structured interview and survey.

Sample Size: 100 trained MSME and 100 untrained MSME of Uttar Pradesh.

Method: We develop our technique across two distinct phases—pre-incubation and post-incubation—to ensure the proper development of a ground-breaking business concept. Micro small medium enterprises' performance is tracked, assessed, and compared against non-trained MSME in order to determine progress.

4.1 Pre-Incubation Stage

At the pre-incubation stage, an incubator creates the framework for transforming a creative idea into a successful business venture. In order to decide the best course of action, the project's sustainability is examined in this stage, along with a market investigation. After that, it creates a business strategy plan and shows interest in funding original concepts. A special consultant's network supports the growth of technologically innovative business ideas by offering guidance and business tutor support to Medium Small Micro Enterprises in the Pre-Incubation stages. It provides aspiring entrepreneurs with the abilities and knowledge necessary to translate their business ideas into business plans, and then into active businesses with high growth potential. There is a group of entrepreneurs in the current medium-sized micro-enterprise scenario who do not feel comfortable proceeding directly to the incubation process. By offering pre-incubation services, the incubation stages perform better.

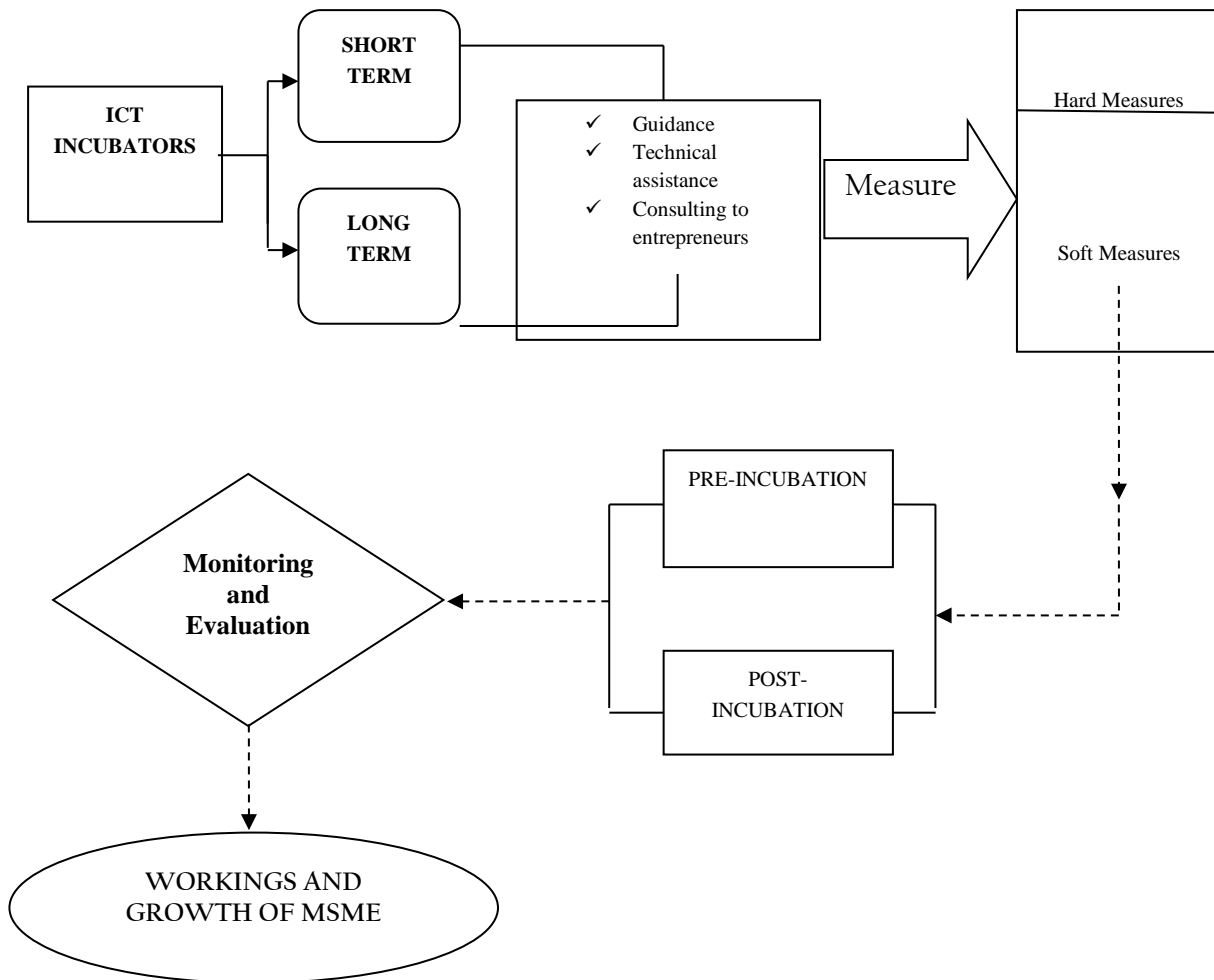


Figure 1. The framework of ICT incubators

Figure 1 represents how ICT incubators offer both short-term and long-term assistance to entrepreneurs in the form of technical support, business development services, consulting, and guidance. Appointment, training, orientation, assessments of innovation, and a business plan are all parts of the pre-incubation stage. In an appointment, ideas are developed, evaluated, and then validated through marketing. Training is provided in management practices, public speaking, and more specialized subjects like law and administration. The business model and idea are described in the orientation. The evaluation of innovation is done using both internal and external competencies. In the business model, the financial forecasts and the business plan compete with one another.

