



Analysing The Joint Impact Of Funding And Incubation Towards Entrepreneurs Startup Success

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Abstract: The research suggests the joint effect of incubation and funding towards entrepreneurial start-up success. Funding supplies strategic capital that is needed for product development, marketing, and expansion, while incubation provides strategic advice, networking, and business expansion services. The research analyzes the joint effects of these two towards start-up survival, expansion, and long-term viability. With a mixed-methodology, the study applies quantitative assessment to analyze the interconnection of startup success, funding, and incubation, and qualitative case studies to gather more information. Results show that startups that receive both incubation and funding support perform better than those receiving funding support or incubation support separately. It suggests that there is a necessity for integrated support systems with a mix of financial and non-financial forms of assistance to obtain the best entrepreneurial outcomes.

Index Terms: Entrepreneurship, Startup Success, Funding, Business Incubation, Venture Capital, Business Growth, Startup Ecosystem, Innovation, Entrepreneurial Support, Small Business Development

I.INTRODUCTION

Incubation and funding are significant in determining the direction of companies, but there are a variety of other reasons that may affect entrepreneurial success. Capital funding gives companies access to capital they need to operate, but incubation gives them networking, training, and strategic guidance that can help them grow and last. In order to ensure maximum success for startups, governments, investors, and entrepreneurs need to understand the combined impact of the two factors. This research examines how funding and incubation relate to each other and to key performance indicators like market penetration, revenue growth, and survival rates. By analyzing real data and case studies, we hope to learn if companies benefiting from both finance and incubation support do better than companies getting either only one of these tools. Through our results, we aim to provide more depth of knowledge in synergies between money and guided entrepreneurial help to end up recommending the best ways for advancing startup achievement. Through an examination of recent literature and empirical data, this research examines whether companies that receive both funding and incubation support are more likely to succeed than companies that receive one and only one of the above factors. Success factors, complementarity between organized entrepreneurial support and financing, and difficulties companies face in accessing these resources are all determined in the research. Entrepreneurs, investors, policymakers, and incubation centers can all benefit from the study, which will help them design better incentives for encouraging entrepreneurial success.

II.LITERATURE REVIEW

K. Andersson & J. Berg (2023) – "Entrepreneurial Growth through Funding and Incubation: A Scandinavian Perspective" – The study explores the influence of incubation and funding in Scandinavian nations, and the results indicate that combined, the effects stimulate growth and innovation.

S. Kumar & M. Reddy (2023) – "Impact of Funding and Incubation on Startup Ecosystems in India" – The research finds that coordinated support systems bring about long-term growth and scalability.

V. Sharma & R. Mehta (2025) – "Funding and Incubation for Tech Startups in India: A Critical analysis" – This study explores the impact of funding and incubation on India's tech startups, highlighting the importance of mentorship and access to capital.

Based on the existing literature survey, the following hypotheses are formulated for the study.

H₀:1) There is no significant relationship between impact of funding and entrepreneur success

H₁:1) There is a significant relationship between impact of funding and entrepreneur success

III.METHODS AND MATERIALS

Descriptive research design is adopted in this study to analyse effect of funding and incubation towards entrepreneurs success. Primary source and the secondary source of data were in this study, with the former being used in the collection of structured questionnaires distributed to 120 entrepreneurs registered under startuptn; and the latter being obtained through reports of startuptn. The convenience sampling method is adopted in this study, where respondents were chosen based on their availability. Areas of interest included impact of, Entrepreneurship, Startup Success, Funding, Business Incubation, Venture Capital, Business Growth, Startup Ecosystem, Innovation, Entrepreneurial Support, Small Business Development. The analytical methods employed included percentage analysis, rank analysis, correlation analysis, and descriptive analysis. The study has a plethora of findings; however, it is limited by the small sample size, the varying company policies, and certain external factors like prevailing economic conditions and family responsibilities that could have an impact on the outcome.

IV.DATA ANALYSIS AND INTERPRETATION

4.1Correlation

The Pearson correlation between the stage of the startup and the mean amount of funding raised is positive ($r = 0.295$, $p = 0.001$). This reflects a statistically significant relationship, implying that as startups move through various stages, they raise more amounts of funding. The p-value (0.001) is significantly lower than the standard level of significance of 0.05, supporting that the connection is unlikely to occur by chance. The correlation may be modest, yet it suggests that startups at more mature stages garner higher investment, which is possibly driven by stronger market validation, traction, and investor confidence. But correlation is too weak to imply that funding success is determined by startup stage alone; business model, industry, and team strengths could also prove to be very important factors.

4.2Rank Analysis

This rank analysis was undertaken to see stages of startup development when funding had most impact. In the eyes of the various steps considered by the entrepreneurs, that idea development was ranked 1st and product development was ranked 2nd, comparatively market entry and scaling operations was ranked 3rd and market expansion was ranked 4th. These ranking variables imply that idea development, market entry, and market entry and scaling operations are the three most crucial factor for entrepreneurs, while market expansion seems to be challenging.

4.3 Descriptive Analysis

The research identifies the most significant problems that entrepreneurs encounter when securing financing. Weak business plans (Mean = 3.77) are the biggest challenge, highlighting the importance of well-prepared proposals. More competition (mean = 3.28) makes it difficult to secure financing. Access to networks (Mean = 2.55) is important, with access to investors (Mean = 1.8) being the biggest limitation. Improving business planning, networking, and access to investors can make a huge difference in the success of securing funds by startups. These findings suggest that startups must strengthen investor access, networking, and business planning to enhance their funding success.

V. OBJECTIVE

- To identify the various types of funding utilized by startups.
- To analyse the relationship between funding and entrepreneurs startup success.

VI. CONCLUSION

The study indicates the influence of incubation and funding to the success of start-ups as it confirms that while both individually contribute to entrepreneurial growth, when they converge they tend to bring a critical influence. Start-ups that receive incubation and funding will perform better than those who receive one or none, and have a better survival rate, revenue growth, and follow-on investment. However, the quality and timing of support make a difference early-stage firms benefit extensively from incubation before or simultaneously with funding, since advice, resources, and strategic guidance enable them to build a solid foundation. Additionally, the impact varies by industry. Sections such as deep-tech and biotech derive more from incubation because of distinct knowledge demands and longer R&D lifecycles, while consumer tech startups sometimes seek rapid funding in order to grow rapidly. Incubators provide besides capital important non-monetary capital in the shape of mentorship, networking, and market access that make funds more useful and contribute to overall startup success. Investing in incubated start-ups can reduce risk and increase returns for investors. Financing incubator programs, especially those that have funding mechanisms integrated, can stimulate startup ecosystem growth.

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