



Capacity Building for Entrepreneurship Centered Around Trees Outside Forests

Module 1: Prelude to Entrepreneurship

Lecture 5: Role of Business Incubators and Incubation Programs

Introduction



- Business incubators are institutions that support entrepreneurs in developing their businesses, especially in initial stages.
- These are organizations geared towards speeding up the growth and success of start-ups and early stage companies. Incubation is usually done by institutions which have experience in the business and technology world.
- Incubation support includes providing technological facilities and advices, initial growth funds, network and linkages, co-working spaces, lab facilities, mentoring and advisory support.
- They are often a good path to capital from angel investors, government organizations, economic-development coalitions, venture capitalists and other investors.
- As early stage hand holders, incubators act as an integral part of the start-up ecosystem. They act as a catalyst for both regional as well as national economic development. There are different types of incubators: Academic institutions; Non-profit development corporations; For-profit development ventures; Venture capital firms, and combinations of the above.



Incubators vary in their strategies. Some are located in an actual physical space meant to foster networking between incubatee entrepreneurs and others in entrepreneurial space. While others operate on a virtual basis.

Business Incubation and Incubators



According to **World Bank** *“Business incubation is a public and/or private, entrepreneurial, economic and social development process designed to nurture businesses from idea generation to start-up companies and, through a comprehensive business support program, help them establish and accelerate their growth and success.”*

National Business Incubation Association (NBIA) defines a business incubator as a catalyst tool for either regional or national economic development.

- The business incubator is a physical space or facility that accommodates a business incubation process.

“Business incubators nurture the development of entrepreneurial companies, helping them survive and grow during the start-up period, when they are most vulnerable. Their programs provide client companies with business support services and resources tailored to young firms. The most common goals of incubation programs are creating jobs in a community, enhancing a community’s entrepreneurial climate, retaining businesses in a community, building or accelerating growth in a local industry and diversifying local economies.”

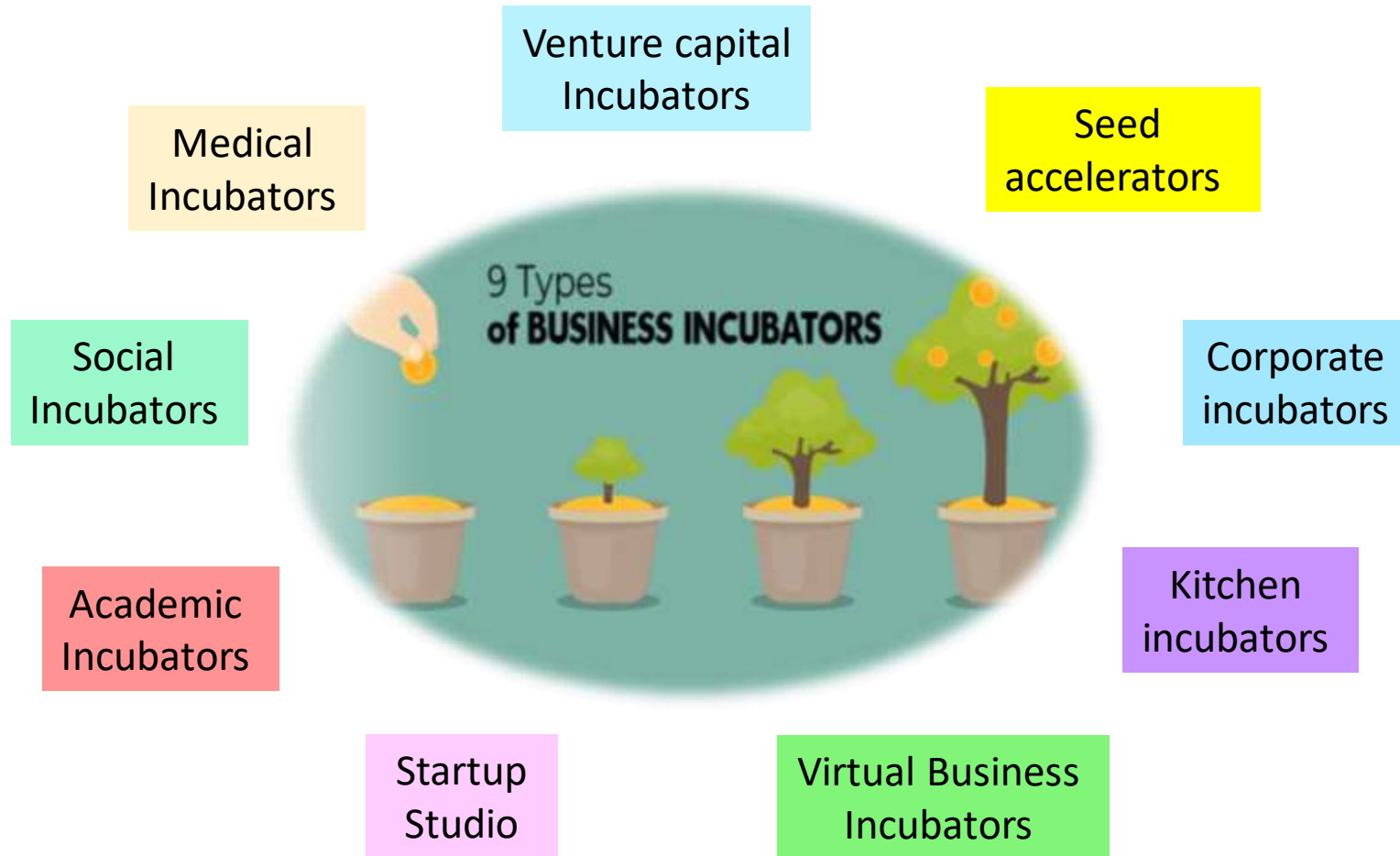
Most common forms of support from Business Incubation include

