Cultural Incubation – Managing Business and Culture

De-coupling and translating conflicting norms in a cultural incubation process

The norms of business and culture are different, but cultural policy is changing and the government wants to combine the two; business needs culture and culture needs business. One initiative is to develop cultural businesses through cultural incubation; however, there is a lack of research and theories about this method. Therefore, in this study, I investigate the cultural incubation process at the cultural incubator Transit. By conducting both quantitative and qualitative research about Transit, and further interviewing with experts in the field of cultural business, I find that a cultural incubator needs to manage the conflicting norms of business and culture in order to support cultural businesses effectively. I employ institutional theory to investigate the different norms and thereby I am able to identify conflicts between the norms. I discover that the cultural incubator should use de-coupling and translation strategies in order to manage the norms of business and culture. Since there are no theories about cultural incubation, I further make a theoretical contribution to the management of the cultural incubation process.

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Author's thanks

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1. Introducing Business, Culture and Cultural Incubation

Business people and artists have different norms. As a business student for almost five years, I have been taught many useful models and frameworks; nevertheless, I have primarily learned a way of thinking. From an economical viewpoint, this way of thinking is based on rationality; models are grounded in the assumption that humans always make the most economically rational decision, whenever they can. In the world of artistry, however, money and rationality are rarely used concepts, at least not in an economical sense; artists tend to make art because they love it, not because they want to make money.

Society is changing. In the business world, there is an increasing need for creativity and new ways of thinking; new measures ought to be taken in order to adapt to current demands and to stay competitive in a fast-changing environment. Lately, business professionals and policy-makers have shown a growing interest in the cultural world, since there is much to be learned about creativity. The cultural processes and norms are different, and the more traditional businesses are starting to look at culture to discover other ways.

Artists are not trained in an economically rational way of thinking, as many business people are, and until recently they have not had the need to be. However, cultural policy is also changing; it is no longer simply about public support, but rather it is adopting economical policies. Recently, one of the daily newspapers in Sweden stated that there is not enough money to support every cultural worker; artists have to make money themselves.[1] The emergent idea is that future artists and creators are entrepreneurs, who also have to manage their finances. At a policy level, business and culture are approaching each other, implying that the conditions for artists are transforming.

The industries of cultural business combine artistic creation with commercialization. New initiatives by the government intend to support these businesses, which also shows that

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[1] Article, Dagens Nyheter, 20th of January 2011, Patrik Liljegren, manager at the cultural strategic department.

they are considered to be important for society. For example, the budget proposition from 2009 states,

"*There is a need for actors who can function as bridge-builders and middle-hands to […] increase the entrepreneurship, renewal and business within the cultural sector.*"

Among other initiatives, resources are placed into "cultural incubators." A cultural incubator supports creators who are starting a business (Löfsten and Lindelöf, 2001). Within a cultural incubation process, creators receive different types of help for a period of time in order to develop his or her cultural business. One such cultural incubator is called Transit. In my study, I discover that Transit is a meeting-place between two worlds of business and culture, between economic rationality and artistic creation. I also find that conflicts arise in this meeting.

Because business and culture are already approaching each other, and since business needs culture and vice versa, it is necessary to study cultural business. Furthermore, since resources are placed into cultural incubators, there is a need to study how to effectively manage a cultural incubation process and to explore the conflicting norms that surface in the meeting between business and culture. In this thesis, I employ institutional theory to investigate the different norms and to develop strategies for managing the conflicts between business and cultural norms, when they meet in a cultural incubation process. My aim is to find the underlying sources for conflicts between business and culture and to develop strategies for how to manage these conflicts.

1.1. Background for studying cultural incubation

My study investigates the development of cultural business through cultural incubation. In order to develop strategies to manage the conflict between the two logics of business and culture, it is relevant to understand why this is important. Therefore, I first present a short background of how cultural business and cultural incubation are influenced by national policies. Second, I provide some definitions and a review of literature about the industries of cultural business. Third, I describe what incubation is about in general. Finally, I convey the cultural incubation process at one particular cultural incubator, Transit, and present the background to my findings at Transit.

1.1.1. The shift in cultural policy

There has been a recent shift in cultural policy. Cultural policy is no longer only about public support to maintain the cultural values, but it is increasingly incorporating economical policies. An example is the national plan of action: in the fall of 2009, the Ministry of Culture and the Ministry of Enterprise made a collaborative effort and constructed a national action-plan, with a budget of 73 million SEK, to develop the cultural and creative industries[2]. Consequently, policymakers in Sweden, just as in many other European countries, are concerned about the development of and support for cultural businesses.

The national plan of action for the cultural and creative industries consists of nine parts, one of which includes the development of the national incubation system for cultural businesses. Thus, supporting the cultural business through cultural incubation is a method that the policymakers want to maintain and develop.

1.1.2. The cultural and creative industries and their importance

The cultural and creative industries represent organizations that in some way combine business and culture; they are increasingly recognized, both in media and by policymakers today. In Sweden, the cultural and creative industries[3] include the following different, rather diverse, areas: architecture, design, film and photography, art,

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[2] The Government Offices of Sweden, 2009
[3] Previously, in Sweden, it was called the "experience industries", however, today it has been decided that "the cultural and creative industries" is going to be used.

literature, media, fashion, music, dining, performing arts, tourism and experience-based learning (Swedish Agency for Economic and Regional Growth, 2011). When considering these areas, there are clearly some that are closer to business than others; for example, art can be considered less commercial than design. One the same scale, video games can be considered an even more commercial area.

The researcher Richard Caves, defines the cultural and creative industries as industries where "*the product or service contains a substantial element of artistic or creative endeavour*" (2000, p. vii). The definitions of the "cultural and creative industries" are slightly varied in different European countries, and among researchers. Since my study takes place in Sweden, I also find it important to consider the following Swedish definition:

The cultural and creative industries consist of, "*people and companies with a creative approach whose primary purpose is to create and/or deliver experiences in some form*" (Nielsén, 2008, p. 15).

Creativity is a key concept within these industries, and it is both broad and ambiguous. There are many definitions and I use one that incorporates several views; Howkins defines creativity:

"*[…] the ability to generate something new. It means the production by one or more people of ideas and inventions that are personal, original and meaningful. It is a talent, an aptitude.*" (2007, p. ix)

According to Throsby, the cultural goods and services are made up of distinctive characteristics that make them different from other products. He mentions three distinctive qualities of the cultural goods and services:

- human creativity is to some extent required in the production;
- consumers experience them as vehicles for symbolic messages; they are not only utilitarian;
- they have potential to contain some intellectual property that can be ascribed to the individual or group who produced the goods or services. (2010)

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There has been much discussion about the definition of cultural business, and the cultural and creative industries overall; researchers have separate opinions and different definitions are used in various countries. However, this discussion is out of the scope of my study, and I choose to keep both of the terms creative and cultural when talking about the industry overall, since I believe that the definition of creativity (above) is useful when legitimizing the cultural business within other contexts.

The industries are mostly made up of micro-, small and medium sized companies, even though it can vary greatly (Nielsén, 2008); in Sweden, around 70 percent of the firms are one-person firms, and just over 97 percent of the companies have 0-10 employees (Linton, 2009).

The importance of the cultural and creative industries is increasingly acknowledged by policymakers and in the business community. Many researchers recognize the opportunities in combining culture and business. For example, Parrish claims, "*Successful creative entrepreneurs embrace both creativity and business*" (2005, p. 8). There is an increasing amount of research about how to combine business with the arts, underlining the growing emphasis of creativity in business. Howkins states that, there are two trends happening today: business is becoming more dependent upon creativity, while creative and cultural businesses are increasingly adopting more business practices (Howkins, 2007). Thus, there is much potential in combining culture and business, since culture can learn from business and vice versa.

However, for a long period of time, the cultural and creative industries have not been given much attention in business education nor recognized within the economic community; in other words, they are not taken seriously. Caves discovers that even though information about creative industries is abundant, the research is scarce, and in general, the industry has received very little attention (2000). The cultural and creative industries do not fit into the contemporary business structures, it seems. There is a belief that these industries are not important contributors to the overall society and the economy, and "*[are not] being viewed as industries to count on*" (Algotson, 2010).

In spite of these commonly accepted beliefs, the cultural and creative industries are in fact industries to count on. The European Union has recognized their importance, in terms of economical, social and cultural contributions to the European economy. In 2004, the European Commission instigated the first study on the economy of culture in Europe, with the purpose to help the EU countries exploit the economic and social forces of the cultural and creative industries. It also maps out a strategy for the creative Europe and concludes that these industries are necessary for the Union's competitiveness. (The Economy of Culture in Europe, 2009)

On a national level, the significance of the cultural and creative industries is also recognized today, and the Swedish policymakers are starting to change their view in accordance with the EU. The cultural and creative industries contribute around 5 percent[4] to Swedish GDP (Nielsén, 2008) and the total consumption of goods and services generated by the creative industries is projected to rise by 6 to 7 percent annually (PWC, 2008). Furthermore, these industries employ about 280.000 people in Sweden (Linton, 2009).

Even though researchers use economical measures to show their importance, describing the cultural and creative industries in numbers is not a straightforward task. Caves explains that the industries of cultural business yield few pleasing data sets (2000). Other researchers agree, such as Howkins who states that the data on creativity is fragmented and indefinable since it surround us everywhere (2007). Thus, it is challenging to capture the value-creation of the cultural and creative industries in figures and numbers.

Even though it is hard to measure, Florida argues for the importance of the creative class; regional development depends to a large extent on their ability to attract creative individuals and goods/services in order to generate creative clusters and cities (2002). Therefore, even though the industries are hard to measure, there is no doubt that they are important in society. I am convinced that in order to develop, legitimize and establish the cultural and creative industries in society, significant actions are needed; and as the

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[4] In my study, I have found that there are reasons to be sceptical towards this number since it only includes organizations that are in the form of limited liability, and not one-person firms, for example.

government has concluded, incubators is one type of initiative that is likely to contribute to the development of these industries.

1.1.3. Incubation to support the cultural businesses

There are people who oppose the idea of combining business and culture. Culture happens in art galleries, on stage, in theatres and it is connected to the beauty in our lives; business, on the other hand, is about making money, and producing goods and services as efficient as possible. Business is about efficiency rather than aesthetics. Still, the government wants to combine the two by allocating resources towards the development of cultural business and systems for cultural incubation. It has been discovered that not only are there huge opportunities for business to incorporate culture, but that also is crucial in order for the creators to be able to live off their art.

What exactly is a cultural incubator? There is no comprehensive research about incubation, and incubation knowledge does not have a theoretical base of its own (Löfsten and Lindelöf, 2001). According to Anders Nilsson at Innovationsbron[5], the incubators work very differently, which makes it most difficult to not only define what an incubator is but also makes it difficult to compare different incubators with each other. Since an incubator can take many different forms, researchers commonly speak about an incubation process (Kuratko and Sabatine, 1989).

Even though there are many different definitions about incubation, the general idea of incubation is to assist entrepreneurs during the early stages of development, and to provide a supportive environment. They let firms share business support services such as typing, copying, computing, phoning and also allow business to occupy space at reduced rates; the effect is to improve the probability of the business start-up success (Allen and Rahman, 1985).

There are indeed indications that cultural incubation is beneficial to support the development of cultural business, especially, since there is a large need to support creators when they start up new businesses. According to policymakers, they need help in

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[5] Correspondence through e-mail with programme manager Anders Nilsson at "Innovasionsbron", October 2010.

the form of advisory and knowledge development. According to Throsby, policy strategies of particular relevance to the cultural business involve small-business development support, including start-up assistance and business incubation; these are important "*to help small businesses get underway*" (2010, p. 100).

However, Jonas Klevhag, project manager of the Creative Business Center, states that even though many recognize that cultural incubation is an effective way to support creators who want to start a business, there is not much research about the cultural incubation process (Klevhag, 2010). Furthermore, Sweden lacks a system that strengthens the possibilities of entrepreneurship of cultural business. National studies have identified the need for a system of incubation that supports and develops cultural businesses from amateur to professional. (Linton, 2009)

Cultural incubators do not have access to experience and knowledge about how they should work in order to provide effective support for cultural businesses (Linton, 2009). Even though cultural incubation seems to be an effective method to develop cultural businesses there is a research-gap in how to do it, as mentioned, and therefore studies about cultural incubation are needed.

1.1.4. The cultural incubation process at Transit

In order to find out how the cultural incubation process supports creators in developing their cultural businesses and what challenges that arise in the process, I have chosen to study the cultural incubator named Transit.

Transit cultural incubator is a non-profit, cultural incubator with the vision to, "*contribute to better conditions for creators and cultural practitioners to develop their ideas to sustainable companies and organizations*."

