

The Role of Business Valley in Promoting Entrepreneurship and Startups Development in Algeria

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Abstract:

This study aims to examine the role of **Business Valley Incubator** in fostering innovation and supporting startups in Algeria. The research seeks to evaluate how the incubator contributes to entrepreneurship development through training, mentoring, and facilitating access to investors and partners. Using a **deductive method** and both **quantitative and qualitative approaches**, the study found that the incubator has significantly contributed to empowering young entrepreneurs, creating job opportunities, and promoting entrepreneurial culture. However, it also faces challenges such as limited financial resources, difficulties in project selection, and weak institutional coordination. The study concludes with recommendations to enhance the incubator's effectiveness within Algeria's entrepreneurial ecosystem

Keywords:

Entrepreneurship;
Startups;
Business Incubator;
Business Valley.

JEL Classification Codes: L26 ; M13 ; O31

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1. INTRODUCTION

In today's context, business incubators have become pivotal tools for fostering innovation, accelerating the growth of startups, and enabling young entrepreneurs to transform their ideas into viable economic projects. Within this framework, Business Valley Incubator emerges as one of the innovative initiatives in Algeria, established with a clear vision to create a nurturing environment for creativity and to provide support services including training, guidance, and consultancy, in addition to facilitating access to investors and partners.

Within a relatively short period, the incubator has succeeded in establishing itself as a leading platform in supporting ambitious students and entrepreneurs. It has organized entrepreneurial exhibitions and events that contributed to showcasing emerging projects and connecting them with key economic actors. Moreover, it has offered a variety of incubation programs that helped young entrepreneurs develop their innovative ideas and transform them into value-creating startups.

However, the incubator's activities are not without challenges. These include issues related to financing and limited resources, difficulties in selecting the most suitable projects for incubation, as well as weak coordination with certain institutional partners. Such challenges highlight the necessity of evaluating its experience in order to identify its strengths and pinpoint the obstacles it faces, with the ultimate aim of enhancing its future effectiveness within Algeria's entrepreneurial ecosystem.

Research Problem

Based on the above, the central research question can be formulated as follows:

What role does Business Valley Incubator play in fostering innovation and entrepreneurship in Algeria, and what are the main strengths and challenges it encounters in promoting startups?

- Methodology section

This study is based on the deductive method, starting from the theoretical foundations of business incubators and entrepreneurship, and moving towards the case study of Business Valley Incubator.

The study relies on two types of **data**:

- Quantitative data: This includes the official statistics published on the incubator's website regarding the number of beneficiaries, training sessions, incubated projects, and organized events.

- Qualitative data: This consists of information about the nature of the activities, training programs, support mechanisms, and events offered by the incubator, collected through content analysis of the reports and materials available on the incubator's official website.

The study employs two main **data collection tools**:

- Interviews: Conducted to obtain qualitative insights regarding the incubator's activities, training programs, and support services.

- Document Analysis: Based on official documents, reports, and materials provided by

The study population consists of the **Business Valley incubator**, including its programs, activities, beneficiaries, and organizational structure

Data Analysis Approach

The data were analyzed using a combined descriptive and thematic approach. Quantitative indicators obtained from the

incubator's official statistics were examined to identify trends related to beneficiaries, programs, and entrepreneurial activities. Qualitative data gathered from interviews and document analysis were subjected to thematic coding to extract key patterns regarding the incubator's services, challenges, and overall impact. The integration of both quantitative and qualitative findings allowed for a comprehensive understanding of the role of Business Valley in supporting entrepreneurship.

- **Reason for selecting Business Valley**

The selection of Business Valley as a case study is justified by its leading role in supporting entrepreneurship and startups at the regional level, the diversity of its incubation programs, and the availability of reliable quantitative and qualitative data through its official platforms. This makes it a suitable and representative model for analyzing the impact of business incubators on entrepreneurial development.

2. Conceptual Framework of the Study

2.1 Entrepreneurship:

Entrepreneurship is defined as a creative process through which an individual or a group identifies an innovative idea and transforms it into an economic project aimed at generating added value in society (othmane, 2015)

It is also viewed as a mechanism for fostering economic and social development, as it contributes to job creation, encourages innovation, and enhances competitiveness. (Salem, 2018)

Some scholars consider entrepreneurship as an effective approach to economic diversification and reducing dependence on traditional sectors, particularly in developing countries. (Al-Aayeb, 2019)

Entrepreneurship is defined as the process of creating

something new with value by devoting the necessary time and effort, assuming the accompanying financial, psychic, and social risks, and receiving the resulting rewards of monetary and personal satisfaction and independence. (Hisrich, 2017)

2.2 start up

A startup is defined as a temporary organization characterized by innovation, scalability, and risk-taking. Unlike traditional firms, the defining element of startups is not necessarily their age but rather their innovative capacity (Ehsan, 2021)