1. **Infrastructure**, such as office space.
2. **Business services**, such as administration and information services.
3. **Financing**, such as providing the incubator’s client businesses with information and support that will allow them to access appropriate sources of finance.
4. **“People Connectivity”**, which includes mentoring and coaching services, and access to networks.

Types of Business Incubators



Business incubation programs vary from academic institutions to venture capital firms. Since the inception of incubators, companies in every stage of development have found growth under the wing of incubators.



Benefits of Joining a business incubator?



- A large financial investment isn't always guaranteed, but the investment of free business services, coaching & mentorship, network connections, and marketing support is priceless. Here are some expected benefits:

Benefits of business incubators:



Business
Coaching



Desk / Office
Space



Financial
Support



Tailored
Programming



Technical
Support



Marketing
Exposure



Membership &
Community



Alumni
Network

Top Startup Incubators in India



In the Indian universities' context, the Amity Innovation Incubator is a revolutionary idea. With the support of the DST, Ministry of Science & Technology, and GOI, the "Amity Innovation Incubator" has quickly established itself in an exciting position with the best start-ups that have consistently been at the forefront of innovation.

TOP 10 STARTUP INCUBATORS IN INDIA

- 1 Amity Innovation Incubator
- 2 CEE IIM
- 3 Startup Village
- 4 IAN Incubator
- 5 Srijan Capital
- 6 Indavest
- 7 iCreate
- 8 SINE
- 9 Khosla Labs
- 10 NSRCEL