The incubation process at Transit focuses on the practitioners' knowledge, experience and driving force; the starting-point is the cultural and artistic conditions in combination with entrepreneurship. Transit is situated next to the University College of Arts, Crafts and Design, in the creative cluster at Telefonplan in the outskirts of Stockholm; it has existed since 2004. Before 2010, Transit was a part of the college, but since the first of January 2010, the Stockholm County Council provides Transit with financial support.

Since the Stockholm County Council supports Transit, it is to some extent depending on political decisions. The Council invests under two conditions: Transit is transformed into a non-profit organization and it expands its practices to also include other sectors within the cultural and creative industries, besides just design and art. It is clear that the shift in cultural policy also is reflected in the cultural incubators terms on which it receives support, since it has to show economic sustainability. Åsa Bergquist Håål, the current operational manager of Transit, states that it is good to be independent from the art school, because it pressures the organization to become more pro-active. Bergquist Håål states,

"The Stockholm City Council will not support us for all future, and therefore we are pressured to find new forms of investment […] we have to tell about the development of the companies in an honest way and also identify what a new partner could contribute with, not only in terms of money but also knowledge."

Today, Transit offers cultural and creative organizations within art, film, music, design, artistic work and performing art to apply for a spot in the incubator. Once accepted, the cultural businesses receive an office space, regular coaching and advice, both individually and in group, and Transit's network is also a part of the offering. Furthermore, Transit arranges activities regularly for all cultural- and creative businesses in the Stockholm region, in order to give new knowledge, ideas, advise and contacts. The type of support that Transit provides to creators resembles the process of a traditional incubator (as described above).

Investigating Transit cultural incubator is very important, not only for the development of Transit, but also in order to create general understanding about the cultural incubation process. Bergquist Håål states that there is a need to examine the cultural businesses that have participated in the process at Transit through the years in order to find out how they have developed since and how they have experienced the cultural incubation process at Transit. Furthermore, the results are important considering the shift in cultural policy and the government's decision to place resources into the development of cultural business.

Klevhag, who is one of the persons responsible for developing a national cultural incubation system, states that it is useful to not only look at input, but also throughput and output when optimizing an incubation process (2010). That is, it is useful to study what types of cultural businesses enter the incubator in the cultural incubation process. Furthermore, one needs to study what activities the cultural businesses participated in throughout the process and how they have developed after leaving the cultural incubation process. In order to provide background information about my findings of Transit, the following paragraph present some of the results about the input and output of Transit cultural incubation process.

First, considering the input among the cultural businesses participating in the study, there are mostly design-companies. 77 percent of the businesses perform some type of design, graphical design and illustration or other types. Furthermore, 14 percent of the cultural businesses perform art, 3 percent perform craft and 6 percent run other types of cultural businesses.

Types of cultural businesses in the study:

Design	Art	Craft	Other
77 %	14 %	3%	6%

Looking into the output, that is, the development of the cultural businesses, my study showed that in total about 49 percent reached their original goal. In total, about 59 percent have increased their revenues. In total, about 51 percent are able to take out a salary from their company. None of the firms had any employees when leaving Transit but 14 percent have employees today, 8 employments in total. About sixteen percent makes above 1,000,000 SEK in revenues, while 62 percent make below 500,000 SEK.

The development of the cultural businesses after Transit:

Reached goal	Increased revenues	Take out salary	Have employees
49 %	59 %	51 %	14 %

The government put resources into the development of the cultural business through, among other initiatives, cultural incubation systems; and the above literature about cultural businesses demonstrates that they are important for society. Many researchers argue that cultural incubation is an effective method; however, considering the output from the cultural incubation process at Transit, the results might not be considered financially strong. For example, only 16 percent make above 1,000,000 SEK, which is an amount that many would claim necessary in order to live off ones business. It is a challenge to combine business and culture, however, the cultural businesses are important in society; therefore, it is crucial to effectively support the development of the cultural businesses. The important question that follows, is if cultural incubation is an effective method to develop the cultural businesses?

1.2. Research Purpose

The above background information and review of literature show that cultural businesses are important to society: business needs creativity and can benefit from artists' creative drives. Furthermore, the society and cultural policy is changing, and consequently, creators have to combine their art with business, in order to be able to live of their art. According to my pre-study of Transit, developing cultural business is not easy, and there are many conflicting ideas that seem to arise. Therefore, my aim is to contribute to the development of cultural business by investigating strategies to manage these conflicts.

My purpose is to explore strategies that a cultural incubator can utilize in order to manage the different norms of business and culture and to provide effective support to the cultural businesses by investigating the cultural incubator Transit. Furthermore, since there is a research gap regarding cultural incubation, I intend to make an empirical contribution, as well as a theoretical contribution, by combining different theories of institutions, business-organization and culture.

1.2.1. Research Questions

The research questions that guides my study are the following:

- What are the differing norms in business and culture and how do they come into play when developing a cultural business?

- What is the most important support that creators received from Transit when developing their cultural businesses?
- How can the different norms of business and culture be managed in a cultural incubation process?

1.3. Disposition

There are four main parts in my paper, excluding the introduction and conclusion:

In the methodology, I present my research strategy and the research methods used in the study. Furthermore, the population and sample of my study are introduced.

Thereafter, the theoretical framework is presented. Since there are no theoretical models developed for cultural incubation, I make a theoretical contribution by combining different theories that have not been combined before. As the overall framework for my study, I present selected approaches within institutional theory and I distinguish institutions of both economics and culture. Subsequently, I shortly present cultural business theories as well as relevant theories about entrepreneurship.

In the empirical section, I present the different ideas that I find in my study at Transit. Mainly, I focus on the qualitative data, the interviews, but I also present some findings from the quantitative study in order to analyze what types of activities are most important for the creators and their business development.

The analysis is based on my primary research question. In the first part I analyze how the different norms of culture and business play out at Transit and why conflicts arise. In the second part of the analysis, I look at how the cultural incubator can manage the conflicting norms of business and culture; first, I consider different de-coupling strategies, and thereafter, I analyze how the cultural incubator can use a translation strategy to manage the different norms.

2. Methodological Considerations of the Study

In the methodology portion, I describe my approach for conducting this study about cultural incubation. Here, I present my research strategy and my procedure and methods when collecting the empirical research.

2.1. Methodological approach and strategy

In order to provide insight into the considerations, reflections and process behind this study, as well as its methodological considerations, I start by introducing my research approach and research strategy.

2.1.1. Interpretative research approach

A paradigm represents a perspective for the analysis of social phenomena; it has an underlying unity in terms of its basic, "taken-for-granted" assumptions; it represents a view of reality. This study is undertaken within the interpretive paradigm. In the interpretive paradigm, research needs to seek understanding about the fundamental nature of the social world, at the level of subjective experience (Buvvell and Morgan, 1979). It is appropriate since I investigate individuals' norms about business and art. In my study, these subjective individual experiences seem to differ.

The paper combines theory with empirics and, thus, an abductive approach is used. It is favorable since it combines links to existing theories with data sampling and analysis; existing theories are explored and can thereby be tested. Furthermore, it allows for elements of understanding and reflection. (Alvesson and Skjoelberg, 1994) I find this approach useful since I have to make use of both induction and deduction to gain knowledge about the cultural incubation phenomenon. Since there are no theories about cultural incubation, I use an inductive, explorative approach when investigating the cultural incubation process. In addition, I deduct strategies for the cultural incubation process through the use of existing theories; thus, by mixing induction and deduction, I am able to gain a deeper understanding, increase generality and also to further investigate into the theories.

2.1.2. Mixed-methods research strategy

In my study, I use the mixed-methods research strategy, consisting of both qualitative and quantitative research, which is in line with the abductive research approach.

Even though the mixed-method research is gaining more and more popularity, some researchers are critical towards this approach. The two main arguments against the approach are (1) the embedded method argument and (2) the paradigm argument. The embedded method argument is that the qualitative and quantitative methods are involved in conceptions about the world, which only allows specific instruments to be used. The paradigm argument is about the incommensurability of the different paradigms; however, in business research, the incommensurability has not been demonstrated. Furthermore, qualitative and quantitative methods are not necessarily paradoxes; more and more researchers accept that it is very difficult to sustain epistemology (Bryman and Bell, 2007).

Through the use of the quantitative method, I have gained knowledge about individual businesses experiences and explanations for their development. Many researchers have the view that qualitative research actually facilitates quantitative. Using qualitative research provides a deeper understanding (Bryman and Bell, 2007), which is sought after in the interpretive approach. Since my aim is to contribute to knowledge about management within the cultural incubation process, I found it necessary to use a qualitative study.

The quantitative research is used to explore the cultural incubation process; furthermore, it provides information about how the cultural businesses have developed and how Transit has contributed to the development. As Silverman argues, the qualitative research can be very general and it can be hard to make any useful conclusions; some quantification can help uncover the generality of phenomenon (1993). In this study, the quantitative research is a useful complement to the qualitative research, especially, in order to draw conclusions about which activities within the cultural incubation process has been most effective.

2.2. The empirical research of Transit

My empirical research comes from many different sources and has been collected throughout the fall of 2010. In my research, I first wanted to have an overall understanding about cultural incubation, and therefore I started to interview with experts and other individuals who could provide me with the societal perspective. Thereafter, I investigated Transit cultural incubator and, lastly, I have conducted interviews with the individual creators.

As I proceeded in my investigation, I found that in order to answer my research questions I needed to gain a deep level of understanding of the cultural incubation process. I started my empirical investigation by conducting interviews with different experts within the field, at a policy, incubation and business level. Next, I started to investigate the companies that have participated in Transit quantitatively, but this research does not explain experiences and aspects that are important for the results. For this reason, I also collected qualitative research from the companies, in order to gain a deeper level of understanding.

Ten interviews were conducted with different experts, professionals and researchers in the fields of culture, creativity and entrepreneurship. The experts work with both private and public organizations. These interviews and dialogues were critical, especially in order to understand what is going on in the external environment. Transit is financed by public means, which makes it highly dependent on what is going on at a policy level. The expert interviews were semi-structured, but the questions varied depending on the sector of expertise.

During the fall of 2010, I participated in a one-day workshop about how to develop a national cultural incubation network, led by the Creative Business Center (CBC)[6]. I have participated in a regional dialogue meeting held by the Swedish Agency for Economic and Regional Growth about the governmental action plan for developing the cultural and creative industries; the meeting also included discussions about the regional initiatives

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[6] CBC is a project with the focus to find business-developing methods to the cultural and creative industries. One purpose is to develop a national incubation network.

already in place. Furthermore, I audited a seminar at Transit with different experts and professionals giving their views on cultural business and cultural incubation.

The empirical quantitative study is based on the businesses that have worked with in Transit the past five years. It was a challenge to find out how many businesses that have worked with Transit since there is no complete list to be found. In the beginning I had over one hundred e-mails to businesses, however, it turned out that many of these had not participated in the incubation program, and therefore they were removed from the study. In total, it is 70 companies that have participated in the incubation process at Transit, at the time when the study was conducted. They have all been contacted through email. Many of them I also called, when they did not respond after the second reminder e-mail. Out of the total population, 37 companies responded, which implies a response rate of about 53 percent. Furthermore, I also compared the responses with a previous survey that was undertaken at Transit in 2009, in which ten additional companies had responded, in order to support my study further.

To find out the reasons for why some of the businesses did not answer, and also to validate that the results are representative for the whole population, I randomly contacted the companies that did not answer. The ones I managed to speak to mostly gave the excuse that they were too busy to take a survey (even though it only took between 10-15 minutes). One individual stated that she did not want to sit in front of a computer.

The questionnaire that was sent out to the respondents was structured in sequential order, first investigating the input, then the throughput and finally the output (see Appendix I). Questions are tailored to the process of incubation and they are divided into single answer and yes/no questions. Furthermore, I added some open-ended questions in order to explore some specific aspects of the process. In the survey, I intended to find out how the businesses have developed from the time that they started at Transit until today, and what activities that they participated in; this was done in order to investigate correspondence between activities and business development.

I interviewed with both current and previous creators of Transit today, in order to understand experiences and subjective opinions about the cultural incubation process

throughout its existence. I have conducted six in-depth interviews; the interviews were semi-structured, meaning that I followed the same question scheme in order to be able to compare the answers. However, as the businesses interviewed vary, the available time for the interviews were speckled, and the individuals' stories were all unique, I sometimes asked specific questions or for greater details on specific issues when I deemed appropriate. The interviews lasted between 20 and 90 minutes, they were recorded and partly transcribed[7].

Furthermore, interviews were conducted with the current managers of Transit. These interviews took more in the form of dialogues complemented by careful note taking.

