

# Design incubatees' perspectives and experiences in Hong Kong

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## Abstract

**Purpose** – This paper discusses the services and support from one of the government design-based business incubators in Hong Kong. The characteristics of a design business incubator are explained, and a multiple-case study indicates the perspectives of incubatees from different design disciplines after their graduation from the incubation programme.

**Design/methodology/approach** – The research under discussion in this paper was based on eight design incubatees in different design disciplines within two years of incubation period, all of whom had participated in one of the government-funded business incubation programmes for designers in Hong Kong. The programme is unique because there are no other government-based incubation programmes for designers in Hong Kong. Semi-structured interviews were conducted to collect feedback from incubatees in areas ranging from terms of service to support of the incubation programme.

**Findings** – The services of training, mentorship and finance were found to be the most important to design start-ups. Financial support and flexible funding allocation were another important issue for design incubatees, but training in these subject areas was not included in the incubation programme. However, it was confirmed that funding provided may have helped a number of the incubatees in developing their start-up businesses as a result of the reduced financial burden and office allocation.

**Research limitations/implications** – The research focused on one incubation programme because of the lack of incubation programmes for designers in Hong Kong, therefore future research which compares different types of business incubation programmes is suggested.

**Practical implications** – The outcomes of the research not only identified the possible areas of development and improvement of business incubation in entrepreneurship but they will also be useful for the government, universities, institutions, designers, policy makers, entrepreneurs and practitioners. These, in addition to industry stakeholders who want to evaluate their entrepreneurship programmes and develop their plans for potential development in incubation- or entrepreneurial-related programmes or training, especially in the area of design, will find the results useful.

**Keywords** Entrepreneurship education, Design education, Business incubation, Entrepreneurship, Small business, Designers

**Paper type** Case study

## 1. Introduction

The importance of entrepreneurship is recognized as one of the economic drivers of a country's Gross Domestic Product growth index. Entrepreneurship education (EE) has become vital in both developing and developed countries, to the extent that many universities and other institutions have developed EE as both core subjects and programmes. In accordance with a report from the Global Entrepreneurship Monitor ([Global Entrepreneurship Research Association, 2016](#)), in Europe, with a total of 64 of the highest-ranking countries, Austria was ranked 36, the UK was 40 whereas the USA was in the 24th position. In Asia, China was ranked 32, Korea was 52, Taiwan was 43 and Hong Kong was 38, so when compared to the other Asian countries mentioned above, Hong Kong was the highest. In addition, the job creation within these countries was found to have increased compared to the past years. Hong Kong was also ranked number three in the Global Competitiveness Index among 141 countries and places in the world in 2019 ([The Global Competitiveness Report, 2019](#)), whereas Singapore and the USA were the first and second in the report. Hong Kong plays an essential role in its economic, political and infrastructural development of an open international financial market that enables different international corporations to do business in the city.

Many countries have developed entrepreneurial programmes to support start-ups to drive their economies, especially in the creative and cultural industries ([Adriana and Silvia, 2014](#);

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Banks and O'Connor, 2009; Demetry, 2019; Department for Culture, Media & Sport, 2001; Innerhofer *et al.*, 2018). For example, in the UK, the government has invested more than 250 million GBP pounds to support culture and creative sector in 2019, including support for new business and culture activities (Department for Digital, Culture, Media & Sport, 2019). The UK government also provides funding and business support to non-UK based entrepreneurs in the 'Global Entrepreneur Programme' scheme (Department of International Trade, 2019). In addition, there are more than 160 entrepreneurship funding schemes in the UK including government funding, non-government funding, grant and loan finance assistance, expertise and advice services and equity to help entrepreneurs to start their own businesses (Department for Business, Energy & Industrial Strategy, 2019).