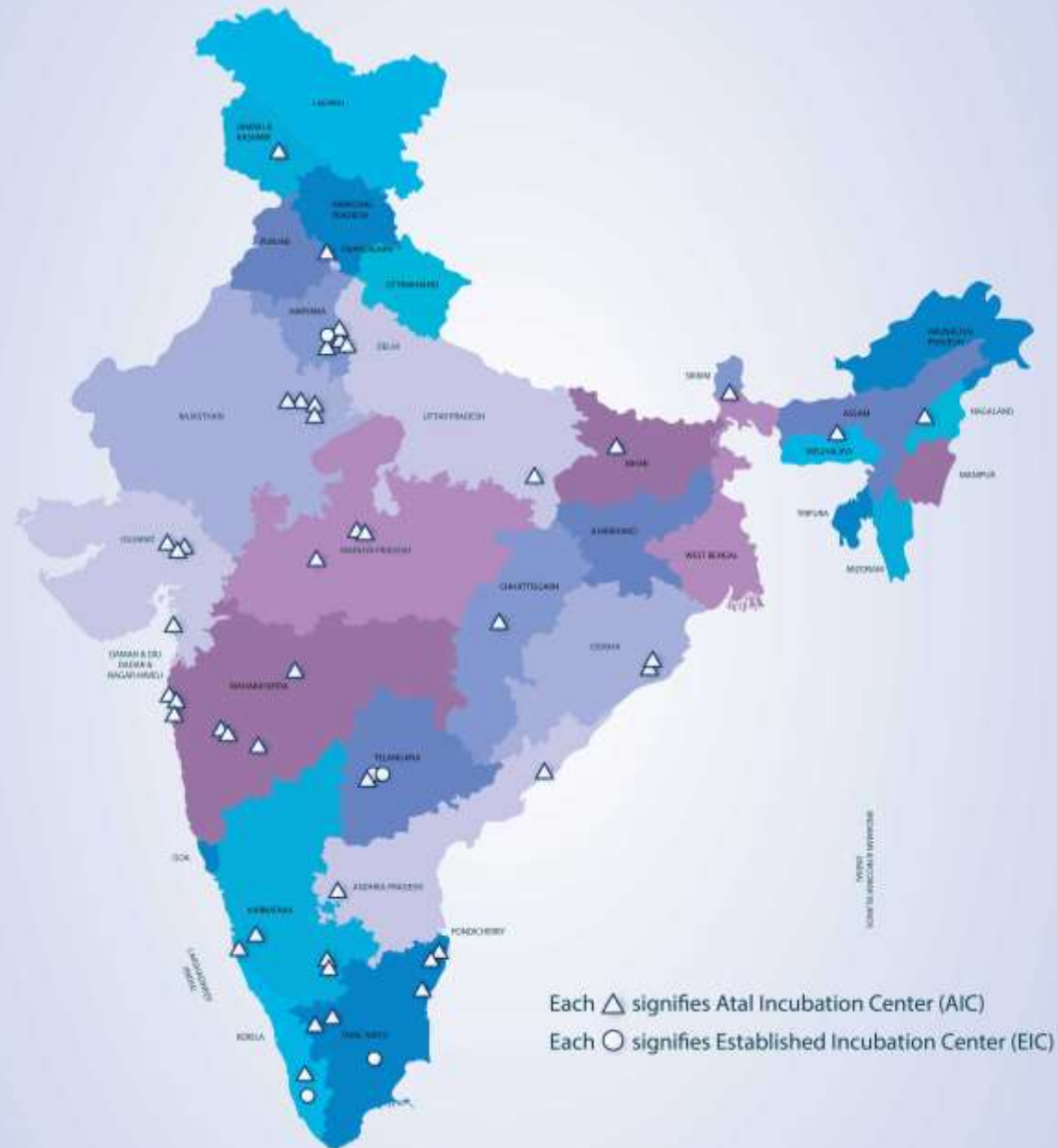
Government of India's Endeavor to Promote a culture of Innovation



- **Atal Innovation Mission (AIM)** is the Government of India's endeavor to promote a culture of innovation and entrepreneurship. Its objective is to serve as a platform for the promotion of world-class Innovation Hubs, Grand Challenges, Start-up businesses, and other self-employment activities, particularly in technology-driven areas.



AIC and EIC



- AIM intends to support the establishment of new greenfield incubation centres called **Atal Incubation Centres (AICs)** that would nurture innovative start-ups in their pursuit to become scalable and sustainable business enterprises.
- In recent years, academia, industry, investors, entrepreneurs, government organizations, and non-governmental organizations have taken the initiative to set up incubation centres across the country. These are brownfield established startup incubators, who needs to be supported to augment, enhance and upgrade their incubation capacity manifold and develop a conducive ecosystem by strengthening linkages among these incubation centres, universities, and corporates.
- AIM envisages to invigorate these EICs in the country through the provision of financial scale-up support.

Atal New India Challenge



- **Atal New India Challenge (ANIC)** is a flagship program of Atal Innovation Mission, NITI Aayog. The program aims to seek, select, support and nurture technology-based innovations that solve sectoral challenges of national importance and societal relevance.

The vision of the Atal New India Challenge (ANIC) is two-fold:

1. Help create products from existing technologies that solve problems of national importance and societal relevance (productization).
 2. Help new solutions find markets and early customers (commercialization) in the context of India
- ANIC was launched in partnership with 5 ministries across 24 challenge areas
 - ANIC received 900+ complete applications
 - 150 applications were shortlisted from 11 challenge areas for presentation before the screening and selection committee (SSC)
 - 52 applications were further shortlisted for Working Committee (WC) review
 - 30 projects approved for final grant-in-aid and associated support from AIM

The current round of ANIC concentrates on 18 challenges from 5 sectors in addition to an open innovation category-

- Agriculture-Millet
- Post and Telegraph
- Drinking Water and Sanitation
- Renewable Energy and Clean-Tech
- Education

Technology Business Incubators (TBIs)



- **Technology Business incubator (TBI)** is an entity, which helps technology-based start-up businesses with all the necessary resources/support that the start-up needs to evolve and grow into a mature business.
- Innovation and Entrepreneurship Division of the DST, Government of India is supporting TBIs primarily in and around academic, technical and management institutions to tap innovations and technologies for venture creation by utilizing expertise and infrastructure available with the host institution.
- The need for instruments like TBI is recognized globally for initiating technology-led and knowledge-driven enterprises. Studies also demonstrate that such mechanisms not only aid in the growth of technology-based new enterprises but also significantly improve their survival rate.