Secondary data was further collected from reliable and validated sources. I mostly used books, scientific papers and articles. The books have been found in different university libraries in Sweden, and they are primarily written by American, English or Swedish researchers. The scientific papers and articles have mainly been found through the Stockholm School of Economics (SSE) library network, mostly in the databases *Business Source Complete* and *JStor*. Newspaper articles are also used in order to capture the most recently discussed issues.

2.3. Limitations and validity

In the following section, I briefly present some limitations concerning the scope and focus of this study. Furthermore, I discuss the validity of my results.

2.3.1. Limitations

One obvious limitation in my study is that I only investigated one case of cultural incubation, since I choose to only focus on Transit. This is due to time limitations and because I conducted research about the outside environment of the incubator, instead of only looking at the internal processes. Research on the surrounding environment was crucial to my study, as it provides a more holistic understanding of the cultural incubation process and what factors that affect it. Furthermore, I still made sure to compare my results with information about other incubators and the literature I found.

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[7] The transcription of the interviews can be handed out upon request.

Another limitation is that the study primarily is focused on Sweden; however, since the study of cultural incubation already contains many dimensions, I choose to leave other countries out of the study's scope. However, I still use theories from other western countries.

The theoretical framework is in itself a limitation; institutional theory is only one of many theories that could be used. However, I have critically selected theories with different viewpoints and I position different views against each other. Furthermore, since there is not a solid theoretical base about cultural incubation, I had to combine different theories and apply it on my research.

2.3.2. Validity

Regarding the validity of the quantitative study, the response-rate of 53 percent of the total population must be considered. As mentioned, of the ones that did not respond, I called a random sample of about 15 percent of the total population. The reasons mentioned for not responding were mostly because of time limitations, even though some people in the population just seem to despise computers. I validate the sample's representativeness of the total population by comparing the types of companies and the time-periods they were at Transit. The responding sample of 53 percent is representative of the types of companies and there are respondents who represent all the time-periods between 2004 until 2010.

In order to validate my research further, I mix my sources of information; I make sure to compare the results of the quantitative and qualitative research. Furthermore, I use different theories and concepts; I look at institutions and entrepreneurship, where I also consider different views. Also, I contrast the theories about the cultural field with those of cultural business. Thereby, I am able to carefully select my sources of information and use them critically in my investigation and analysis.

The interviews with experts, the meetings and the seminars have not been recoded and transcribed due to time limitations and practicality. However, I have conducted careful note taking and I have received confirmation of quotes post hoc.

3. Theories of Institutions, Culture and Entrepreneurship

In this paper, I have critically selected the theories that are relevant to investigate the cultural incubation process with regards to my research questions. By combining different theories, I intend to also make a theoretical contribution to the study of cultural incubation. I want to acknowledge that different perspectives meet in the cultural incubation process, particularly the varying norms of business and culture, and therefore I have chosen institutional theory as the overall theoretical frame. Even though institutional theory is widely used in many contexts, it has not been used when studying the cultural incubation process, and thus I introduce an institutional perspective to analyze the conflicting norms that arise in the process.

In addition, the specific theories of cultural business are considered as well as the different implications of entrepreneurship, since the cultural incubation process supports entrepreneurial individuals within cultural business, and my study focuses on the challenges that arise for the creators when starting their own business.

3.1. Institutions involve normative obligations

In this study, the institutional theory is used in order to investigate the different forces that ultimately affect organizations and individuals within different contexts. Institutions as subject for analysis are not new; it has been undertaken in various fields such as sociology, economics and political science for several decades and numerous approaches exists (Scott, 1995). Institutions contain different dimensions. According to North, institutions exist to lower uncertainty and to create order; their core function is to lay down the rules of the game, meaning that institutions signal which actions are acceptable and not. North suggests that institutions consist of two types of rules: formal and informal (North, 1991).

Scott later defines institutions as being composed of three elements: *cultural-cognitive, normative, and regulative*; together with associated activities and resources they provide social life with stability and meaning (1995). The institutions involve normative obligations; a highly institutionalized rule is both normative and cognitive (Meyer and

Rowan, 1977). In the institutional perspective, the institutions are generators of interests, identities and suitable practices in the wider socio-cultural contexts.

Scott and Meyer claim, "*institutional sectors are characterized by the elaboration of rules and requirements to which individual organizations must conform if they are to receive support and legitimacy from the environment*" (1983, p. 140).

When firms conform to the different environments they will be rewarded with increased legitimacy and resources, increasing their likelihood of their survival (Scott, 1987). According to Meyer and Rowan, the institutional requirements are myths; organizations incorporate these myths in order to gain legitimacy, resources, and stability and to enhance their prospects for survival (1977). Thus, organizations have to conform to the requirements laid out by institutions in order to retain legitimacy, and have access to the resources they need to survive.

3.1.1. Conforming to rational logic

In organization theories, institutional requirements are often based on a rational logic; to control and coordinate work, a rational structure is assumed to be the most effective (Weick, 1985). For instance, in business school we learn how to make organizations efficient and effective.

The rational logic underlying many institutional structures today can for example explain why bureaucratization, for a long period of time, has been viewed as the most effective form of organizing. Norms of rationality "*exist in much more specific and powerful ways in the rules, understandings, and meanings attached to institutionalized social structures.*" (Meyer and Rowan, 1977, p. 343)

The institutional norms of rewarding rationality, relates to Habermas's thoughts; capitalism increasingly interacts with the rest of the society and the economic/rational discourse is becoming more powerful (1991). The economic discourses define: "*[...] an order of what is possible to think and to say' concerning work, consumption, the market, rationality, planning, organization etc. [...]*" (Reckwitz, 2007, p. 10) A discourse is not neutral, discursive practices shape how a phenomenon is presented or considered; it has

implications for power, the dominating way to speak about something is held as knowledge or truth (Foucault, 1972).

A discourse can be compared to the invisible assumptions, since it speaks about the "truth" it is also taken-for-granted; therefore discourses underlie institutionalized rules. According to the above researchers and philosophers, the ideas about rationality and economics are a powerful force in overall society today; they are attached to the institutionalized social structures and they dominate the way we talk about organizations. Thus, it confirms that in order to gain legitimacy, organizations also have to incorporate the myths about rationality.

3.1.2. The norms are not static

The institutional view has been criticized, mainly because it does not focus enough on transformation and change (Scott, 1995). While traditional institutional studies focus on rational conformance and stability, researchers are now increasingly concentrating on institutional rationality, continuous struggles and ongoing change. (Erlingsdóttir, 1999, Czarniawska and Sevón, 1996) Many are critical to the institutional theories that make the assumption that it is coordination and control of activities within organizations, such as in a bureaucracy, that have made them successful.

In practice, the activities rarely correspond with how an organization formally is controlled. Even Meyer and Rowan recognize that although the myths about how to organize can have large influence on the organizational practices, the organizing processes can be different.

"*Organizations whose structures become isomorphic with the myths of the institutional environment [...] decrease internal coordination and control in order to maintain legitimacy.*" (1977, p. 340)

Myths are the rationalized and impersonal rules that bind the various organizations together through a belief of their legitimacy (Meyer and Rowan, 1977). Thus, an external "belief" about organizational practices and structures is more important than the actual practices. Furthermore, organizations adopt conflicting practices and they are more focused on external legitimacy than internal conformity.

Brunsson has a similar viewpoint. In his research, he finds that organizations produce talk, but the talk can be very different from the actions and practices within the organization. (2002) Consequently, organizations can be pressured to play by the rules and conform to the norms and requirements in the environment, but they do not necessarily have to follow these requirements when organizing internally.

Scandinavian institutionalism has built on institutional theory to also include change as a norm; it emphasizes the interplay between intentional actions and taken-for-granted norms within an organizational field (Czarniawska and Sevón, 1996). Within "translation-sociology" change happens when ideas travel from one organization to another, or from one part of an organization to another; and the ideas are translated within the new context to something partly different. Organizational researchers maintain that it is a good perspective in order to study and understand change processes (Kärreman, 2007). In short, change happens when ideas travel and are translated between different contexts.

3.2. A separate institutional context – The cultural field

The institutional context is not the same for all organizations, even though rationality seems to be favored in general. In the institutional view, as stated, people act according to the rules, norms and values in the environment they are in. Therefore, when looking outside discourses of business and management theory, that I myself have been educated within, there are other values and norms that rule. This implies that actions and behavior in one context can vary greatly from those undertaken in another context.

Different institutional rules represent, according to Berger and Luckmann, different "provinces of meaning"; the institutionalized rules are commonly shared patterns of interpretations. Within different environments there are specific ways to view how meaning is created; here it is defined how problems are to be solved and what solutions are most suitable. (1966) Therefore, the differences between institutional environments can be considerable in terms of what values and norms that the rules and requirements rest on.

As stated previously, the norms of artists and businesspeople are different. I now turn to the cultural institutions in order to understand the norms that are important and valued there.

3.2.1. The structure of the cultural field

Having considered the increasing dominance of rational norms and the power of business in society, it is important to also consider the norms of the cultural side; the work of Bourdieu about the cultural structures is extensive and it helps to create understanding about the specifics of the cultural norms. His work shows that there are different norms in culture and business, but also that it is possible to combine the two.

Bourdieu's work about the cultural field examines the institutions and individuals involved in making cultural products. He has a broad understanding of culture, including social science, law, religion, and aesthetics such as art, literature and music. (1993) However, his theories and analyses do not only focus on the cultural field itself, but also on its position within the broader social structures of societal power.

Boudieu claims that the field of cultural production rejects external determinants and complies only with the specific logic of the field. A field is "*a structured space with its own laws of functioning and its own relations of force independent of those of politics and the economy*" (Bourdieu, 1993, p. 6). In a field, one must know how to play the game in order to enter the game, and be accepted as a legitimate player. This implies that the cultural field is different from other fields. In the cultural field one does not seek profitability and there are no guarantees that there is correspondence between an investment and monetary gains. While seeking economic profit normally is rejected, other forms of profits, such as symbolic profit, are accepted.

The concept of field is clearly very much related to the institutional view, as it is presented above. A field contains institutionalized rules, norms and assumptions. As I discover below in the theoretical portion, cultural businesses might not be bound to the cultural concept of field to such a large extent as described by Bourdieu. Still, I found the concept relevant to include, showing that there are different structures present within the

traditional cultural institutions, compared to the business and economical institutional structures.

3.2.2. The cultural field has different norms

The cultural field has a dualist structure and the cultural order is only obvious for those who are established. However, this hierarchy is inversed in relation to the hierarchy for commercial success. When it comes to the market, the commercial success, there are other rules. (Bourdieu, 1996)

The *cultural* capital is the most important type of capital for an artist. Cultural capital is a type of cultural knowledge, competence and disposition; it is an "internalized code", which provides individuals with empathy towards, appreciation for or competence in interpreting cultural relations and cultural artifacts. The cultural capital is different from *symbolic* capital, which is the degree of accumulated prestige, celebrity, consecration or honor; however, Bourdieu views symbolic capital as a crucial source of power. (1993)

The dualist structure and the cultural capital are, in my view, two concepts that well describe why conflicts can arise between business and culture. For example, commercial success is what matters in order to compel business, however; in the cultural field, artists know that if they go after the money, they loose their cultural capital. Still, artists who have cultural capital are also capable of making a monetary profit, even if it was not their end goal initially.

One can draw parallels to the cultural policies. Traditional cultural policies rest on other norms than traditional economical-policies. While the latter uses an instrumental approach and measures the impact of policies in terms of economical outcomes, the former rests on traditional values of art policies, concerning how to provide support for the cultural workers (Throsby, 2010). In recent years, there has been a shift in cultural policy to include economic policy, as mentioned above; the economical policies are distinct from the cultural field as described by Bourdieu.

3.3. Different norms meet in cultural business

From institutional theory is seems as organizations usually function within separate institutional environment, but what happens when two institutional logics are brought

together? When organizations have to conform to rules, norms and values form two different environments, such as the institutional environment based on the economical discourse and the institutionalized rules within the cultural field, it is not obvious what actions to take in order to be legitimate in both environments.

Considering the policy-level, an important difference between cultural and economical policies is how to determine value of different political outcomes. Throsby maintains the distinction between economic and cultural value; economic value is clearly defined and can easily be expressed in financial terms. The concept of cultural value, however, contains numerous discrepancies that have evolved throughout history; it is complex, unstable and does not have a unit of account that it established in society:

"*On the one hand the neatly circumscribed principles of economic value lead to what appear to be unambiguous estimate of the economic value of cultural goods and services, whilst on the other hand cultural value seems to resist precise, objective and replicable means of assessment*" (Throsby, 2010, p. 19).

The inclusion of economical policy in cultural policy is clearly not straightforward, since the two types of policies rest on very different norms and ideas. Still, the cultural and economical policies are merging.