In Hong Kong, the Design Incubation Programme (DIP) (Hong Kong Design Centre, 2018) was launched by the Hong Kong Science and Technology Parks Corporation (HKSTPC), one of the government organisations in Hong Kong, in 2005. One of the objectives of this programme was to nurture local nascent designers to start their own businesses by providing incubator services and funding support to an amount of 500,000 Hong Kong dollars for each company. This programme was based on the CreateSmart Initiative (design support) (CreateHK, 2018) funding mechanism which is coordinated by the Hong Kong Government to support design and innovation with the focus on high value addition, intellectual property and creative content in design. A business incubation centre, the InnoCentre (2006), was therefore established to help design start-up companies.

The admission criteria of this programme consisted of both mandatory and qualitative aspects and stipulated that an applicant should be representing a start-up company in Hong Kong and have no more than three years of operation as a registered company. The start-up was required to have at least two full-time staff members, including a designer, and have at least a 20 percent of the share of the company. The applicant was expected to give a twenty-minute presentation to the admission panel which consisted of academic professionals, designers' associations and DIP incubators' directors with the judging criteria focusing on the qualifications of the designer(s), management team, business viability, innovative design potential and contribution to design.

This two-year programme offered a number of services and funding support to start-ups including office space, financial subsidies, business development support, networking, university and industry collaboration projects as well as training development for incubatees, with 50–75 percent reimbursement, as shown in Table I. Each fund has different aims to assist the design start-ups to progress in their early business.

In the programme, there were milestone assessments in the fourth and 12th months of the incubation period. The milestones assessment included product development status, the use of the services from the incubation centre, sales and projected profit, headcount increases, sales revenue and awards and the number of intellectual property applications. Incubatees were entitled to programme funding and services and free office rental after achieving the criteria of this assessment. In the second year of the incubation programme, the incubatees had to pay the monthly rental of their office space, which was lower than the average market price.

In 1992, HKSTPC initiated the business incubation programme for technology start-ups by setting up the first science park in Hong Kong. In 2005, the DIP commenced, and it was based on the model of the technology business incubation programme. However, design companies differ from technology companies in terms of the use of the facilities, the need for a lab and a studio, the promotion of products, exhibition services and the use of company expenses. Because there are different design disciplines in the industry and each of these has different requirements, it was questionable if the existing incubation model facilitated design start-ups. Some researchers also queried whether the business-based entrepreneurship education was appropriate to include in the design curricula and creative sector (Carey and

**Table I.** Types of services and funding

Types of funds	Technical and management assistance fund	Promotion and development assistance fund	Operation reimbursement fund
Reimbursement categories	<ul style="list-style-type: none"> <li>• Consultancy</li> <li>• University collaborations (i.e. Licencing / Joint R&amp;D projects)</li> <li>• Student placements and projects</li> <li>• University library card</li> <li>• Professional qualification</li> <li>• Industry collaboration</li> <li>• Technical and management training</li> </ul>	<ul style="list-style-type: none"> <li>• Exhibition</li> <li>• Legal service</li> <li>• First@SciencePark</li> <li>• Marketing materials (e.g. company / product brochures, leaflets, posters, banners)</li> <li>• Product launch</li> <li>• Press release</li> </ul>	Other services provided by external vendors except rental fee (i.e. licence fee), salaries, entertainment, local travelling, books, magazines and other publications, work-in-progress and any item purchased for subsequent re-sale.
Subsidy (%)	75%	75%	50%

Naudin, 2006; Mills, 2011; Penaluna and Penaluna, 2009; Rae, 2004). As a consequence, this paper also addresses the question of whether the existing DIP with modified technology business incubation model is applicable to the design start-ups. There are no business incubation models for designers, therefore research in this area is lacking. Consequently, the literature review covered the different types of business incubation models and business incubation models for designers. The needs of design incubatees were assessed by means of in-depth interviews with eight graduate design incubatees to develop a conceptual business incubation model for design start-ups.

