THE ROLE OF TECHNO INCUBATORS IN PROMOTING TECHNO BASED SMALL AND MEDIUM SCALE ENTERPRISES IN SRI LANKA

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Master of Business Administration in Management of Technology

Department of Management of Technology

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Dissertation submitted in partial fulfilment of the requirements of the degree of
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Department of Management of Technology

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January 2016
**Declaration of the candidate and the supervisor**

I declare that this is my own work and this dissertation does not incorporate without acknowledgement any material previously submitted for a Degree or Diploma in any other University or institute of higher learning and to the best of my knowledge and belief it does not contain any material previously published or written by another person except where the acknowledgment is made in the text.

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(J.A.N.S.Jayakody)

The above candidate has carried out research for the Masters Dissertation under my supervision.

Signature of the supervisor:………………………………………… Date:

(Prof.S.W.S.B.Dasanayaka)
“Life is meaningless without ideas. There is no greater joy than to struggle in their name…”

Fidel Castro Ruz
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Abstract

The purpose of this research is to study the role of the techno-incubators to promote techno based SMEs in Sri Lanka. According to the literature survey, it was understood that proper incubator process and techno-SME startup eco-system can reduce the mortality of the techno-SME startups. This study identifies one moderate variable, four independent variables and one dependent variable. Data collection was conducted and analyzed in a sample of seventy one through a questionnaire and interviews with techno-SME entrepreneurs, representatives of the research institutes- SME support divisions, angle networks, venture capital providers/ banks, techno incubation facility providers, expertise in techno incubation, policy makers in techno-SME promotion. The results, shows that there is not strong techno-SME promoting eco-system in Sri Lanka neither the position of the techno incubator as a tool of techno-SME startup. It also showed that currently there is no significant relationship between the techno based SME startup eco-system and the selection criteria of the techno based SMEs for the techno-incubator, the services offered and the business support given by the techno-incubator. It shows significant relationship between the techno based SME startup eco-system and the infrastructure facilities provided by the techno incubator and the graduation and exit criteria of the techno incubator. In general there is a lack of focus for giving business support services to the techno-SME startups by the incubators and more focus on infrastructure development. The commercial success of the techno-SME startup has significant relationship with the selection criteria of the techno-SMEs for the techno incubator, the services offered and the business support given by the techno incubator. There is no significant relationship with the infrastructure facilities provided by the techno incubator, graduation and exit criteria of the techno based SMEs from the techno-incubator.

Keywords: techno-incubation, techno-incubator, techno-SME, startups, entrepreneur, eco-system,
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List of Abbreviations

DFCC: Development Finance Corporation of Ceylon
EDB: Export Development Board
GDP: Gross Domestic Product
IP: Intellectual Property
JICA: Japan International Cooperation Agency
MINTR: Ministry of Technology and Research
NDB: National Development Bank
NTBFs: New technology-based firms
R&D: Research and Development
SLIIT: Sri Lanka Institute of Information Technology
SLINTEC: Sri Lanka Institute of Nanotechnology
SMEs: Small and Medium Scale Enterprises
TIN: Tax Identification Number
UNIDO: United Nations Industry Development Organization