As Meyer and Rowan states, when the requirements differ, organizations adopt conflicting practices. When institutional requirements are based on such detached norms as economics and culture, one strives for profit and one despise it, conforming to the institutional requirements clearly becomes a very complex practice. However, it is also important to realize that the contemporary institutional structures representing economics and culture are different from before; thus, the distinctions between economical and cultural structures are possibly not as extensive as they have been at the time of Bourdieu.

The cultural businesses can be considered as a mixture of different institutional logics of business and culture. The theories and research about cultural business are much more recent than the work of Bourdieu, and the cultural business theories are more focused on how culture and business can be combined. They do not view the cultural field as

separate, even though they regard the cultural values as central. Theoretically, cultural businesses also have specific characteristics that are different from other industries.

In order to understand the different norms in cultural business, it is important to understand the characteristics of the goods and services that are the core of the cultural businesses (Nielsén, 2008). In contrast to traditional, linear pictures of value-chains the cultural goods and services often has a value chain that is pictured in a circular fashion: the concentric circles model. This model shows that it is the art, the *cultural value* (compare Bourdieu) of the goods and services that distinguishes the cultural industries from others. The core is the creative artistic creation; it is something unique and different, and it is this core that is commercialized to a larger or lesser extent (Throsby, 2010).

Even though there are many opportunities when combining business and culture, there are also many challenges. Björkegren recognizes that it is challenging to make money from art; many products experience commercial failures, and it is hard to know in advance which products and services will be successful (1992). From a business perspective, this is clearly costly since the economical discourse includes rationality, which implies minimizing risks and sunk costs.

There are many specific characteristics of the industries of cultural business that are important to understand. Caves recognizes that it is very hard to foresee what will become a success and what will become a disaster within the arts; therefore, risks are high and sunk costs are probable; this is known as the "nobody knows" property of cultural business. As Bourdieu mentions, creative workers usually care very much about their product; he or she puts time and effort into the features and quality the work in relation to personal values. Caves call this the "arts for art's sake" property (2000), which is also related to the cultural core, mentioned above.

In general, creative products need a long time before they reach the market. Björkegren states, "*A cultural business strategy is more long-term and implies art at the terms of the artist.*" (1992, p. 57) This might depend on the above properties, but also one other typical characteristic: the "time flies" property (Caves, 2000). The creative products often require close temporal coordination, which implies a hold-up problem. For example, if a

production depends on different inputs and one of those inputs cannot be coordinated with the others at a specific time, but is deemed necessary for the final production, the whole production stops. Therefore, it can take a lot of time before a cultural business is able to show a final product.

Not only does it take a long time to develop a cultural product, but also it is formidable to predict the type of art that will make money. An explanation for this can be the dualist structure within the cultural field; real art and commercial success are often reversed. Thus, the risk is that if a creator thinks about commercial success, he or she can loose the cultural capital and thereby the possibility to succeed. Again, the norms are different in culture and business; what is appreciated and valued in culture might not be the same in business.

Even though my study does not focus on the "real" art in terms of traditional customs, I still find it important to highlight the theoretical characteristics of cultural business in order to understand the conflicts that can arise and the opportunities there are to manage those conflicts. Just as Throsby maintains the distinction between economic and cultural value, where economic value is clearly defined and the concept of cultural value contains numerous discrepancies and does not have an established unit of account. It is important to acknowledge that there are differences between cultural and business norms, and these actually meet in cultural business. Thus, the norms affecting cultural businesses rest on different traditions that are distinct from one another. Theoretically, the differing institutional contexts are built upon different norms and basic assumptions.

3.4. Entrepreneurs rupture institutional structures

Finally, in order to be able to analyze the individual creators, and eventually fulfill the purpose of my paper, it is important to also consider the forces of entrepreneurship. As mentioned, the incubation process has the role to support entrepreneurs. Furthermore, the cultural businesses repeatedly consist of small, often one-person firms, and they often have conduct business in new ways, since the industries are nascent; therefore, to some extent, cultural businesses have to be entrepreneurial.

When thinking about entrepreneurial people, it is not associated with people who conform to the institutionalized myths and norms in society; rather, entrepreneurs are likely those who break them and consequently create something new. Nonetheless, there are different theories about entrepreneurship that seem relevant to take into account in a theoretical foundation for analyzing the conflicts that the creators experience and how these can be managed.

3.4.1. Doing things in a new way

According to traditional theories, entrepreneurship is the doing of new things or the doing of things that are already being done in a new way; the entrepreneur "gets things done" (Schumpeter, 1947). Furthermore, more recent researchers also portray entrepreneurs as the ones who do not follow the current structures. Czarniawska-Joerges and Wolff describe entrepreneurs as people who,

"*[…] create new social and organizational realities. They work against the existing social structure, […] by behaving as if the existing structure did not exist. By ignoring the established way of thinking and action, they make dreams come true.*" (1991, p. 536)

Thus, entrepreneurs are not seeking legitimacy by conforming to the institutionalized requirements, but rather they seem to gain legitimacy by not conforming.

Johannisson recognizes that the entrepreneur act to organize and materialize a new operation, which is different from only generating ideas. Entrepreneurship stands for the unusual, different and unknown; it interrupts the everyday order and organization. Still, it is hard to identify the entrepreneurial entity and precisely explain what it is and what it does. Furthermore, he sees parallels between entrepreneurship and the arts. In many ways, the concept of the entrepreneur has similarities to that of the artist: the entrepreneur, like the artist, has the capability to fashion the substance and give it shape and meaning. (2005)

Johannisson criticizes Schumpeter and states that the Schumpeterian view limits the picture of the entrepreneur. Instead, Johannisson focuses on the inner drive of the entrepreneur and states that the challenge for the entrepreneur is to master an ambiguous environment, so that own ideas can be put into actions. In general, Johannisson is critical

towards institutional structures since they control the forces that generate passion and creation; creation and control do not go well together (2005).

Entrepreneurship researchers seem to agree that entrepreneurship stands for the new and unusual. Entrepreneurs are strong individuals who follow their inner drive and make their dreams come true. They do not let anything stand in their way.

Some researchers are critical to the contemporary image of the typical entrepreneur that researchers often portray. For example, Holmqvist and Sundin discuss that the characteristics that are described in literature to be typical for the entrepreneur stand for masculine values and it is a very individualistic person that is presented (2002). The ways in which entrepreneurship is spoken about can limit how we interpret the phenomenon of entrepreneurship, which represents another reason why it is important to take on an interpretive approach when studying entrepreneurship.

3.4.2. Causation vs. effectuation processes

Many times, the entrepreneurship literature assumes that entrepreneur has ownership of means (Schumpeter, 1947), and then he or she uses the means to achieve a set goal. According to Sarasvathy, most contemporary work in management is based on a causation process, in which the effect is already given and the focus in on choosing means to achieve that effect (2001). The individual entrepreneur then has a fixed goal and he or she tries to get ownership over means in order to reach that goal.

Sarasvathy's concept of effectuation, however, is the process of choosing particular effects, which may or may not implement intentional goals. Instead of focusing on what is unavoidable and predictable, the focus is the opportunities and possibilities in the environment, and to take control by the use of available resources. Rather than setting up a fixed goal, the entrepreneur considers the existing means, in terms of characteristics and circumstances, and takes decisions depending on those. In an effectuation process, the effect can be various and it allows for the entrepreneur to change goals and to shape and construct goals over time. The effects depend on the actor's ability to discover and utilize opportunities in the environment. (2001)

3.5. A theoretical framework of cultural incubation

Since there are no theories about cultural incubation, I intend to make a theoretical contribution. By combining the different theories presented about institutions, the cultural field and cultural business as well as entrepreneurship, I create a framework for the purpose of analyzing my research question; how a cultural incubator can manage the conflicting norms of business and culture in the cultural incubation process.

The institutional theories explain that it is important for organizations to conform to the rules and norms in society in order to have legitimacy and access to resources. The norms are rather forceful, and as I interpret it, they can be problematic to change. This implies that organizations need to accept the norms and simply "play by the rules of the game." However, in other circumstances, institutional theory also explains that by de-coupling certain practices, organizations actually can act as they want and still achieve legitimacy. Furthermore, institutional environments can change through the travel and translation of ideas from one environment to another.

The theories of Bourdieu about the cultural field tells us that the cultural field is made up of certain specifics, which implies that there are certain norms that belong to the art and that can be hard to understand from a business perspective. Furthermore, according to many researchers, the cultural businesses have certain general characteristics that separate them from other businesses, which needs to be considered when supporting their development.

Finally, the theories of entrepreneurship have different views about what an entrepreneur is; however, in my view, and in accordance with all the theories, the entrepreneur does not merely accept the norms as they are, rather the entrepreneur is someone who can break and change them. These forces are important to consider in a cultural incubator since they both affect how the individuals behind the cultural businesses act and think, and thus it also affects how to support them effectively.

In my study, I use institutional theory as the overall frame in order to analyze the different norms of business and culture, as well as how to handle them. Furthermore, the theories of Bourdieu and about the cultural field are used in order to identify and explain

the different norms, and how cultural business is different from other businesses. Lastly, I also consider the entrepreneurship theories to analyze the entrepreneurs that are behind the cultural businesses and the possible norms the individuals running the businesses have.

4. Empirical Findings of Cultural Incubation

In the following section, I start out by providing background information about my findings at Transit cultural incubator. Thereafter, I present the ideas that conflict within the cultural incubation process at Transit. Lastly, I discuss the support that the cultural businesses have received at Transit.

As mentioned in the methodology, in order to understand the cultural incubation process I started out by investigating the companies that have participated, which activities they participated in and how they have developed since. Collecting this information was not an easy task, since I could not find a complete list of who had actually been at Transit and participated in the program. Furthermore, even after creating a complete list and contacting the companies, it was challenging to obtain responses.

However, the comments that I received allowed me to realize that there are, in fact, many conflicts that arise in the cultural incubation process, and that the creators' opinions and experiences vary; while some think that Transit was absolutely vital for developing their cultural business, a few thought it was catastrophic. Clearly, there are differing views and the empirical findings are not straightforward. For example, even though a few creators state that they had problems accepting the business activities, as much as 89 percent of all the companies states that Transit did help them. In the interviews with the creators I receive a much deeper understanding of why the creators experienced the cultural incubation process as they did.

"*Transit gave me the basic support in the process of starting a business. Without Transit it would have taken a much longer time and possibly I would not have continued to work as self-employed without that support.*"

For some creators, Transit was even crucial in order to develop cultural business at all; however, there are different experiences and ideas about Transit, which I no will go on to present.

4.1. Different ideas at Transit

In the interviews, it is evident that there are conflicting ideas and opinions that are at play within the cultural incubation process, both when it comes to the creators' customs when joining Transit, as well as the activities within the process and the ideas concerning a cultural incubator.

In the following, I have identified the areas in which individuals have different and often conflicting ideas about how to develop their cultural business and what type of support the cultural incubation process should provide. My study concentrates on the perspectives of the creators and individuals managing Transit today.

4.1.1. Creativity, chaos and control

From the empirical investigation at Transit, there has been inconsistency in the structure of the cultural incubation process. There are clearly different opinions: while some advocate control and careful structuring of all processes, others believe it is important to allow for creativity, and sometimes chaos. Even though many of the creators and the individuals working with Transit have the opinion that a cultural incubator should be working no different than a traditional one, in terms of how the process is structured as described above, there are also many who believe that Transit should instead focus on creative activities.

When talking to the creators, I understand that through the past years Transit has been working very differently, in terms of what activities that have been offered, the general activity of creators participating in the program and the overall communication. An interesting finding from the quantitative study is that the number and type of activities have varied during the time of its existence, and the number of companies participating in the incubator program simultaneously alter; therefore, the cultural incubation process at Transit does not seem to have been a structured process since it has worked differently in different years (see Appendix II).

In several of the interviews, the creators explain that Transit previously was viewed as a "playground"; it was more an extension of school than a place to develop a serious business. Many also felt confusion about what they were actually doing there,

"The confusion and disorder has made it very hard to focus and to really concentrate on what I am supposed to do."

However, much has happened at Transit in recent years and the general opinion is that the cultural incubator is becoming more efficient; several creators state, *"now Transit is more structured."* Today, it is more of a "traditional" incubator in the sense that the companies are there to have a place to sit, to receive support in different forms and to network. As the manager of Transit, Sara Lönnroth points out, Transit is a rather young organization and the goal in recent years has been to make it more structured,

"Transit needs time to find its form. We are a young and newly started organization and we have been trying to find our way forward, but the last 1.5 years we have received more continuity."

Several businesses explain that it is very important to enter into a structured environment in order to find structure in the business activities. For example,

"It is important with structure, as a creator you have to come into a structured environment in order to be structured yourself. It gives you a feeling of safety, credibility and trust."