A startup is defined as a newly established enterprise operating in an uncertain environment, typically characterized by limited resources and high risks, yet striving for rapid growth through innovative marketing strategies and dynamic leadership (Rajagopal, 2020)

2.3 incubators

Business incubation is a process that supports the creation and development of sustainable ventures and the scaling of growth-oriented early-stage firms by providing an enabling environment, resources, and networks.” Enter here the text of second subtitle (Hausberg, 2018)

A business incubator is an organization designed to accelerate the growth and success of entrepreneurial ventures through a combination of business support resources and services, including physical space, mentorship, networking opportunities, and access to financing (National Business Incubation Association, 2019)

Business incubators are structured programs that provide startups and entrepreneurs with support in terms of infrastructure, training, and advisory services, with the ultimate goal of

increasing their survival and growth rates (Commission, 2020)

3. Business Valley Incubator Profile

3.1 Definition of the Incubator

The Business Valley Incubator is the first private incubator in Batna Province, accredited by the Ministry of Knowledge Economy, Startups, and Micro-Enterprises. Established in 2021, its mission is to accompany innovators and support them in transforming their ideas from theoretical concepts into tangible entrepreneurial projects. Since its creation, *Business Valley* has contribute to generating a new and unprecedented dynamic in the field of innovation and venture creation. This has been achieved by training more than 1,000 young people across various fields and supporting dozens of entrepreneurs, particularly in the sectors of startups, small enterprises, and freelancers.

The incubator has adopted the motto “Think out of the box”, which reflects its vision of breaking away from conventional patterns and inherited behaviors, while fostering creativity, innovation, and imaginative thinking. Its visual identity is embodied in light green, a color symbolizing *growth*. This is represented through its logo featuring a rocket pointing upward, symbolizing ambition and progress. The logo also incorporates electronic circuits, signifying the incubator’s second field of activity: technology and software development.

3.2 Objectives of the Incubator.

- Reducing business risks and initial costs associated with the early stages of launching an activity, while also shortening the time required to start and develop production, thereby increasing the chances of success and sustainability.

- Providing integrated solutions to the technical, financial, administrative, and legal challenges faced by projects, through professional services such as quality measurement, standard specifications, and access to technical and commercial databases.
- Fostering innovation and diversification by assisting incubated enterprises in developing new products or expanding their fields of activity, in addition to promoting collaboration and coordination among projects as well as with marketing and networking platforms, which enhances their ability to promote products and services and expand their customer base.
- Facilitating the commercialization of research and studies produced by universities and research centers, prior to their adoption and application in the commercial market

4. Organizational Framework of Business Valley Incubator

4.1 Organizational Structure of *Business Valley Incubator*

The organizational structure of the incubator is composed of the following core units:

- Incubator Director: Oversees overall management and strategic orientation.
- Secretariat: Handles administrative follow-up and internal coordination.
- Human Resources and Logistics Manager: Responsible for managing staff and logistical resources.
- IT Officer: In charge of managing technological infrastructure and information systems.
- Co-working Space: Dedicated to hosting entrepreneurs and providing a collaborative working environment.

4.2 Stages of incubation

The incubation process goes through several integrated stages aimed at supporting projects from the ideation phase to growth and expansion. These stages can be outlined as follows:

a. Submission of Ideas and Projects:

Entrepreneurs and innovators submit applications to join the incubator, where an initial evaluation is conducted to assess the project's alignment with the incubator's criteria and its potential for growth and success.

b. Selection of Suitable Projects:

Projects are carefully selected based on specific criteria, including:

- Alignment with the incubator's specialization and targeted sectors.
- Potential for future growth and scalability.
- Expertise and competence of the project team.
- Technical and financial feasibility of the project.
- Implementability of the project within the program's timeframe.

c. Integration into Acceleration or Training Programs:

Selected projects are enrolled in acceleration or intensive training programs designed to enhance their development and increase their chances of success. These programs typically include lectures, workshops, one-on-one mentoring, and technical support delivered by experts.

d. Provision of Infrastructure and Support Services:

Throughout the incubation period, the incubator provides a comprehensive range of resources and services, such as:

- **Managerial and Financial Consulting:** Including strategic planning, financial review, and legal compliance.
- **Legal Consulting:** Covering legal advice, review, and

intellectual property protection.

