



BUSINESS AS MISSION
GLOBAL THINK TANK

ISSUE GROUP REPORT

Planting, Watering, Growing

God's Creative Design...
Incubation

bamthinktank.org

Planting, Watering, Growing God's Creative Design... Incubation

**Report by the Business as Mission Think Tank Group
Business as Mission Incubation
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† Preliminary list as of October 1, 2013

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Foreword

The Global Think Tank on Business as Mission has opened up a unique forum for collaboration among practitioners and leaders from around the world. When we began this second Think Tank initiative, we focused on a key word: *invigorate*. The purpose of the Think Tank has been to invigorate the global business as mission movement, to equip and encourage those who want to serve God and the common good in and through businesses—among all peoples.

To that end we launched over 30 national, regional and international working groups. Some of these groups focused on a particular issue in the BAM movement, and others were concentrating on BAM in and from a particular region or country.

The objectives for these groups were to listen, learn, share and connect. We developed tools and templates for the working groups to effectively collaborate through virtual meetings, as well as face-to-face consultations. Each group has produced materials, including papers, analyses, case studies, tools and resource directories, as a result of this dialogue.

To enable a meaningful and constructive conversation in and between groups, we have used the following working definition of business as mission:

Business as mission is:

- Profitable and sustainable businesses;
- Intentional about Kingdom of God purpose and impact on people and nations;
- Focused on holistic transformation and the multiple bottom lines of economic, social, environmental and spiritual outcomes;
- Concerned about the world's poorest and least evangelized peoples.

This definition emerged from the first Think Tank on BAM, which among other things produced the Lausanne Occasional Paper on Business as Mission, as well as the BAM Manifesto: http://www.lausanne.org/docs/2004forum/LOP59_IG30.pdf.

The Think Tank project has resulted in a massive global gathering of both intellectual and social capital for the BAM movement. As well as the written materials, we have built networks and have gathered together in person at the working group Leaders Forum and at the Global Congress on Business as Mission, both held in Thailand in April 2013. The intention is to now share and disseminate these gathered resources as widely as possible.

This report is one in a series of papers from the 30 plus working groups. Hundreds of leaders in the BAM community, from every continent, have contributed to these reports. Additional Think Tank reports may be found at <http://bamthinktank.org/reports>.

These reports are not the end or the final destination of the BAM Think Tank, but should rather be seen as important reflections by BAM practitioners and other leaders who will continue to journey together. We need to continue to grapple with issues, and address needs and gaps. Some groups will continue and new initiatives will emerge. The BAM movement is on the move!

It has been a privilege to facilitate this unprecedented and global collaboration over the last two years. Looking back we can see that at times we have achieved less than we

have hoped and planned for. But we have also witnessed that God is able to do more than we could have ever imagined.

Our sincere thanks goes to all those who have co-laboured with us to bring the Think Tank initiative to fruition. We want to especially thank the Steering Group, the Issue and Regional Group Leaders, the Support Team and our spouses Mark and Jennifer for their steadfast support.

We pray that these papers, case studies, tools, recommendations and resources would go out widely, and encourage and equip you as well as invigorate the global BAM movement.

“Now to him who is able to do immeasurably more than all we ask or imagine, according to his power that is at work within us, to him be glory in the church and in Christ Jesus throughout all generations, for ever and ever! Amen” (Eph. 3:20-21, NIV).

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September 2013
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Executive Summary

Planting, Watering, Growing God's Creative Design... Incubation

A business incubator consists of a collection of activities designed to help the launch, growth, and ultimate success of business enterprises. Business as mission (BAM) incubation has emerged in recent years as a distinct activity aimed at maximizing the success of BAM companies. A variety of incubation models support businesses around the world by providing an array of resources and services such as: facilities, infrastructure, financial capital, mentoring, country analysis, training, business plan development, recruiting, and facilitation of connections with potential partners, including suppliers, distributors and consumers. Business incubation is good, it is glorifying to God and a much needed activity in the BAM movement worldwide.

In this report, we look briefly at incubation from a biblical and church history point of view, showing that God has designed us to creatively collaborate with Him and others in order to be fruitful.

An overview of mainstream business incubation is then given as a foundation for understanding incubation in a BAM context. The types, advantages, principles and best practices of mainstream business incubation are included, to equip and inform both:

- BAM company owners looking into using a business incubator, and
- Those in the BAM community aiming to establish business incubator models.

Business as mission incubation is relatively young, with few well-established incubator models. This report shares some of these BAM incubation models; how they have emerged, their focus, and the kinds of services they offer. Many of the current BAM incubation organizations and activities have emerged out of existing organizations, especially mission agencies. This growing band of BAM incubators includes a wide array of services and specializations. Specializations include various geographically focused incubators (e.g. region, country or city), and those that target a particular client or type of business (e.g. 'freedom business', national Christians, cross-cultural teams). A directory of incubation organizations and six incubator profiles are provided in the Appendices.

Incubating business as mission companies requires activities that go beyond the range of standard business services offered by mainstream and social enterprise business incubators. BAM companies have a focus on spiritual impact, as well as social, environmental and economic impact. This will mean BAM incubation activities that address spiritual, missiological, theological, and cultural concerns. In BAM incubation we should emphasize creativity, collaboration, prayer and the leadership of the Holy Spirit; alongside delivering an array of high-standard incubation services and resources according to our goals and context.

A SWOT analysis of current BAM incubation and lessons learned so far show that although there has been a good start to BAM incubation, we have much still to do and learn. Lack of business rigor and successful business models is a threat to the business as mission movement. There is a great need for more BAM incubators of all kinds to address this and for them to be more effectively networked for knowledge and resource-sharing. Specific recommendations are made for the future of BAM incubation.

Planting, Watering Growing God's Creative Design... Incubation

Introduction

A business incubator consists of a collection of activities designed to help the launch, growth, and ultimate successful impact of entrepreneurial companies. The activities of business incubators and their role in the development of communities and nations is well summarized by the following descriptions:

A business incubator is an economic development tool designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services.¹

Business incubation is a business support process that accelerates the successful development of start-up and fledgling companies by providing entrepreneurs with an array of targeted resources and services. These services are usually developed or orchestrated by incubator management and offered both in the business incubator and through its network of contacts. A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding. These incubator graduates have the potential to create jobs, revitalize neighborhoods, commercialize new technologies, and strengthen local and national economies.²

Business incubation is recognized globally by governments, practitioners and other stakeholders as a subtle, complex and fit-for-purpose process to support innovators and/or entrepreneurs through the early stages of their development and growth. It is designed to facilitate the creation of wealth and actively contribute to the sustainable socioeconomic development of communities both in established and emerging economies.³

Business incubators provide a multidisciplinary, variable array of resources and services such as:

- Financial capital
- Facilities and infrastructure
- Mentoring and coaching
- Business management expertise
- Research and analysis
- Legal expertise
- Human resources
- Facilitation of connections with potential strategic alliance partners, including business model providers, suppliers, distributors, and consumers.

¹ Business Incubator Definition (Entrepreneur Magazine) <http://www.entrepreneur.com/encyclopedia/business-incubator>

² What is Business Incubation? (National Business Incubation Association) https://www.nbia.org/resource_library/what_is/

³ Innovation and Entrepreneurship through International Business Incubation (Harman, 2010) <http://www.isbe.org.uk/EMIntBusinessIncubation>

In the case of business incubators specifically supporting business as mission (BAM) companies, these may also contribute additional resources or support such as cultural, theological or missiological teaching and prayer support.

Business incubation has emerged as a strategy for extending the Gospel in its own right in recent years. Various types of incubation models are being used to help launch and grow entrepreneurial business as mission (BAM) companies.

In this report, we look briefly at incubation from a biblical and church history point of view. An overview of mainstream business incubation is then given as a foundation for understanding incubation in a BAM context. The report then shares BAM incubation models; how they have emerged, their focus, and the kinds of services they offer. An analysis BAM incubation and lessons learned is provided, before recommendations for the future are made.

God's Creative Design

Incubation in the Bible

To incubate is to maintain (a living organism) at optimal environmental conditions for growth and development⁴. Proper incubation in an agricultural context was well understood in biblical times and the process of seed incubation is used as an analogy in the following writing from Paul:

My job was to plant the seed in your hearts, and Apollos watered it, but it was God, not we, who made it grow. The ones who do the planting or watering aren't important, but God is important because he is the one who makes the seed grow. The one who plants and the one who waters work as a team with the same purpose. Yet they will be rewarded individually, according to their own hard work.

1 Corinthians 3:6-8 (New Living Translation)

This passage in Corinthians shows us that first, incubation is important—whether in the physical or spiritual realm—and second, that collaboration or teamwork is vital in the incubation process. Successful incubation involves multiple types of contribution, from multiple people or sources. It is a biblical principle that God's actions are central to growth and fruitfulness.

Business incubation in church history

The activity of business incubation has a long history. Although a comprehensive history of business incubation is beyond the scope of this report, we do know that it was practiced by individuals and groups historically who today might be considered Christian social entrepreneurs or business as mission practitioners.

The Quakers are one such example, a Quaker motto was 'spiritual and solvent'⁵. William Westwood explains the significance of the Quaker Meeting House as a focal point for business incubation:

The impact of the Quakers on the British social and economic landscape was in

⁴ Incubate definition: <http://www.thefreedictionary.com/incubate>

⁵ Building the Kingdom Through Business – Bridget Adams and Manoj Raithatha, p39.

complete disproportion to their numbers, only 0.2% of the population, but by the by the early nineteenth century approximately 4,000 Quaker families ran 74 banks and over 200 companies. Quaker spirituality did not suffer from the burden of a sacred-secular divide and “saw their business life as a secular fulfillment of the ideals of the religious life”. The Meeting House itself provided a platform for Quaker economic activities as well as for worship, it was a Christian fellowship of believers in which everyone was accountable to each other for every aspect of their lives. This included business matters as much as anything else. In fact anyone wanting to set up in business was “especially required to seek the consent of the meeting” and continue to subject their business practices to the scrutiny of their peers on an ongoing basis. This is extraordinary, particularly in the context of modern church practice where individual business matters are seldom ‘on the radar’. Moreover the Meeting not only validated ideas “for their soundness, but also to ensure that the interests of the broader community, not just Quakers, were protected”.⁶

Hans Nielsen Hauge could be described as a one-man incubator. Hauge had a great impact on the spiritual and economic development of Norway in the late eighteenth and early nineteenth century. From the BAM Global Think Tank Nordic Report:

As a serial entrepreneur [Hauge] started as many as 30 companies within a period of 4 years in 1800-1804—that is almost one company every second month. Busy man! These companies were not micro enterprises but rather larger scale industries such as factories, mills, ship yards, mines and printing presses... He plowed money back into the business and then turned operations and ownership over to others and moved on.⁷

Descriptions of Hauge tell us that he read a lot and gained understanding of subjects like technology and agriculture. He did not only start enterprises for himself, but saw business opportunities and encouraged others to form companies around these ideas. He also helped resource these fledgling enterprises in various ways. While he was traveling around preaching, he made connections and researched the potential for new enterprises. For instance, he would find out about a waterfall and take people there to see if a watermill could be started. He knew people in other parts of the country that had knowledge and expertise and he wrote to them and asked them to come and help. He also encouraged people to go into business ventures together.

Just these two examples from history show us that there have been times when Christians have been less encumbered by the sacred-secular divide, and more greatly valued economic development and business growth. At those times the natural consequence has often been the incubation of new businesses—whether organized or informal.

⁶ Business and the Church, Do They Both Need Redemption? – William James Westwood Unpublished Dissertation submitted for the Degree of Master of Arts in the University of Chester, May 2014. Quoting: Prior, A and Kirby, Maurice (1998) *The society of friends and business culture, 1700-1830*. In: Religion, Business and Wealth in Modern Britain. Routledge, London and New York, p118; and Doing Business The Quaker Way – Mark Lewis in *Forbes* <http://www.forbes.com/2009/10/09/quaker-business-meetings-leadership-society-friends.html>

⁷ <http://bamthinktank.org/report-nordic>

Overview of Business Incubation

Business incubators support the growth of emerging companies and usually have the wellbeing of the local community in mind and the growth of the local, regional or national economy as a goal. Mainstream business incubation has a well established history, however, more recently incubators have emerged that specialize in supporting the social entrepreneurship movement. These incubators focus exclusively on companies that have social and/or environmental good as core business aims, alongside commercial goals.

It is only in the last few years that business incubation for BAM companies has become a more clearly identified activity in its own right. Some organizations, such as the holding company PRI, the consultancy IBEC Ventures, or investment company Transformational SME (see Appendix D, F and G) have been incubating BAM for much longer, but have not identified primarily as a 'business incubator', or have only more fully recognized their role in BAM incubation in recent years. However, the last two to three years, a few entities have emerged more clearly focused on BAM Incubation, although these are mostly in early stages of growth. Those engaged in the task of incubating business as mission companies have much to learn from mainstream business incubation and social entrepreneurship incubation, since there is a large area of common ground in terms of purpose and functionality.

The aim of this section is to outline the types, advantages, principles and best practices of mainstream business incubation, to equip and inform both:

- BAM company owners looking into using a business incubator, and
- Those in the BAM community aiming to establish business incubator models.

Types of Incubators

Business incubator is a broad term that covers a wide variety of activities. Incubators deliver services to support business launch and growth, but they do it in various ways according to their particular location, scope or focus. Some incubators are based out of universities, others in city centers. Some deal with businesses all over the world, while others choose to focus on a certain city, state or region. Some incubators will help any kind of business and some choose to deal with only certain kinds of businesses, such as those that are environmentally friendly, those who deal with social issues or those in a particular industry.

Some variables:

- Geographic focus (e.g. global, regional, city)
- Where they are based (e.g. university, online only, business park)
- Focus on certain kind of business or industry (social, BAM, technology, etc.)

Appendix A is a Directory of Business Incubation Organizations that provides examples of many different kinds of incubators.

'Business accelerator' is another term that is often used interchangeably with business incubator. The difference between accelerator and incubator is vague, and often defined differently by different people. Some say that is the type of service offered (incubators provide mentoring, accelerators provide funding), others distinguish on the stage of business life (incubators for startups, accelerators for growth-stage). Generally accelerators accept cohorts of businesses into programs, with a competitive application process and funding built into the program. Y Combinator is a well known mainstream

example of this kind of business accelerator. Praxis is an example of a Christian business and nonprofit accelerator, with “a focus on equipping and resourcing a growing portfolio of faith-motivated entrepreneurs who have committed their lives to cultural and social impact.”⁸

Advantages of business incubation

Business incubators are set up to support the growth of companies and as such offer many advantages for young businesses. The following excerpt summarizes some of the key advantages business incubation services can offer:

Affordable rent and scalability

The most obvious advantage is having an affordable space that will allow a business to grow without incurring huge rental or building costs. Many incubators also have the equipment and technology that a young company needs to be able to scale up production, but may not necessarily be able to purchase yet.

Shared business services at a lower cost

As part of a group of tenants, business owners can share the cost of business essentials such as legal services, accounting and marketing research.