Furthermore, many creators state that structure is important in order to have time for creative activities, *"Transit helped me focus and structure my work, so now I have more time to create."* My investigation showed that only 49 percent reached their original goal, which is a relatively low number. However, if the original goal was un-focused, it is a sign of effectiveness in the cultural incubation process if it helped creators formulate focused goals and become more structured throughout the process at Transit.

Even though many individuals favor an ordered process, the cultural incubation process at Transit has clearly experienced a structural challenge throughout the years. Furthermore, the creators seem to have a challenge in structuring their work and simultaneously performing creative activities.

4.1.2. Making art and making money

While it is obvious that many of the creators joining Transit are very skilled at their art, many do not know anything about business before joining Transit. For example, one creator states, "*The art education does not include any education or guidance about how to manage as an artist, designer or entrepreneur. I think it's catastrophic!*"

Transit has a focus on developing sustainable business; it does not have the purpose to develop the artwork. For example, the Lönnroth states, "*we are no taste polices and we do not judge the art*." There are also creators who believe that the part about earning money is most important; for example, one of the interviewees says, "*I have learned that the market doesn't care if I put in an extra hour [...] it is more important to focus on the business part*." For this creator, earning money is more important within the cultural incubation process, leading to the important question, is the cultural incubation process mostly about making art or making money?

Some creators do not agree that the cultural incubation process should only be about business. For example, one of the creators is explicit when explaining that the business side is nothing for her. The creator explains that putting the art into a business plan destroys it, and believes it cannot even be done; "*my art can not be placed into a business plan*." Another of the creators states that it was problematic to communicate with people in the incubation process that were "*too much business*."

Furthermore, another creator states that she experienced a clash when talking about business issues with her coach,

"*I could not communicate with my coach since she wanted to put up goals and make a business plan, she asked me to state exactly how it was going to go and what the future looked like, but I don't want to work like that. It clashed.*"

My study indicates that many of the creators experience that their art is not noticed and when they come to Transit it is suddenly only about business. In the interviews one creator states, "*it is frustrating to create the wheel over and over again, when no one notices*." Clearly, directing attention towards art or money represents a conflict in norms.

4.1.3. The need for time and support

According to many of the creators in my investigation, they learn that it takes a long time to develop their businesses. Transit provides the creators with extra time to develop their business, since they do not have to invest in office space etc.; however, in business, time is expensive, and some creators believe that they were at Transit for too long.

The cultural businesses that I interview with mostly started at Transit in order to have a place to sit and to be part of a context in which they belong. One reason many creators mention is because it takes time to start up a cultural business, "*it doesn't go very fast for anyone of us to get a business running*", one creator explains. Furthermore, another creator explains,

"*It takes such long time before you make money on cultural business, first you need to establish a name, and even though I am a name, I do not earn much money yet.*"

Maybe that can explain why only about 16 percent of the cultural businesses make above 1,000,000 SEK in revenues today.

However, one of the interviewees explains that many of the creators overstayed their welcome at Transit,

"*Some were sitting at Transit very long and just used it as a "subvention party", and they did not develop their business.*"

One creator further explains, "*it became a protected workplace.*" Obviously, if creators did not use their time at Transit to develop their cultural business that can also explain the relatively poor development of the cultural businesses after Transit.

As mentioned, my study also shows that some of the creators were at Transit for several years while some only for a few months. Thus, the time that the creators were at Transit varied. There seems to be a difference in the ideas of how much time it takes for a creator to get a business going, verses how much capital is worth investing in a cultural business.

4.1.4. Being an artist and starting a business

There are conflicting ideas of whether the creators are first and foremost artists or entrepreneurs. For example, many had the expectation that Transit would help to mediate jobs and new tasks and projects, so they could focus on being artists. However, many of the creators realized at Transit that it is not enough to only be an artist,

"*When I was in school it was all about becoming very good at what you do, creating art, and everything else would work out. But the insight you get when you graduate from school is that it is not enough to be best. This is a very tough realization!*"

In general, the creators did not think that it would be so hard to enter into the job market and many expected that it would be enough to only be an artist, and live off that.

Furthermore, some creators seem to have a very different lifestyle than other people, especially when thinking about a typical entrepreneur. In my investigation, for example, one of the creators did not want to answer my questionnaire because the creator did not want to use a computer.

The creators apply to Transit with rather vague goals. Typical goals are for example: "*to start a working business*", "*to be able to live off my business*" and "*to get a new network, learn how to get paid and sell in my products.*" There are a few creators, about 5 percent, who express their goals in concrete, financial terms; for example one creator says the goal was, "*[…] to get three international customers and have revenues of 1.5 million SEK within a year.*" However, in my study, the vast majority of the goals are neither concrete nor stated in figures and numbers.

Many creators have not deciphered their end goals or motivations before they come to Transit, which seems to affect whether they were helped through the process. For example,

"*At Transit I experienced that I was distracted from my real goals instead of receiving help and support to get there [...].*" Another of the creators states, "*today I would have been able to make use of Transit better, because I know what I want and what I do.*"

In general, it seems to be hard to be a businessperson or an entrepreneur for many since they do not enjoy the business-related activities. For example, one of the creators states that the largest challenge was,

"*[…] to understand and accept the economical and all tax rules, which I haven't succeeded very well in. I am more comfortable and fit better as an employee.*"

For this creator, it was challenging to be an entrepreneur, and in general many of the creators would rather just be artists.
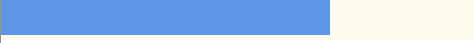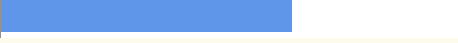
My study of Transit shows that there are indeed conflicting ideas about the cultural incubation process, both about the cultural incubation process it itself, but also within the individual creators and regarding cultural business.

4.2. Networking and coaching activities are important

Considering the quantitative data of Transit, it does not show a clear indication that Transit was critical for the survival and development of the cultural businesses, within the population researched; less than half reached their original goal. Furthermore, about 11 percent states that Transit did not help them. However, there are also indications that Transit did help cultural businesses, since as much as 89 percent states that Transit did help them in some way. Furthermore, of the ones that did not reach their goal, most of them started another business, are employed or are doing something else.

However, my investigation of Transit shows that there are activities that help the creators develop a cultural business. According to my findings, as presented in the table below, *New networks* is the most important resource that the cultural businesses received from Transit, but also *Stronger insight about drive and abilities* is a crucial aspect, which the cultural businesses state is very important. Other important takeaways are *Development of service/product* and *Improved ability to sell/to tell about service/product*.

The most important takeaways from Transit:

Answer		%
New networks		69%
Stronger insight about my drives/abilities		61%
Development of my service/product		31%
Improved ability to sell/to tell about service/product		25%
Other		19%
Business strategy		17%
Marketing perspective on my business		14%
Have become better to get paid		3%

"Other" includes: friends, working in an open landscape with other designers, free place to sit, and creating a clear goal.

Networking is both something that the businesses learn about and practice at Transit. One of the interviewees states that, "*Transit has taught me that the networking-thing is important.*" The networking part of the program is a crucial aspect of the cultural incubation process. Meeting other entrepreneurs of cultural business on a daily basis seems to be a critical part of being at Transit, since the businesses can learn from each other, both in terms of artistic and business experiences. Also, meeting with external experts and organizations, they explain that they have gained a lot of useful knowledge as well as contacts leading to different business opportunities.

In order to gain a stronger insight in individual abilities and drivers, the coaching has been a very central part for many in the creators. Some think that the support from their coaches was crucial to gain a better understanding for business and to keep focused on organizing their business. One creators states, "*Coaching has been very important. When I started we had access to two very skilled coaches.*" Another response indicates that it was important in order to find their inner drive, "*Without Transit I would not have worked with this. Coaching has been very important.*" Even though a few creators stated that the coach was distracting, it was helpful for most creators.

The table below, shows how the different activities have impacted the development of the cultural businesses, considering how many have reached their goal, increased revenues

and taken out a salary. The first row shows how many of the total population that reached their goal, increased revenues and that can take out a salary. The first column shows the different activities that Transit has offered throughout the years. The second column shows how many participated in each of the activities, and here it is apparent that the activities offered have been very varied. The third to fifth columns show how many of the ones that participated in each activity that reached their goals, increased revenues and who can take out salaries.

An analysis of the table shows that the ones who participated in external networking, product development activities and business plan activities had a more positive business development, compared to the total population. Still, the results also show that many did not participate in these activities, mostly because of the reason that they did not exist.

The impact of the different activities at Transit:

	Participate	Reach goal	Increase Revenues	Take out salary
Total		49%	59%	51%
Internal NW	94%	50%	62%	56%
External NW	67%	50%	63%	67%
Marketing	58%	43%	62%	67%
Prod. dev	31%	64%	64%	64%
Sales	42%	53%	53%	53%
Business plan	62%	55%	68%	64%
Business admin	33%	58%	50%	50%
Ind. Coaching	86%	48%	58%	52%
Group coaching	33%	58%	58%	58%

This table shows that apart from the networking activities, the business plan- and the product development activities also have large effect on the growth of the businesses. Many explain that they have learned to talk about their art in business terms, and that they have improved their ability to adapt to the market. One creator states that the most important learning was a, *"better insight about how it is to run a business rather than*

"just" being a creator." From the interviews, I understand that it is very important for the creators to know how to talk about their offerings to people in different contexts.

Considering the empirical findings from Transit, my conclusion is that there are indeed numerous diverging opinions and ideas about Transit and the cultural incubation process, as well as about what it implies to be a creator to develop a cultural business. Even though the developments of the cultural businesses that participated in the program do not look so impressive, considering the economical figures, there are indeed activities that have a large impact on the cultural businesses' development – perhaps none more so than the networking and coaching activities.

5. Analyzing Conflicting Norms and How to Manage Them

It is now time to turn to my main research purpose, that is, to explore strategies that a cultural incubator can utilize in order to manage the different norms of business and culture and to provide effective support to the cultural businesses. Thus far, I have identified differing norms in business and culture, through theory and the empirical findings at Transit cultural incubator. From the empirical results it is clear that there are indeed different and often conflicting norms present in the cultural incubation process. Furthermore, my empirical investigation shows that the most important support that creators received from Transit were networking and coaching.

The analysis intends to answer the last research question: how can the different norms of business and culture be managed in a cultural incubation process? But first, in order to answer that question, I will start by analyzing the underlying forces affecting the conflicts in norms.

5.1. Why the norms of business and culture conflict at Transit

In the following, I analyze the conflicts in norms of business and culture. From the theory and empirics, I think it is relevant to state that the creators often come from the world of culture, in the sense that they have an art background, and therefore they are more likely to live by the norms of culture. However, it is important to mention that because the creators in my study mostly are designers, they are not as far from business as, for example, an actor; still, according to my research, norms conflict when creators start a business. In this part, I first summarize the theoretical aspects of the conflicts in business and cultural norms, and then I go on to analyze the underlying forces for why the conflicting norms appear within the cultural incubation process.

As I discussed in the theory part, there is a distinction between artists' and business people's norms and how they act. Businesses need to show rationality and efficiency in order to be legitimate; the assumption in the economic sphere is that the rational, formal structures of coordination and control are the most effective. Such dominating ideas of organization reminds of Weber's technically efficient bureaucracy or Taylor's scientific management philosophy. It follows that the organizations that show effectiveness and

increasing profits and revenues also gain legitimacy and access to resources in the external environment.

However, the norms artists incorporate to gain legitimization belong to another context. As Bourdieu describes, the field of cultural production rejects external determinants and comply only with the specific rules of the field. While, businesses exist to earn money, the cultural workers do not seek profitability, and there are no guarantees that there is correspondence between an investment and monetary gains. Many would argue that cultural businesses act on different norms than cultural workers, however, many still agree that cultural business is about art at the terms of the artist; it is first of all about the development of a product or service, not about making money.

Having contrasted theories affecting the norms of cultural business, it is relevant to compare with the empirical findings at Transit, which also shows that there are different norms of culture and business that meet in the cultural incubation process. For example, at Transit there seem to be different ideas about the purpose of the cultural incubator. The different statements from the manager and a creator that has participated in the process indicate that there can be different views about how Transit should function:

One of the managers at Transit states, "*Transit should not be functioning as a traditional incubator, only focusing on business, we can not be an incubator from SSE or KTH.*" However, one of the creators states, "*I think it is wrong that you call it a cultural incubator, it is simply about the business.*"

Clearly, there are both norms that come from the business perspective and from the cultural perspective, as described earlier, and therefore it is likely that contradicting views appear; should it only be about business or should the cultural incubator provide a different type of support? On one hand, the cultural incubation process must provide business support, but on the other hand, it should also support artistry and culture. I will now go on to analyze the conflicts in norms that appear within the cultural incubation process.

