
Sustainability profiled incubators-process for recruiting and supporting tenants

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Abstract:

Since the recruitment and support process of sustainability profiled incubators have received little research attention, the goal of this paper is to fill this knowledge gap by an empirically investigation of three sustainability oriented incubators in Sweden, Finland and Germany. The data used in the study comes from interviews with managers, stakeholders, tenants in selected incubators, in Green Tech Park (Sweden), LADEC (Finland) and Green Garage (Germany). Our major implications are that, the studied incubators on average have an ambition to recruit and develop sustainability oriented start-ups, but a critical mass of such tenants is vital if any such ambitions are to become a reality. This critical mass of start-ups is influenced by the local context, which generates both potential tenants and resources to support such firms. For incubator management, this suggests an active search for tenants interested in sustainable entrepreneurship and providing support focused on such activities.

Keywords: Incubators; Sustainability; Eco-innovation; Sustainable entrepreneurship; Start-ups.

1 Introduction

How to tackle global environmental challenges such as climate change, biodiversity loss and natural resource depletion is arguably part of the central debates in the public domain

currently. Accordingly, the related academic discourse on these global environmental challenges has progressed from whether such environmental challenges are anthropogenic or not to how such environmental challenges can be exploited as business opportunities; simultaneously contributing towards environment, economic and social welfare. In this regard, the concept of sustainable entrepreneurship, defined by Cohen and Winn (2007) as the examination of “how opportunities to bring into existence ‘future’ goods and services are discovered, created, and exploited, by whom, and with what economic, psychological, social, and environmental consequences” (p. 7) has emerged as an extension to entrepreneurship. Entrepreneurship has several definitions in the academic literature, which in summary relate to the characteristics of the entrepreneur, entrepreneurship process and the outcomes of entrepreneurship. In this article, entrepreneurship is understood as the identification, evaluation and exploitation of business opportunities in line with Shane and Venkataraman (2000).

Though, sustainable entrepreneurship presents potential socio-economic benefits for the entrepreneur and society at large, entrepreneurs exploiting such business opportunities often face challenges in translating sustainability goals into offerings that have customer value coupled with resource constraints regarding time, knowledge and finances (Kanda et al., 2014). Hence linkages with both external actors are necessary to get hold of and exploit essential resources needed to overcome such challenges in the entrepreneurship process (Hjelm, 2011). As a response, there are public support organizations and initiatives in several countries to support entrepreneurial activity related to sustainability (Kanda et al., 2014). This is both as a way to tackle the particular challenges such entrepreneurs face and also for smart specialization in this new and emerging field of sustainable entrepreneurship. These public support organizations include for example university related organizations, incubators, business development organizations, and financial institutions among many others. The ability of such public support organizations to effectively stimulate entrepreneurship and innovation is of public policy concern as taxpayers’ money is invested.

In this regard, incubators and the incubation process are of particular interest since they accommodate the flexibility needed for shaping sustainability into business opportunities. In line with this, there are a number of incubators, herein perceived as organizations that supply joint location, services, business support and networks to early stage ventures (Bergek and Norrman, 2008) and in some cases also with a sustainability orientation (Fonseca and Chiappetta Jabbour, 2012) which dedicated to environmental business support or sustainability oriented entrepreneurship. Some academic literatures exist on

the selection criteria of incubators since it is regarded as an important incubator management practise which influences resource allocation and the outcomes of the incubation process (Peters et al., 2004, Aerts et al., 2007). However, very little scientific articles discuss how the sustainability profile of incubators influences their selection criteria and incubation process (see e.g. Fonseca and Chiappetta Jabbour, 2012). With this gap identified in research and societal need for sustainability issues, research on green incubators is of timely interest. To showcase this research gap on selection criteria into sustainability oriented incubators, this paper investigates empirically the recruiting criteria of tenants by three sustainability-oriented incubators in Sweden, Finland and Germany. In particular, the aim of the paper is to explore empirically the recruiting criteria of start-ups into incubators with a sustainability profile including their incubation processes towards sustainable entrepreneurship.

