

# Implication Of Incubation As A Strategy In The Insurance Industry: Process And Leverages

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**Abstract**— In general, incubators stimulate and sustain the growth of entrepreneurial companies including insurance industry by providing specified essential resources such as expert mentoring, legal counsel, physical office space, lending money and shared devices, in return retaining as an equity share holder in the company. These set-ups are guaranteed by municipal entities, independent associations, governmental concerns like colleges and universities with differing acceptance requirements and qualifications. Solid structure of instructors, financiers and influential people discovered on the process, who are intensely involved and anxious in the growth of the company is an added advantage of utilizing incubators. Sustainable capital investment in start-up companies are creating a resurgence in insurance by sustaining massive innovation in business models, products and services. This is creating a major diversion on the part of traditional investors to slowly but gradually invest in start-ups and incubator based concerns.

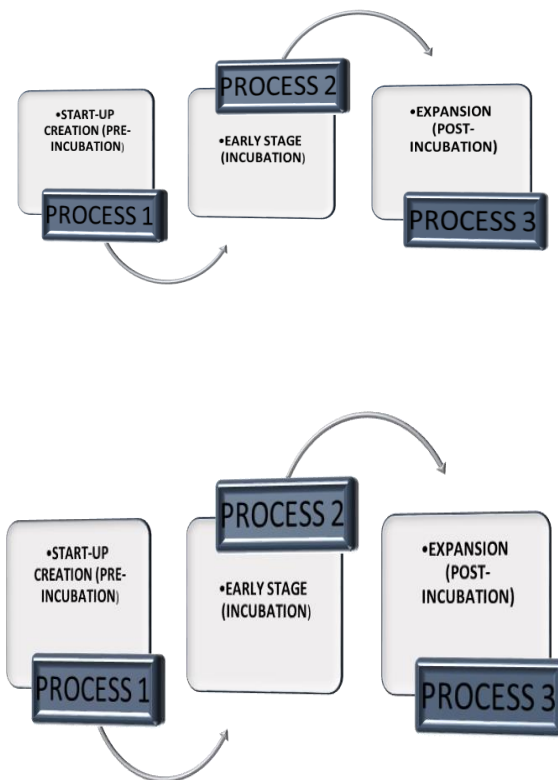
**Index Terms**— Sharing resources, monetary gain, expert guidance, effective training and steady balance.

## 1 INTRODUCTION

In order to obtain an outstanding strategy the process must be a precise subset of an extensive program. But when the strategy itself is a business process, the outcome will be more than what is expected, the combination of resources and knowledge of different type of advisors, managers and executives from different fields and differing experiences will make us see all the available aspects of a business. A *steady balance* in business can be made possible by utilizing and procreating the benefits of incubation. The deficit of resources such as physical space, proper coaching, funding, information technology and public relations which are leading to the subsiding of trust, unfinished work and financial movement in insurance industry can be deliberately balanced and made positive with the help of application of incubation strategies. It mostly involves three stages in processing the incubation, they include *strategy development, feasibility study and business plan*. Any startup businesses including insurance companies who are new and learning in this heavy competitive market definitely need the help of incubators that may play a major role in leading them the right way to the right destination and also helping them sustain in the field.

## 2. The incubation process

Incubation in general has three stages of classified components to be accomplished in order to gain a positive outcome in the business, that comprises of pre-incubation stage components, incubation stage components, post-incubation stage components.



### 2.1 Start-up creation (pre-incubation)

This stage comprises of three major components: a) Innovation assessment b) Business plan elaboration c) Business modelling and training.

**a) Innovation assessment:** It is the initial objective, where, aspects to be modernized and improved in the insurance sector are identified and rectified.

**b) Business plan elaboration:** which is necessary in the following cases:

- i) Evaluation of allurements and perspective of the business.
- ii) Alluring investment resources.

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- iii) Evaluation of a project or the entire business by receiving bank credit.
- iv) Quest of business partners.
- v) Escalation of the management venture.

**c) Business modelling and training:** This is constructed which sets the groundwork for composing reliable and adaptable data structures (policyholder details and claim records) by installing the business end-users in the center of the data specification process. Later on the concern individuals are given a well versed training to enter the incubation process.

## 2.2 Early stage (incubation)

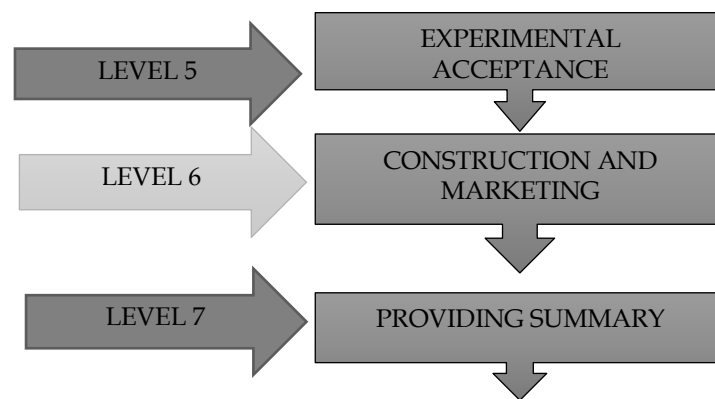
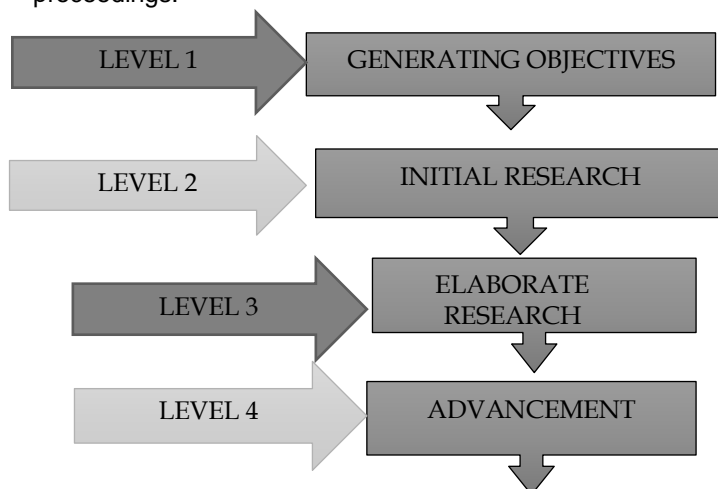
This stage comprises of five major components a) assess to finance, b) coaching and mentoring, c) hosting, d) commercialization, e) advanced business planning.