Greater success in accessing commercial and specialized non-commercial loans

Many incubators will get professional staff to help their tenants work on their financing pitches and organize their business's balance sheet to appeal to banks. Moreover, if the incubator has a good reputation and previous clients have done well by the banks, then banks will be much more willing to work with business owners from that incubator to craft non-commercial loans to fit their business needs.

New avenues to investor financing

Just like banks, venture capitalists and angel investors consider time in business incubators as being a positive factor that influences the long-term viability of a new company. Prestigious incubators often have connections to large pools of venture capital that a business owner can pitch to.

Networking and mentoring

Being part of a business incubator creates opportunities to meet successful entrepreneurs, financial professionals and retail buyers. Incubators may host events to promote networking and sometimes even arrange for tenants to be mentored by people who have graduated in previous years.

Synergy with other tenants

Working alongside people who are also trying to build a business can be a huge advantage to incubator tenants. This gives them a group of peers who understand the challenges and can share good and bad. In the incubator environment, opportunities exist for beneficial exchanges of ideas and concepts. Such opportunities may not be available to entrepreneurs struggling solo with the day-to-day minutiae of running a business.⁹

The advantages listed here are focused on a particular kind of location-focused ‘business-park’ type incubator. While many traditional incubators offer facilities, other models do not, but do share many of the same advantages. In this report, we focus on an array of incubation-type services that are delivered through a variety of models and forms.

⁸ <http://www.praxislabs.org/about/vision-history>

⁹ Growing Your Business with Business Incubators by Andrew Beattie. Article provided in full in Appendix B.
BAM Incubation Issue Group Report – May 2015

Even though business incubators have many advantages for emerging companies, the real cost of incubation should be researched and weighed up. There are some precautions to take when considering business incubation. One commentator notes the following:

- Although business incubators are often associated with providing some sort of mentorship, most do not offer guidance free of cost.
- Costs may be rolled into a rental fee: you pay your rental fee and the services provided by the incubation center are included within this rental fee.
- Alternatively, incubators may ask you give away shares in your company or idea in return for rent and mentoring.
- Heavily research all options before cementing a plan in with an unsuitable incubator.
- Weigh the pros and cons of enlisting the services of a general incubator, and those associated with the direction provided by more industry-specific incubators.
- Understand the requirements and milestones necessary before one can graduate from an incubator.¹⁰

However, if the commitment to a business incubator can be researched and understood thoroughly, the conclusion is that they can provide young businesses “tremendous growth potential”. “[Incubators] provide a lot of help, support and mentoring in areas that budding entrepreneurs might not necessarily have knowledge or experience. For instance they can provide assistance with writing business plans, as well as in finding investments or additional funding. Ultimately, incubators really are worth their weight in gold.”¹¹

Principles and best practices for business incubation

Business incubation is a well understood and documented activity in the commercial world. Principles and best practices have emerged for business incubation that apply in any context, including for those with a focus on BAM incubation.

Critical to the definition of an incubator is the provision of management guidance, technical assistance and consulting tailored to young growing companies. Incubators usually also provide clients access to appropriate rental space and flexible leases, shared basic business services and equipment, technology support services and assistance in obtaining the financing necessary for company growth.¹²

The National Business Incubation Association (NBIA) in the USA, elsewhere describes two principles that characterize effective business incubation, as follows:

1. The incubator aspires to have a positive impact on its community's economic health by maximizing the success of emerging companies.
2. The incubator itself is a dynamic model of a sustainable, efficient business operation.¹³

¹⁰ <http://www.prnewswire.com/news-releases/scott-dylan-highlights-value-of-business-incubators-for-viable-startups-191786601.html>

¹¹ Ibid.

¹² What is Business Incubation? (National Business Incubation Association) https://www.nbia.org/resource_library/what_is/

¹³ NBIA: Principles and Best Practices for Successful Business Incubation – https://www.nbia.org/resource_library/best_practices/ (See also Appendix A)

The NBIA goes on to describe ten best practices for business incubation, of which the following is a summary:

1. Commit to the two core principles of business incubation.
2. Develop a strategic plan containing quantifiable objectives towards the mission.
3. Structure for financial sustainability using a business plan.
4. Recruit and compensate the right management.
5. Build an effective board of directors.
6. Prioritize client assistance, including proactive advising and guidance for companies.
7. Develop an incubator facility, resources, methods and tools.
8. Integrate the business incubator into the fabric of the community and its goals and strategies for economic development.
9. Develop stakeholder support, including a resource network.
10. Conduct ongoing program evaluation.

See Appendix C for the full version of NBIA's incubation best practices.

The Emergence of Business as Mission Incubation Models

The door is open to business globally, entrepreneurship never has been as in vogue as it is now. Social enterprise and impact investing are becoming commonly understood concepts. Alongside these broader trends, mission-minded Christians are beginning to intentionally incubate business as mission companies. Universities, NGOs, mission agencies, businesses local churches and individuals are creating tools, space and educational materials to nurture businesses for the expansion of God's Kingdom. This section outlines trends, models and strategies of BAM incubators across the globe.

How they have emerged

Most BAM-focused business incubators in existence have emerged out of established organizations and entities: universities, mission agencies or other types of agencies (Christian ministries or NGOs). However, there are a few exceptions.

Incubation out of established companies

One exception is larger or more seasoned businesses that have committed to incubate other transformational companies. For example, the company Pacific Resources International¹⁴ (PRI) has had the DNA of business incubation woven into the values and functions since its earliest days. A core part of its business is to provide business services that help new businesses start up in China. (See Appendix F for more about PRI).

Another example is Freeset, a well established social enterprise working against the sex-trade in India. Freeset has now established the Freeset Business Incubator (FBI) to help multiple similar 'freedom businesses' that are motivated to serve the poor and oppressed. FBI provides growing companies with the research and resources; "adding capacity for new businesses early in the development phase, helping in areas such as product

¹⁴ <http://www.priusa.com/> and see Appendix F for the PRI Incubator Profile.

development, design, sales and marketing, accountancy, legal and logistics to name a few.”¹⁵

Incubation out of pioneering incubators

Other exceptions are the pioneer business incubators that have been started by individuals or teams with a singular vision to nurture Christ-centered business activity—with no prior parent organization. The few examples of this kind of incubator include Praxis and the Joseph Business School in Illinois, USA. While these may not identify squarely as BAM incubators, they both have a central focus on multiplying successful businesses that have an intentional spiritual, social and economic impact on communities.

The Joseph Business School was established in 1998 to give practical teaching using biblical principles, resources, and a state-of-the-art environment that provides a ‘one-stop shop’ for emerging businesses and entrepreneurs. The vision is to “empower adults to develop indispensable skills as successful entrepreneurs and business leaders thus equipping them to eradicate poverty in their lives and communities which will glorify God.”¹⁶ Providing facilities such as meeting rooms, office space and practical services—as well as training and education—the JBS is typical of the traditional idea of a location-based business incubator. The Joseph Business School facility is home to the Illinois Small Business Development Center (SBDC), the only faith-based SBDC in the United States.

The founders of Praxis conceived it to be an accelerator for faith-motivated entrepreneurs that want to make a social and cultural impact. Their approach: “Each year, Praxis welcomes 12 businesses and 12 nonprofits into our two Accelerator programs, where we provide the top decision-makers in these organizations with the knowledge, network, and personal discipleship necessary to build sustainable, high-impact organizations.”¹⁷

The Korean-led Center for Business as Mission was birthed when 30 people met to pray and discuss the vision for business as mission. Regular meetings of a core group began and out of that emerged CBAM and its training components, Joshua Business School and Jubilee Entrepreneurship School.¹⁸

Incubation out of mission agencies

However, most current BAM Incubators have emerged out of existing entities, especially from mission agencies. The motivation for this has varied, but one strong theme has been the need to identify more of the right kind of business-minded people to do BAM and to nurture sound business concepts. This has been in response to the challenge encountered by many already in mission agencies who realize the vital strategy of business as mission, but have a lack business experience and know-how within the organization.

In almost all cases, there has been a business-minded individual (or individuals) involved who have a stronger business background. These catalyst people have usually worked from within the mission agency—or in close partnership with—to get the incubator started. One such example is Business 4 Blessing, the founder having had high level business experience in the corporate world in a cross-cultural setting. She then worked for some years with one particular traditional mission agency in East Asia to increase the rate of

¹⁵ http://freesetincubator.com/?page_id=59

¹⁶ <http://www.jbs.edu>

¹⁷ <http://www.praxislabs.org>

¹⁸ <http://centerforbam.org>

successfully incubated BAM companies. She eventually developed Business 4 Blessing as a stand-alone consultancy and incubator that provides services to numerous agencies and individual businesses. (See Appendix H for more about Business 4 Blessing).

IBEC Ventures and 'B Incubator' are another example of a consultancy and business incubator emerging from a parent mission agency, in this case, Crossworld. This agency wanted to pursue business as mission with integrity and be more effective at supporting BAM companies and birthed IBEC Ventures as a standalone organisation, and B Incubator some years later. (See Appendix G for the story of IBEC Ventures and B Incubator).

Some mission agencies have been motivated to start BAM-incubation type entities so that they can offer services to BAM companies that do not fit well under a traditional missionary organization structure or remit. It is for this reason that some of the new incubators have emerged as independent, distinctive entities, with little or no structural overlap with the parent organization. Another such entity is Transformational SME, originally birthed out of an existing agency, it was developed as a BAM investment company. Incubation services such as business plan evaluation, mentoring and recruitment services have since evolved to augment TSME's loan investments, and maximize the chance of businesses succeeding. (See Appendix D for more about TSME).

Transformational Ventures (T-Ventures) is the BAM initiative of another mission agency, WorldVenture, and in this case, currently remains under its leadership structures. Over the past few years T-Ventures has focused on a strategy to launch BAM incubators—Business Development Centers—with the aim of equipping local entrepreneurs for greater Kingdom impact. (See Appendix E for more about T-Ventures).

Apart from mission agencies, incubation activities have also been birthed out universities and also from other kinds of NGOs or Christian ministries.

Incubation out of universities

In mainstream education, it is quite common for universities to establish accelerator or incubator type-activities, usually in partnership with a business or non-profit. One well known example, among many, is Global Startup Labs at Massachusetts Institute of Technology (MIT). Universities recognize that successful entrepreneurship goes beyond the entrepreneur's education and seek to provide experiential learning and support for the business launch and early development. Few Christian Universities have so far developed this kind of incubator. One is Anderson University in Indiana that became the first member of the Council for Christian College and Universities (CCCCU) to have a certificated incubator in the United States. Their incubator, the Flagship Enterprise Center, was developed in partnership with the local government and has a vision to: "transform the community into a destination of choice for entrepreneurial businesses and business leaders who will create new enterprises, new jobs, and new markets resulting in economic renewal and diversity for the area served."¹⁹

Regent University²⁰ in Virginia, USA is one Christian institution that has been BAM-focused in its incubation efforts. It has been equipping local entrepreneurs through the Business Development Center (BDC) in Rwanda since 2010. Regent University participates in projects all over the world, in Albania, Argentina, Cameroon, Guatemala, Indonesia,

¹⁹ <http://www.flagshipenterprise.org>

²⁰ <http://www.regententrepreneur.org>

Kenya, Laos, Mexico, Peru and Ukraine, with the vision of developing a global network of business development centers (BDCs).

Incubation out of marketplace ministries

A number of incubation-like activities have developed out of Christian ministries that are primarily concerned with promoting a biblical basis for business and equipping Christians in the marketplace. The Crown Business Venture Academy²¹ is one such example. Part of the Crown Business initiative, the Venture Academy is a virtual, web-based business incubator that provides resources, support and training for entrepreneurs that are interested in integrating faith, family and business. It offers assistance to individuals and families to plan, launch and operate a business based upon biblical standards and entrepreneurial excellence. It provides services common to incubators, such as training courses, finding funding and job positions, and provides an automated business plan analyzer.

Scale and geographical focus

Some business as mission incubators have a geographical target area, but these can vary enormously in their scope, and include both location-based and virtual models.

For example, Transformational SME is a virtual incubator that offers investment and incubation-type services provided by a “global community which assists Christian-led small-to-medium size enterprises (SMEs) to grow in size, profitability and wholistic impact in the Arab world and Asia.” The Transformational SME website goes on to explain the vision and mission, “Our wholistic impact touches the whole person, including financial, spiritual and emotional wellbeing, while at the same time making a positive impact on society. The Arab World and Asia is our target market and the neediest in that market (in terms of finance and spiritual need) make up our primary objective. We manage a private Christian investment fund capitalized by a private, global community of international investors, which supports the growth of Christian owned and managed SMEs across North Africa, the Middle East and Asia.”²²

PRI is a holding company based in the USA, but incubates new manufacturing plants in China, offering investment, consulting on site feasibility, human resources, business planning and start-up support, cross-cultural training, among other services.

Bridge2Rwanda, the Business Development Center in Rwanda and the Community Development Center in São Tomé e Príncipe are all examples of location-based, country-specific incubators.

Other Kingdom-focused incubators have followed the motto of ‘going small’, focusing on a an even smaller geographical area. One example is Jim Hartman who started the Miriam's House Ministries and The Melville Park Micro-enterprise Experiment in Boston with a “deliberately small focus area” of a quarter of a mile radius around their facility²³. Jim hopes to help others improve their skills by sharing biblical principles on management and life purpose.

²¹ <https://crownbiz.com/venture-academy-listing>

²² <http://www.transformationalsme.org/about-us/what-is-transformational-sme>

²³ Miriam's House Ministries and The Melville Park Micro-enterprise Experiment: A case for addressing local poverty through a call for hospitality http://www.egc.org/sites/egc.org/files/publications/err/jim_hartman_miriam's_house_ministries_entire_paper.pdf

Some incubators focus on a geographical area to create a critical mass for job creation in a particular location. Business Development Centers developed by T-Ventures are an example. The vision and purpose of BDCs is to focus resources to accelerate and deepen the impact of business as mission in a particular location where there are the right conditions for business development. The intention is that as cohorts move through the training and mentoring process, a critical mass of successful businesses in an area will form. The goal is to create and equip more influential job creators in a community who will ultimately create greater impact together. (See Appendix E). Bridge2Rwanda has a similar focus on creating jobs in a particular geographic location.

Another noticeable trend is the desire to grow by replication in similar markets. Regent University in Virginia, USA has been doing this with Business Development Centers (BDCs). Regent University set out to create one model center that could then be replicated. They found Rwanda to be an ideal place to begin because of the ease of doing business. The Center partnered with the International Christian Chamber of Commerce and the Rwandan Development Board to fund, recruit, and run a 14 week entrepreneurship training course.

Youth With A Mission in São Tomé e Príncipe has a similar goal. Supported by a Portuguese for-profit company, they are creating a Community Development Centre (CDC). The goal is to promote professional and personal development as well as industrializing and commercializing natural products (such as fruits, which are abundant on the island). The vision for the CDC is to be self-sustaining, creating jobs for local people and promoting the health and development of the island. The São Tomé CDC is a prototype for others to be created in other Portuguese speaking African countries.