To support the aim of this paper, the following research questions are addressed:

- 1) What criteria do sustainability profiled incubators have for recruiting/selecting their tenants?

This question is motivated by the fact that, even though previous literature identifies and discusses extensively the recruitment process of tenants into incubators as important (Bergek and Norrman, 2008), discussions on the particular recruitment criteria for sustainability profiled incubators is not provided in such discourses.

- 2) What kinds of sustainability related entrepreneurship support do existing sustainability profiled incubators offer to their tenants?

The second research question is motivated by the understanding that, even though some recent literature (Fonseca and Chiappetta Jabbour, 2012) discuss sustainability in relation to incubators, they do not discuss particularly how such incubators assist their tenants in pursuing sustainable entrepreneurship but rather how sustainable the incubator itself was in terms of energy and material efficiency.

The role of public support is important in stimulating sustainable entrepreneurship and in creating the proper conditions to facilitate and help to scale-up these processes from start-ups to a fledging enterprise. The rest of the paper is structured as follows. In the following section the literature review, we discuss in general the selection of tenants into incubators and scholarly discourses around the process. We then move on to provide information on our qualitative case studies on three incubators with a sustainability

profile followed by an analyses and discussion. Finally, we conclude on the aim of the paper offering potential practical implications and possibilities for future research.

2 Literature review

Business incubators facilitate entrepreneurial processes where ideas are shaped into successful commercial business (Carayannis and Von Zedtwitz, 2005). Emerging firms in the incubator goes through a program with guided management and technical assistance of the incubator, accelerating the successful development of the enterprise using incubator's network and facilities. To be accepted to such programs incubators have different criteria considering which type of incubation model they have.

According to Lewis et al. (2011 p.16) incubators could be divided into four categories; "with walls", "without walls", "international" and "accelerator". The so-called traditional business incubator with multi-tenant facility and onsite management is the with wall incubator. Without wall incubators or virtual incubators usually have a cheaper program since the location costs are eliminated and is proper for rural areas where client base is often spread out or in case firms prefer not to be located in an incubator. On the other hand beside the common challenges all incubator face, virtual incubators have encountered the crucial challenge of providing networking environments for their tenants. International incubator assist firms enter foreign markets offering some specialized services e.g. translation services, language and cultural training, visa processes, housing assistance and help on integration issues. Although some professionals use the terms accelerator and incubator interchangeably since they are similar and may overlap but a firm enters accelerator program after graduation from incubator program. Accelerators provide guidance and mentorship for firms to grow just like within incubators but in a more mature stage of the firm's life cycle.

The selection of tenants into incubators is of research interest since it is an important incubator management task which forms the basis for effective resource allocation by the incubator in particular and the economy in general. However, opinions differ as to the appropriate selection criterion which explains why different incubators put emphasis on different selection criteria. Nonetheless, an overarching synthesis of the selection criteria of incubators is provided by (Bergek and Norrman, 2008). They categorise four selection strategies of incubators as:

- Survival-of-the fittest and idea: the portfolio will consist of quite a large number of entrepreneurs with immature ideas related to a broad spectrum of fields.

- Survival-of-the fittest and entrepreneur: the resulting portfolio will be diversified, and consist of entrepreneurs with strong driving forces representing a broad set of ventures.
- Picking-the-winners and idea: results in a highly niched portfolio of thoroughly screened ideas within a quite narrow technological area.
- Picking-the-winners and entrepreneur: the portfolio consists of a few handpicked and carefully evaluated entrepreneurs.

Considering the roll of incubators in providing favourable conditions for the tenants, acting as important disseminators of the culture of environmental management, lack of research in the role of business incubators in a more sustainable society and taking into account the fact that green technology has attracted considerable private investment in 2010 (CleanEdge, 2012), it is a dearth of research on sustainability oriented incubator is of importance.

According to (Strid, 2006) start-ups in an incubator go through three phases. These three phases were given names with spatial associations: “entry”, “own room” and “exit”. The first phase is the entrance to incubator at start. In the second phase firms create their own space. During the last phase finally the firm leaves the incubator to face all challenges on its own which is the most difficult phase. At the entrance phase the attractive thing absorbing entrepreneurs to incubator is the legitimacy and financial protection they get as tenants. In accordance to Strid (2006) many entrepreneurs choose incubators to start in because of the status they get from the environment and the effect incubator has on accepting them as an entrepreneur.