## 2. Literature review

### 2.1 Background history of business incubation

Both business incubation centres and incubation programmes originated in 1959 in the USA and became popular in the 1980s (Albadvi and Saremi, 2006; Albert and Gaynor, 2000; Campbell *et al.*, 1985; Campbell and Allen, 1987; Korreck, 2018; Theodorakopoulos *et al.*, 2014). Business incubation aims to help start-ups to grow and facilitate entrepreneurs to run their own businesses by providing funding support, facilities and services (Allen and Rahman, 1985). According to Hackett and Dilts (2004a, p. 41), 'A business incubator is a shared office-space facility that seeks to provide its incubatees (i.e., 'portfolio-' or 'client-' or 'tenant-companies') with a strategic, value-adding intervention system (i.e. business incubation) of monitoring and business assistance'. Incubation is not only just a hardware facility provider but also includes training, marketing, networking, university and industry collaboration that support entrepreneurs to develop their businesses.

A number of researchers focused on business incubation process models (Cooper *et al.*, 2012; Grimaldi and Grandi, 2005; Hackett and Dilts, 2004b; Kautonen *et al.*, 2017; Mrkajic, 2017; Rae, 2004; Soltanifar *et al.*, 2012; Voisey *et al.*, 2005), and a systematic review incubator-incubation model (Hackett and Dilts, 2004a). However, most directed their attention to technology-based start-up incubators or incubatees, because they are most prevalent worldwide (InBIA, 2019). This research focused on how the government-supported DIP in Hong Kong helped designers to start their own businesses. The DIP process, criteria, programme benefits as well as services and support were reviewed by conducting in-depth, face-to-face interviews with eight design DIP graduates from the programmes, followed by analysis and synthesis of the results of their perspectives about the programme. This analysis was primarily intended for researchers considering potential research topics on design entrepreneurship (DE), design incubation model and advanced design education.

2.2 Business incubation models

The earliest business incubation model was developed by Campbell *et al.* (1985) and comprised of four steps: 1) The diagnosis of the business needs; 2) selection and monitoring; 3) capital development and 4) access to the expert network. Two years later, Smilor (1987) extended Campbell's model and incorporated different components such as basic services and incubatees' outcomes into the incubator system. Hisrich (1988) followed their models to apply the enterprise development centre approach to develop a new model focused on an external network of business and innovation centres, government and university stakeholders. A number of later studies covered the impact of incubator managers and their relationships with incubatees, such as Rice (2002), who focused on the external network of co-production business assistance in the incubation process. With the increase of services and support from the incubators in later years, more services and support were included into the incubation process, such as mentorship, pre-incubation, post-incubation and incubation manager characteristics (Eriksson *et al.*, 2016; Giordano Martínez *et al.*, 2018; Voisey *et al.*, 2013). A number of studies reviewed incubation exit management and survival (Blok *et al.*, 2017; Hannon, 2005; Mcadam and Marlow, 2007; Patton *et al.*, 2009; Schwartz, 2009) and concentrated on the incubatees' survival in business after their graduation. However, there have been limited studies which examine the services and support of design start-ups in the incubation. Some studies suggested that entrepreneurship education should be included in the design curricula to assist designers to learn entrepreneurship (Adriana and Silvia, 2014; Bhansing *et al.*, 2018; Bridgstock and Carr, 2013; Chen *et al.*, 2017; Rae, 2004). In this research, the research questions were as follows. How does the DIP facilitate designers to start their businesses? What are the design incubatees' perspectives on DIP services and support?

3. Methodology

There were a number of government and non-government funded entrepreneurship programmes available in Hong Kong from 2005 to 2012, including but not limited to the following:

Government funded	Non-government funded	Universities funded
Cyberport Incubation Programme	The Hong Kong Shanghai Youth Business Award	Chinese University of Hong Kong Entrepreneurship Centre
Hong Kong Design Centre Design Incubation Programme	Houde Fund	Hong Kong Baptist University Business Entrepreneurship Support and Training
Hong Kong Science Park Technology Incubation Programme	Fashion Farm Foundation Fund	Hong Kong University of Science and Technology - One Million Dollar Entrepreneurship Competition
Hong Kong Special Administrative Region government Innovation Technology Funded Small Entrepreneur Research Assistance Programme	The Hong Kong Federation of Youth Groups Youth Business Hong Kong Young Entrepreneurship Programme	The Hong Kong Polytechnic University MicroFund
Social Innovation and Entrepreneurship Development Fund	Alibaba Entrepreneurship Fund	The University of Hong Kong Entrepreneurship Academy
The Youth Foundation Fund	-	-