Other organizations offering incubation-type resources are aiming to be ‘trans-global’ by using the internet. For example, online resources can be accessed from the Center for Business as Mission, Transformational Ventures (Beta Ventures), Venture Academy and the Joseph Business School, who each offer all or part of their training materials online.

Services and functional focus

Even though there are relatively few BAM incubators, they encompass a wide variety of services and come in many forms. Just some of the services that are offered by the BAM incubators listed in Appendix A and profiled in Appendices D to I include:

- Feasibility studies
- Market research
- Business plan development
- Loans
- Mentoring or coaching
- Legal expertise
- Recruiting or headhunting
- Business training
- Cross-cultural training
- Specialist business services (accounting, administration, human resource management etc.)
- Financial systems and consultancy
- Internships
- Country analysis

BAM-focused incubators usually offer services and perform functions that are alike to mainstream business incubation, but most often with additional missiological, theological, cultural, or spiritually-oriented support. For instance, Transformational SME describes its understanding of business incubation as:

A collection of activities designed to help the launch, growth and ultimate successful impact of entrepreneurial BAM companies by providing a multi-disciplinary, variable array of resources and services such as financial capital, mentoring and coaching, business management expertise, human resources, and missiological insight, as well as the facilitation of connections with potential strategic alliance partners including business model providers, suppliers, distributors, and consumers. (See Appendix D)

Many BAM incubators offer a mixture of business services and cross-cultural or missiological services. For example, B Incubator offers resources that would be familiar from standard mission agency member care practices: cross-cultural training, marriage and family resources, crisis preparation and language acquisition resources—and indeed these are outsourced to the parent mission organization. B Incubator also offers more ‘standard’ business services such as business readiness development, business plan development, country analysis, legal expertise and so on.

BAM-focused incubators tend to have a specialization in cultural orientation, or region-specific resources since many of their BAM clients are starting companies across cultures, and in some cases in business-hostile or mission-hostile parts of the world. Business 4 Blessing, for instance, has a growing database of country-specific legal expertise to help new companies navigate Government regulations for business.

PRI lists cultural understanding, market analysis and Government relations, among its services and functions, specific to incubation in China. They leverage their relationship network and cross-cultural experience in China to help new companies succeed.

Some BAM incubators have launched with a comprehensive package of resources and services, others have evolved services when a felt-need has surfaced. Transformational SME, for instance, began primarily to provide loans to BAM growth-stage companies, but over time has developed a number of incubation-like functions that are synergistic with the original purpose. B Incubator, in contrast, built-in 20 plus service offerings into its strategy from start-up.

Many BAM incubators have either started with education and training, or have a major ongoing focus on it. The delivery of training varies widely, whether through training cohorts in a workshop-type setting, offering on-line courses, or educating through coaches and consultants. B Incubator developed standard training course materials to avoid consultants having to continually address basic business questions. Transformational Ventures took business training materials developed in Asia and have made them available online²⁴ so that they can be used globally by their own Business Development Centers, and by any other organization or individual.

One of the more distinctive functions of BAM incubators is addressing underlying worldview issues through education and training, using biblical principles as a foundation. There is a recognition that a mindset change is needed in the local culture in general, and

²⁴ <http://www.beta-ventures.com>

among Christians and the local church in particular. Incubators use biblically based materials to address issues such as ethical conduct, relationships, business practices, attitudes to money, planning and so on. For example, the Marketplace Institute of Regent College in Vancouver, Canada has developed a Social Enterprise Incubator with the aim to “bring theology to bear on every aspect of designing and operating a business.”²⁵

Transformational Ventures has deliberately taken time before the establishment of their Business Development Centers (BDC) to work with local Church leaders to ‘sow the seeds’ of understanding for the BAM vision. There is a recognition in this and other organizations that worldview issues need to be addressed as a foundation. In many parts of the world, the local church (and Christian business people within) are not familiar with and/or receptive to BAM—or even the concept of Christ-centered business. The T-Ventures BDC in Bolivia has gone so far as pausing its business development activities in order to take the long view of business incubation. They are now developing resources and training to help the church leaders to understand the role of business in society, and get the business people in the churches stirred up to bridge the sacred-secular divide and embrace the call to business. (See Appendix E.)

This point also highlights the very variable approach of BAM incubators concerning their target client or audience. Some incubators are exclusively serving Christian entrepreneurs or teams focused on launching (usually cross-cultural) BAM companies. Others are focused on national Christian business owners with the aim of social and economic transformation in a particular area or country. Still others also offer services to the wider population of business owners in order to establish a large enough client base for sustainability.

Another distinct approach is to focus more on creating the structural conditions for new companies to flourish, rather than incubating company-by-company. For example, Bridge2Rwanda is building a commercial feed mill and a distribution network to supply the country with cattle feed. This will allow more families to establish cattle farms, with Bridge2Rwanda assisting in all the business development areas with training, assessment and support. (See Appendix I.)

Opportunities and Challenges of Business as Mission Incubation

BAM incubation is a relatively young field, with much of the incubation activity in existence for 5 years or less. However, there is an opportunity to assess the state of BAM incubation as it stands, identify lessons learned so far and offer some recommendations for the future.

SWOT analysis

In this section we summarize Strengths, Weaknesses, Opportunities and Threats (SWOT analysis) of incubation for BAM companies.

Strengths

What do you see as strengths of current BAM Incubation models? What unique resources can be drawn upon?

- We are servants of God and have his leading and protection.

²⁵ <http://marketplace.regent-college.edu/about-us>

- Prayer.
- There are wide variety of models and services already offered in the BAM community.
- Different types of entities are engaging in BAM incubation.
- Incubation is a proven business strategy, evidence shows that incubated businesses have a higher survival rate.
- More BAM-focused accelerators and incubators are starting to emerge and can learn from experience so far.
- A growing network in the BAM community supports the work of BAM incubation and resources can be shared.
- In BAM you are getting people with integrity, which is a good foundation for business development.
- BAM incubators can make a big difference to business-outcomes with strategic inputs. They take that basic foundation of mission-minded people with some aptitude for business and significantly increase confidence and capacity for commercial success.
- BAM incubators are opportunity creators in their locations.
- BAM incubation often has a holistic outlook, addressing spiritual, cultural, worldview, familial, and social issues, as well as operational, legal, financial and other purely commercial issues.

Weaknesses

What would you improve as it pertains to BAM Incubation? Where are there fewer resources than others? What are others likely to see as weaknesses?

- Relatively few pure BAM incubators around the world.
- Existing incubators not linked or sharing intangible and tangible resources.
- Lack of experienced people simultaneously in business and missions who are available to teach, train or coach others.
- Lack of expertise in areas such as people-management and technology.
- Relative lack of (good quality) BAM companies to incubate and lack of investment-ready companies.
- Lack of competency in mission agencies, which affects quality of business models and business plans.
- BAM companies are often in difficult places, making for high-risk investments and scarce resources.
- Business are not willing, or able, to pay for incubation services.
- Lack of business rigor in incubation decisions, resulting in companies or incubators that want to mentor and multiply other BAM companies already being saddled with struggling businesses and financial problems. Historically mission agencies or BAM companies feeling that they must incubate a certain business, resulting in poor decisions, unwise investments, or with lack of contracts.
- Lack of larger incubators than can take the strain.

Opportunities

What opportunities are open to BAM incubation? What trends could be taken advantage of? How can strengths be turned into opportunities?

- Entrepreneurship is in fashion. People want to venture into new businesses.
- World economy and trade is growing.

- Business investment and development is welcomed globally.
- Europe (and USA) is in crisis and skilled people are willing to move to other (developing) countries.
- Economies such as Brazil, one the world's largest mission senders, are growing and willing to invest abroad.
- Internet of things and internet of services will allow increasing specialization for companies to find their niche and survive.
- Amongst God's people there are some tremendous skills and experiences waiting to be tapped into. We can bring those people into BAM incubation—what a gift to the Kingdom!
- The BAM ecosystem is growing around the world and is getting better connected.
- Business incubation is a tangible felt-need in missions today. Many stakeholders are prepared for a radical shift in approach to both mission and business.
- The 'marketplace movement' and those integrating faith and work is a great foundation for the BAM movement to build on. We can to bring a global emphasis to that and mobilize people with a heart for the nations and the unreached.
- There is an opportunity to educate and mobilize in academia, in the context of schools, seminaries and colleges.
- Business students and business professionals are ready and open to the message that they can stay in business and serve God with their life.
- There is potential in franchising models to multiply robust business models.

Threats

What threats could harm BAM Incubation? What threats do weaknesses expose BAM incubation to? What political, environmental threats could seriously impact BAM incubation?

- Hostile environments for mission. Governments or societies that consider BAM incubation as proselytism.
- Hostile environments for business. Lack of infrastructure and legal framework for business and business incubation. High corruption.
- Christians not being aware of the need to support and develop BAM initiatives. People don't understand value of incubation process. It's new, it's going to be a while before people understand business as mission incubational process. It hasn't been bought into yet by many churches and mission agencies.
- Pull back in the church and some agencies that view BAM as a 'phase', a strategy that will pass.
- Sacred-secular divide leading to undervaluing of business and business incubation in the church, hindering engagement in BAM by Christian entrepreneurs and business professionals.
- Lack of mission-minded Christians in the church, especially those with the right business skill set and character for BAM.
- It's a long, slow road to build understanding of the vision, and helping pastors and educators understand business as mission. It will be hard to mobilize business people in churches if leaders don't have understanding of BAM. We need to push back to the grassroots and equip those that will be 'equipping the saints'—and before that the seminaries and colleges that will train pastors.
- The emerging generation of potential BAM practitioners are less hindered by divided-thinking, but the growing responsibilities of debt, family, house, need for job security, etc., may defer or distract from engagement in BAM.

Lessons learned from BAM incubation

BAM incubation includes ‘added dimensions’

Incubating business as mission companies requires activities that go beyond the range of standard business services offered by mainstream business incubators—and beyond even the social impact plan addressed by social enterprise incubators. BAM companies have a focus on spiritual impact, as well as social, environmental and economic impact. This will mean BAM incubation activities that address spiritual, missiological, theological, and cultural concerns, in terms of both the training and services offered.

These added dimensions will encompass a broad range of incubating activities, from teaching values and principles from a biblical worldview, through to incorporating a missional impact plan into the business development, to providing specialist services that address challenges encountered in cross-cultural environments.

Peter Shaukat of Transformational SME describes the process of a business being birthed through five phases: Preparation, Perception, Persuasion, Planning and Perseverance stages (see Appendix D). Some of the ‘added dimensions’ to BAM incubation that he observes:

Preparation stage

This is before the ‘baby is born’, the preparation that has taken place even before the business journey starts. It is about recognizing what God has already done in the practitioner’s life in regards to their sense of missional call and life experiences; the tapestry woven together in their life *before* the BAM entity begins to be incubated. Preparation includes both business preparation and missiological preparation. What has God been doing to both missionally and professionally prepare the person, in terms of their skills and competencies?

This is where mentoring should begin: Tell me what God has been doing in your life? Tell me what your sense of call is? Tell me how God has been preparing you? The incubation process needs to begin there. The incubation of a new BAM business is the *result* of the process that God has already been doing before that.

Perception stage

The perception stage is the next step. This is about gaining an understanding of what is going on in the environment that God has called you to do business as mission within; and what God wants to do through the business. What is going on in that environment in commercial terms? What are the needs? What is the market? What is the specific missional element? What is the missional calling to the people group? How is God raising up your business? The perceiving stage addresses the question: What is your business going to be about, commercially and missionally? This is the beginning of the gestation stage of the new business.

Persuasion stage

This is the period of incubation that primarily involves team building, persuading others to join you. If you hold that it is risky and hard to launch a BAM company in isolation, as an individual, and that it is ideal to build a team around this business idea, then incubation will involve this stage of persuasion. Persuasion follows on from the perception stage and is about envisioning others and getting your team lined up, your investors lined up, engaging your spouse, and so on. The persuasion process also includes working together with national Christians and understanding together the context and business.

Planning stage

Business as mission is not a purely commercial enterprise, so the planning process for BAM companies is going to include missional planning and the development of a spiritual impact plan. This may include a cultural adaptation and language learning phase, living with a national family, for instance, or other necessary preparations.

Perseverance stage

This is the launch cycle, where the 'baby is born', in a sense—and where it might be keeping you up at night, and there might be teething problems! The incubation process involves persevering through the phase of business start-up. What do you need at that point? This is where field-support in terms of mentoring and coaching, and prayer support is needed.

In BAM incubation, prayer, and God's leadership is a powerful combination with 'normal' business services such as business planning, investment, or mentoring. We need to recognize how the Holy Spirit is leading people and preparing the way as we engage in BAM incubation.

A shift in approach by mission organizations is important

Many of the current BAM incubation efforts have been birthed out of mission agencies. This has been motivated both by a felt-need for business as mission strategies in the field, and a desire by agencies to multiply the number of stable BAM businesses. A business-minded catalyst person (or team) and a completely fresh approach to recruiting, equipping and deploying BAM practitioners have been two important components of these new BAM incubation entities.

Larry Sharp of IBEC Ventures gives his perspective on the necessary adjustments (Appendix G):

Finding the right people to start BAM companies is a major challenge. Many people who are called to traditional missions are not able to run a business. We need to find people out there who God has called to business. Those people are often told, if you really want to serve God, you need to become a missionary, you need to go to Bible school. That message is still getting out. We need to catch those people. Let's look for God's people who have the capacity to be part of a business or to start a business, to be entrepreneurial or be supportive in a business—let's find them, they are in our churches, let's equip them, let's send them. The right process for recruiting, equipping and deploying for BAM is really key... Many mission agencies are still trying to do a little tweak so that "we can stay over there and get a visa". I am saying, no it's not a little tweak. We need new recruits, with a different wiring that are just as missional, just as passionate, just as disciple-making, but they're wired for business. We have got to find those people!

More robust businesses and more robust incubators are needed

One real challenge to would-be BAM incubators is the lack of business intention in some companies calling themselves 'business as mission'. One Issue Group member shared:

There are many who craft business plans with all type of approaches and options. Many of these plans are great dreams from good people, but are not investment worthy. Countless hours have been spent talking to these individuals trying to coach and prepare them for success. However, sometimes they are not committed to the idea or are not willing to make the real sacrifices required to see the business

launched. They are using ‘business’ for their purposes, but are not committed to real business.

Other BAM companies are sincere in their goal to start a profitable, sustainable business, but lack necessary business experience or skills. Of course, one solution is to have more BAM incubators that can comprehensively train, mentor and support such business-builders. However, another key challenge is mobilizing and recruiting the right kind of people for business as mission in the first place, as highlighted above.

BAM incubators also need to be robust, with a sound business approach and large enough to absorb the inevitable shocks that incubating relatively high-risk businesses will entail. Dwight Nordstrom of Pacific Resources International puts it this way (Appendix F):

[Be] selective when it comes to the quality of the business model you invest money or services in, and your own capacity to ‘take a hit’ on a business failure... Don’t incubate others if the strength of your company is not strong enough to absorb the hit.