5.1.1. Creativity vs. control

Combining creative drives with control over practices do, to some extent, seem to be a contradicting exercise. From the empirical findings, it is evident that both the cultural businesses in themselves, as well as the cultural incubation process at Transit, is at times perceived as unserious and playful. At times, it even seems necessary to defend cultural business to external people,

"*Many think that all I do is play around all day, and that I do not work with serious businesses, even though that is not the case*"[8].

The perception of playfulness within cultural business is also supported in theory; Caves states that cultural business is perceived to only consist of playful activities, rather than being viewed upon as a serious and professional business (2000). Thus, creating legitimacy for cultural businesses as professional businesses can be challenging due to the conflict between creativity and control. "Playfulness" is not compatible with business norms and the tendency in business-life to make all organization as efficient and effective as possible; economic markets place a premium on rationality and coordination – practically the opposite of playfulness.

However, structure and control might also constrain creativity. As Johannisson finds above, institutional structures control the forces that generate passion and creation. Creation and control do not go well together. In this sense, the underlying assumptions of the contemporary institutional structures might actually be severely damaging for the creativity of artists; maybe it is not even feasible for individuals within cultural businesses to adapt to the institutional structures, founded on the norms of business.

For example, according to my study, the creators seem to be faced with a tough realization when coming to Transit: their artistic skills and creations are not always as important and valued in the incubation process as the artists are used to, for example, within their education. One of the creators states that the realization came at a breakfast meeting at Transit, it was about one year after graduating from an art school that she

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[8] Statement by a participant at the CBC workshop, Norrköping, October 2010.

realized, "*this is in reality very little about what I do, with art.*" Furthermore, the individual explains,

"*It is first when you graduate art school that you realize that it is not enough to be best, this is a really tough realization! You don't have any control yourself of what directs success.*"

Clearly, the actual art and the boundless creative activities that are crucial for the artists do not have the space it needs within the norms of business. Instead, as the findings show, the artistic activities are not valued by the business community or in the market. However, Stenström argues that one of the greatest paradoxes in modern time is that organizations strive for efficiency and rationalization – which does not contain entrepreneurial and creative forces of playfulness. Still, these forces are emphasized in society today. (2011) Therefore, one can also argue that the business-life does not have the processes and practices in place to realize the potential of creativity and culture. In this sense, the conflict between creativity and control might actually be productive.

The presence of playfulness in art can explain why it is challenging to structure the cultural incubation process. Considering my investigation, there was no collected data about the businesses that had been participating in the process and that there has not been continuity in terms of the amount and the types of activities that the cultural businesses have been participating in; my conclusion is that the cultural incubation process at Transit has not always been a structured process.

However, the empirical findings also indicate that having a controlled cultural incubation process is not opposing the support for cultural practices, rather the opposite. First of all, as mentioned, the conflict between creativity and control might be necessary since both are needed. Furthermore, having structure is actually crucial for creativity. For example, in my interview with Mossfeldt, he explains that people need a stable environment in order to be creative (2010). My investigation at Transit also shows that structure is important, and many of the creators mention that a structured environment is crucial for their creativity. One of the interviewees states,

"It is crucial with structure for the creativity. Structure is crucial both in order to have time for creativity, and also in order to be creative."

In some sense, even though creativity and control seem to conflict in many circumstances since playfulness and control can not happen simultaneously, it seems necessary to allow for both in the cultural incubation process.

5.1.2. Art vs. money

In general, the cultural businesses tend to start a company because they want to perform their art, and not because they want to make money. This implies that conflicts can arise: am I making art or money? My investigation shows that many of the individuals have the goal to live off their art, and they do the business part just because they have to. One of the creators state,

"I primarily wanted to be able to make a living off being an interior-designer, and somehow make it go around economically."

As mentioned, often it is the art that is the focus, not the money. This can clearly create conflicts in the cultural incubation process; for example, one of the creators states,

"I could not communicate with my coach since she wanted to put up goals and make a business plan, she asked me to state exactly how it was going to go and what the future looked like, but I don't want to work like that. It clashed."

Finding new markets, projecting sales and reducing costs are not the most important activities for many cultural businesses; however, profitability and revenue-growth are, as argued, crucial parameters when legitimizing and running a business.

However, within cultural business it is the art that is the core, and as my investigation shows, the creators are often in business just to be able to do their art. One of the respondents in my investigation sums up the challenge in combining art with business,

"It has been hard to manage fine on what I do, [...] without having to reduce the time on what is important to me, with art."

Implicit in this sentence is that this artist values the art in itself; however, there is a lot of other activities that she has to make time for. In a sense the business norm to make money as the primary objective take time away from the artistic activities. Many creators seem to prefer if they did not have to do business at all.

Considering the genuine cultural and artistic values in relation to the norms and rules of business, there are risks in loosing these creative forces if they are made into products to fit in the economical systems. Many of the creators do not like to discuss or think about the profitability of the businesses, and for that reason conflicts can arise within the incubation process. However, according to the mission-statement of Transit, the aim is to build sustainable businesses. Furthermore, the initial investigation that I was asked to conduct was about finding how the cultural businesses are doing in terms of figures and numbers.

There is a conflict that arises in the cultural incubation process, where ideas about the primary objective – to make money or art – differ. This conflict arises because the artists have different views among themselves, and in comparison to the individuals running the incubator as well as the external environment. Evidently, both money and art are important.

5.1.3. Time vs. capital

As mentioned, creative products often need a long period of time before they reach the market; as Björkegren, and many other researchers, states, the cultural business strategy is more long-term. However, in order to have time, the cultural businesses often need capital, just as any other business. To receive capital, the cultural businesses needs time to develop a product and show that it is going to sell. It is here that an obvious conflict arises due to the nature of the cultural businesses and how the creators are used to work.

As the empirical investigation shows, it takes time to start up a cultural business; one of the creators explains, "*it doesn't go very fast for anyone of us to get a business running.*" This can be due to the "time flies" property, as Caves mentions, or it can be because the artists needs time to develop an artistic product.

Furthermore, another creator explains,

"It takes such long time before you make money on cultural business, first you need to establish a name, and even though I am a name, I do not earn much money yet."

Obviously, in cultural business, being famous is not the same as making money. Therefore, one could expect that cultural businesses need even more capital compared to other businesses, since it takes even more time before they can profit on their products or services.

However, as mentioned before, the cultural businesses have an even harder time to receive capital than many other types of businesses. One concrete issue that is mentioned in many interviews, and discussed in one of the seminars, is that the cultural businesses are challenged when applying for financial support with the state-owned organization ALMI[9]; they do not receive financing to the same extent, as for example growth companies in technical industries. In my interview with Algotson at the Swedish Agency for Economic and Regional Growth, she explains that in order to receive a loan at ALMI, the business needs to be explained in figures and numbers; however, accepted economical methods of discounting future cash flows and valuation is often not applicable on the cultural businesses in the same manner.

But of course, the conflict is not simply within the nature of the cultural businesses. The responsibility also lies within the individuals developing their cultural businesses. As some of the creators explained, many of the individuals were at Transit for too long. In the cultural incubation process, there seems to be a clash that arises between providing time but also having capital to finance that time, and also being able to determine when the time is out.

5.1.4. Artist vs. entrepreneur

There is a conflict in the very identity of the creators. Since they are developing a cultural business from an idea, they are, by many definitions, entrepreneurs. However, it is clear

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[9] *"The basis of ALMI's mission is the need for financing and business development that is complementary to the market, where ALMI is the channel for investment based on an industrial policy that promotes economic growth."* (ALMI, webpage, 2011-02-12)

that many of the creators do not perceive themselves as entrepreneurs in the first place; rather, they are artists.

The empirical findings from Transit indicate that the creators experience that they speak a different language. For example, some creators do not like to discuss about business development and construct business plans, as mentioned before. However, to gain legitimization, some researchers argue that organizations and entrepreneurs have to validate their business in a realistic and sensible way to the outside environment. Again, the business logic is based on rationality. For example, according to the research by Delmar and Shane, having a sound business plan makes entrepreneurs more successful (2004). In order for the cultural businesses to be viewed as professional businesses, instead of organizations of playful activities, constructing sound business plans and expressing the cultural business in economical terms is crucial for legitimization. However, this is not the type of talk that the individuals want to use.

Furthermore, my investigation at Transit also shows that many individuals lack knowledge about the implications of being an entrepreneur. One of the individuals explains that it came as a surprise what the implications of running a cultural business are:

"*Previously I had the idea that the business part is a piece of cake, that it will work out, because it is my art skills that matter. However, being an entrepreneur is a very big and important part in order to make something of my idea.*"

As mentioned, creators care about the product or service rather than creating a business. Since the curriculum of art-education frequently does not include business or entrepreneurship[10], the creators often have very little knowledge about how to build a professional business. Still, they might not find it very important, since they first and foremost perceive themselves as artists.

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[10] According to the seminar at the Swedish Agency for Economic and Regional Growth, Stockholm, November 2010.

In the empirical investigation, it appears, the individuals' goals for starting at Transit are vague. The majority do not use numbers and they do not express measurable goals. In my study, it is clear that the individuals using business logic are the exception. Only about 5 percent state their goal in economical terms.

However, there are creators that do accept and think in business terms, and it is important to realize that there are differences between the individuals. In one interview, the creator was thinking and talking in clear, inarguable business terms. The person wanted to start a business even before starting art-school, and the goals were more economical than artistic since the individual's focus was to increase revenues. Comparing to the more traditional business incubator, SSE Business Lab, this type of goal setting is much more present and it is even a requirement when applying to the pure business incubator. In Sarasvathy's logic, this type of process resembles a "causation" type of entrepreneurship, in which entrepreneurs first put up a clear goal and then find the means to achieve that goal.

The great majority of the businesses express their goals with Transit in an exploratory manner, since they do not express concrete end-goals. The goals are most often to build up a business in order to live off the art,

"*When I started at Transit my goal was to investigate if I could combine my profession as an artist with product-development with a more economical purpose with a business idea.*"

The results indicate that the creators joining Transit do it more to explore different possibilities, rather than achieving a fixed (business) goal; this resembles the effectuation process of entrepreneurship to a much larger extent than the causation process.

It can be concluded that the way artists think about goals is often very different to, for example, trained business people. However, when thinking about entrepreneurship in an effectuation process, artists have no less entrepreneurial thought processes or capabilities; one might even argue that they are more entrepreneurial. As Johannisson argues, the entrepreneur, as well as the artist, has a capability to shape the subsistence and give it shape and meaning.

Subsequently, being an artist or being an entrepreneur is an essential question, since it has to do with the identity of the individuals behind the cultural businesses. Conflicts can arise in the cultural incubation process since the individuals often find that they have to be both, and often even more of entrepreneurs than artists, which is an issue for the ones who do not want to identify themselves as entrepreneurs. However, the analysis also shows that the two identities are not necessarily conflicting.

5.2. Managing the different norms of business and culture

Sometimes it appears as the conflicts between business and culture are challenging to handle, both for the creators and for the individuals managing the cultural incubator. I argue that these conflicts not only can, but also should be managed within the cultural incubation process. In this second part of the analysis, I concentrate on how the individuals involved with the cultural incubation process can manage the conflicting norms of business and culture in order to support the creators when developing their cultural businesses.

The focus here is on analyzing strategies to manage different norms. As stated, in contemporary institutional theories researchers open up for transformation and change of institutional structures, which implies that they are not static. Furthermore, in contrary to the traditional institutional theories, the more recent ideas imply that individuals and organizations do not always have to act exactly according to the institutional rules and norms. This implies that there are ways to manage different norms systems.

In the following analysis, I concentrate on two main strategies that the cultural incubator can use in order to handle the conflicting norms between business and culture, when supporting creators to develop new businesses.

1. The first strategy I analyze is to keep culture and business norms separate, while still letting both culture and business be present in the cultural incubation process, through de-coupling.
2. The second strategy I analyze is to translate the ideas of business to culture and culture to business within the cultural incubation process.

The cultural incubator can use de-coupling and translation strategies in order to provide effective support to the creators when developing their cultural businesses.

5.2.1. Decoupling business and cultural practice

As I discovered in the first part of the analysis, within the cultural incubation process the business and cultural norms clash; for example, control and creativity do not seem to be functioning simultaneously. Therefore, certain circumstances require the cultural incubator to not try and force the norms of business and culture together, but rather it has to separate between the two; that is, the cultural incubation process needs to de-couple business and cultural practices.

De-coupling is in line with Meyer and Rowan who claim that one solution to the conflict of external legitimacy and internal efficiency is to be perceived to follow institutionalized rules and norms, but to actually have a different internal structure. Furthermore, Brunsson claims that organizations produce talk, but the talk does not necessarily have to correspond with how things are being done; he recognizes that organizations in general have to incorporate and satisfy inconsistent and conflicting norms (2002).