The DIP was chosen in this case study as this was the first government-funded incubation programme for designers in Hong Kong and it included all design disciplines. A number of

research projects on the subject of incubation programme evaluation have been carried out using a case study approach (Campbell and Allen, 1987; Davaris *et al.*, 2013; Mian, 1997; White and McLaughlin, 2006). To make the case more representative, the target design start-ups were selected on the basis of the following criteria: (a) graduated from the programme within 1–5 years and (b) different design disciplines.

To gain a deeper understanding of DIP graduates' opinions about the programmes, semi-structured in-depth interviews with a set of questions were used to allow interviewees to expand both conversation and direction, giving them freedom to talk about the topics (Kvale, 2015). A multiple-case study approach was used, as according to Yin (2014), multiple-case studies are an effective method for gathering high-quality information. These provided a deeper understanding of the incubatees' points of view and enriched the analytical results. Before the interviews, the researcher established an interview guide containing sub-topics of the questions (Kvale, 2015) ensuring that the researcher could keep to the topic, but could offer different approaches to the research questions when necessary. This research approach was used to collect feedback from the incubatees about the programmes' content, the services and support, their expectations and the future development of their companies. All the interviews were audio recorded and transcribed verbatim.

The interviews of the incubatees' opinions of the incubation programme were then transcribed. The different design disciplines cases were then compared by using coding and cross-case conclusion to analyse the results to reveal how the programme helped designers to develop their businesses and ascertain any missing or good practices which could contribute to the programme. The programme components and perspectives of different incubatees from the programmes were revealed.

Eight graduates from DIP were interviewed. Each of them came from different sectors of industry and had different backgrounds. There were 58 incubation companies from 2005 to 2010, from which 27 companies graduated from the programme including: 1) branding and packaging; 2) product design; 3) visual and media arts; 4) fashion design; and 5) jewellery design. In this research, convenience sampling was used to contact eight incubatees to have an interview lasting one hour, answering questions related to positive and negative aspects of the programme and giving their overall comments about the programme.

To collect different perspectives from different incubatees in different design disciplines, eight DIP graduate companies were interviewed, as shown in Table II. Interview questions were included about their expectations while in the programme and what difficulties they faced.

#### 4. Interview questions

The guiding interview questions were as follows:

- (1) Why did you apply for the Design Incubation Programme?
- (2) What do you think about two years of design incubation life? Any gain and losses?
- (3) What benefits did you gain most from the programme? What were the difficulties that you faced in the programme?
- (4) What were the easiest and most difficult parts when applying for this programme?
- (5) What do you think of services and facilities they provided?
- (6) Did the programme help your business growth?

#### 5. Data analysis method

All the interviews were transcribed literally, and the highlighted answers were assembled into charts for ease of analysis. Memo and coding were later used in this research to organise

all the interview transcriptions (Bloomberg, 2019). Table and descriptive statistics analysis method was used to discover any elements which were missing or included in the DIP to assist designers to start their own businesses. The result and findings are presented in the following.

## 6. Findings

### 6.1 Background of DIP incubatees

Eight DIP graduate companies were interviewed, and the backgrounds of their companies are shown in Table III.

The results show that six of the eight DIP incubatees had studied in Hong Kong whereas two of them had graduated from other countries (DIPA, DIPE). The incubatees' backgrounds are shown in Table III. They had between seven to 15 years working experience before starting their own businesses. Four of them were related to fashion, one was jewellery design and the others were product design, advertising and gift and premium design. Two of them closed their businesses after business incubation graduation. Four of them remain in their own businesses, but the nature of these is different from what they studied and worked on (DIPB, DIPE, DIPF, DIPH). All of them graduated from the incubation programme during the period 2006–2009.