BAM companies have some distinct challenges

Even for BAM companies committed to excellent business practice, there are challenges. In his article, “Reducing the Distinct Commercial Risks Inherent in BAM”²⁶, Dr. Thomas Shaker draws on one particular case study to outline six broad sources of risk distinct to BAM:

1. Failure to develop a compelling business proposition
2. Operating in low profit sectors
3. The delusion of subsidies
4. The Regulatory and Legal compliance maze
5. People risks
6. Ownership risks

However, Dr. Shaker goes on to conclude that the activities of groups such as ‘EGRIT’—a BAM incubator and investment group whose name was changed for security reasons—would significantly help BAM companies in several ways. These included: helping individual companies build broader networks, making access to business resource networks less time-consuming, and having a vested interest that will both keep the company accountable to both missional goals and business goals (by ensuring invested capital is well used and yields a return). Despite the challenges, business as mission incubators have a vital role to play in the success of BAM companies.

Collaboration is a key for BAM incubation

The Incubation Issue Group agreed with Dr. Shaker in identifying ‘networking’ as a positive for BAM incubation. Despite being limited in number, there is diversity among the current BAM incubators, in terms of their genesis, their geographical focus and scale, their target clients, and the range of services offered. New BAM incubators can be creative in terms of their particular niche, and there is great scope for collaboration with other entities: incubators, BAM businesses, BAM service providers, educational institutions, churches or mission organizations.

²⁶ St. Francis Magazine Nr. 3 Vol. III, December 2007 <http://www.stfrancismagazine.info/ja/Reducing%20the%20Distinct.pdf>

Peter Shaukat emphasizes the importance of looking at the BAM ecosystem as a whole and identifies four essential players in BAM incubation:

BAM Incubation involves the 4 As: Academia, Assembly, Agency, and Actualizers.

Academia – In BAM there is incubation happening in the *academic* context.

Assembly – means the local church, the local congregation... Some congregations are now large enough in terms of critical mass, and have enough business practitioners to begin to get traction for incubating BAM... The Assembly also has a strategic role to play in vision-casting and mobilizing, and laying a theological foundation for work as ministry

Agency – by agency we include the traditional Mission Agency that is embracing BAM, but also any entity that serves the BAM ecosystem with a specific application, for instance, a funding group or incubating group.

Actualizers - the men and women who are going to start businesses. Without these people BAM incubation is not going to happen!

(Read more in Appendix D.)

The growing ability to network with like-minded companies and organizations in the business as mission movement, will increase the provision of BAM-focused financial, human and knowledge resources for new BAM companies. Conversely, a weakness is that currently there is a lack of resources and connections in this emerging movement. This reflects the relative lack of BAM incubators to begin with, and a lack of networking—linking and knowledge-sharing between the BAM incubators that do exist.

A particular business model for BAM incubators is not clear

There has been a debate in business as mission about the appropriate way to fund and financially sustain BAM companies (refer to BAM Think Tank Funding report²⁷), with investment-funded versus donor-supported versus hybrid models all in existence. A parallel debate is ‘brewing’ for BAM incubators, with some feeling strongly that BAM services should function as BAM companies and model financial self-sustainability and others acknowledging the challenge of profitably offering BAM incubation services in a limited market of BAM companies—who are either not yet able to pay for services, or do not even acknowledge their own need for them.

Take for instance the following observations:

[B Incubator has] a ‘cafeteria approach’ to business services, you can pick and choose which services you need for your company and situation. One challenge to this approach is that BAM company owners self-select the services they need and sometimes are not willing to pay for services that could make or break their company. (Larry Sharp, IBEC Ventures, Appendix G.)

We shouldn’t start incubators that offer free or highly subsidized services. We must aim for incubators that charge something resembling going market rates for their

²⁷ <http://bamthinktank.org/report-funding>

services. Otherwise, we do the business development equivalent of Tom's Shoes by giving away things and hurting local capacity. Simply charging for services probably won't bring in the needed revenue in many places, though, so other creative mechanisms will be needed. I believe we can put money into starting incubation or helping launch a new service but should strive to not subsidize incubation longer than needed to give it the needed runway. Whether incubation is set up as a for profit or a non profit, it needs to be profitable in the long term. (Bruce Swanson, Transformational Ventures, email correspondence.)

Be selective and have a giving heart when it comes to mentorship! [If] you try and count the commercial benefits, a true private enterprise may conclude that generously mentoring others is not worth the cost! You have to keep a Kingdom perspective, and weigh Kingdom impact potential. (Dwight Nordstrom, PRI Appendix F.)

It is valuable to apply principles and best practices from other disciplines

It is important "to apply values and best practices from business, community development, the social enterprise sector, mission work, and also, newly learned practices from other BAM organizations." (Bruce Swanson, Appendix E).

As well as those mainstream business incubation practices identified in the section above entitled 'Principles and best practices for business incubation', further work is needed to comprehensively glean best practices from both social enterprise incubation and the emerging BAM incubation entities.

Some good practices already identified by practitioners from the incubation profiles in Appendices D to I, include:

- Be selective about making investments into solid BAM companies, thorough due diligence is required.
- Mentoring and accountability can augment other incubation services and increase chances of business success.
- The right leadership team with an appropriate and complementary skill-set, temperament and experience is important.
- Finding the right local leadership and developing local capacity is key to launching a location-based BAM incubator.
- Don't lead with money, lead with relationships.
- Training curriculum can cover basic business topics and save consultant's time in the ongoing mentoring process.
- Prayer and direction from the Lord is critical to the success of BAM incubation. Recognize how the Lord has been leading and preparing the people and the context.
- BAM incubation should account for an integrated commercial and missional plan.
- Work together with and learn from national Christians and local church leaders.
- Outsourcing services to specialist organizations can be fruitful.
- Address barriers at the worldview level.

Future work analyzing the practices of BAM incubators as they become better established would be beneficial to the BAM movement.

Conclusion

Excellent business practice done as unto the Lord, for the common good, is glorifying to God. Business incubation, as we have seen, is about creating a positive impact on communities by maximizing the success of emerging companies. It is glorifying to God to engage in the activity of business incubation, to promote good business practice and maximize the success of emerging companies—BAM enterprises or otherwise. Business incubation is a good and much needed activity in the BAM movement worldwide.

For business as mission incubation we can learn much from mainstream business incubation and social enterprise incubation. However, BAM incubation will require additional services and resources that recognize the integration of mission and business together—and help businesses meet four bottom lines: economic, social, environmental and spiritual.

The field of BAM incubation is young. Lack of business rigor and successful business models is a threat to the business as mission movement. There is a great need for more BAM incubators of all kinds. As we multiply, it is essential that we continue learn, from other disciplines, but also from the new generation of pioneering BAM incubators.

As the incubation metaphor that Paul uses in 1 Corinthians 3 shows, God has designed us to creatively collaborate with Him and others in order to be fruitful. In BAM incubation we should emphasis creativity, collaboration, prayer and the leadership of the Holy Spirit; alongside delivering an array of high-standard incubation services and resources according to our goals and context.

For if you give, you will get! Your gift will return to you in full and overflowing measure, pressed down, shaken together to make room for more, and running over. Whatever measure you use to give—large or small—will be used to measure what is given back to you. (TLB, Luke 6:38)

Recommendations and Action Plans

Recommendations for BAM incubation

Multiplication along a broad spectrum

More dedicated BAM incubators are needed. However, as multiplication occurs, the BAM community should think broadly about incubation and learn from a variety of incubation-type models and methods from around the world.

Peter Shauket of Transformational SME observes:

In the mainstream, especially in a North American context, incubation means something particular, for instance a Silicon Valley-style business park. We don't have that kind of model in business as mission, as yet. However, we do have many kinds of business-incubating activities. Incubation is often considered in a narrowly defined way, and while these 'typical models' are not invalid, we need to learn from other contexts and models. In India, for instance, companies are handed down more traditionally from generation to generation. In Germany, there is the 'Mittelstand' model of focused, research-led, SME-sized companies, that benefit from the German apprenticeship program and invest in vocational training. We have much to learn about incubation that revolves around apprenticeships. This is a

concept that is vital to introduce into the conversation. We could have more emphasis on, and learn from, a more apprenticeship-based approach to incubation in the BAM community. As new BAM incubators develop they should taking a global survey of business incubation that is broader than just the American, Silicon-Valley type model and concept.²⁸

The variety of incubation models already developing in BAM is a positive. The continued exploration of other models and increasing diversity is desirable.

Horizontal integration across the BAM ecosystem

BAM incubation cannot be considered in isolation from the rest of the BAM ecosystem. The activity of incubating BAM companies is inextricably linked with other activities and services in the BAM community, including: advocacy for the BAM concept, mobilization, recruiting and deployment of BAM practitioners, training, funding, working with mission agencies, and so on.

Larry Sharp of IBEC Ventures:

We don't want to be a little BAM club—we want to change the world. We need to continue to develop new strategies for helping the church to understand how the professions can serve God with their vocations. We need to help people understand that there is no one calling that is higher than another. Let's hold the banner high and affirm that whatever capacity you have, for organization, or leadership or making money or whatever it is, that is a high and holy calling. God has wired or gifted some people to be business people and that is of incredibly high value for the Kingdom of God. We need to validate that.²⁹

Collaboration across the BAM ecosystem

Collaboration between churches, educational institutions, agencies and companies (BAM practitioners) should help multiply successful BAM incubation models. The relatively few BAM incubators and the lack of networking between them is a current weakness. Forums or tools for information sharing, relationship building and partnership development between emerging BAM incubators would be beneficial.

In addition, there is a great deal of potential for fruitful partnerships between BAM incubators and: mission agencies, churches, universities, and other BAM service providers. Outsourced services, shared facilities, research, mentor mobilization, and shared training resources are just a few of the ways that entities could potentially collaborate on BAM incubation.

Focus on distinctives

As well as offering excellent business services, we need to develop greater capacity for incubating companies that have a Christ-centered value proposition. BAM incubators, should focus on the opportunities and needs that business as mission uniquely addresses. How do we incubate companies that tackle job creation in slum communities, or help prevent human trafficking, or take the gospel to an otherwise 'unreached' community? What research, expertise, skills-development, services or tools will help to maximize the success of these kinds of companies? What incubation services do we need to offer that are not normally offered in the purely commercial business world?

²⁸ Personal communication.

²⁹ Personal communication.

Action Plans

The BAM Incubation Issue group identified the follow action points as potential next steps for nurturing BAM incubation globally:

- Develop an information exchange or network for BAM incubation.
- Conduct further research on global incubation models and methods, incubation best practices, and the conditions necessary for successful BAM incubation in each region.
- Create a team of incubator starters (an incubator of incubators) to work on a replicable model.

Those wishing to communicate with the authors or the contributing group regarding this Report or these Recommendations and Action Plans may do so at info@bamthinktank.org.

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Appendix A – Directory of Business Incubation Organizations

A selection of organizations that have business incubating services and resources. Information excerpts from organization websites.

Business as Mission Incubators

Bridge2Rwanda

<http://www.bridge2rwanda.org>

Bridge2Rwanda is located in the USA and Kigali, Rwanda. It prepares Rwanda's best students for study abroad and extraordinary lives as entrepreneurial servant leaders. It also builds sustainable businesses that transform lives and communities. B2R strategically starts and incubates new businesses, so far focusing on the agricultural sector in meat, eggs and milk production. (See also Appendix I.)

Business 4 Blessing

<https://b4blessing.com>

Vision: To be an alliance of people and organizations connected in an ecosystem of business opportunities, strategies and resources that bless individuals, families and communities in ways that exemplify a biblical model of business. Mission: As God's faithful followers, we enable the establishment of successful businesses around the world by connecting people, encouraging creativity, developing resources, and increasing knowledge and skills, thus fulfilling His mandate. (See also Appendix H.)

Center for Business as Mission

<http://centerforbam.org/xen>

Based in USA and South Korea, resources are in the Korean language. Includes the Joshua Business School and the Jubilee Entrepreneurship School that deliver training content. CBAM exist to support the changing business world and world missions, Christian faith and worldview, and to pass on business as mission (BAM) principles and strategy. To deliver conferences, seminars, and forums and share the BAM development vision by providing teaching strategies and training the relevant skills and competencies. Mobilize Christian business people to provide expertise, training, mentoring, and financial resources. To mobilize resources and create networks that support the activities of BAM companies.

IBEC Ventures

<http://www.ibecventures.com>

IBEC helps build sustainable businesses through consultative expertise that changes lives and transforms communities. We envision an increasing number of Small-Medium sustainable Kingdom businesses with our special emphasis on areas that are both economically impoverished and spiritually unreached. At IBEC Ventures, we assist entrepreneurs committed to creating Values Based Businesses in all phases of the process - from identifying viable opportunities through nurturing their long term growth and development. IBEC Ventures serves clients through consulting, training modules, coaching and mentoring, and spotlighting the overlay of mission strategy with business planning. The IBEC consulting process includes consultants as well as subject matter experts who focus on specific business elements such as product development, supply chain management, finance, technology, law, marketing and sales. (See also Appendix G.)

Pacific Resources International

<http://www.priusa.com>

PRi provides customers with a complete set of services for China entry and implementation, focusing on manufacturing. We provide hands-on assistance from initial China exploration right through to implementation and China production. Through leveraging our management capabilities at our China factories and offices, we provide consulting and assistance for new manufacturing start-ups or restructuring of existing factories. We can help with: Business Plans, Site Feasibility, Initial Start Up, Cultural Understanding, Economic Models, Headhunting (Manager Search), Subcontracting of Management Teams, Equity Investment, and Internships. (See also Appendix F.)

Regent University Center for Entrepreneurship

<http://www.regententrepreneur.org>

Regent University's Center for Entrepreneurship seeks to improve the economic and spiritual condition of disadvantaged populations through entrepreneurship grounded in a Christian worldview. Its vision is communities, regions and nations revitalized spiritually, socially, politically and economically. Regent's Center for Entrepreneurship will achieve this vision through our four key areas of focus: Researching, Disseminating, Equipping and Facilitating. They facilitate business start-ups and expansions by providing consulting, matchmaking and mentoring services and by conducting demonstration projects. They are developing Business Development Centers in various locations around the world.

Transformational SME

<http://www.transformationalsme.org>

Our vision and mission is to assist Christian entrepreneurs and business managers to develop and lead profitable, effective, Christ-honoring companies in the Arab World and Asia. Transformational SME is a global community which assist Christian-led small-to-medium size enterprises (SMEs) to grow in size, profitability and wholistic impact. We manage a private Christian investment fund capitalized by a private, global community of international investors, which supports the growth of Christian owned and managed SMEs across North Africa, the Middle East and Asia. Mentors are assigned to each company to provide counsel and accountability, thereby enhancing the likelihood of commercial success and spiritual impact. Consulting expertise includes the following areas: Business Plan Design and Development, Strategic Capital Structure, Financial Planning and Management, Building Effective Governance, Mission-critical Human Resource Recruitment, Balanced Integration of Commercial and Transformational Impact Objectives, Cross-Cultural Effectiveness in the Arab world and Asia. (See also Appendix D.)