DST supported TBIs typically provide different of services

National Initiative for Developing and Harnessing Innovations (NIDHI) is an umbrella programme conceived and developed by the Innovation & Entrepreneurship division, Department of Science & Technology, Government of India, for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups.



PHYSICAL WORKSPACE



RESEARCH INFRASTRUCTURE



IP DEVELOPMENT SUPPORT



MENTORSHIP SUPPORT



ACCOUNTING



LEGAL SUPPORT



NETWORKING

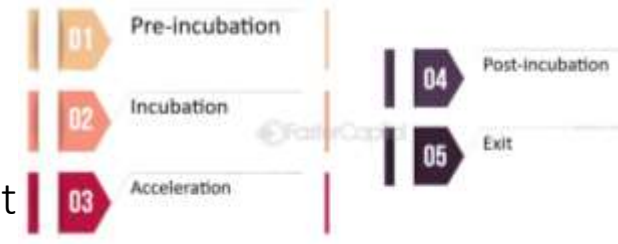


ACCESS TO FINANCE



MARKET ACCESS

Five Stages of a Technology Business Incubator



There are typically five stages of a technology business incubator:

1. Pre-incubation

This is the stage startups are just getting started. They may have an idea for a product or service, but they haven't yet developed a business plan or prototype.

2. Incubation

This is the stage where startups have a developed a business plan and are working on developing a prototype. They may have already raised some seed funding. At this stage, startups need help with things like marketing and product development.

3. Acceleration

This is the stage where startups have a developed product and are starting to gain traction in the market. They may have raised additional funding from investors. At this stage, startups need help with things like sales and scaling their operations.

4. Post-incubation

This is the stage where startups have graduated from the incubator and are now on their own. They may have raised additional funding from investors and are now focused on growing their business.

5. Exit

This is the stage where startups either get acquired by another company or go public through an initial public offering (IPO).

TBIs in Uttar Pradesh



Name of the Host Institute	Name of the Incubator	Address
Indian Institute of Technology, Kanpur	Foundation for Innovation and Research in Science and Technology	SIDBI Building, Sixth Avenue, IIT Kanpur, Kalyanpur, Kanpur Nagar, Uttar Pradesh, India - 208016
Indian Institute of Technology, Banaras Hindu University, Varanasi	Malaviya Centre for Innovation, Incubation & Entrepreneurship - IIT BHU	Malaviya Centre for Innovation, Incubation & Entrepreneurship, Opposite IIT Proctor Office, IIT BHU Varanasi - 221005, Uttar Pradesh
IIM Lucknow	L-Incubator, IIM Lucknow	IIM Lucknow, Noida Campus, Sector 62, Noida-201307
Amity University, Noida	Amity Technology Incubator	E-26, Defence Colony, New Delhi 110024
HBTI-STEP (Harcourt Butler Technological Institute)	HBIT-STEP-Harcourt Butler Technological Institute	SCIENCE & TECHNOLOGY ENTREPRENEURS PARK, H.B.T.I. Campus, Nawabganj, Kanpur - 208002 -(Uttar Pradesh)
JSS Academy of Technical Education, Noida	JSS ATE STEP	C-20/1 Sector 62 NOIDA
KIET Group of Institutions	Krishna Path Incubation Society-TBI KIET	13 KM Stone, Delhi Meerut Road, NH- 58, NCR, Ghaziabad, UP
Shretron IT	Shretron IT UPVAN Society	IT-UPVAN, UPTRON building, ground floor, near Gomti barrage, Gomti Nagar-226010, Lucknow

Source: India Science, Technology and Innovation Portal (<https://www.indiascienceandtechnology.gov.in/listingpage/tbis>)

