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## Simulation model for motivating the creation of entrepreneurship actions

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### Abstract

The small and medium sized software enterprises should be encouraged to take a leading role in exploiting new opportunities. There is a need to develop, implement and emphasize the important role of engineering, technology and development of small and medium software enterprises on poverty reduction and sustainable social and economic development.

In this paper, there is a scope to inform about the ways that can encourage the creation and establishment of a new software company and explain about the important role of creating new businesses in a developing and changing industry. There is also an analysis on computers with dynamic simulation models [1] (iThink) in order to simulate all the different situations and scenarios of encouraging new software enterprises and predict the outcome. Relevant studies have been devoted in computational methods, giving the impetus for further research in this field [2-16]

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### 1. Introduction

Initiatives are needed that build capacity, establish appropriate financial systems, increase public awareness, craft and implement policy, and ensure that engineering and technology are included in Poverty Reduction Strategy Papers [17] (PRSPs). Governments, universities, NGOs [18], and international agencies all need to play roles in developing and implementing strategy.

In advanced industrial economies, small and medium-size enterprises have developed much of the innovative and cutting-edge technology. In many developing economies these enterprises have been the foundation of industrialization. In Taiwan (China), for example, small and medium-size enterprises were the engines behind the postwar industrial upgrading of the economy. By serving as suppliers to multinational corporations and foreign

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buyers, small and medium-size enterprises in Taiwan (China) gradually acquired both the process and product technologies that enabled the economy to upgrade its technology. Similar evidence on the role of small and medium-size enterprises is emerging from mainland China.

Despite the importance of small and medium-size enterprises, investments and incentives to grow them have been minimal or nonexistent in most developing countries. The focus of governments and foreign investment in developing countries has been on large infrastructure and industrial projects.

Supporting these enterprises is critical, but doing so is fraught with financial, administrative, legal, and market-related difficulties. Developing countries therefore can help foster the growth of small and medium-size enterprises by creating business and technology incubators, supporting clusters, and establishing export-processing zones. Each institution has benefits and drawbacks.

If a developing country is to unlock the potential to turn science, technology, and innovation into business opportunities, it needs to undertake a number of core activities. These include providing broader incentive structures to all firms while creating an institutional environment that encourages entrepreneurship, rewards innovation, fosters start-ups, and sustains existing firms with injections of capital.

Creating links between knowledge generation and enterprise development is one of the most important challenges developing countries face. A range of structures can be used to create and sustain enterprises, from taxation regimes and market-based instruments to consumption policies and sources of change within the innovation system.

## **2. Encouraging new business Management and Funding**

For a software company which seek growth, profit and establishment between the best and most profitable software companies globally, encouraging and motivating the creation of entrepreneurship actions needs to be taken into account. By funding these type of initiatives, the software company will invest in some of the most important factors which will upgrade its technological and production capacities.

The encouragement and motivation of creating entrepreneurship actions is divided in five sectors: Virtual incubators, Business Incubators [19], Technology Incubators [20], Production Networks [21] and Export Processing Zones [22]. All these sectors contribute differently but essentially to the development of the company.

Business Incubators play major roles in the creation and facilitation of small and medium-size businesses. Their role ranges from providing affordable space to providing core enterprise support functions, such as enterprise development, financing, marketing, and legal services. Governments in developing countries are encouraged to support business incubators.

By investing in this sector, a company can achieve significant improvement in several factors. With University based incubators and support services, it can improve its product, get financed, communicate better and wider and to expand.

Technology incubators are a special type of business incubator that focuses on new ventures that employ advanced technologies. Although technology incubators share the same general goals as business incubators, they focus more on the commercialization and diffusion of technology by new firms, both of which are often impeded by market and institutional failures and the high level of uncertainty associated with technology development. Commercialization and diffusion of technology increases the return from public investment.

By investing in technology incubators, the company can ensure communication between its own scientists and other scientists, cooperation with the government, the exchange of ideas and the intersection between scientists and entrepreneurs, and as a result the technological development of the company.

Regarding Incubators without walls or Virtual incubators, costs are an important determinant of services offered by incubators. Costs are especially high for technology incubators, which are usually facilities based. To avoid these costs, so-called “incubators without walls,” or virtual incubators, are sometimes created. Most of them are technology incubators, often created by a university or research institution. These incubators are non-

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