Transformational Ventures

<http://www.transformationalventures.com>

T-Ventures works with entrepreneurs to equip, train and mobilize them to use their businesses and resources to build the Kingdom. We equip expatriate entrepreneurs with the tools, training, and networks necessary to thrive in their new culture and start their BAM business. We work with local entrepreneurs and business owners through Business Development Centers. Our Business Development Centers focus our efforts to develop BAM businesses, especially in the small to medium-sized sector. We do that by supplying entrepreneurial business training, coaching, access to global networks, integration of business with spiritual and social impact, and capital. We also help micro-sized businesses grow into small businesses. (See also Appendix E.)

Faith Based Incubators

Crown Business Venture Academy

<https://crownbiz.com/venture-academy-listing>

Crown Business provides resources, support and training for Christian entrepreneurs interested in integrating faith, family and business, assisting individuals and families to operate their business on biblical principles and entrepreneurial excellence. We have developed a specialized and hands-on training to help business professionals become Crown Business Advisors. We have raised up this group of leaders who can help start or grow your business while approaching problems and difficulties with a biblical worldview. Venture Academy Members get access to 190+ professionally produced videos that explain important business concepts such as: sales, marketing, accounting, finance, business law, human resources, business planning, business communications, operations, technology, and service management.

Freeset Business Incubator

<http://freesetincubator.com>

Freeset exists to multiply 'Freedom Businesses'. A Freedom Business is about optimizing returns as opposed to maximizing profits. Optimizing returns means all stakeholders associated with the business share in the investment outcomes—outcomes that go far beyond financial return. This is the upside down nature of redemption—business turning the tables on what has gone before giving voice and freedom for those considered by society as expendable. The Freeset Business Incubator is committed to living out God's mandate to bring justice for the poor and oppressed in and through business. Freeset Business Incubator's job is to research and develop new products and services for the market place. Working with the product designers, sales channels and Freedom Business owners, Freeset Business Incubator's focus on sustainable economic development encompasses all aspects of business development and marketing solutions. They add capacity for new businesses early in the development phase, helping in areas such as product development, design, sales and marketing, accountancy, legal and logistics.

Joseph Business School

<http://www.jbs.edu>

Located in Chicago, the Joseph Business School has a wealth of resources available to business startups. With a vision to eradicate generational poverty, the Joseph Business School (JBS) is a world class, state-of-the-art business school that uses practical and biblical principles to empower adults to develop indispensable skills as successful entrepreneurs and business leaders thus equipping them to eradicate poverty in their lives and communities which will glorify God. As part of their business development program they help to provide office space for new businesses, plus training and services to help improve performance, productivity, and profitability by providing a 'hands-on' approach to small business development. These include monthly workshops on a variety of topics such as marketing, contracting and finance, taught by established Christian business leaders, problem solving clinics offering resolution recommendations, a business resource library, and access to business consulting services. Recently, they have developed an online course which reaches people around the world.

Praxis

<http://www.praxislabs.org>

Praxis is a community and education-oriented venture group, structured as a non-profit. Our focus is on equipping and resourcing a growing portfolio of faith-motivated

entrepreneurs who have committed their lives to cultural and social impact, renewing the spirit of our age one organization at a time. Each year, Praxis welcomes 12 businesses and 12 nonprofits into our two Accelerator programs, where we provide the top decision-makers in these organizations with the knowledge, network, and personal discipleship necessary to build sustainable, high-impact organizations. We also run Praxis Academy, a summer program focused on training Christ-following undergraduates at the intersection of faith, startups, and culture. Academy graduates have a chance to apply for our Future Founders program, where they'll have an unique opportunity to do a summer apprenticeship with our Accelerator alumni.

Regent Marketplace Institute

<http://marketplace.regent-college.edu>

Our mission is to take the gospel public. Through our research and our grounding in the calibre of theological education found at Regent College, we aim to provide and embody fresh, reliable, and well-informed expressions of the gospel that reveal its truth, necessity, and relevance to all spheres of public life. Through our Social Enterprise Incubator, we bring theology to bear on every aspect of designing and operating a business. Our desire is to help 'incubate' new social enterprises and support existing ones that are committed to a Christian vision of running an enterprise in the marketplace. We offer courses, training materials, consultancy, and other resources to help entrepreneurs start and sustain profitable enterprises that serve the common good.

Social Enterprise Incubators

Selected examples of social incubators around the world.

Alterna

<http://alternaimpact.org>

Alterna is a center for innovation and entrepreneurship based in Quetzaltenango, Guatemala. We believe that social entrepreneurship generates long-term solutions to sustainable development, and improves the lives of those living at the base of the pyramid. Alterna serves Guatemalan entrepreneurs and enterprises that are creating positive social and environmental impact. Our work is split into three programs, all of which help social entrepreneurship to thrive in Guatemala.

Echoing Green

<http://www.echoinggreen.org>

Since their founding in 1987 by the leadership and investment of the leading global growth equity firm, General Atlantic, Echoing Green has provided more than 500 promising social entrepreneurs working in over 40 countries with \$31 million in start-up funding, customized support services, and access to our global network of champions. These social innovators have gone on to launch, and now lead, some of today's most important social enterprises throughout the world. Others have gone on to become leaders in a variety of sectors, having been profoundly shaped by their experiences launching social enterprises.

Good Company Ventures

<http://goodcompanyventures.org>

Philadelphia's first incubator to focus on cultivating environmental and social entrepreneurs only, it provides physical space, virtual infrastructure, and professional advice. Our core programming offers social entrepreneurs an intensive 12-week series of

exercises designed to build scalable business models for long-term change, and mobilize capital to maximize their social impact.

Impact Hub

<http://www.impacthub.net>

Part innovation lab, part business incubator, and part community center, we offer our members a unique ecosystem of resources, inspiration, and collaboration opportunities to grow impact. We believe a better world evolves through the combined accomplishments of creative, committed and compassionate individuals focused on a common purpose. Joining our diverse community of members and collaborators will inspire, connect, and enable you to develop your best work every step of the way. Started in London, UK and has far established over 60 hubs on 5 continents.

MaRS

<http://www.marsdd.com>

MaRS works with an extensive network of partners to help entrepreneurs launch and grow the innovative companies that are building our future. Based in Canada, MaRS provides social entrepreneurs with access to capital, advice and mentoring, ecosystem development and networking and facilities and support services.

Starting Bloc

<http://startingbloc.org>

The StartingBloc Fellowship begins with the Institute for Social Innovation. This transformative five-day experience is rooted in a blended-value curriculum and presents a Social Innovation Case (SIC) challenge, as well as sessions with industry leaders. Upon completing the Institute, new Fellows join their global network of 1,800 StartingBloc Fellows from over 55 countries and more than 221 universities. Over the years, StartingBloc Fellows have launched their own organizations and continue to create social impact in various sectors across the world.

Unreasonable Institute

<http://unreasonableinstitute.org>

Providing world-changing entrepreneurs what they need to scale their impact. Each year, we unite 10-30 entrepreneurs (called 'Unreasonable Fellows') from every corner of the globe to live under the same roof for six weeks in Boulder, Colorado. These entrepreneurs receive training from 50 world-class mentors. In the process, they form relationships with 25 investment funds, receive legal advice and design consulting, and pitch to hundreds of potential investors at the end of the Institute. Our goal is to accelerate these ventures so they can scale to meet the needs of at least one million people each.

Virtue Ventures

<http://www.virtueventures.com>

Virtue Ventures is a small, innovative firm committed to furthering the field of social entrepreneurship through action-research, technical services, and our own initiatives. Virtue Ventures' team has first-hand experience designing, launching and managing social enterprises and nonprofit agencies. We have worked with literally hundreds of nonprofits and social enterprises, spanning sectors and industries in over 40 countries worldwide.

Mainstream Business Incubators and Accelerators

The following list represents a very small sample of business incubators and accelerators around the world, chosen to show how incubators vary in their focus. Links to longer lists:

<https://worldbusinessincubation.wordpress.com/world-virtual-business-incubators>

<http://www.innov8social.com/2011/10/start-up-accelerator-and-incubator.html>

<http://blog.launch.co/blog/complete-list-of-incubators-and-accelerators-like-y-combinat.html>

<http://blog.shedd.us/321987608>

ActivSpaces

<http://activspaces.com>

ActivSpaces is an open collaboration space for the technology and entrepreneurial community in Cameroon. ActivSpaces is a community tech hub with a focus on web and mobile programmers, designers, researchers, and entrepreneurs. Cameroon has traditionally been regarded as a consumer of technology, not a producer. ActivSpaces aims to change this perception. The co-working space is free to tech entrepreneurs who are actively working on a startup. Activation Bootcamp is a highly selective rigorous six-month accelerator program.

Astia

<http://astia.org>

Founded in 1999 in Silicon Valley, Astia is an innovative global not-for-profit organization that propels women's full participation as entrepreneurs and leaders in high-growth businesses, fueling innovation and driving economic growth. Astia offers programs for high-growth woman-led start-ups.

Business Growth Hub

<http://www.businessgrowthhub.com>

The Business Growth Hub is a community for growing businesses in the North West of the England. The Hub connects companies that want to grow their bottom line, share their experiences, develop their profile, find partners and create new business growth.

Chinaccelerator

<http://chinaccelerator.com>

Chinaccelerator is the first mentoring-driven seed-funding program in China. Twice a year, we handpick a small number of promising startups and invest a small amount of money (\$30,000) for up to 7% equity of each startup. The startups move to Shanghai for 3 months, during which we work intensively with them to get the company in the best possible shape, and help refine their pitch to investors.

Excelerate Labs

<http://excelatelabs.com>

Excelerate Labs is an intensive summer accelerator for startups driven by proven entrepreneurs and investors. Led by world class entrepreneurs, the program is unique in attracting scores of mentors from around the USA to work with the teams in direct 1-on-1 meetings. The program selects ten companies every spring to participate in the 13-week

intensive summer program. At the end the companies showcase their progress and plans to more than 500 investors and mentors from around the country.

Founder Institute

<http://fi.co>

The Founder Institute is the world's largest entrepreneur training and startup launch program, helping aspiring founders across the globe build enduring technology companies. Through a part-time, four-month program, existing and prospective founders can launch their dream company while keeping their day job.

H-Farm

<http://www.h-farmventures.com/en/>

Based in Italy H-FARM is a Venture Incubator to accelerate the development of Internet startups via a combination of seed investment and incubation services. Over 450 young people work on the various companies set in the green landscape of Ca' Tron farm. They enjoy its welcoming atmosphere, which facilitates the exchange of knowledge and ideas.

Icehouse Business Growth Centre

<https://www.theicehouse.co.nz>

The Icehouse is a development factory of owner-managers and entrepreneurs who will shape the future of New Zealand's economy. They provide business growth programs for SMEs, a business incubator for start-ups, and New Zealand's largest group of Angel Investors.

Seed Startup

<http://seedstartup.com>

Run out of Dubai, the organization chooses 5-10 startups out of an application pool to provide help through funds, mentoring, and networking during a three-month program in which participants must live in Dubai. In return for a 10% stake, this company will provide startup funds in the amount of \$20,000 to \$250,000 as an early stage venture capital investor. Each startup gets 10 different mentors and spends at least an hour a week with each one.

Startmate

<http://www.startmate.com.au>

Startmate is a group of start-up executives offering mentorship and seed financing to founders of internet and software businesses based in Australia. The five-month program offers a \$50,000 investment and mentoring from more than 25 successful founders, sage legal counsel, and a two-month trip to Silicon Valley.

Appendix B – Article: Grow Your Business With Business Incubators

By Andrew Beattie

Source: <http://www.investopedia.com/articles/pf/0113/grow-your-business-with-business-indicators.asp>

Whether you are in the start-up phase or struggling with growth issues, a business incubator could be just what your small business needs. In this article, we'll look at business incubators and what they can do for you.

What are Business Incubators?

Business incubators are buildings or campuses that early-stage businesses can apply to enter. Depending on the type of business it caters to, a business incubator will usually rent office space, manufacturing equipment and other technology to its clients. An incubator will often have many businesses housed under its roof at once. The purpose of an incubator is to provide an environment where early-stage businesses can get the support they need to 'graduate' and move out on their own.

Business incubators may be private or government run, and most are not-for-profit - but that doesn't necessarily mean that they do not charge. Many business incubators have entry criteria as well as ongoing fees that increase over time to encourage their clients to move on. In addition to space and access to equipment, some business incubators offer professional services such as accounting and marketing, as well as having successful entrepreneurs network with their clients and serve as mentors. Some business incubators even network on behalf of clients to find investors who may be able to help with the seed capital needed to take a business to the next level.

Getting In

The entry requirements for business incubators can vary widely depending on their industry. There are many unofficial business incubators run on a smaller scale by associations and even communities to support local growth, and these often have informal criteria that are much easier to meet. Larger, professionally-managed business incubators usually have a selection process that may require a capital commitment from the business owner as well as other criteria such as a proven level of revenue.

Once in, a business owner will likely be charged a monthly rent - albeit much lower than the market rate for the space, services and equipment he or she now has access to - and may need to pay additional fees if the space will need to be customized. Depending on the specific business area, a business owner may qualify for government grants or funding to get into a business incubator.

The Advantages

Business incubators can give entrepreneurs a laundry list of advantages, including:

Affordable Rent and Scalability

The most obvious advantage is having an affordable space that will allow a business to grow without incurring huge rental or building costs. Many incubators also have the

equipment and technology that a young company needs to be able to scale up production, but may not necessarily be able to purchase yet.

Shared Business Services at a Lower Cost

As part of a group of tenants, business owners can share the cost of business essentials such as legal services, accounting and marketing research.

Greater Success in Accessing Commercial and Specialized Non-Commercial Loans

Many incubators will get professional staff to help their tenants work on their financing pitches and organize their business's balance sheet to appeal to banks. Moreover, if the incubator has a good reputation and previous clients have done well by the banks, then banks will be much more willing to work with business owners from that incubator to craft non-commercial loans to fit their business needs.

New Avenues to Investor Financing

Just like banks, venture capitalists and angel investors consider time in business incubators as being a positive factor that influences the long-term viability of a new company. Prestigious incubators often have connections to large pools of venture capital that a business owner can pitch to.

Networking and Mentoring

Being part of a business incubator creates opportunities to meet successful entrepreneurs, financial professionals and retail buyers. Incubators may host events to promote networking and sometimes even arrange for tenants to be mentored by people who have graduated in previous years.

Synergy with Other Tenants

Working alongside people who are also trying to build a business can be a huge advantage to incubator tenants. This gives them a group of peers who understand the challenges and can share good and bad. In the incubator environment, opportunities exist for beneficial exchanges of ideas and concepts. Such opportunities may not be available to entrepreneurs struggling solo with the day-to-day minutiae of running a business.

The Bottom Line

Getting into a business incubator is considered validation for many small to medium-sized businesses. It also opens doors that many small business owners don't otherwise learn about until it is too late. Aside from financing and access to top-of-the-line equipment and technology, the true value of business incubators is the people support they invest in their tenants. Whether that is introducing business owners to a great accountant, a mentor or another tenant struggling with the same growing pains, the networking done within business incubators is consistently listed as their strongest selling point. There are, of course, many businesses that have succeeded without going through an incubator, but if the opportunity is there, it is well worth considering.