- **Technical Consulting:** Supporting development, design, construction, and operational aspects.
- **Logistical Services:** Providing equipped office spaces, co-working facilities, communication tools, and partnership agreements with supporting organizations and networks.

e. Performance Monitoring and Evaluation:

The incubator periodically monitors the performance of incubated projects, assessing their progress toward set objectives and providing corrective recommendations where necessary.

f. Program Completion and Project Graduation:

At the conclusion of the incubation period, successful projects are graduated and enabled to transition into the growth and expansion phase, ensuring their sustainability and long-term economic impact

4.3 Training Programs and Initiatives Offered by *Business Valley Incubator*

The incubator seeks to support students and entrepreneurs through a set of training programs and initiatives designed to foster entrepreneurial culture and innovation. These programs can be summarized as follows:

a. Student Ambassador Program (*Programme Ambassadeur*)

This program is a distinctive initiative targeting students and researchers with strong entrepreneurial potential and motivation to engage in entrepreneurial activities. A select group of outstanding students are appointed as “*ambassadors*” of the incubator within the university environment. These ambassadors play a vital role in raising awareness about the incubator, organizing workshops and events related to

entrepreneurship, innovation, and the creation of start-ups. The program aims to disseminate entrepreneurial culture across the academic community, encourage students to transform their creative ideas into viable projects, and develop their leadership and communication skills.

b. Discover Program (*Programme Discover*)

The *Discover* program is designed for students who possess innovative and entrepreneurial ideas with potential to be transformed into start-up projects. The incubator carefully selects the best ideas and offers incubation for up to 24 months, providing the necessary human and material resources to develop them. Through this program, the incubator encourages students to take initiative and turn their creative concepts into real business ventures. It also contributes to enhancing participants' entrepreneurial and innovative skills. Overall, the *Discover* program serves as an effective tool for identifying entrepreneurial talent and empowering them to realize their ambitions of establishing start-ups.

c. D Start Program (*Programme D Start*)

This program targets projects that have already been materialized or are on the verge of entering market competition. It provides comprehensive support including:

- Intensive training sessions on management, marketing, and related fields.
- Free access to office spaces and logistical facilities.
- Technical assistance, mentorship, and professional guidance.
- Opportunities for students to engage in and collaborate with start-up projects through agreements with the incubator's management.

The *D Start* program aims to strengthen the competitiveness

of start-up projects by offering an enabling environment and essential resources for their success. It also contributes to developing the entrepreneurial skills of project owners and enhancing their capacity for innovation and market adaptability.

5. Operational Overview of Business Valley Incubator

5.1 Quantitative Indicators of Business Valley Incubator

Quantitative indicators represent a key tool for measuring the scale and scope of the incubator's activities, as they highlight the number of entrepreneurs supported, incubated projects, job opportunities created, as well as the volume of partnerships and training programs. The importance of these indicators lies in their ability to reflect the tangible dimension of the incubator's activities and its contribution to economic and social development. The following table illustrates this by presenting the main quantitative indicators of the incubator in a structured and clear manner.

Table 1. Quantitative Indicators of Business Valley Incubator

Key indicators	Value
Future Entrepreneurs	+20000
Business Projects	+3000
Job Opportunities	+100
Partnerships	+500
Training Programs	+50

Source: Quantitative indicators are based on official statistics published on the incubator's website <https://www.businessvalley-dz.com/>

The statistical indicators of Business Valley Incubator highlight its significant role in fostering entrepreneurship and supporting start-ups. With more than 20,000 potential entrepreneurs, the incubator demonstrates its broad reach and influence within the entrepreneurial ecosystem. Hosting over 3,000 business projects reflects its capacity to transform creative ideas into concrete ventures.

Moreover, the incubator contributed to generating 100+ job opportunities, showcasing its socio-economic impact beyond entrepreneurship itself. Its 500+ partnerships with various stakeholders underline the importance of collaboration in providing resources, expertise, and networking opportunities. Finally, with 50+ training programs, the incubator emphasizes capacity building, equipping entrepreneurs with the necessary skills for sustainability and competitiveness.

5.2 Qualitative Indicators of the Incubator: Entrepreneurial Exhibitions and Events as a model

In addition to the quantitative indicators that reflect the scale and scope of the incubator's activities, qualitative indicators emerge as a key factor in assessing its real impact on the economic and social environment. Among the most prominent of these indicators is the organization of entrepreneurial exhibitions and events, which serve as interactive platforms for showcasing startups, exchanging experiences, and connecting entrepreneurs with potential investors and partners. These activities not only highlight the internal dynamism of the incubator but also strengthen its role as a key catalyst for innovation and entrepreneurship in the region.