In the second phase entrepreneurs feel the need of connection with others in the same situation and of course people with different competences for developing the firm and start selling. In this phase where firms are expected to stand on their own feet they have their own physical and relational space. The attractive parameters in this phase for entrepreneurs are the equipment e.g. copy machine, server room, own post address which is not a home address. The gathering of different firms and organizations leads to a creative atmosphere with a positive energy in the house. These gatherings give the possibility for discussing joint development with colleagues, local people and competitors and discussing questions through free of charge seminars.

Many entrepreneurs find the last phase in which firms should leave the incubator difficult and prefer to stay in the nice and friendly environment of the incubator. Strid (2006) argues that the reason, which makes the third phase difficult, is that many entrepreneurs make the mistake of focusing on the practical issues, inhabiting in the safe environment of the incubator, they forget to pay attention to the organizational side and the incubator protective walls turn into an obstacle. She realizes incubates look at incubator like a landlord that gives more extensive services to its tenants.

3 Method and data

The study reported in this article was motivated by research gaps identified in relation to the study of sustainability-profiled incubators together with societal needs in relation to incubators and sustainability. The article is based on qualitative exploratory research which gives a greater understanding of the topic of study with space for insights that were not anticipated by the researcher including the dynamics of the recruiting and incubation process. Specifically a combination of literature review and case studies was undertaken. The following sub-sections details how these research methods were utilized to collect empirical data and answer our research questions.

3.1 Case study method

According to Robson “case study method is a strategy for doing research which involves an empirical investigation of a particular contemporary phenomenon within its real life context using multiple sources of evidence” (Robson, 1993 p.146). Case studies can involve either single or multiple cases, and numerous levels of analysis (Yin, 2008). Case studies can be used to accomplish various aims to provide descriptions, test theory, or generate theory (ibid).

Within this study we have used a case study approach for at least three reasons. First, the topic of studying incubators with a sustainability profile is rarely discussed in the research literature and thus previous scientific knowledge is scanty. The research questions are of a “what” nature and also related to understanding the dynamics of a phenomenon which makes such a case study approach very relevant as discussed by (Yin, 2008). This approach also offers the possibility to investigate an identified case with boundaries and provide in-depth understanding of cases which could not be investigated

using other types of methods such as surveys or other quantitative approaches (Creswell, 2009).

3.2. Case selection

Cases chosen to our study in each selected country Sweden, Finland and Germany had to be incubators with a sustainability profile to fit into the aims and research questions addressed in this paper. On the general, these three countries were selected because of the highest positions on European Union's Eco-Innovation Scoreboard from 2014 and their strong global position in regards to eco-innovation, characteristics that gave an approximate indication of the potential to find such sustainability-oriented incubators.

In Sweden we used the Swedish Incubators & Science Parks (SISP) database, which is Sweden's national non-profit association for business incubators and science parks with its 65 members (organizing 43 business incubators and 33 science parks) and an ambition to stimulate growth in knowledge-based firms. Getting assistance from the communications responsible person and going through the SISP list we found Green Tech Park a good potential case since the greening ambition is obvious even in the incubators' name.

On the other hand, selection of cases in Finland and Germany had to rely on the expert knowledge of our research colleagues in those countries. With the aims and research questions of our study clearly understood by them, these experts in Germany and Finland provided us with the names and contacts to potentially interesting cases in Finland and Germany. In the end, we chose Green Garage in Germany and LADEC in Finland.

3.3. Data collection

We used multiple sources of qualitative data including interviews, observation, documents, in order to study our cases of sustainability oriented incubators in Finland, Germany and Sweden. Interviews were carried out based on an interview guide with specific questions regarding selection and recruiting criteria and the incubation process was created and is available. In each incubator at least three interviews were carried out with managers, CEOs or program leaders depending on their time, availability and role in the incubator. The interviews lasted for about an hour and were recorded and transcribed for further analysis. Public documents gathered and incubator's homepage were also

studied. A qualitative content analysis was performed in order to analyse the empirical material. The impaired materials from the interviews were compiled and then a more general understanding of the summed material was created.