Appendix C – Principles and Best Practices of Successful Business Incubation

Source: National Business Incubation Association³⁰
https://www.nbia.org/resource_library/best_practices

In 1996, NBIA's board of directors developed a set of industry guidelines to help incubator managers better serve their clients. Since that time, NBIA research has consistently shown that incubation programs that adhere to the principles and best practices of successful business incubation generally outperform those that do not. The following industry guidelines are replicable and broadly applicable to incubation programs around the world, regardless of their focus or mission.

Two principles characterize effective business incubation:

1. The incubator aspires to have a positive impact on its community's economic health by maximizing the success of emerging companies.
2. The incubator itself is a dynamic model of a sustainable, efficient business operation.

Model business incubation programs are distinguished by a commitment to incorporate industry best practices. Management and boards of incubators should strive to:

- Commit to the two core principles of business incubation.
- Obtain consensus on a mission that defines the incubator's role in the community and develop a strategic plan containing quantifiable objectives to achieve the program mission.
- Structure for financial sustainability by developing and implementing a realistic business plan.
- Recruit and appropriately compensate management capable of achieving the mission of the incubator and having the ability to help companies grow.
- Build an effective board of directors committed to the incubator's mission and to maximizing management's role in developing successful companies.
- Prioritize management time to place the greatest emphasis on client assistance, including proactive advising and guidance that results in company success and wealth creation.
- Develop an incubator facility, resources, methods and tools that contribute to the effective delivery of business assistance to client firms and that address the developmental needs of each company.
- Seek to integrate the incubator program and activities into the fabric of the community and its broader economic development goals and strategies
- Develop stakeholder support, including a resource network, that helps the incubation program's client companies and supports the incubator's mission and operations.
- Maintain a management information system and collect statistics and other information necessary for ongoing program evaluation, thus improving a program's effectiveness and allowing it to evolve with the needs of the clients.

³⁰ Developed by NBIA, with credit to the book, *Growing New Ventures, Creating New Jobs: Principles and Practices of Successful Business Incubation*, Rice M. and Matthews J., 1995.

Additional Notes on Business Incubation Best Practices from Washington Association of Small Business Incubators (WASBI)

Source: http://www.nbia.org/pipermail/member_nbia.org/attachments/20100419/e0fa158d/attachment.doc

WASBI Implementation Standards of NBIA Best Practices

Model business incubation programs are distinguished by a commitment to incorporate industry best practices. Management and boards of incubators should strive to:

1. Commit to the two core principles of business incubation.

WASBI: Have a mission statement adopted by the Incubator's governing authority that incorporates the first principle of effective business incubation: 'to have a positive impact on its community's economic health.'

2. Obtain consensus on a mission that defines its role in the community and develop a strategic plan containing quantifiable objectives to achieve the program mission.

WASBI: Have a strategic plan—adopted or revised within the past three years by the Incubator's governing authority following governing authority retreats/workshops and/or special meetings—that contains quantifiable objectives to achieve the Incubator's mission.

3. Structure for financial sustainability by developing and implementing a realistic business plan.

WASBI: Have a business plan—adopted or revised within the past three years by the Incubator's governing authority—that describes the market niche of the Incubator, the value that the Incubator provides client companies and a demonstration of financial sustainability. The plan should contain at least an average of prior year financial revenues and expenses and a projection of positive financial performance for three or more years.

Have one or more reliable sources of annual financial revenues that include sufficient income to maintain incubator operations in the event other revenue sources are not renewed. Operating revenue sources should include tenant income from rents and services, individual contributors and community sponsors.

4. Recruit and appropriately compensate management capable of achieving the mission of the incubator and having the ability to help companies grow.

WASBI: Have on-site management employees with business backgrounds and education present during normal working hours that are paid at least 75% of the area's median salary for such a position. The Incubator should have established an employer and/or employee paid retirement plan. Incubator management—including Board Directors—should participate in continuing education and be active in professional incubator organizations.

Recruit and orient counselors, mentors, instructors, interns and volunteers that assist companies with on-site activities such as marketing, management, accounting and other business tasks.

5. Build an effective board of directors committed to the incubator's mission and to maximizing management's role in developing successful companies.

WASBI: Have a Board of Directors of at least five non-employee members who meet at least quarterly to oversee the Incubator's performance and its management.

6. Prioritize management time to place the greatest emphasis on client assistance, including proactive advising and guidance that results in company success and wealth creation.

WASBI: Have adopted client selection and graduation policies. At a minimum, requirements should include a draft of a written business plan and commercial licenses and insurance.

7. Develop an incubator facility, resources, methods and tools that contribute to the effective delivery of business assistance to client firms and that address the developmental needs of each company.

WASBI: Own or lease a facility with private and/or shared space for five or more for-profit companies that operate on a full-time basis. Within the facility and accessible for client use should be business (including Microsoft) and financial (QuickBooks or equivalent) software; high-speed internet access; wired or wireless telephones; conference room(s); additional shared work areas; a copier; private locked mail boxes; and at least one visual display (television, projector screen and/or computer monitor) for common use.

WASBI Recommended: Possess a technology system within the incubator facility that includes built-in wiring of category 5e or higher, a broadband router/firewall/switch and 'plug-and-play' telephone and Internet connections. The incubator should have at least one on-site personnel capable of handling client needs for hardware and software technical assistance and troubleshooting. The package of incubator client services should also include the design and maintenance of company web sites.

Have at least the following common areas available for client companies: reception and lobby entrance, at least one additional meeting or consultation space in addition to the conference room, restrooms and parking.

8. Seek to integrate the incubator program and activities into the fabric of the community and its broader economic development goals and strategies.

WASBI: Establish agreements with community organizations and public agencies to further the advancement for both client companies and the surrounding area or other target population.

9. Develop stakeholder support, including a resource network, that helps the incubation program's client companies and supports the incubator's mission and operations.

WASBI: Maintain partnerships with non-incubator providers of business services who perform on-site support for client companies (such as accounting assistance, administrative internships, professional mentoring and contract-related aid).

Perform advocacy functions that lead to enhanced business revenues on behalf of client companies (such as arranging networking functions that result in additional contracting opportunities, introducing clients to prospective customers and urging private and public entities to conduct transactions with incubator companies).

10. Maintain a management information system and collect statistics and other information necessary for ongoing program evaluation, thus improving a program's effectiveness and allowing it to evolve with the needs of the clients.

WASBI: Maintain Contemporaneous Records: Client company files should include: business license, signed lease, proof of commercial insurance, written business plan and agreement to adhere to Incubator principles.

Incubator staff resumes should include degrees, previous work history and background relating to business support services.

Preserve Specific Documents at least three years, including:

- Originals or copies of Incubator operating revenue and expense receipts.
- Articles, reprints and media coverage of the incubator and its activities.
- Quarterly reports of client employment and sales data.

Retain Important Records Permanently, including:

- Board of Director meeting minutes
- Articles of Incorporation
- By Laws
- IRS recognition letter
- CPA prepared annual financial statements
- IRS annual fiscal reports
- Computerized accounting records
- Property, capital facility and equipment records
- List of Graduate companies

Appendix D – BAM Incubator Profile: Transformational SME

Transformational SME – Business Incubation Process and Lessons Learned

Transformational SME (TSME) was established in 2001, after two and a half years of market research and business plan development. Their goal is to capitalize growth-stage SMEs with patient, strategically integrated financial, intellectual and human resources to achieve economic, social, environmental and spiritual impact in the Arab world and Asia. The vision, mission, strategy and operational practices of TSME are intentionally Christ-centered, and reflect the Judaeo-Christian worldview of the founders and all subsequent investors. A professional team of business men and women from around the world manages TSME with deep experience in all areas of business, finance, entrepreneurship and cross-cultural experience in the Muslim, Hindu and Buddhist world.

In addition to mezzanine finance, TSME provides mentoring and coaching to investee companies and a variety of technical advisory services, for example, pre-investment consulting to start-up companies, and a range of input to strategic mission partners such as mission agencies wishing to engage in BAM. They also engage in strategic talent search for key professional roles within BAM companies.

Although known primarily as a BAM investment fund, TSME has been involved in elements of business incubation for most of its history. While not applying the term ‘incubator’ to themselves, in practical terms TSME has been heavily engaged in BAM incubation activities. All the TSME core team have lived through ‘the agony and the ecstasy’ of incubating their own companies personally, and have all been involved in numerous cycles of business mentoring and coaching, participating extensively in the incubation of other BAM companies.

TSME’s understanding of incubation includes:

A collection of activities designed to help the launch, growth and ultimate successful impact of entrepreneurial BAM companies by providing a multi-disciplinary, variable array of resources and services such as financial capital, mentoring and coaching, business management expertise, human resources, and missiological insight, as well as the facilitation of connections with potential strategic alliance partners including business model providers, suppliers, distributors, and consumers.³¹

Peter Shaukat, CEO of TSME, identifies five stages in the emergence of a new business. Each stage informs the incubation services that TSME provides. The TSME story includes examples and illustrations of business incubation across all of these five stages.

Five Stages of the Birth of a New BAM Company

Preparation Stage

This is before the ‘baby is born’, the preparation that has taken place even before the business journey starts. It is about recognizing what God has already done in the practitioner’s life in regards to their sense of missional call and life experiences; the tapestry woven together in their life *before* the BAM entity begins to be incubated.

³¹ Source: email correspondence with TSME leadership.

Preparation includes both business preparation and missiological preparation. What has God been doing to both missionally and professionally prepare the person, in terms of their skills and competencies?

This is where mentoring should begin: Tell me what God has been doing in your life? Tell me what your sense of call is? Tell me how God has been preparing you? The incubation process needs to begin there. The incubation of a new BAM business is the *result* of the process that God has already been doing before that.

Perception Stage

The perception stage is the next step. This is about gaining an understanding of what is going on in the environment that God has called you to do business as mission within; and what God wants to do through the business. What is going on in that environment in commercial terms? What are the needs? What is the market? What is the specific missional element? What is the missional calling to the people group? How is God raising up your business? The perceiving stage addresses the question: What is your business going to be about, commercially and missionally? This is the beginning of the gestation stage of the new business.

Activities in the perception stage will include formal market research, missiological research, taking exploratory trips, etc. There is no hard and fast rule, but this perception process needs to be *at least* 6 months to a year of really studying the market.

There are a couple of common stumbling blocks in the BAM movement in this stage. On the commercial side there has too often been inadequate market research. BAM companies have moved prematurely to the launch of the business without adequately researching the market. This is the stumbling block of falling in love with your product and discovering after the fact that the market doesn't have the same affinity for it! Mentoring comes into this process. The BAM practitioner will need someone who is business-minded to ask good questions, to ask have you thought about these things? Where are you getting your commercial perceptions from? Have you checked out the local Chamber of Commerce? Have you met with government officials? And so on. The other common stumbling block is inadequate understanding of the missiological, anthropological, and sociological issues that are at play.

TSME has engaged with lots of BAM practitioners over the years at this perception stage; asking them questions around market, around their business readiness, around missiological understanding, etc. We have found that some practitioners need more commercial development, while others need more missiological development.

Persuasion Stage

This is the period of incubation that primarily involves team building, persuading others to join you. If you hold that it is risky and hard to launch a BAM company in isolation, as an individual, and that it is ideal to build a team around this business idea, then incubation will involve this stage of persuasion. Persuasion follows on from the perception stage and is about envisioning others and getting your team lined up, your investors lined up, engaging your spouse, and so on. From a funding perspective that will involve getting your 'family, friends, and fools', or, alternatively, your 'love capital', lined up for the start-up. The persuasion process is critical, it is bringing others on board, with commitment, with a willingness to sacrifice, to get to the point of 'we're going to do this together'.

The persuasion process also includes working together with national Christians and understanding together the context and business. This will involve persuading *each other* of the vision and intent of the company, and further refining what might work and what won't. This should be bilateral; an expat that is not willing to listen to national Christians on what tweaking and refinement is needed is doomed to failure. This of course is not the same thing as listening to all voices—for there will be many nay-sayers and people who just don't get it. Choose your national counsellors with discernment and humility.

Through the persuasion stage you will also be *perceiving* new things about what God is doing. So these are not cut and dry, consecutive stages, this is an iterative process, where elements from previous stages repeat and intensify one another. It is like a river flowing in a linear direction, but within that flow there are eddies and circular movements sometimes carrying you forward, sometimes backward. In business incubation you get this reinforcement between persuasion and an even greater perception, as the vision for the business moves forward.

At this stage, the mentor is more hands-off. There is a mentoring process there, but it says to the practitioner, "If you are not able to persuade others to join your team, then I am not able to persuade them for you." What is needed is availability and more of a Barnabas-type encouragement role. If you are the BAM practitioner, you have to do that persuasion process yourself to engage others to join your team, to finance your business and so on. For the business incubator the key role in this stage is to be an encourager to the persuader.

This is one of the key reasons that TSME has not funded start-ups. TSME has itself gone through the incubation process and as we developed our business model, we perceived that businesses *could* start with available resources from people closest to the entrepreneur—especially if it is a lean start-up—but it was the continuation process that they were most struggling with, in financial terms. We also realized that when the funding comes too easily at the start-up phase, the resilience of that persuasion process can actually be undermined. We fund businesses that have already been through that persuasion process, that have already got others engaged to start the business, and now they need to develop it.

Planning Stage

This is the detailed process of getting all the essential elements of your business lined up—the business planning process. It is understanding what the inputs to the business are, in turn, moving through a finite set of business processes, to what the business outputs are. Again it is an iterative process, after all, how can you persuade people if there are major unresolved pieces of the business planning process? However, persuasion begins first, because you need people willing to join you so that the planning can take place in a team context, otherwise you will be planning in a vacuum. You need to get people lined up behind the vision *before* the planning is complete, because in a sense it will never be complete. Although, there will be elements of the persuasion stage that will be dependent on presenting a decent plan—and that is legitimate and to be expected.

In terms of the services that are provided in the planning stage, again coaching and mentoring are very important. It is important to be thinking through with people experienced in business who can help you plan. This is where the traditional concept of incubation and the activities of the incubator are often centered. There is classically this idea of a 'hothouse' environment or facility where there is mind-share with like-minded groups, where the incubator has a group of experienced, committed coaches who are

helping to refine the business plan and that the business planning process is being acted on step by step.

Business as mission is not a purely commercial enterprise, so the planning process for BAM companies is going to include missional planning and the development of a spiritual impact plan. This may include a cultural adaptation and language learning phase, living with a national family, for instance, or other necessary preparations.

Perseverance Stage

This is the launch cycle, where the 'baby is born', in a sense—and where it might be keeping you up at night, and there might be teething problems! The incubation process involves persevering through the phase of business start-up. What do you need at that point? This is where field-support in terms of mentoring and coaching, and prayer support is needed.

What does incubation look like in the BAM ecosystem?

BAM Incubation involves the 4 As: Academia, Assembly, Agency, and Actualizers

In BAM there is incubation happening in the *academic* context, for instance Regent Center for Entrepreneurship, USA, and the work of the Center for Business as Mission/Joshua Business School out of South Korea. It is not typically academia where the funding is coming from, nor is academia necessarily connecting businesses to a supply chain, but it is an important part of the incubation process.