Table 2. Entrepreneurial Exhibitions and Events (2022–2025)

Editions and years	Value
1st Edition: Batna UP 2022	- 36 Participants - 6 Teams - 3 Universities - 6 Innovative Projects - 5 Startups - 7 Workshops - 3 incubation programmes - 7 Coaches - 3 Internships - 5 Investors
2nd Edition: Batna UP Festival 2023	400 Vistors - 15 Startups - 7 Business Incubators - 3 Conferences - 5 success stories - 7 Focus groups - 30 ecosystem catalysts - 50 Entrepreneurs - 6 business awards - 10 Investors
3rd Edition: Batna Expo 2024	• 1500 Visitors • 30 Startups • 50 Business Projects • 8 Workshops • 8 Pannel & Conference • 10 Success stories • 35 Exhibitions • 20 Investors • 10 Content Creators • 15 Auto entrepreneur • 10 Business awards • 5 Partners
4th Edition (Expected): Batna Expo 2025	10,000 Visitors • 50 Startups • 50 Business Projects • 15 Workshops • 10 Panels & Conferences • 15 Success Stories • 50 Exhibitors • 30 Investors • 20 Content Creators • 30 Auto- entrepreneurs • 15 Business Awards • 10 Economic Partners

Source: : Quantitative indicators are based on official statistics published on the incubator's website <https://www.businessvalley-dz.com/>

The incubator's exhibitions evolved from small-scale initiatives into large-scale entrepreneurial ecosystems. This progression reflects both quantitative growth (participants, startups, investors) and qualitative enrichment (diversified activities, recognition, partnerships), positioning the incubator as a key driver of regional entrepreneurial development

6. Discussion and Key Findings

Based on the quantitative and qualitative analysis of the incubator's performance, a set of findings can be drawn that reflect, on the one hand, the strengths and achievements, and on the other hand, the challenges and weaknesses that still require attention.

6.1 Strengths (Quantitative and Qualitative Analysis)

a- Quantitative Strengths:

- Significant growth in the number of participants and visitors across editions (from 36 participants in 2022 to more than 1,500 visitors in 2024, with expectations of reaching 10,000 visitors in 2025).
- Expansion of the portfolio of incubated projects, including dozens of startups and entrepreneurial initiatives, which highlights the incubator's attractiveness within the entrepreneurial ecosystem.
- Increase in the number of ecosystem stakeholders (investors, trainers, economic partners), thereby enhancing opportunities for funding and collaboration.
- Organization of numerous workshops, conferences, and awards, which demonstrates the incubator's dynamic role in supporting entrepreneurs.

b- Qualitative Strengths:

- Successful organization of entrepreneurial fairs and festivals that serve as interactive platforms connecting innovators, investors, and institutions.
- Strong contribution to fostering an entrepreneurial culture and promoting innovation among students and young people.
- Presentation of inspiring success stories that build trust and motivate other stakeholders.

- Strengthening of networks among universities, incubators, investors, and economic partners, positioning the incubator as a central player in the entrepreneurial ecosyste

6.2 Challenges and Weaknesses

Despite these achievements, the incubator still faces several challenges, including :

- **Limited funding and financial resources:** Reliance on restricted support reduces the incubator's capacity to expand its services and ensure sustainability.
- **Difficulty in project selection:** The absence of precise and objective criteria sometimes leads to incubating projects with limited growth potential.
- **Lack of specialized expertise:** Particularly in advanced fields such as technology, marketing, and legal consultancy.
- **Weak coordination with external stakeholders:** Which results in fragmented efforts and limited synergy among supporting initiatives

7. CONCLUSION

In conclusion, the analysis of Business Valley Incubator highlights its vital role as a growing catalyst for entrepreneurship and innovation in the region. The incubator has demonstrated remarkable progress through both quantitative indicators (such as the increasing number of participants, startups, and partnerships) and qualitative contributions (including the promotion of entrepreneurial culture, success stories, and the creation of dynamic networking platforms). These achievements clearly reflect the incubator's capacity to foster innovation and support the development of a sustainable entrepreneurial ecosystem.

Nevertheless, the study also reveals persistent challenges that must be addressed to enhance the incubator's long-term

impact. Among these challenges are limited funding resources, difficulties in selecting the most promising projects, shortages of specialized expertise, and insufficient coordination with external stakeholders. These constraints may undermine the incubator's ability to fully realize its mission.

To strengthen its role and ensure sustainability, the following recommendations are proposed:

- Diversify funding mechanisms to secure financial independence and reduce reliance on external or temporary support.
- Establish clear and objective project selection criteria to ensure the incubation of high-potential and innovative entrepreneurial ideas.
- Enhance human capital and expertise by recruiting specialized professionals, providing continuous training, and fostering international knowledge exchange.
- Strengthen institutional collaboration by creating structured partnerships with universities, government agencies, and private sector stakeholders.
- Develop a long-term strategic vision that aligns with regional development priorities, global innovation trends, and sustainability objectives.

By leveraging its strengths while overcoming existing challenges, Business Valley Incubator can further consolidate its position as a regional leader in entrepreneurship and contribute more effectively to economic growth and social development.

Suggestions for Future Research

identifying areas where further studies could expand understanding of business incubation and entrepreneurial ecosystems.

This ensures that the conclusion provides a comprehensive

and academically robust closure to the study.

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