4. Results

In this section we will describe the selection criteria and support process in the three chosen incubators.

The cases:

Green Garage –Germany

Green garage is an incubator located in Berlin that was started in spring 2013 in order to exclusively target climate innovations and since then has supported 42 start-ups. It is part of a European private-public innovation partnership called climate KIC that runs and manages Green Garage. In order to host clean-energy related enterprises a former industrial site of climate KIC on the low-carbon campus, European Energy Forum (EUREF) reconstructed and remodelled for business, research and education purposes to become Green Garage (hereafter called GG). It should also be mentioned that GG is an example of environment friendly building being heated by biogas and having solar cells on the roof.

The incubator provides promising start-ups at early stages with the tools, opportunities and network (integration into the Europe wide Climate-KIC network), assist with promoting their entrepreneurial skills and funding to develop their ideas into commercial success. Like most incubators GG provides entrepreneurs with modern working space, meeting and conference rooms as well as high-tech-videoconference facilities in an area of 380 sqm. GG inhabits up to six start-up enterprises offering them business coaching and master classes on topics such as sales and business modelling and guidance in developing entrepreneurial skills from business model generation, team building, to negotiating and closing sales deals. Start-ups can also get support from acceleration services, participate in workshops and use prototyping space at GG. The incubator also provides commercial market opportunities for climate change innovations and brings ideas into market. They also have the possibility to participate in workshops and climate-related events. The incubator held 6-8 master classes each year and each master class is a two-day intensive program starting with a networking dinner. The average number of places is fifty and participation is free of charge.

The mission of the incubator is to support climate entrepreneurs with relevant climate-related ideas from idea stage to investment stage transforming their ideas into a business with commercially viable products and services including associated potential customers and investors within 12-18 months.

Green garage has rigorous criteria in choosing their tenants. GG considers enterprise being sustainability oriented if it works toward reduction of carbon and the climate impacts. It is obligatory that the idea of the entrepreneur has a clear connection to either reducing the rate of climate change or adapting to it to get admitted to GG. Since a lot of start-ups and applications with new sustainability oriented ideas are coming to GG in order to get a chance to get accepted to accelerator program start-ups should go through two stages application. They should both apply through a written application and also a presentation to a jury both from climate KIC members and external experts like investors, entrepreneurs, and academics working with entrepreneurship.

Green Garage has a selection criterion, which is common with many conventional incubators, which focuses on the team behind the idea, the scalability of the business model and the competitive advantage and /or innovativeness. However, the most important and the common core review criteria for evaluating accelerator proposals/pitches is the climate impact that differentiates GG from other incubators. Since an essential part of the portfolio of Green Garage is about climate change mitigation and adaptation, the evaluation of the ideas of potential tenants in this regard is important. However, the spatial and temporal variability of climate impact makes it's particularly challenging to evaluate with any set of specific indicators. More so such an assessment of climate impacts needs to cover at least four distinct systems: the environmental, social, economic and governance systems. This challenge makes it particularly difficult for Green Garage to evaluate and compare entrepreneurial ideas among each other for their performance. However, entrepreneurial ideas should contribute to certain major themes around climate impact. There include transforming the built environment through material and energy efficiency; facilitating city systems such as energy, water, waste towards integration and sustainability; increasing resource circulation in industrial systems; greenhouse gas monitoring, verification and reporting tools and enhanced land use and ecosystem services delivery.

Start-ups go through an 18 months program with three stages. In the first 6 months they create their business model by having access to business coaches, master classes and up to 20,000 euros. Afterward in order to verify the business model they meet at least 50 potential clients while they still have access to business coaches, master classes and the

possibility to participate in venture competitions. During this second 6 months they develop their comprehensive business plan, financial model and customer research and can get up to 25,000 € from the incubator. During the last stage which is also 6 months, firms can sign up a launching customer and use pitch training sessions, master classes and their coach to get ready to meet the potential investors.