Assembly means the local church, the local congregation. In some parts of the world, in some parts of the church, some congregations are now large enough in terms of critical mass, and have enough business practitioners to begin to get traction for incubating BAM. A strength of this context is the multi-generational aspect, where the younger can be learning from the older and more experienced. The Assembly also has a strategic role to play in vision-casting and mobilizing, and laying a theological foundation for work as ministry, the priesthood of laity, the Lordship of Christ, etc. All of those fundamental things can be delivered in the Assembly and if they are not being delivered then we will have an impossible task to incubate BAM. Where that is being done in the Assembly, there is a great potential for BAM incubation.

Agency – by agency we include the traditional Mission Agency that is embracing BAM, but also any entity that serves the BAM ecosystem with a specific application, for instance, a funding group or incubating group. This is using 'agency' in a broad sense, for an entity with some kind of speciality in service and function. The agency has 'taskforce' focus and competencies and is specifically called and equipped; whereas the local church may not have the range of skills and incubator competencies needed, and may need to get those from outside.

Actualizers - the men and women who are going to start businesses. Without these people BAM incubation is not going to happen!

Source: TSME website www.transformationalSME.org and interview with Peter Shaukat, TSME Founder and CEO.

Appendix E – BAM Incubator Profile: Transformational Ventures

Emerging Business Development Centers and Lessons Learned

Transformational Ventures (T-Ventures) began work developing the concept of Business Develop Centers (BDCs) in 2011. Up to then, T-Ventures had worked mostly with individuals interested in business as mission (BAM)—either local entrepreneurs known to WorldVenture (T-Venture’s parent organization), or people who have been sent out cross-culturally with WorldVenture. Although Transformational Ventures found working with individuals doing business as mission to be good, they wanted a way to more intentionally focus resources and maximize results in an area.

The vision and purpose of BDCs are to focus resources to accelerate and deepen the impact of business as mission in a particular location where there are the right conditions for business development. The intention is that as cohorts move through the training and mentoring process, a critical mass of successful businesses in an area will form, with ongoing coaching relationships, peer-peer business networks and so on. The goal is to create and equip more influential job creators in a community who will ultimately create greater impact together. The BDCs focus most on equipping local entrepreneurs, since they have found that expats who want to do BAM generally have more opportunity to find resources and get training through their own home-country networks.

Since 2011, Transformational Ventures has learned much about business incubation through trial and error. Director of T-Ventures, Bruce Swanson reports, “Through the process of starting Business Development Centers we have learned a lot about what doesn’t work and how long it takes to get something working.”

Business Development Centers

So far, Transformational Ventures has started work on four BDC’s, two in the Philippines, one in Bolivia, one in Kenya, and with one envisioned for Lebanon. It very much depends on what the vision for the BDC is locally as to what shape the BDC takes and what services are offered. The philosophy is to start small, with the expertise and resources available locally, and to listen to the felt-needs of the entrepreneurs and business owners in that location. They envision that as a BDC grows it will develop research and intellectual capital on the local market, plus legal or operational requirements for companies that can be offered as a consulting service.

A key lesson learned through this process is that everything stands and falls on local leadership. Bruce Swanson shares, “We do not go in with our idea and just set it up. We wait for local buy-in and local leaders, so we are working in areas where there is a church already and it’s more like a joint venture with local business people. We serve as a catalyst and this takes time.” The first three BDCs launched or began to emerge and then were paused. This was either due to not having the right local leadership or an intentional change of strategy. The fourth is actively emerging and fifth is on hold, waiting for the right champion/leadership.

The first BDC was started in Davao City, Philippines in 2011. Bruce Swanson and other BAM leaders and partners had been traveling to Davao and sowing seeds for three years for the business as mission vision, working with the local WorldVenture missionaries and

building a network with local business people and other mission groups. During this time they waited for the right local leadership to emerge to run with the BDC. Eventually a group of 6 or 7 quality local business people became a core group. They were solid Jesus-followers, from different denominations and church groups, who caught the vision and saw a market for the BDC—both for Christians and the general market. Although one goal is to equip believers to make a difference through successful business, another is to build relationships with the wider community. For the BDC to be viable, and for there to be enough clients, it would need to reach out to serve the wider market.

In 2011 WorldVenture had a Filipino-background couple heading out to Davao, with solid ministry experience and a background in financial services business and accounting. Having lived in the USA, they were good cross-cultural bridge people and they had a vision for business as mission. They seemed to be the ideal leaders to get the concept of the BDC in Davao off the ground, with the aim to turn it over to local leadership. The focus of the Davao BDC was intended to be on financial services and training, because of the background of the leader. Unfortunately, due to a number of personal reasons, the leadership couple moved out of the position after about a year and the BDC in Davao was put on hold. With many of the foundations in place, there is a hope that the BDC will soon re-emerge in a smaller, slower way—but certainly locally led.

Meanwhile, in Bolivia, a small team of WorldVenture missionaries started doing business, primarily with the goal of generating financial resources for ministry. They started a couple of small businesses and soon discovered that it was harder than they thought, that they didn't have enough business-minded people on the team, or the right business concepts. TV got involved trying to help the team in Bolivia navigate a steep learning curve. Even as the team was struggling, they realized how powerful business could be, so they took a step back and decided to weave business into the core of their strategy in Bolivia, not just as an add on.

A couple with a business-background went to Bolivia to help coordinate business efforts and has been there for three years. They began to attract some business-minded people from other mission groups and also local business people. These locals provided the main leadership for the Business Development Center that eventually launched in 2012. The team found some capital, made some loans, started running business workshops for believers and the general community, and launched some mentoring and coaching.

However, more recently they have put the development of the BDC on hold to rework the strategy. Although there was already a blended team of expats and Bolivians, the strategy was refocused towards mobilizing more Bolivian Christian business people in the churches. Instead of launching directly into business incubation-type activities they have developed a range of training and equipping materials that are now being used in Bolivian churches to mobilize. They want to help the church leaders to understand the role of business in society, and get the business people in the churches stirred up to bridge the sacred-secular divide and embrace the call to business. The vision is still to develop businesses and grow BAM companies, but to do it through business people in the local churches and only go at the pace that the local church will go at. They believe that although it might be a longer road, that it is worth it to get the church in Bolivia engaged in BAM.

The third BDC was envisioned for Beirut, Lebanon. The invitation came from a key church leader in Beirut who is a business man and a pastor and who understands business as mission. He identified a need, that the churches were full of small business owners who

were just surviving, and that could greatly benefit from some basic business training and input. He felt this could revolutionize these local Christian-owned businesses and have a great impact for the church and the community, to create more jobs and so on. This leader invited T-Ventures to come in and help. T-Ventures' strategy was again to go in and build relationships and start sowing seeds for local partnership and buy in, since they wanted to avoid coming in as outsiders to just do it.

T-Ventures leaders spent three years traveling in once a year to build connections, they plugged into an existing network and to took part in the business track of a regular Christian event in Beirut. They got to the point of having enough interest and resources to do a weekend business as mission workshop in order to stir up further interest. A small circle of business people emerged out of that workshop to form a core group to get the BDC started. The focus of the Beirut BDC was going to be more on training small business owners, that weren't otherwise accessing government-provided business training. However, in this case the key person originally envisioned to be the local leader, lacked the time and capacity to carry the BDC forward when it came to it. T-Ventures now is waiting for the right catalyst person to emerge locally or for someone to commit to go live in Beirut to get it off the ground. The conditions are ripe and many of the assets are in place, but they are waiting for a suitable leader.

The fourth BDC is getting ready to launch in central Philippines in Cebu. A couple from the USA who took early retirement and have the right background and skill set are spending several months per year in Cebu to be the local facilitators. They are building on the relationships, networks and expertise of long-term missionaries, community development workers, and local pastors. Again seeds for business as mission have been sown in Cebu over a number of years. The church leaders have embraced how business is needed and want to run with the BDC, so it has been a question of waiting for the right leaders to be in location.

After the major typhoon of late 2013 there was a shift in focus towards helping small businesses get back onto their feet after the disaster, through small business loans. This effort was launched by visiting business volunteers and then taken over by local business people. Now it is time to get back to the long-term strategy of the Business Development Center, and this will leverage all the relationships, momentum, local leadership and lessons learned from the post-typhoon rebuilding efforts.

A local business person is willing to donate space to the BDC and there is a partnership emerging with a couple Philippine organizations with expertise in small business loans and others who are doing training for micro-level businesses. Alongside that, there will be a system for assessing who are the more entrepreneurial people. Additional training, capital and coaching will be provide to them to help them grow their micro business into true small businesses, creating more jobs for others. Business facilities and wifi services may be offered if there is a demand but, initially, the BDC envisions beginning without the overhead of a physical office. T-Ventures is also actively pursuing a partnership with another US-based BAM organization do move forward in a joint venture.

In Nairobi, Kenya a BDC is emerging in partnership with a strong local church that understands BAM and has a number of assets to bring to bear. A cohort of small business owners have already been trained with materials developed for the original Davao BDC. The cohort has gone through all three cycles of the training program, and, anecdotally, it has had good impact in terms of increased revenue and other measures. There is also a model agriculture business that has been started to help equip and teach others. A water

distribution business will be launched in the fall of 2015, in partnership with a regional BAM franchising business. A third business owned by American partners of T-Ventures is launching in late 2015. The needed local leadership to propel the BDC forward is slowly being developed through long-distance coaching by a T-Ventures volunteer, site visits by teams from the USA, and local business people in Nairobi.

Lessons learned

Transformational Ventures has largely been in the pioneering stages of their Business Development Center concept. They have been laying foundations, trying to see what works and investing in raising up local leadership. Through these experiences they have learned some key lessons.

Waiting for the right local leadership is a recurring theme through all the BDC efforts around the world. A related lesson is how much time it takes to get something established.

A third lesson is the need to be sensitive and to find the right balance between pushing things forward from the outside and being a catalyst for locals to run with it. Bruce Swanson shares, “There is no formula for that, you just have to pray and get a sense, and especially rely on the wisdom of people who live there.” This fourth lesson of drawing on wisdom, experience and relational networks is one that recurs throughout the BDC stories, whether from a well-established church leader in Beirut or long-term missionaries in Bolivia and the Philippines. It is a value that WorldVenture has embraced through its history of missionary work, and one that is now being applied in Transformational Ventures in their BAM endeavors.

This is another lesson in itself: To apply values and best practices from business, community development, the social enterprise sector, mission work, and also, newly learned practices from other BAM organizations.

A final lesson is not to lead with money, but to lead with relationship and training. Bruce elaborates, “When we talk about the BDC, we don’t talk money, we talk about soft services: networks, training, coaching. There needs to be the relationship and infrastructure in place first to identify who should qualify for a loan, so that it makes sense in the context.”

More about Transformational Ventures: <http://www.transformationalventures.com>

Access business training materials developed by Transformational Ventures at: <http://www.beta-ventures.com>

For more lessons learned, watch videos on Transformational Ventures YouTube channel: <https://www.youtube.com/user/T-VenturesBAM>

Appendix F – BAM Incubator Profile: PRI

Pacific Resources International Incubation Activities and Lessons Learned

Pacific Resources International (PRI) is a privately-held USA Holding Company for manufacturing investments in China. The company has its headquarters in Beijing with 4 other office locations across China and has about 20 staff.

Bought in 1989 by the now Chairman, Dwight Nordstrom, PRI refocused on high-tech manufacturing investments in China, especially providing consulting services and management investments. Since 1991, PRI has helped to start over 40 factories and has invested in about half of those. They currently have equity holdings in five China-based factories and two media companies.

Although not a stereotypical business incubator in the business park sense, PRI has nevertheless intentionally engaged in incubating new businesses for the past 25 years, many of them strategically focused on business as mission. A core purpose of PRI has been multiplying large manufacturing businesses—and more recently media enterprises—through which the Great Commission can be extended.

Business incubation activities

Being an encourager and incubator of other business leaders and companies has been woven into the values and functions of PRI since its earliest days. In the first three years of PRI from 1989 to 1992 they rented offices in the Chicago area, in an incubation context, where there were over ten Christian ministries or businesses located together. After an interim location, they eventually moved in the mid-1990s to an Business Incubation Center in North Carolina right by the University of Carolina in Charlotte. These experiences helped shape their approach and value for incubation.

Dwight Nordstrom's prior history in General Electric was even instrumental in shaping his thinking, he relates, "I came out of GE and one of the things that company did incredibly well was mentoring younger leadership. They made us identify individuals with high future capabilities and be intentional about working with those people. The 6 month internship has been one of the ways we've been an incubator, we've been able to identify future senior leadership potential through that and those people usually scatter to other companies and that's great!"

The second type of incubation that has taken place, once PRI reached critical mass with number of factories and locations, was to incubate within some of their larger factory locations. For example, they outsource their accounting, HR, catering and so on, to help spin off and grow other companies in the area.

The third way that they incubate is really at the heart of their business model, offering business services to growing companies in China. As their website states, "Through leveraging our management capabilities at our China factories and offices, we provide consulting and assistance for new manufacturing start-ups or restructuring of existing factories."

Services Offered

PRI has positioned itself as a leading consultant and investment company as China opens up to more and more foreign investment. A selling point for their business: *Let us use our expertise as a China manufacturing and consulting company to help ensure your China success.*



Figure 1: Overview of PRI Services, source <http://www.priusa.com>

From the PRI website:

PRI is an organization with proven expertise in building businesses in China and surrounding regions. PRI is headed up by a team comprised of individuals from the United States, New Zealand, South Africa, and Malaysia, and is focused on building best practice business operations. We are an organic organization growing in strength, with a network of entrepreneurial people, both expatriate and indigenous. PRI's connections enable us to draw personnel from all backgrounds and areas of expertise needed for successful business operations in China and around the world. We have experience in Marketing, Joint Ventures (JV's) and Wholly Foreign Owned Enterprises (WFOE). We have worked with companies ranging in size from \$3 million to \$1.2 billion, and started factories ranging in size from \$850,000 to \$10 million.

We can help with:

- Business Plans
- Site Feasibility
- Initial Start Up
- Cultural Understanding
- Economic Models
- Headhunting (Manager Search)
- Subcontracting of Management Teams
- Equity Investment
- Internship

PRI has done extensive work with:

- Automotive Companies
- Energy Efficient Lighting Companies
- Telecommunication Companies
- Machining Companies
- Printed Circuit Board & Plating Companies
- Medical Companies

PRI provides customers with a complete set of services for China entry and implementation, focusing on manufacturing. We provide hands-on assistance from initial China exploration right through to implementation and China production.

Lessons learned

Be selective and have a giving heart when it comes to mentorship! Dwight shares that if you try and count the commercial benefits, a true private enterprise may conclude that generously mentoring others is not worth the cost! You have to keep a Kingdom perspective, and weigh Kingdom impact potential. Because of that he would not incubate companies that don't have a Kingdom purpose and is selective in that way.

Dwight would also caution about being selective when it comes to the quality of the business model you invest money or services in, and your own capacity to 'take a hit' on a business failure. Dwight shares, "In our very early days we loaned a BAM guy \$40,000 and it literally disappeared. We had to stomach that and evaluate what we did wrong. We had the right contract and we thought we did everything right. That was a tough one!" Don't incubate others if the strength of your company is not strong enough to absorb the hit.