**a) Assess to finance:** It is the capability of employees or business to attain monetary services, precluding insurance, settlement, credit, down payment and other liability administration services.

**b) Coaching and mentoring:** These are not only restrained for higher officials of higher grade, it is now accessible to all professionals of all grades with the help of incubators. It assists the employees to acknowledge and accommodate to changes in an aspect, consistent with their vision and values of both profession and personal life.

**c) Hosting:** Incubators host training programs, crash courses, refreshers, workshops, conducts seminars and conferences to guide the concerns undergoing pre-incubation process. It is more vital for start-up business units as they get the opportunity to avail lot of needed guidance, as well as they get to interact with many business professionals who are experienced in various fields.

**d) Commercialization:** The conventional course for commercialization comprises of seven levels of proceedings from generating objectives to providing summary. The incubation development programs need a proper research on the protocols to gain advancement in business, this advancement leads to attaining experimental acceptance followed by construction and marketing process. An ambitious summary is provided in last stage for review purpose. Following is the pictorial representation of the seven levels of proceedings.



**e) Advanced business planning:** Incubation of insurance industries helps the sector in coming up with an advanced and innovative business plan with the help of advice from experts of different notions. This scheme comprises of marketing plan, competitor analysis, SWOT analysis, operations, financial planning, timeline, executive summary, mission statement, company background and product description.

## 2.3 Expansion (post-incubation)

This stage comprises of four major components a) Innovation diagnostics, b) Internationalization support, c) Clustering, d) Business development.

**a) Innovation diagnostics:** Sustaining the business innovation diagnostics, consists of an interactive session with the available innovation advisors. It is a personalized practice, facilitating any concern aspiring to use the productivity of its innovation practice and validate the significance of innovation financing and innovation interference. It helps in identifying the present innovation status and the needed innovation progress, it also features potential alternative for innovation interference (attempt and assessing) that cultivates morale for the customers as well as business organizations.

**b) Internationalization support:** This global support through incubation strategies can be made possible and consistent with the perseverance of four aspects and they depend upon the size of investments in foreign markets, computer memories or written reports of dealings and transactions, experimental knowledge and experience.

**c) Clustering:** It is the process of compounding industries and other adjoined concerns that generally include, unit providers, machinery suppliers, in-door transitory and service lenders. The distinctive advantage of working in clusters is that it is convenient to use the resources from the respective concerns which helps in refining productivity and competence.

**d) Business development:** After the incubation period an appreciative growth in business can be attained from the ideas, activities, connections, initiatives, partnerships, strategic business decisions, market development and business expansion. This is possible only when a company is exposed to such wide range of exposure, environment and opportunities.

## 3. Five worth-strengthening leverages

Utilization of expertise from various departments like legal advisors, technology experts, investment mentors, human

resource managers, financial guidance counselors, field experts, marketing coaches and many other experts is one important factor that strengthens the growth of any sector including insurance sector in the form of incubators. In present developing market and fluctuating economy, technology plays a vital role in consistent and sustainable functioning of any concern. Following are five significant technical factors helpful in strengthening such insurance sector leverages from the aspect of technology services from technical experts, though the incubation concept is beneficial in many ways, techno-influence is preferably the part to be concentrated.



#### a) Risk Identification

The opportunity to strengthen the worth is the only purpose of upholding the underwriting stage and is possible only with the implication of incubation strategy, as it can be used to select risks either downright or upright, without which the insurance rate base can be modified by cost determinants on the input collected. This can be accomplished either by precisely enhancing all the characteristics of underwriting process, using a pack of data approaching from the sensor.

#### b) Risk Based Financing

The customized form of pricing or financing acquires the advancement of new risk pattern and constant monitoring of condition and risk level based on the compounding of traditional insurance guidelines with the combined insurance data and the dependent data.

#### c) Value Added Service (Vas)

The operator's campaign was reinvented previously by the insurer's inventive services which are the eminent emergency response and assistance to the client through a demanding condition and engaging many methods to collect remuneration for these services. It is solely about upgrading the worth suggestions by adding assistance constructed upon information supplied by combined insurance.

#### d) Deficit Management

The influence of such deficiency can be detected from two aspects, they are risk-prevention and risk-compensation. The first one is the destined objective of all deficit managers. The second one is one of the significant influence in the short term income and expenditure of the insurers that will accustom their demand proceeding in a persistent way. Combined insurance augments the entire demand-handling process using the deliberate and intentional data anticipated from the sensor's exposed information.

#### e) Reliability and Attitude Adjustment Program

This procedure provokes value from the insurance viewpoint by guiding and addressing the policy and claim bearers towards less risky attitudes but also by eventually creating a reward system to emphasize customer reliability.

## 4 CONCLUSION

Thus using incubation as a main strategy doesn't just vitalize the significance of insurance industry but also helps in economic growth as well as development of individual and the country. Proper utilization of business incubators can be time consuming and confusing to start-ups, but is more helpful in this growing, competitive market.

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