In the first stage the focus is on developing an appropriate business model, and learning business fundamentals. Stage two focuses in validation and verification of the business model, and stage three is finding investment or capital and protecting the idea. During all three stages the start-up gets a funding through scholarship from the accelerator and they have access to business coaches, training, workshops, seminars and master classes. They can even participate in European wide competition for climate KIC start-ups.

Entrepreneurs have to pitch each stage to get to the other one, and not all teams go through the whole program. There is also an Alumni phase afterward where start-ups have the possibility to stay in the loop, keep in touch with GG, get invited to workshops and connect to other partners but without any funding.

LADEC

LADEC is a network between education, research, business and public sector forming a business cluster in the environmental sector in Niemi, Finland. Their operational focus is on supporting companies in the Lahti region but there are also some occasions in which LADEC operates nationally and assist clean tech companies all over Finland for example on clean tech venture day. In order to promote regional development and to boost sustainable growth and international competitiveness in Lahti Region, LADEC was formed in January 2013 by a unification of three existing business operators in the Lahti region – Lahti Science and Business Park, the Lahti Regional Development Company's (Lakes) and Lahti Region Enterprise Agency. The Lahti region made up of four municipalities Lahti, Hollola, Nastola and Orimattila is the main stakeholder that finances LADEC. The main owner is City of Lahti (74 %) and the other owners are towns and municipalities, business industries, companies, universities and institutions of higher education.

LADEC provides companies with offices, conference and meeting facilities available for Hire and workshop facilities and exhibitions. LADEC help companies depending on which stage they are in and their needs and demands through different programs and phases. LADEC provides help with evaluating and developing the business idea,

financial calculations, finding funding options and advice on writing different funding applications, selecting a suitable company form, business plan, investor meeting, joining projects, clarifying permit and registration issues, drafting a marketing plan and selecting business premises. Counselling is free of charges. Start-ups have the possibility to use an extensive network of experts within LADEC who are familiar with different areas of business.

In consensus with the high standard policies and legislations about the use of material and energy, water and waste management for companies in Finland make a good market for clean tech companies in Lahti region. Accordingly, LADEC's mission is to support start-ups, new profitable businesses using incubator and accelerator programs and developing existing companies in order to attract international investments, business to move to this region providing employment in Lahti region.

In line with the mission of LADEC, the selected enterprises must fit into one of the following categories: bio-energy/biomaterials, clean web/sustainable IT, food/urban agriculture, green building, lighting/energy efficiency, energy storage/smart grid, solar and wind energy, transportation, waste management, water (resource recovery, energy, treatment, etc.). Before 2013 the selection focus of LADEC was on the idea and the team behind the idea was secondary which resulted in many companies established with limited human resources. Since 2013 the selection focus has changed from idea to the leading group using the NABC model¹ for evaluating business ideas.

In LADEC support services are not called incubation any more. In 2009, Protomo system was established which is a new business development service that assists skilled entrepreneurs and individuals with very special competences from various fields to meet each other and to build an ideal team necessary to drive a particular business. LADEC then assists with starting a company, which works with particular ideas having access to an accelerator. The accelerator assists enterprises aiming to grow to enter the global markets faster by providing them with information and skills they need. During this phase a service strategy based on customers' needs is created and put into practice, a schedule with the goals and deadlines is made. Another important support company's get during the accelerator phase is evaluating financing needed during early stages of growth and help finding and securing financing.

¹ The NABC model stands for Need, Approach, Benefit and, Competition.

In addition to the general business support described above, LADEC also has support activities, which have a sustainability oriented theme. For instance Cleantech venture day is an event for investors and companies where the companies pitch for investors.