4.2 Post-Incubation Stage

In the post-incubation stage, businesses are allowed to use their own standards for the development of new business goals and strategies that strengthen their opportunity areas and support them over the long term. Advice and support, whether from a provider or a technological partner, will always be directed toward achieving each of their specific goals. Corporate and debt restructuring, acquisition, and manager training are all covered.

It facilitates connections with regional and global strategic partners and provides access to investments and loans. It offers top-notch facilities and infrastructure to the businesses. In order to address expansion, leadership, and global growth, growth training is conducted. Research and development, expert assistance with feasibility studies, the creation of a business plan, and planning for expedited and globalization are all included.

5. Monitoring and Evaluation

The project is supervised and directed by the Ministry of MSME. By documenting and monitoring the implementation, emphasis must be placed on ensuring the scheme's continuation. A development commissioner (MSME)-directed advisory and monitoring committee, made up of Lead Bank of the State representatives, NMCC representatives, Additional Secretary, Assessment Council (TIFAC) representatives, and representatives of the forecasting of technological information, moves in the direction of the incubator's establishment. It is made up of representatives from Industries Associations under the MSMED Act of 2006. Representatives would be appointed to oversee and direct the execution of the program. The Committee's crucial mid-term recommendations will be put into practice to create a productive program.

6. Analysis

For both trained and untrained Micro Small and Medium Enterprises, an analysis is conducted. A new startup company can receive guidance from an ICT incubator in two stages: pre-incubation and post-incubation. It offers training for Micro, Small, and Medium-Sized Businesses.

6.1 Analysis of Skilled (Trained) and Unskilled (None trained) and MSMEs in the Pre-Incubation and Post-Incubation Stage.

Particulars	Trained MSME		Non-Trained MSME	
	Pre-Incubation	Post-Incubation	Pre-Incubation	Post-Incubation
Business management Skills.				
Extremely Good	28	26	25	22
Good	16	12	14	10
Average	32	30	29	27
Poor	09	20	13	24
Extremely poor	15	12	19	17
Total	100	100	100	100

Table 1 analyzes training in the pre-incubation and post-incubation stages for trained and untrained MSMEs.

According to Table 1, trained MSMEs perform better after training than non - trained MSMEs. Pre-incubation stage training is much more effective than post-incubation stage training.

Particulars	Trained MSME		Non-Trained MSME	
	Pre- Incubation	Post-Incubation	Pre-Incubation	Post-Incubation
Linkages to local and international strategic partners through maintaining events & Conferences.				
Extremely Good	24	26	18	20
Good	17	18	10	12
Average	35	37	32	35
Poor	11	13	09	12
Extremely poor	13	06	31	21
Total	100	100	100	100

Table 2 interprets connectivity in the pre-incubation and post-incubation stages for trained and untrained MSMEs.

Table 2 demonstrates that the trained MSME performs better in terms of Connectivity than the untrained MSME. Compared to the Pre-incubation stage, connectivity is much more effective in the post-incubation stage.

Particulars	Trained MSME		Non Trained MSME	
	Pre-Incubation	Post-Incubation	Pre-Incubation	Post-Incubation
Access to financing including grants, commercial loans and equity.				
Extremely Good	25	24	22	23
Good	18	19	16	18
Average	29	30	25	27
Poor	13	19	10	13
Extremely poor	15	8	27	19
Total	100	100	100	100

Table 3. Analysis of Trained and Untrained MSME Finance in Pre-Incubation and Post-Incubation Stage is shown in Table 3.

According to Table 3, the trained MSME's financial performance is better than the non-trained MSME's. Pre-incubation stage financing is far more effective than post-incubation stage financing.

Particulars	Trained MSME		Non-Trained MSME	
	Pre-Incubation	Post-Incubation	Pre-Incubation	Post-Incubation
Access to training, conference room, library and hot desks				
Extremely Good	27	26	25	22
Good	16	15	14	09
Average	31	30	29	25
Poor	17	16	14	13
Extremely poor	09	13	18	31
Total	100	100	100	100

Table 4 shows an analysis of the infrastructure for trained and untrained MSMEs in the pre- and post-incubation stages.

According to Table 4, the infrastructure of skilled MSME performs better than untrained MSME. Infrastructure facilities are more effective during the pre-incubation stage than during the post-incubation stage.

Particulars	Trained MSME		Non-Trained MSME	
	Pre-Incubation	Post-Incubation	Pre-Incubation	Post-Incubation
Business Development plan assistance.				
Extremely Good	25	27	23	26
Good	16	17	14	19
Average	29	31	27	28
Poor	18	21	29	16
Extremely poor	12	4	7	11
Total	100	100	100	100

Table 5: The analysis of the preliminary incubation and post incubation stage for trained and untrained business services.

According to Table 5, trained MSME business services perform better than untrained MSME business services. Pre-incubation stage business services are more effective than post-incubation stage business services.

7. Conclusion

A business incubator is an organisation that offers services like office space or management training to help fresh and start-up businesses develop. Business incubators are committed to start-up and early-stage enterprises, unlike technology parks and research. The Micro Small and Medium Entrepreneurs (MSME) are trained by an ICT incubator. There are three stages: pre-incubation, incubation, and post-incubation. By offering advice, technical support, and consultancy to business owners, it helps MSME. Comparisons are made between the performance of 100 trained and 100 untrained Micro Small Medium Enterprises (MSME). The comparison demonstrates that for trained MSME, training and infrastructure are higher in the pre-incubation stage than the post-incubation stage. It has been discovered that trained MSME perform better than untrained MSME in the areas of infrastructure and training. For trained MSME, the post-incubation stage has higher connectivity, finances, and business plans than the pre-incubation stage. It has been found that trained MSME perform better than untrained MSME in terms of connectivity, finances, and business plan.

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