Source: PRI website <http://www.priusa.com> and interview with Dwight Nordstrom, PRI Chairman.

Appendix G – BAM Incubator Profile: IBEC Ventures

IBEC Ventures and ‘B Incubator’ – Business Incubation and Lessons Learned

History

IBEC Ventures came into existence in 2006 to solve a problem for Crossworld, a mission agency grappling with issues related to business as mission. The problem was, “how could an agency pursue business for mission with integrity without business persons to drive the process?” Larry Sharp who was then the VP of Operations, and had at least some business training, was tasked with ‘figuring out this BAM thing’. A Crossworld member had started a business in Asia a few years earlier and the business had become quite successful. When the business owner visited the Crossworld office in the USA in 2006 he shared, “If someone had only helped me, I could have saved a lot of time, but I didn’t know where I could turn for input.” This is a comment that Larry has heard many times since. Crossworld could see that the strategy of business would only grow in importance to reach least reached countries, which is a core part of its mission. They wanted to be more effective at supporting business as mission.

Larry invited 15 business men and women—some in Fortune 500 companies, others were small business owners—and they met for 6 hours. The President and Vice-President of Crossworld were invited, but only as observers and they together listened to the business people. IBEC Ventures and B Incubator have been driven by the ideas that came out of that 2006 meeting.

One of the key ideas that emerged was that if you are going to do business, it should be done by someone who is wired for business. Larry observes, “God has given us all spiritual gifts, but He has also given us a unique wiring and capacity.” The business people at the meeting challenged Crossworld that if they really were going to do business as mission, it would not be able to be done by people already in the mission, with one or two exceptions here and there. This impacted Crossworld greatly. The Crossworld leaders went to their Board and were given some seed capital to start something that would solve this problem. IBEC Ventures was the result. From the beginning IBEC has been a separate entity to Crossworld and operates outside the normal mission structures. To keep the connection a Crossworld Board member sits as an observer on the IBEC Ventures Board.

IBEC Ventures started as a way to consult to, give advice to and help anyone in Crossworld who thought they could do business. In the first few years they weeded out most people who thought they could do business, but weren’t suited to the challenge. Larry shares, “We had a continuum of people. On one end we had missionaries who essentially thought, ‘Okay, we’ve learned to live in this country for all these years, we love the people, we’re raising our kids here, we love Jesus and are committed to making disciples, you want me to run a business to keep a visa, sure—how hard could it be?’” He continues, “Then on the opposite end of the continuum we’d find business people who would say, ‘Oh yes I am successful business guy, I’ve made it in life, I know international markets, I know how to run things, I know people, you’re asking me to do business in North Africa, how hard could it be?’. Neither extreme was helpful for business as mission. One of the tasks of IBEC as they moved forward was to eliminate those extremes gracefully.”

Within two years IBEC was working with about 15 business units. They knew that some of them were high risk but they saw some wiring for business; either there was some business experience in the history of a couple or individual on the team, or in others they discovered latent business skills. They began work consulting with these fledgling businesses. On the supply side for consultants, two or three of the IBEC staff began to work extensively in churches and colleges to bring people into the consulting team. “God led us to some really incredible people and most of them are still with us,” says Larry.

About three years ago IBEC Ventures realized that they were beginning to run out of clients within Crossworld and they didn’t know how to recruit. They decided that the Mission Agency was not the right channel through which to recruit. Larry shares, “I’m not saying this approach is right for everyone, but we decided not to recruit people into Crossworld. That’s because it needed to ‘smell right’ to a business person. All the business people we spoke to were in favor of missions and supported mission agencies, but we just felt that they would say of the agency, well this isn’t really business.” The IBEC team felt that in order to effectively recruit and train people for business as mission they needed some other vehicle, one that wasn’t a consulting group, like IBEC, nor an agency like Crossworld. By this time many of their clients were already from other mission agencies and large churches, and they began to sense this need in the wider network: for an entity that would ‘smell right’ to a business person, yet would be thoroughly missional, aiming at the quadruple bottom line.

At the BAM Global Congress in Thailand in April 2013 it was suggested by several speakers that BAM incubators hardly existed. With their own experience and that evidence, it was agreed to encourage Crossworld to partner with IBEC to start a type of business incubator—especially since they had already been pursuing something like this. This ‘B Incubator’ (not it’s real name) is sometimes referred to as an accelerator or ‘Business Developer for Kingdom Entrepreneurs’. It is still evolving but has started to take business-trained and experienced people and further train and coach them for cross cultural business entrepreneurship. Crossworld again provided seed money to launch ‘B Incubator’ and there is a now CEO in place and they are in the start-up phase.

Services and functions

IBEC Ventures, although it calls itself a consultancy, has been nurturing BAM companies and helping them succeed through the services they have offered. Larry shares, “In the beginning we’d simply get on a plane and go out to visit businesses in North Africa, Central Asia, and elsewhere. Then we realized, well that’s far too slow. We didn’t have the capacity to cover all the businesses. So we started some seminars to train consultants and coaches, to prepare others to support BAM companies.” IBEC has largely been mobilizing and training people to go out and be consultants to BAM businesses.

On the other hand, ‘B Incubator’ has been focusing on training and equipping people to go out, be on the ground and run a BAM company. In this sense B Incubator is more of a traditional business incubator because it focuses on launching new BAM start-ups.

Larry shares that early on they realized a potential conflict in recruiting. He puts it this way, “I’ve had people come to me and say, ‘I’ve heard you do something with BAM, I want to join Crossworld and go to this scary place and do business’ and I say, ‘No you don’t you want to join B Incubator’, so there is going to be a hit in recruiting for Crossworld.” The team has had to work out if and how Crossworld should benefit in other ways from the incubation activity of B Incubator and also how the incubation work should be funded

going forward. The solution that evolved was to provide categories of services through B Incubator to BAM companies, that includes both business services, disciple-making and cross-cultural services. The cross-cultural services are bought from Crossworld and that creates income for the agency, and the business services are bought mainly from the B Incubator. IBEC also has a contract to provide the consulting and coaching services, since B Incubator has no business coaches of its own (although it does have trainers that deliver its various training modules). Larry describes it as a 'cafeteria approach' to business services, "You can pick and choose which services you need for your company and situation." One challenge to this approach is that BAM company owners self-select the services they need and sometimes are not willing to pay for services that could make or break their company.

B Incubator has developed another model where the new business owner becomes an employee of the B Incubator entity. In this model there is a more prescription about what services are recommended. The advantage of this model for business owners is that they are provided with a visa as part of a USA corporation in order to start-up a subsidiary enterprise overseas. The new business owner raises their own capital to start-up and pays for the business and cross-cultural services provided by B Incubator and their contractors (IBEC and Crossworld). Larry says, "We are not so familiar with monetizing services yet in the BAM movement, but the approach in B Incubator has been to monetize these incubating services in more than twenty different categories that people could have, or should have—and to work out what that should cost."

The business services that B Incubator offers includes business readiness development, business plan development, country analysis, legal expertise and so on. The B Incubator doesn't yet have access to a fund. New business owners looking for start-up capital generally access it in the 'family, friends, and fools' category of business financing. Part of B Incubator's services do include providing training on how to raise capital and how to handle financials for the business. Larry shares, "Part of the impetus for B Incubator was realizing that our IBEC business consultants were spending time with business owners covering basic business topics. We realized that wasn't the best use of our consultant's time and that instead those areas should be covered by business training, delivered by dedicated trainers. Training for how to develop the business and many of the standard business processes is now happening within B Incubator."

Lessons Learned in Business Incubation

The right team leadership is needed for a BAM incubator. A key question is how do we bring people alongside an entrepreneurial leader?

Finding the right people to start BAM companies is a major challenge. Many people who are called to traditional missions are not able to run a business. We need to find people out there who God has called to business. Those people are often told, if you really want to serve God, you need to become a missionary, you need to go to bible school. That message is still getting out. We need to catch those people. Let's look for God's people who have the capacity to be part of a business or to start a business, to be entrepreneurial or be supportive in a business—let's find them, they are in our churches, let's equip them, let's send them. The right process for recruiting, equipping and deploying for BAM is really key. One of the key ideas behind B Incubator is trying to explore the best way to mobilize and deploy business people to effectively do BAM.

Many mission agencies are still trying to do a little tweak so that, "we can stay over there and get a visa." I am saying, no it's not a little tweak. We need new recruits with a different

wiring that are just as missional, just as passionate, just as disciple-making, but they're wired for business. We have got to find those people!

Source: IBEC Ventures website <http://www.ibecventures.com> and interview with Larry Sharp, Founder and Director of Training.

Appendix H – BAM Incubator Profile: Business 4 Blessing

Business4Blessing Incubation History and Activities

From the very inception of our Missional Business (MB) or BAM work in 2008, we began to incubate businesses. I came from the world of business and had worked with both multinational corporations and family owned businesses since the mid 1990s. I had seen the problems engendered with family owned businesses—profitability, scalability and the ability to transition the business to the next generation. The Missional Business world has similar problems with the addition of people who are not particularly trained in business taking on the challenge of doing business—and in a foreign country's culture and legal environment.

Business 4 Blessing holds that there are six stages of incubation from the first idea through the second year of business. Each stage has its own challenges and we endeavor to help the business owner successfully navigate those challenges. Because we believe that mission is designed into the business, not added on, we begin with a missional plan. We ask the people we work with to formulate their thinking on how God will use their business—what will make it missional, what do they believe about the theology of work, business and mission.

At any one time we may have 15 or more businesses we are working with through the stages of incubation. Our consultants have varied language and business skills so that we can assign the right person to the right business and the stage of incubation. For instance, one business we are working with is losing money because their processes are not clear and exact. We have a consultant who holds a 6-Sigma black belt so he is going to help them understand how to tighten up processes to release cash. The B4B website lists all of our consultants who can be searched by area of expertise as well as language.

The first MB I worked with is a good example. I met the couple in 2008 as I came on the job of MB Director with an agency. They wanted to start a restaurant, but had no experience at all. Prior to joining the agency he was a lawyer by trade and she an accountant, but their heart was hospitality. They believed God would use their hospitality gift for ministry. Their restaurant has been profitable since near the start. Where there problems? Of course! Competition, changing tastes, unreasonable landlords, staff that leaves once they are trained—all of it has happened. But we keep in touch by Skype and are friends. When they have a good day, they blast it out and we rejoice. When its bad, they know that I am praying for them. We are beyond incubation, of course, but yearly we work on strategy to continue to keep them viable. Mission? Oh yes, they have an incredible ministry in the community and with their staff in a place that is very difficult to reach.

In addition to foreigners doing business, we also work with local businesses when we have an experienced person on the ground. In Central Asia we have six to eight business plans in process and several businesses have started. We began with localized training for business, then worked through the process of a sensible business plan, once the business is funded and begun, we continue to work with them as they go through the stages of incubation.

We also utilize Skype and electronic media. While most of our work is in East and Central Asia, we are beginning to branch out and have two people who are at the idea stage in South America and another in the Middle East.

As we grow B4B we intend to have a crowd-sourcing type funding arm, but that's not in place as yet. We feel that because we are working with the business as it starts, it has a better chance of success and therefore will be a lower risk for an investor.

We are happy to work with individuals, but also open to 'master contracts' with agencies. With a master contract, we will become the agency's trusted advisor to help them with strategy for a field or region. One of the changes we are seeing is that the day of one person going out to start a business is waning. It is very hard to be sustainable—how do you take home leave, for instance? It is a better business model if people work together and form a business around the strategic needs of a community or people. Then they have customers. Or perhaps they form several businesses that are part of the value chain so that one reinforces the other.

Business 4 Blessing was formed because we believe that it is on God's heart to bless people through business. It's not a means of getting a visa, or even just making a living. Business is meant to be a blessing to those who operate the business, the community in which they live, and the believers who are grown and disciplined through the business.

Written by Nora L. Hughes, PhD, CEO Business 4 Blessing
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For more about Business 4 Blessing Incubation read: <https://b4blessing.com/blog/2015/03/business-incubation/>

Website: <https://b4blessing.com>

Appendix I – BAM Incubator Profile: Bridge2Rwanda

Bridge2Rwanda: Creating opportunities

Vision and Purpose

Bridge2Rwanda is located in the USA and Kigali, Rwanda. It prepares Rwanda's best students for study abroad and extraordinary lives as entrepreneurial servant leaders. It also builds sustainable businesses that transform lives and communities.

A US nonprofit organization, Bridge2Rwanda works in Rwanda and Eastern Central Africa. 'B2R Scholars' identifies, prepares and connects the next generation of followers of Christ creating opportunities in real world experiences and granting scholarships to study in the USA.

Bridge to Rwanda operates in 3 areas:

1. Training Center

Dedicated to offering results-driven training programs, B2R prepares Rwandans to compete academically and professionally at an international level and is the only Kaplan Certified Education Provider in Africa

2. Accounting Services

B2R began providing outsourced accounting and administrative services and also an accounting internship program to expand our capacity and provide practical training for outstanding university accounting graduates.

3. Agribusiness development

B2R strategically starts and incubates new businesses, so far focusing on the agricultural sector in meat, eggs and milk production:

B2R creates jobs and opportunities to help the Scholars launch their careers in Africa. B2R is building partnerships with potential employers, including businesses, nonprofits and government in Rwanda and global corporations expanding in Africa.
Bridge2Rwanda website

One of the significant missing links in Rwanda's agriculture sector is its lack of a commercial animal feed mill. Without a high-quality feed supplier, Rwanda's commercial livestock industry and the production of meat, eggs and milk will continue to be severely limited. A commercial feed mill would also increase demand for maize, wheat and soybean crops grown by thousands of Rwandan farmers.

During October 2012, Tyson Foods CEO Donnie Smith visited Rwanda and agreed to personally partner with B2R to construct a chicken hatchery and a commercial mill to produce, sell and distribute animal feed for all varieties of livestock. In addition to Smith's personal financial investment, Tyson will continue to provide extensive technical support (as they have for the last four years at Ikiraro Farms in Musanze) toward the construction and operation of the feed mill and hatchery. Tyson is also offering USA-based internships to train Rwandans to operate these businesses.

The Agribusiness section of B2R works not only as an animal feed supplier to all the new farming companies, B2R also offers support and assessment as project managers, trainers and outsourcing accountables. The goal is to horizontally grow each business. While distributing animal feed, a new branch will be available in the distribution field and many new companies can appear from that opportunity.

Impact

For the Class of 2011(the inaugural class),17 students were selected from over 70 applicants. For the Class of 2012 - 28 students selected from over 350 applicants.

The initial results of the B2R Scholars program have been extraordinary: 18 students have been awarded scholarships with a total value of more than \$2.5 million over four years. The Scholars have been admitted to a number of quality universities in the USA, Canada, UK, and France.

In 2013 B2R had a staff of 20 people (4 in USA and 15 in Rwanda). All B2R staff are believers and personally impact others with their testimonies.

Website address: www.bridge2rwanda.org