### 6.2 Reasons for applying to DIP

When asked about the reason for applying to DIP, 'getting an office' and 'need financial support' were the main responses, whereas 'getting more external business connections' and 'developing their businesses' were also stated, see Table IV.

### 6.3 Losses versus gains

In Tables V and VI, 'getting an office', 'gain more business connections with other industries' and 'getting funding support' were the primary gain for the two-year DIP period. However, when asked what was lost or what difficulties were encountered, five out of eight claimed that 'maintaining cash flow' and 'claiming the money back' were the problems they were facing, whereas 'complicated paper work' was also cited.

### 6.4 Comments on DIP services and support

All of the incubatees were satisfied with the office environment, and they mentioned 'good location', 'good environment' and 'fantastic office environment'. Table VII shows the incubatees' comments on DIP services and support. Some of them indicated they were not interested in joining any training sessions provided by HKSTP as they thought most of these were related to technology only. When asked about the study programmes they would like to join, they answered: 'Mandarin language learning', 'design related workshop', and 'business

**Table II.**  
Design disciplines of  
DIP graduated  
companies

Design discipline	Number of incubatee(s)
Branding or advertising	1
Graphic design	1
Fashion design and accessories	4
Jewellery design	1
Product design	1
<i>Total</i>	8

Background Education background	Programme	DIPA Fine art	DIPB Graphic design	DIPC Fashion design	DIPD Graphic design	DIFE Non-design programme	DIPF Graphic design	DIPG Fashion design	DIPH Fashion
Work experience before starting business		5-10 years jewellery design	5-10 years advertising design	Over 10 years in fashion design	Over 10 years in advertising design	Over 10 years non-design programme	1-3 years in product design	Over 10 years in fashion industry	Over 5 years in fashion industry
Admission to DIP		2005-2010	2005-2010	2005-2010	2005-2010	2005-2010	2005-2010	2005-2010	2009
Have own business after graduation		Yes	Yes	No	Yes	Yes	Yes	No	Yes
Type of business		Jewellery design	Fashion and accessories design	Fashion and accessories design	Branding and advertising	Graphic design	Product design	Fashion design	Fashion design

Table III.  
DIP interviewees' background



**Table IV.**  
Reasons for  
applying DIP

DIP graduates	Reasons			
DIPA	Develop my own business	Gain more business connections with other industries	–	–
DIPB	Changed the type of business to a retail brand	More exposure in business field in the industry	More time and budget to plan my own career	–
DIPC	Do something for my own label	Gain financial support	Need an office	Need more business services for supporting our businesses
DIPD	Want to have an office	–	–	–
DIPE	Need financial support	Need an office	–	–
DIPF	Financial support	Learn how to run a business	–	–
DIPG	More exposure	Need an office	Good location of the incubation centre	–
DIPH	Financial support	Business exposure	Gain additional benefit from DIP	–

**Table V.**  
Gains in two years  
DIP period

DIP graduates	Gains			
DIPA	Funding support	Participated in different exhibitions	More exposure to different business stakeholders	–
DIPB	Good common place	–	–	–
DIPC	Having fun	Know more designers	Gain different experience	An office space
DIPD	Gain more business connections with other designers	Good chance to start own design products	Number of clients was increased	–
DIPE	Financial support	Office equipment	–	–
DIPF	Location of the office	Legal services	Good synergy for designers	–
DIPG	Friendship and connections	Enjoy the membership for the brand promotion	–	–
DIPH	Office equipment cost reimbursement	The rental cost	Hire part time students	Subsidies in marketing

and marketing'. One of them suggested that the HKSTP should organise long-term training on selling skills and business-related skills.