Cleantech Venture day event has a fee that is less for smaller companies and start-ups looking for investors than big companies and investors. LADEC is the hosts of the biggest Nordic Clean tech investor event Cleantech Venture Day since 2006 that has grown to be the biggest meeting place, which offers the clean technology, companies an opportunity to showcase their innovations on an international forum. Another example is the Nordic Innovation Accelerator, held in LADEC which provides companies with access to top corporate partners and investors to faster bring their product to real market and help company's growth and international expansion. The model is based on the Veolia Innovation Accelerator, to support green growth around the world by promoting the development and deployment of leading clean technologies in partnership with entrepreneurs. The Nordic Innovation Accelerator (NIA) posts different environmental challenges received from Viola and informs acceleration members to develop potential solutions. Each submitted solution will be evaluated and the challenge owner will invite selected applicants to interviews and negotiations around partnerships and pilot projects.

Green Tech Park- Sweden

Green Tech Park (hereafter called GTP) is one of the incubators in Sweden, which has an ambition to support and encourage sustainable entrepreneurship. In order to support the university of agriculture sciences (SLU) the local municipality established Green Tech Park in 2009 on the Campus area of SLU. The campus development was a way of trying to make all the students and scientist from the agriculture university to meet the business and organizations in an area and to do that the municipality invested in a house, which resulted in green tech park that today inhabits 30 different enterprises from start-up to well established ones. Green Tech Park is not only a stimulating environment at SLU Campus in Skara, Sweden but also a creative meeting place throughout the region of Västra Götaland¹. The operation is done through conferences, seminars and workshops.

¹ Västra Götaland region is a region on the western coast of Sweden. The county is the second largest (in terms of population) of Sweden's counties and it is subdivided into 49 municipalities.

In the spring of 2014 five seminars were held at GTP to encourage energy and material resource efficiency and reduction of environmental impacts.

Green Tech Park's mission is to be a platform and a meeting place for sustainable entrepreneurship and business development in the agricultural sciences by supporting start-ups and developing existing companies using the possibility of networking, between SLU, businesses, public sector and other stakeholders.

The main three stakeholders of GTP are; the municipality of Skara, the Association of Local Authorities in Skaraborg and Västra Götaland region. Green Tech Park is owned and managed by Skara Municipality. Representatives from the municipality have a place on the board at Green Tech Park to directly participate in GTP's planning and decision making.

Taking Bergek and Norrman, 2008 article about classification of incubators way of selection into account Green Tech Park is an incubator that is more interested in the entrepreneur than the idea itself and focuses mostly on the entrepreneur's ambitions and skills. GTP was initially intended to focus solely on sustainability oriented enterprises related to natural resources, specially the rural area, but has over time evolved into a more general business incubator with a focus on entrepreneurship and networking and now is considered as an incubator with a modest profiling around the sustainability oriented enterprises.

GTP's way to raise awareness and give more support to its tenants is among other ways through seminars and workshops that are free of charge and are held at least once a month. Lecturers are from all different firms and organisations for instants Higher Vocational Education, Board of Agriculture, Enterprise agencies and even from GTP's tenants and the municipalities' politicians. GTP offers consultancy services and a wide network within the green sector. Here entrepreneurs have access to special expertise in areas such as farming, egg production, food efficiency and bioenergy.

5. Analysis and discussion

Our preliminary results indicate that despite Green Tech Park's initial ambition to recruit and support only sustainability oriented start-up enterprises, getting a critical mass of related tenants is challenging thus forcing them to keep the incubator occupied with all kinds of start-ups. As Klofsten et al. (2015) defines it, a critical mass refers to "a sufficient number of active members for meaningful and valuable exchange to occur" (p. 68). In the case of Green Garage located in Berlin, Germany, our case description

indicates that the incubator does an active selection of tenants since the number of applications from sustainability oriented start-ups often exceeds the available sitting capacity in-house. For LADEC, located in the Lathi region in Finland, the incubator has no exclusive focus on supporting sustainability oriented start-ups but has enough applications from such enterprises which warrant a number of strategies for business development customised for sustainability oriented start-up enterprises.