In order to develop the cultural businesses, de-coupling is important to manage conflicting norms within the cultural business organization as well as in the overall incubation process. The creators need time to focus on the creative core of the cultural business, but they also need to be able to function in the business-life and conduct business activities. Furthermore, according to my investigation, it is crucial for the creators to find their inner drives, and therefore they need to have time for creative activities; the creators sometimes need to practice different creative activities in order to find out what it is they want to do. However, the creative activities should not happen simultaneously as business activities.

By taking on a de-coupling strategy, the cultural incubation process can help the creators combine their art with business; instead of simply forcing the creators into the business system, as the policymakers seem to push for. In order to manage the conflicting norms of business and culture, the cultural incubation process should de-couple business and

culture by separating activities related to creativity and to control; furthermore, it should teach the artists talk business. Next, I present the two strategies in further detail.

5.2.1.1. SEPARATING CREATIVITY AND CONTROL

It is important to consider that artists have different preferences and intrinsic drivers than other individuals. Society recognizes the importance of these drivers and preferences. As mentioned, not only are creative individuals important for regional development but also, artists' creative drivers are increasingly recognized within business. Thus, much responsibility of creating newness in society is put on the cultural workers and their intrinsic drives. However, these drivers are not compatible with the business norms of earning money and calculating opportunity costs; therefore, de-coupling of creative activities and business activities is needed within the cultural incubation process.

My research shows that *finding inner drive* was the second most important resource that the individuals received from Transit. Considering the need for creativity in society, and also the motivational aspect within the creators, it is very important to foster the inner drive of the individuals that participate in the incubation process. As Parrish argues, visions do not have to be big, but they should come from within (2005). However, it is very important to first find out what the vision is and to let the creators find their own motivation, which the cultural incubator can help the creators to do.

In order for artists to find their inner drive, I argue that there should be time allocated for "playful" and creative activities. However, a traditional incubation process is about developing business, rather than art; thus, it is implied that it should develop businesspeople and not artists. Still, within the cultural incubation process, there needs to be breaks from business and time for culture, otherwise it might as well be called a traditional incubation process.

The cultural incubator needs a structured process that allows for both creativity and control, in order to support the artistic drivers and cultural practices, even though there is pressure to adapt to business norms. For Transit, it has clearly been a challenge to structure the incubation process and provide a structured environment for the creators. Still, the creators express that it is crucial to be in a structured environment. For example,

as mentioned, my investigation shows that in some time-periods Transit was viewed as "a playground", which implies that the perception, or "talk", of Transit was rather negative for external legitimacy as a semi-professional incubator. At times, there was little pressure on the creators to do business; in this circumstance, the creative practices might have taken over, which shows that when the cultural incubator is not structured it does not provide effective support to develop the cultural businesses.

According to incubation research, the tenants within an incubation process need structure in order to feel secure. For example, one interviewee explains,

"*It is important with structure, as a creator you have to come into a structured environment in order to be structured yourself. It gives you a feeling of safety, credibility and trust.*"

Furthermore, small businesses often lack a context in which they can belong. In my investigation, having a place to sit and a context to belong to are crucial aspects for motivation. One of the respondents states, "*Transit could give me increased focus since I had a workspace.*" Cultural businesses are often small and uncertain businesses, and therefore, the cultural incubation process can be a place to reduce anxiety and have a context in which they belong.

Furthermore, cultural businesses can be challenged because they often have many different directions where they can go. The cultural incubator can give them the opportunity to increase focus by providing structured support, instead of letting the cultural practices take over. One of the creators states,

"*Transit gave me an opportunity to increased focus and helped me to say no to some jobs that were not in line with what I do.*" Another creator states, "*Transit was for me a great opportunity to increase focus on business development.*"

By providing structure in the cultural incubation process, the cultural incubator can de-couple creativity and control, so that the creators can have time to develop their creative inner drivers without losing outside legitimacy. This approach to manage the conflicting norms of business and culture help the creators to devote time to business practices and

organization, which is important in order to be considered as serious business by the outside environment; furthermore, they have time to just be creative and not think about the business part. Separating creativity and control is also important for the cultural incubation process overall, since it needs to show to the outside community that it has control over results and can show numbers of the development of the cultural businesses; however, as discussed, it also need to provide time for creativity.

The cultural incubation process should provide structure in order to decouple business and cultural practices. Cultural businesses often have many different options of what activities to perform, and therefore the cultural incubation process has a crucial role to help them focus, and thereby have time to be more creative about the core product or service. Furthermore, it is necessary to have a structured process that is focused on business in order to have external legitimacy and not be viewed as a "playground."

5.2.1.2. TEACHING ARTISTS TALK BUSINESS

As explained above, the economical discourses are increasingly present in overall society today, which can explain the rational logic underlying institutions in society. Meyer and Rowan claim, the norms of rationality have a large impact on the institutionalized structures, which contain the norms that directly affect all business, including cultural business. For example, as mentioned, the cultural businesses are expected to adapt to the established, traditional business and economical structures, when for instance applying for financial support with ALMI. Thus, the cultural businesses have to work within the economical systems and structures that are already in place.

Since the creators are affected by the business systems that are in place when developing their cultural business, the cultural incubator can help facilitate this interaction and create understanding of the business norms. I argue that the cultural incubator has an important role to teach cultural businesses how to "talk business," since the economic logic is so dominating.

My study shows that within the cultural incubation process, artists can learn to talk business and to communicate in business plans, and thereby adapt to different contexts.

One of the interviewees explains that when communicating with others, a different language is used,

"*I have learned that in different worlds you speak different languages, when I talk to an investor, the media or an other artist I talk differently, and I have learned to speak more in business terms*."

Furthermore, from my investigation, the activities involving the construction of business plans have had large effect of the development of the cultural businesses at Transit, which shows that supporting artists to construct well developed business plans is very important for an effective cultural incubation process. This finding is also in line with Shane, who states that business plans are important for legitimacy and the success of new ventures, as mentioned.

Evidently, learning to communicate in accordance with the norms of business seems crucial for the creators at Transit. The business knowledge was a fundamental part of Transit for many; one creator states, "*the most important learning was a better insight about how it is to run a business rather than "just" being a creator.*" Thus, it seems possible to perform the cultural practices while producing talk that can be used in a business context, according to the business norms. The cultural incubation process can help the cultural businesses to function within the economical structures by teaching them to talk business.

5.2.2. Translating between business and culture

A second strategy that a cultural incubation process can use in order to help develop the cultural businesses is to facilitate translation between business and culture. The ideas of translation are about letting one idea, in one context, travel to another context. In the new context, the idea is translated into something that is different, to some extent. As mentioned above, business can learn from culture and culture can learn form business; creators who want to start their own company have much to learn about business norms and practices, and business needs creativity.

In order to manage the conflicting norms of business and culture I argue that, in addition to the de-coupling strategy, the cultural incubation process should facilitate translation

between the two worlds of business and culture. More specifically, as I argue below, the cultural incubator should make sure to provide a wide network, communicate the value of playfulness and support effectuation entrepreneurship.

5.2.2.1. PROVIDING A WIDE NETWORK

A new network is the most important resource that the creators received from Transit. Furthermore, one of the most crucial activities in my investigation is *external networking*, when analyzing what activities that have the most impact on business development. Providing an access to different networks is a great opportunity within the cultural incubation process. Many of the creators also state that networking is very important; for example, many of the creators state that they applied to Transit because they wanted to increase their network.

Cultural businesses, as any other business, need legitimization. Society and business-life have a need for creativity. As the participants of the CBC workshop discuss, the communication and adaptation can not only go one way, for example, it does not seem beneficial in the long run to simply let the traditional business norms dominate all practice. Therefore, there is much opportunity to use networking to translate the ideas between business and culture. One of the creators states, "*Transit gave a broader network that gave me insight into many surrounding and useful worlds.*" This indicates that there is much to be learned by interacting with people from other contexts.

One of the creators states,

"*I learn when I meet other people, it is always good to meet people with different skills, experiences and knowledge, because they can give me new angles and views. I think that Transit has a very important role to facilitate these meetings.*"

Thus, if Transit can provide access to a wide network of both business and culture there are opportunities that the creators can learn from business people, and business people can learn from creators; as a consequence, ideas travel and change can happen. For example, several of the creators suggested that Transit should provide networking events with students from business schools. Through this type of networking both students and

creators have the opportunity to exchange ideas and knowledge, and also it is a chance to create future cooperation.

Furthermore, the cultural businesses usually work in networks, rather than growing big organizations. By being provided access to a large network they have an opportunity to grow their business by finding partners throughout their value-chain. Furthermore, this is an important way to receive ideas about business and to let ideas travel between business and culture. One of the creators states,

"I learned so much from the other people that were that Transit, we really have different skills and it was so useful for me to talk to the others about their business."

In order to translate ideas between business and culture, and to manage the different norms, a cultural incubator needs to provide access to a wide network of different people within business and culture. Change happens when ideas travel from one context to another; thus, when two different views meet, new ideas can arise. I argue that in the cultural incubation process, providing the cultural businesses with networking-opportunities within and between different contexts is the best approach to make the ideas about business and culture travel. Furthermore, it is a way to create new ideas and norms, rather than just adapting to the business rules and norms that are dominating today.

5.2.2.2. COMMUNICATING THE VALUE OF "PLAYFULNESS"

Cultural businesses seem to have a challenge to demonstrate effectiveness and rationalization, and thereby gain legitimacy within the external environment. However, it is important to also consider the values that exist in art. As argued by Stenström above, creative forces are recognized as important resources in society today, but still organizations strive for efficiency and rationalization. Creators care about their art. However, art is playful and, as discussed, serious business is not about playfulness, it is about systems for control and measurement, and it is about efficiency and the minimization of risk. Even if that is the norm in business today, it is important to also be critical towards the contemporary normative practices and reflect upon the true values of business.

As discussed, it is essential to not simply place creators into the economical systems, the "playfulness" is important to sustain. In order to find the right balance, the creators need self-confidence, so that they can do business without compromising their own norms and loosing their cultural capital. One of the creators explain how she has coped,

"*Even though I choose my words I absolutely do not try to pretend. When talking to external people the most important thing is confidence, and even though you talk different languages you have to be yourself. I really have a great use of my confidence that I have gained.*"

Furthermore, when creators can interact with different worlds they are also able to transfer their ideas in a way that can be understood by the business side, for example by investors. In order to learn how to translate ideas and communicate the value of their creations, my investigating shows that it is useful to have someone to talk to about the business side, for example in the coaching activities. In these talks it is possible to translate the creativity and playfulness in more rational terms. As mentioned, some of the cultural businesses that enter Transit have never been thinking in business terminology. One of the creators explains,

"*The opportunity to exchange ideas and thoughts about the business-plan, finance etc. was very valuable in the initial phases. Otherwise this would have taken time and energy from the other work to a much larger extent.*"

The cultural incubation process can support creators by helping them translate their creative ideas and capabilities into a business context. Coaching help the creators find a way to understand the value of their product or service and to transfer that to the market and business-life. Helping creators find out what they want represents a great opportunity for developing the individuals of cultural businesses, so that they can have confidence in their creative abilities and translate those to other contexts.

5.2.2.3. SUPPORTING EFFECTUATION ENTREPRENEURSHIP

Czarniawska-Joerges and Wolff describe entrepreneurs with, "*By ignoring the established way of thinking they make dreams come true*" (1991).

Many researchers would claim that the different norm-systems of business and culture are not a limitation to the entrepreneurs, since they do not play by the rules of the game or follow the norms in society in either case.

As analyzed above, putting creators into structures can take away some of their motivation and drive to create; thus, it is not beneficial for everyone to be forced to make business plans and put up concrete goals. The values, attitudes and inner drives might simply be too different. The cultural incubation process needs to support and inspire individuals to find their own way of thinking and doing business of culture. This type of thinking resembles more of an effectuation type of entrepreneurship, according to Sarasvathy's logic, which, in my investigation, can be beneficial to promote in the cultural incubation process. One of the creators states,

"*I think I had the world's worst business plan when I applied, and my goal was vaguely stated as: "developing further", I think I came there at the mercy of Transit, but I succeeded in convincing them by being the person I am.*"

Today, this individual runs a very successful cultural business based on what she enjoys doing; the artist has established a name and is involved in many projects for different organizations.

My investigation at Transit shows that the cultural incubation process has not only helped the individuals to find out what they really want to do, but also to support them in working towards the goals that they actually want to achieve. A respondent explains, "*Transit helped me to refine my goals and to see the strength in my own business.*" Not only has Transit helped some individuals to find their true drivers, but also it has helped some of them to clarify what their goals are and believe in the direction they are heading.