Five of them had not joined the mentorship scheme, and the reasons were: 'not helpful', or 'staff from DIP did not contact them about mentorship'. Only two of them had joined and they said it was helpful. Some of them didn't use the exhibition services, because they found that some of the exhibitions were not suitable for them to find their target customers and one of them stated that the exhibitions which DIP organised were attracted by students for visit, not investors or business people to visit the exhibitions. Some of them used the legal service and



**Table VI.**  
Losses in two years  
DIP period

DIP graduate	Losses		
DIPA	Difficult to claim the reimbursement	–	–
DIPB	Cash flow	–	–
DIPC	Cash flow	Financial management	–
DIPD	Difficult to follow business plan	–	–
DIPE	Cash flow	Too much administration work	–
DIPF	Financial	Difficult to understand the law in intellectual property law	–
DIPG	Cash flow	–	–
DIPH	Cash flow	Difficult to claim the reimbursement	Too much administration work

found it useful, but one of them commented that it was not specific enough to provide services to designers.

### 6.5 Did this programme help your business to grow?

In Table VIII, most of the incubatees asserted that the programme was helpful. Their reasons were 'It provided the business opportunities', 'gain extra exposure to different business contacts' and 'being a stepping stone to do business in the overseas markets'. However, one of the incubatees claimed that 'the funding is not enough'.

## 7. Analysis

Most of the incubatees had graduated from a design study programme and had gained working experience in design for several years. They have less working experience, and some of them didn't have experience in starting a business or it was their first time to start a business. However, they all had different needs and expectations when they applied to the DIP. When asked why they applied for the programme, they claimed that they needed an office space and financial support. Hardware (such as an office space) was more important to them than software (thinking and strategic planning). Incubatees stated that they had the skills and talent but lacked the physical support to start a business.

The greatest challenge faced by the subjects interviewed was financial management, especially accounting and use of investment. Incubatees struggled with finance in their early business stages: they were all running new companies, and needed more financial support, cash flow surplus, flexible administration arrangement, advice on intellectual property rights and an office space. Incubatees were concerned about cash flow and the office rent. Some of them agreed that the programme covered their needs, yet others disagreed.

### 7.1 Subjects in entrepreneurial programmes

Considering the difficulties which the incubatees encountered in the programme, it was inevitable that they commented some of the topics should have been tailored for design incubatees to study. The incubatees asserted that 'finance and accounting' and 'management' were the most important subjects in the programme, as these two subjects may possibly have solved the problems that the incubatees faced. Although DIP organised an accounting course for incubatees to study, they seldom attended due to time constraints, the fact that the training was not related to their field and the seminars were all short term. The DIP graduates responded that, 'Mandarin language class', 'design-related workshop', 'business' and

**Table VII.**  
Comments on DIP's  
services and facilities

DIP graduate	Facilities	Training	Topics of trainings	Mentorship	Exhibition	Legal service	Milestone assessment
DIPA	We could not make our jewellery products in the office because of the fire safety regulations of the building Good	Did not participate	Mandarin language, design workshops and accessories	Not helpful	No comments	Didn't use	No comments
DIPB	Good	Did not participate	Seminars arranged by Hong Kong design centre	Did not use	The exhibitions which the DIP organised did not target my clients	Did not use	No comments
DIPC	Good	Did not participate	No comments	Did not use	The exhibition was only for students' visit	Not helpful	We don't know how to achieve the milestones
DIPD	Good	Did not participate	No comments	Not helpful	Did not use this service	Did not use	We hired a freelance accountant to do the accounts
DIFE	Good	Participated in accounting	Business and marketing	Used, it is helpful	Informed by incubation staff, they helped us to join some exhibitions	Used some of the services	No comments
DIPF	Good	Mandarin language	Long-term trainings: Statistics, logistics, selling skills and alumni gathering	Used. Learnt more about running a business	No comments	Used, it was quite useful	No comments
DIPG	Leisure facilities were great	Business etiquette	Entrepreneurship	Incubation staff did not contact us about this service	Good, but the amount of funding was not enough for participation in exhibitions	Useful, but not specific to meet our needs	It was easy to prepare the documents for assessment
DIPH	Good	Did not participate	Product and marketing	No mentor was assigned for us	Provided funding subsidies, but we did not know how to display the merchandise	Used, the service was in normal standard	It was easy to achieve the assessment