From our results it is evident that the studied incubators have the ambition to support sustainability oriented start-ups but some incubators particularly Green Tech Park, faces difficulties in recruiting firms to their programs. This challenge can be caused by different factors. One could be the local environment that if is rich can supply a quality inflow of potential tenants. Although Västra Götaland, has one of the largest concentrations of businesses in the agricultural sectors in Sweden and there is also potential for new businesses that can leverage existing resources to new products and services it is still difficult for Green Tech Park to get enough applications from sustainability oriented start-ups. This limited amount of applications from sustainability oriented start-up means that applicant's ideas are evaluated but often sustainability is not a deciding factor in recruiting tenants. Another factor which can influence the potential number of incubator applicants relates to the credibility and reputation of the incubator (cf Klofsten and Mikaelsson, 1996). Other potential reasons relate to the management's inability to reach out to start-ups which may be unaware of the competence and potential support available from the incubator. On the other hand, attitude of entrepreneurs toward incubators can limit their willingness to apply for incubation support. As Strid (2006) puts it, many entrepreneurs choose incubators because of the legitimacy, financial support and practical business support they get. A perception of inability to provide such support or competence can be deterring to potential tenants (Klofsten and Mikaelsson, 1996).

In relation to their support offered to such sustainability oriented start-ups however, they offer a similar support approaches as discussed in the literature as offered to all types of technology based firms. Norrman (2008) divides the support provided by incubators to start-up enterprises into two general groups' i.e. "hard" and "soft" types of support. The hard type of support also referred to as configuration oriented support includes support such as provision of infrastructure, proximity to universities, research institutes, competently managed science parks/incubators, the supply of venture capital and other types of funding. The soft types of support also known as process-oriented relates to support directed towards the actual venture and its daily needs e.g. different kinds of

business advice, coaching, education and networking activities (Autio and Klofsten, 1998). This practice of supporting start-ups with general support approaches can be related with the resources both in terms of finance and personnel available to an incubator. With limited financial resources, it would be potentially resource efficient for an incubator to offer the same kind of support to all tenants and not customize support for sustainability oriented start-ups. Another causal explanation related to their focus on the entrepreneurs characteristics in selecting tenants as compared to a sustainability oriented idea. What this selection strategy induces is the notion that all entrepreneurs are similar and thus can be supported with the same general business development approaches regardless of their ideas (Bergek and Norrman, 2008). When it comes to the issue of competence, incubators in some cases might not have the necessary capacity to support firms in certain aspects of sustainable entrepreneurship and thus would have to rely on other support actors such as cluster initiatives and universities for such tailored support (Laur et al., 2012).

On the other hand, LADEC in the Lathi region of Finland is a general focused incubator, which supports all kinds of start-ups but has a target at sustainability-oriented start-ups as well. Their sustainability oriented focus covers bio-energy/biomaterials, clean web/sustainable IT, food/urban agriculture, green building, lighting/energy efficiency, energy storage/smart grid, solar and wind energy, transportation, waste management, water (e.g. resource recovery, energy and treatment). The content of the support they offer is rather similar to the two cases discussed above, however the approach to building support around the idea is different. Their incubation process which is based on the idea of putting together a team of skilled entrepreneurs and individuals from various field to identify and develop a particular idea means that sustainability specific support needed around a particular start-up idea can be found in the team or recruited from outside into the team if necessary.

6 Conclusions

The starting aim of this paper was to analyse the selection criteria of sustainability oriented incubators and the support they offer their tenants in pursuing sustainable entrepreneurship.

Our main conclusions reveal that all the three incubators have profound interest in supporting sustainability oriented start-up enterprises but their approaches to selecting such tenants are different. Those incubators which do not receive enough applications from sustainability oriented start-ups lower their selection criteria to include all kinds of

start-ups in contradiction to their starting mission in order to utilise their available resources. While those incubators which received more applications than the spaces available in-house have a strict selection criteria on sustainability oriented enterprises. Summing up, the selection criteria from sustainability oriented incubators depend critically on the number of applications they receive.

The support offered by the studied incubators is however similar to the support given any conventional incubator particularly when selection is focused on the entrepreneur compared to the idea however the networks and competence available within these sustainability oriented incubators means that in case tenants require specific support related to sustainability ideas, this competence is available either in-house or through the networks of the incubator such as universities, technology clusters, investors and sponsors.

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