However, it can also be a challenge for the cultural incubation process to support individuals who do not have a clear economical goal, because the type of means and support that they need are not as easy to identify, as when individuals think more in the causation type of entrepreneurship. My investigation at Transit also points out this challenge. For example, one of the creators states, "*At Transit I experienced that I was distracted from my real goals instead of receiving help and support to get there […].*"

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Thus, different types of individuals, with different ways of thinking about goals and who often do not have clear goals, seem to be a challenge for the cultural incubation to support. If the creators experience that they are distracted by the cultural incubator rather than helped, the translation strategy will not work, since it is obviously challenging to transfer an idea that they do not feel secure about.

The cultural incubation needs to recognize and support a more exploratory way of developing both individuals and businesses. It is important that the cultural incubation process can support the individuals to shape their businesses as they go along, rather than forcing them to work towards a fixed financial goal from the beginning. This implies that there is more pressure on a cultural incubator since it has to support individuals that often have an exploratory mode of working; it still has to help them find their inner drive and willpower. Still, the cultural incubation process has a huge opportunity to bring out a large well of intrinsic power within the artists, and support their ideas so that they can break the norms and create great things in different contexts. Even though, of course, what the precise result will be, nobody really knows.

6. Conclusion and Discussion: Managing Business and Culture

The industries of cultural business are interesting for me as a business student, since the world of the artist, in many ways, is different from mine. There are forces within the field of the artist that several areas within society can benefit from, and it is those forces that in my view are the most important for the cultural incubation process to nurture, while simultaneously developing business.

In this study, I have made a theoretical contribution by investigating the cultural incubation process using a combination of theories, and comparing these with my empirical findings from Transit cultural incubator. Considering the theories about the contemporary institutional structures in contrast to the cultural field, I discovered that there are indeed different norms of business and culture. This conclusion is also supported in my empirical findings. Furthermore, the empirical findings show that there are different opinions and ideas about cultural incubation.

Even though norms of business and culture conflict when developing cultural businesses through a cultural incubation process, my analysis shows that there are ways to manage these conflicts. For example, when analyzing the empirical findings, I found that there are activities, such as networking and coaching, which have positive influence on the cultural business development. The two main strategies, suggested and analyzed in my thesis to manage the conflicting norms in the cultural incubation process, are to de-couple and to translate between business and culture. The de-coupling strategy is effective to avoid clashes between business and culture, and to uphold external legitimacy while also allowing for creative activities internally in the process. The translation strategy is crucial in order to translate the value of culture to business and vice versa, both in order to develop the cultural businesses as well as the general business-life. Managing the conflicts between business and cultural norms, through de-coupling and translation, is essential in order to effectively manage a cultural incubation process and develop cultural business.

In order to comprehend the overall context of my study, one needs to understand the underlying institutional pressures. It is important to recognize that the shift in cultural

policy to include economical policy is an underlying reason for why there is a contemporary focus on cultural incubators, and for why they are growing in popularity; creators are increasingly expected to support themselves in order to live off their art.

However, in order to provide effective support to the cultural businesses, and manage the different norms of business and culture, a cultural incubator needs financing. To adapt to the terms of the contemporary cultural policy, and fit into the more economical political structures, measuring cultural value in economical terms is a central issue for the cultural incubator. The cultural incubators do not fit into the traditional incubation system, which use the traditional economical measures. Nevertheless, in Sweden, many people I have spoken to believe that economical measures should be used in order to legitimize the industries of cultural business.

On the other hand, as mentioned in my study, one can question if the economical measures are enough to capture the cultural values? In the collaborative agreement between Transit and the Stockholm City Council it is stated that Transit and the Council should, "*together develop the methods for cultural incubation and business advisory*." Transit should take part in the work of developing measures in order to increase visibility, both of the incubator but also the cultural businesses. There are other values in culture that are not possible to measure economically; new types of measures of cultural business are in fact needed to correctly show the results of the cultural incubation process and to communicate these results to the regulators and policymakers. Especially, it is important in order to receive long-term financing, since policymakers are interested in long-term benefits.

Based on my research, I believe that if cultural incubators can present some economical figures and numbers to the regulators and policymakers, it would provide them with more legitimacy, and probably also increased financial support. For example, communicating case studies and publishing milestones achieved could be two alternatives. Some measures are better than none in order to show the results of the cultural incubation process, even though the measures do not take in the whole value of the cultural incubation process and the development of the cultural businesses. Although my study of

Transit shows ambiguous results, it still shows that many cultural businesses have increased their revenues after leaving Transit. That is one economical measure.

By assisting in the development of new measures for cultural business, the cultural incubator in itself can act as a translator between the two sides of culture and business. As mentioned, translation between business and culture is important for the cultural businesses themselves, but also for the business-life in general. It is clear from my study that when combining culture and business there are many opportunities that arise. In order to advance these opportunities within the cultural incubation process it is important to simultaneously overcome the specific challenges that can occur when combining the diverse norms of business and culture. From my study of the Transit cultural incubator, it is evident that the conflicts can be managed, and that cultural incubation can lead to great results in terms of developing cultural businesses.

Society is changing, not only does culture need business, but business also needs culture. In order to increase creativity within the business world, it is obvious that there is much to be learned from the cultural processes and norms. Thus, placing resources on the development of cultural businesses will not only be beneficial to the cultural industries themselves, but also it will improve society in general and business-life in particular. When combining the world of the artist and the world of the businessperson, great and unexpected outcomes can happen; I believe that an openness and acceptance from both worlds is essential in order to combine the two.

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Appendix I: Survey Questions

The appendix present the original questions used in the quantitative study. The questions where sent out to all cultural businesses that have participated in the cultural incubation process at Transit since its start in 2006. The survey is designed to cover the cultural incubation process at the cultural incubator, and therefore questions are covering the input, throughput and output of the incubation process.

The questions were stated in Swedish, since all the cultural businesses are Swedish. The English translation can be found in brackets directly following the questions.

Namn, företagsnamn, e-mail, telefon etc. (Name, company name, e-mail, telephone etc.)

Bakgrund (Background)

1. **Vilken typ av verksamhet bedriver du? Beskriv. (*What type of business are you running? Please describe.*)**
2. **När började du på Transit? – År och månad. (*When did you start at Transit? - Year and month.*)**
3. **När lämnade du Transit? – År och månad. (*When did you leave Transit? – Year and month.*)**

Transit-processen (The process at Transit)

4. **Vad tog du del utav? *(What did you participate in?)***
   SVARSALTERNATIV: JA/NEJ/FANNS INTE (OPTIONS: YES/NO/DID NOT EXIST)
   - Kontorsplatsen *(Office space)*
   - Interna nätverksmöjligheterna *(Internal networking opportunities)*
   - Externa nätverksmöjligheterna *(External networking opportunities)*
   - Aktiviteter kring och om marknadsföring? *(Activities about marketing)*
   - Aktiviteter kring tjänste/produktutveckling? *(Activities about service/product development)*
   - Aktiviteter kring säljprocessen? *(Activities about the salesprocess)*

- Aktiviteter om att utveckla din affärsplan? *(Activities about developing a business plan)*

- Aktiviteter kring grundläggande företagsekonomi (t.ex. bokföring och företagsform)? *(Activities about basic corporate finance)*

- Aktiviteter kring individuell coachning? *(Individual coaching activities)*

- Aktiviteter kring gruppcoachning? *(Group-coaching activities)*

- Övriga aktiviteter? Vad? *(Other activities? What?)*

5. **Vad var det viktigaste du fick med från Transit? (ringa in 3 alternativ)** *(What were the most important you got from Transit? (circle 3 alternatives))*

- Nya nätverk *(New networks)*

- Marknadsföringsperspektiv på mitt företagande *(Marketingperspective of my business)*

- Utveckling av min tjänst/produkt *(Development of my service/product)*

- Förbättrad säljförmåga/att berätta om tjänst/product *(Improved salesability/ability to tell about my service/product)*

- Blivit bättre på att ta betalt *(Become better at charging)*

- Affärsstrategi *(Business strategy)*

- Starkare insikter kring min egen drivkraft/förmåga *(Stronger insight in my own drive/abilities)*

- Annat? Vad? *(Other? What?)*

Företagsutveckling (Business development)

6. **Vad var ditt mål för verksamheten när du började på Transit?** *(What was your goal for the business when you started at Transit?)*

7. **Har du uppnått ditt mål?** *(Have you achieved your goal?)*
   SVARSALTERNATIV: JA/NEJ (OPTIONS: YES/NO)
   o Om ja: *(If yes)*
     ▪ Jag har uppnått målet och satt ett nytt mål *(I have achieved my goal and set up a new goal)*
     ▪ Jag har uppnått målet och gått vidare på annat sätt *(I have achieved my goal and moved on in other ways)*

- o Om nej: *(If no)*
  - ▪ Jobbar du fortfarande mot samma mål? *(Are you still working towards the same goal?)*

    SVARSALTERNATIV: JA/NEJ (OPTIONS: YES/NO)
    - • Om ja, varför har du inte uppnått ditt mål? *(If yes, why have you not reached your goal?)*
      - o Målet för högt ställt *(Goal is set too high)*
      - o Har inte lyckats få tillräckligt många kunder *(Have not succeeded to gain enough customers)*
      - o Övrigt *(Other)*
    - • Om nej, vad gör du stället? *(If no, what do you do instead?)*
      - o Startat ett annat företag *(Started another company)*
      - o Fått en anställning *(Got an employment)*
      - o Ändrat inriktning *(Changed direction)*
      - o Övrigt *(Other)*

8. **Hur stor är din årsomsättning (exkl. moms) idag?** *(How large are your annual revenues (excl. VAT) today?)*
   - • 0-500 000 kr. (SEK)
   - • 500 000-1 000 000 kr. (SEK)
   - • Över 1 000 000 kr. (SEK)

9. **Från det att du lämnade Transit tills idag, har din omsättning ökat?** *(From the time you left Transit until today, have your annual revenues increased?)*
   SVARSALTERNATIV: JA/NEJ (OPTIONS: YES/NO)
   - • Om ja, med ca. hur många procent? *(If yes, about how many percentage?)*

10. **Tar du ut lön i din verksamhet?** *(Do you take out salary from your business?)*

11. **Hade du några anställda när du lämnade Transit?** *(Did you have any employees when you left Transit?)*
    SVARSALTERNATIV: JA/NEJ (OPTIONS: YES/NO)
    - • Om ja, hur många? *(If yes, how many?)*

12. **Har du några anställda idag?** *(Do you have any employees today?)*
    SVARSALTERNATIV: JA/NEJ (OPTIONS: YES/NO)

- Om ja, hur många? *(If yes, how many?)*

13. **Hur stort antal unika kunder hade du när du lämnade Transit?** *(How many unique customers did you have when you left Transit?)*

14. **Hur många kunder har du idag?** *(How many customers do you have today?)*

15. **Hur många partnernätverk (som gemensamt säljer mot kund) ingår du i?** *(How many partner networks (that together sell to customers) are you apart of?)*

16. **Vad har varit din största utmaning i att utveckla din idé/produkt till en verksamhet?** *(What was your largest challenge to develop your idea/product to a business?)*

17. **Vad förespår du för din verksamhet de kommande 2 åren?** *(What do you predict for your business the coming 2 years?)*

18. **Har din tid på Transit spelat någon roll för utvecklingen av din verksamhet?** *(Have your time at Transit mattered to the development of your business?)*

Appendix II: Unstructured process at Transit

The following appendix explains the analysis I conducted of the cultural incubation process at Transit throughout the years of its existence. It showed, among other things, that the amount of cultural businesses that have started at Transit in different time-periods have been very varied, and also that the type and amount of activities that the cultural businesses have participated in during their time at Transit has varied a lot. The analysis was conducted in pivot-tables in excel.

The time when the companies started to work with Transit was very varied. A large majority of the companies started in the years 2006 and 2008. Overall, most of the companies started in the fall (except in 2006 when the same amount started in the spring and fall), but between the years of 2004-2009 the amount varied between one company starting and nine companies starting. Between the years 2005-2008 a majority also left in the end of the fall, but in 2009 and 2010 a majority left in the middle or at the end of the spring. The period of time that the companies were at Transit also varied, from about three months to about two years. Thus, the number of businesses that have participated at Transit in specific time-periods has not been frequent overall.

In order to find out if the incubation process at Transit has been working differently during different time periods, I look at what activities that the creators report that they have participated in, in different time-periods. The results confirm that the incubation process has varied in quality, in terms of the activities offered. For example, concerning the activities about service/product development there are indications that the ones leaving Transit in 2009 and 2010 were more likely to have participated in such activities. For example, off the companies leaving in 2009, 75% had activities about product/service development, while only 31% participated in these types of activity in total. Furthermore, companies starting in 2007 and 2008 where much more likely to participated in group-coaching activities than companies staring in 2006, for example.