**Table VIII.**  
Did this programme  
help designers to start  
their own businesses?

DIP graduates	Yes/No	Reasons		
DIPA	Yes	DIP gave funding to us to go to different places to exhibit our products	–	–
DIPB	Yes	It depends on how much effort you put in	–	–
DIPC	Not too much	I just benefited from the office space and the funding	Insufficient funding	–
DIPD	Yes	It helped the business more	We joined the jewellery workshop	–
DIPE	Yes	Financial support	A stepping stone to explore the overseas markets	–
DIPF	Yes	DIP provided an environment with different business opportunities for people to run a design business	DIP provided us with the skills about how to run a business	DIP gave us the sense of designers' identity
DIPG	Yes	DIP helped us to promote our company	Better exposure and connections to design industry	Good location and environment
DIPH	Yes	One of the investors invested in our company	–	–

'marketing' were the topics that they were most interested in. 'Time management' was another concern. They thought they didn't have enough time for joining any training sessions.

Although the gains indicated the incubatees' appreciation of the programme, the losses revealed some concerns regarding money, for example getting reimbursement for expenditures and understanding how much money they needed to manage their businesses. A typical loss was identified as cash flow, in addition to the failure to claim their money back. When they applied for this programme, they expected that they would have a certain amount of funding from the programme for their use. However, the financial problem was their dominant concern. One of the graduates revealed that they had experienced difficulties when claiming reimbursement, and they were required to provide multiple documents when applying for the refund. Cash flow was a big problem for the incubatees, and one of the incubatees stated that 'we don't have sufficient related documents to provide. From the beginning, the incubation manager didn't tell us the procedure of reimbursement' and 'We don't have sufficient capital for business expenses, and it took six months to get the refund back from the incubator.'

## 8. Recommendations

In this research, it was found that some of the incubatees may have focused on design development and lack of knowledge about accounting and financial planning. They may not have had experience of running a design business such as tracking money or capital and keeping receipts for expenditures. They may have needed help with these basic operations. The incubator may need to organise some basic accounting technical seminars or training which cover these issues and give precise instruction about the process of reimbursement. The DIP may need to offer some guidelines to incubatees about the approximate amount of capital and expenses a design start-up may need. Such guidelines should come from a discussion with professional entrepreneurs in the various design disciplines or by sharing some case studies from successful design businesses.

Diagram 1 shows the relationship between DIP and DE programmes that they may operate at different levels of the design business. The relationship between DIP creates a new opportunity for the DE programme. The DE can expand social and design culture and influence the whole design industry. As stated previously, a collaboration between DIP and the other stakeholders is possible regarding mentorship, facilities and industry access. Diagram 2 shows the proposed impact relationship between these two programmes in collaboration with each other and the benefits they needed to provide for each other.

These two programmes are inter-related, the government or incubator provides the funding, office space, networking opportunities and DIP generates new business collaboration with stakeholders and new design business groups. The new DE programme provides new knowledge on strategic planning, design thinking and new collaborations with the industry. The graduates of DE will expand the design industry through new modes and missions of operation, such as social impact and cultural awareness.

Regarding the flexibility of the funding, DIP may need to simplify the reimbursement procedure of the funding to incubatees. The procedure of claiming the reimbursement should be manageable, easy to read and follow. A briefing session should be provided to the new incubatees with focus on different needs relating to expenditures in different design disciplines.

Design businesses cover both products and services, usually for clients. Not all the design businesses have to manufacture or distribute products. As such, they are similar to a consultancy firm with the need for networking and promotion. The incubator offers these