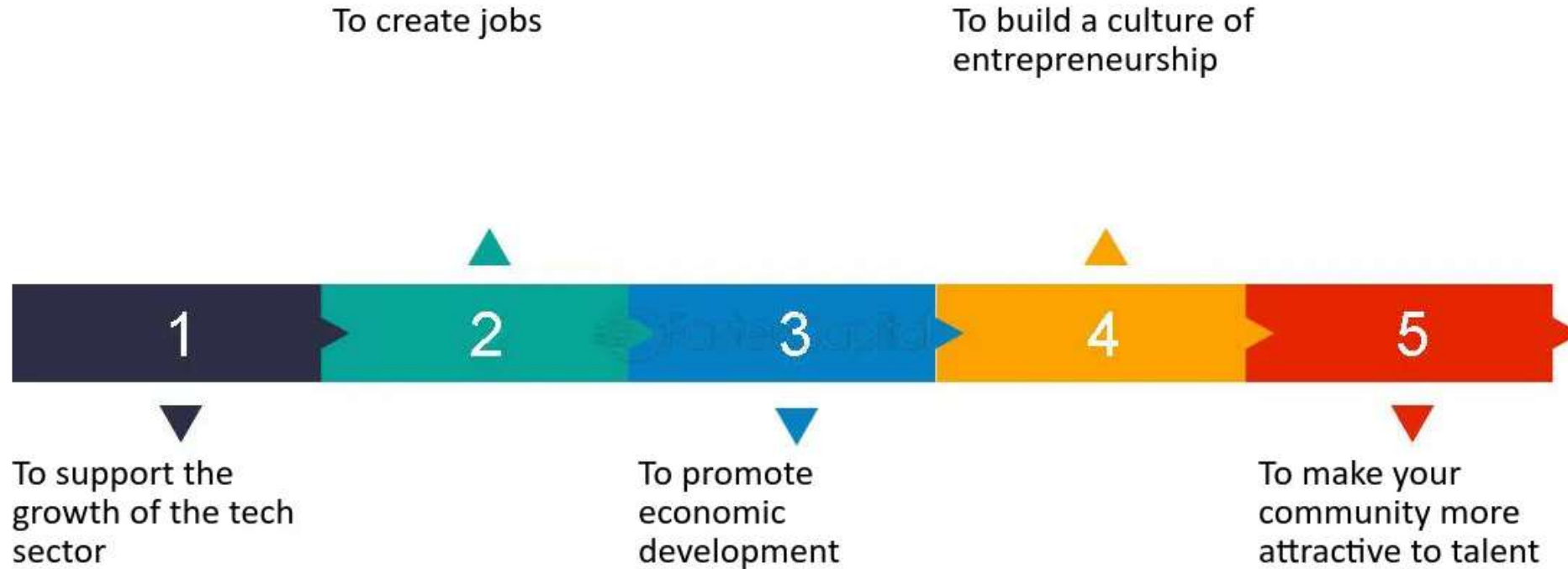
The need for instruments such as TBI has been recognised the world over for initiating technology led and knowledge driven enterprises. Studies also show that such mechanisms help not only in the growth of technology based new enterprises but also in improving their survival rate substantially (from 30 per cent to over 70 per cent).

Reasons to Start TBIs



A TBI is a great way to nurture and support tech startups. By providing resources, mentorship, and access to capital, an incubator can help a startup grow and succeed.

There are many reasons to start a TBI. Here are just a few:



Government Incubation Programs



BIRAC - BIG Biotechnology Ignition Grant (BIG)

BIRAC - LEAP Launching Entrepreneurial Driven Affordable Products (LEAP)

BIRAC - SEED Sustainable Entrepreneurship and Enterprise Development (SEED)



Technology Incubation and Development of Entrepreneurs (TIDE 2.0)



MSME IDEA HACKATHON 2.0



IDEX DIO Scheme



Social Innovation Programme for Products: Affordable & Relevant to Societal Health (SPARSH) of BIRAC



Startup Accelerator of MeitY for Product Innovation, Development and Growth (SAMRIDH)

Conclusions



- A **business incubator** serves as a hub or workspace designed to assist startup companies and individual entrepreneurs in their journey toward growth and success.
- The main goal of business incubators is to speed up the development of new ventures, create employment opportunities, and stimulate economic development by nurturing early-stage businesses.
- Types of business incubators include venture capital incubators, startup studios, seed accelerators, corporate incubators, kitchen incubators, and many more.
- Finding the right business incubator involves conducting thorough research, understanding review criteria, preparing a business plan, engaging with screening committees, considering geographic and vertical fit, evaluating culture, assessing timing, and calculating equity distribution.
- **Technology business incubators** play an important role in supporting startups and early-stage businesses. By providing access to resources, mentorship, and business support services, they can help these businesses to grow and succeed.
- NIDHI-SSS, BIRAC-BIG, LEAP, and SEED, Seed Fund Scheme, Tide 2.0, CAWACH, MSME-IDEA HACKATHON 2.0, IDEX DIO Scheme, SPARSH of BIRAC, SAMRIDH are important incubation programs of Government.
- By having a clear focus, a strong network, quality workspace, and robust evaluation process, business incubators can maximize their chances of success.