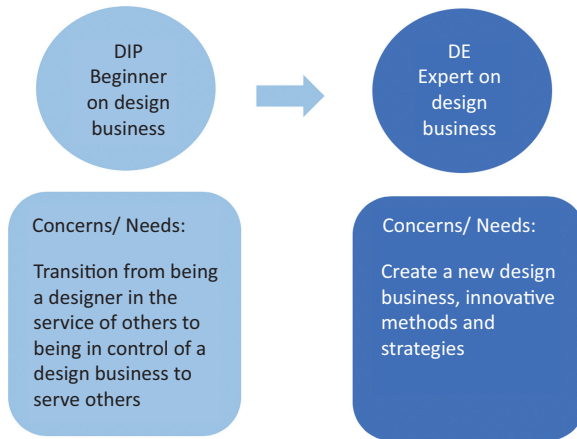


Diagram 1.  
Inter-relationship of  
DIP and DE

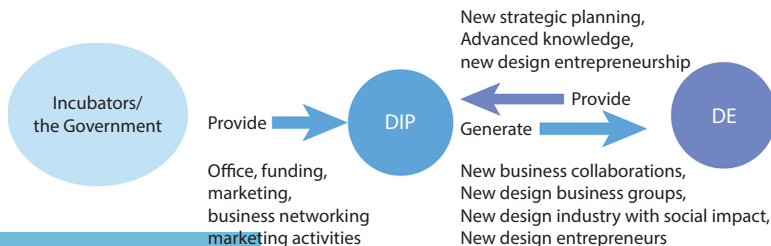


Diagram 2.  
Impact relationship of  
DIP and DE

services, but perhaps they should be tailored for design businesses in different design disciplines. Developing new business is critical for incubatees. Time management is critical while doing design work, and the designer may not be disposed to developing a new business or getting involved in the company's finance and accounting. However, after the completion of a project, the designers may struggle to find more work. This is the reason why the admission criteria of DIP specify two full-time staff members. The start-up owners can do their design work and also explore possibilities for gaining new clients. If one business partner has marketing and selling skills, the other partner may concentrate on design development. However, in some of the design businesses, such as product design or fashion design, they may need different promotion methods and office space, so the incubator should consider different office space design, media exposure methods and marketing strategy services to meet the incubatees' needs. DIP incubatees may not have enough design business experience, and DIP graduates may become their mentors to advise them on how to run their businesses. It is suggested that the DE programme may facilitate incubatees to learn entrepreneurship from the stage of the beginner onwards. The objectives of the incubation programme should help the incubatees to develop their business from a starting point to a growing business. DIP graduates may help incubatees to develop their businesses through mentorship. Although the incubatees did not have finance and accounting knowledge about start-ups, it may have been possible to provide such training a university.

## 9. Conclusion

From the literature review to findings, the results demonstrate how the DIP facilitates designers to start their businesses and the design incubatees' perspectives on DIP services and support. It makes two substantial contributions. First, some of the successes and shortcomings of the DIP programme were indicated. Second, a new relationship between DIP and DE was posited. They are complementary and can benefit each other. In this time of economic uncertainty, the creativity of designers can be supported by collaboration between DIP incubatees, DIP graduates and DE to better use of all the benefits, funding and facilities to streamline and rationalise resources. This may facilitate designers to fulfil their entrepreneurship dreams and expectations.

It is suggested that the DE programme may give DIP incubatees and graduates the knowledge of entrepreneurship, especially for designers, which other programmes, such as the MBA, cannot offer. Information about design product generation or services, promotion or marketing, intellectual property right protection, accounting and financial issues and the business plan could be included in the DE programme. The DE programme could be divided into different levels: beginner for DIP incubatees and advanced for DIP graduates. Graduates of the DE programme itself may continue to contribute to society and strive for another level of advanced knowledge of design business to enhance the economic growth of the society.

One of the limitations of this study is the limited size of the sample. It only focused on six design disciplines of eight design incubatees in one government-funded design incubator from first and second batch incubatees and may not be representative of all design disciplines, because of the lack of incubation programmes for designers in Hong Kong. Further research needs to be carried out to develop a new business incubators' process model for designers and to demonstrate whether or not the findings of this study are applicable to other entrepreneurial programmes or incubator process models for designers. In addition, further research comparing different types of business incubation programmes is suggested.

In conclusion, the government-based incubation for designers in Hong Kong may need to collaborate with other stakeholders to share different resources to avoid duplication. It was proposed that a university may develop a new DE programme for designers to enhance their

knowledge of different business strategies and design methods to establish a successful design business and enhance the impact to the society and the economic growth.

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