

IIC-Innovation Ambassador Training Series initiative of MHRD's Innovation cell

Pre-incubation and Incubation Management"

Privileged and Confidential

For Internal Discussion Only

One Minutes Exercise

- What are your personal goals for your participation in this program. (At the end of this session, what will we have accomplished through this shared learning experience – if you are going to consider this program a success?)

Planning an Incubator

Planning an Incubator

Establishing an incubator is a significant, long term investment for the community at stake.



Effective planning is a key factor in ensuring the future success of such an initiative and the return on investment for the principle stakeholders.



THEREFORE - the incubator development team should apply a systematic approach to planning an incubator exploring step by step:

the feasibility study planning

the incubator's business plan

the incubator policies

Key components in planning an incubator

Component 1: Feasibility Study Planning

- Pre-feasibility study – putting together the right team to plan an incubator
- Understanding the Market Need (including Stakeholder Analysis)
- How to assess when an incubator is not the appropriate solution?

Component 2: Business Planning

- Vision & Mission Statements and Strategies for an incubator
- Designing a Sustainable Business Model
- Overview of Infrastructure considerations.

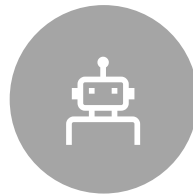
Component 3: Incubator Policies

- Entry and selection criteria
- Incubator Programmes: Incubator Contracts
- Exit/Graduation policies
- Overview of Incubator Governance and Management

Initial tasks of the development team



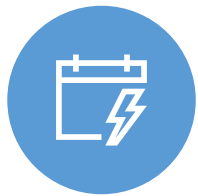
Reaching a consensus on the basic concept and objectives of an incubator;



Setting a timeframe and tasks for the preliminary work to be carried out to assess the feasibility of creating an incubator;



Learning more about business incubation as a concept and in application;



Securing resources for feasibility study planning;



Implementation of feasibility study;



Decision on results and planning of next phase of development



Online training
resources



Incubator Study Tours



Incubator Network &
events



Keeping up to date
with emerging trends

Learning & Capacity Building

Infrastructure & Facilities



INFRASTRUCTURE, CAPACITY,
FACILITIES, SERVICES AND
FINANCIALS



RESOURCES, FUNDS, SECTOR,
LOCATION AND OUTCOME



BUILDINGS NEED TO BE
SUITABLE FOR FLEXIBLE
CONFIGURATION, IN A LOCATION
THAT IS GOOD FOR BUSINESS
(FOR THE CLIENTS), FREE AND
DEBT MINIMIZED.

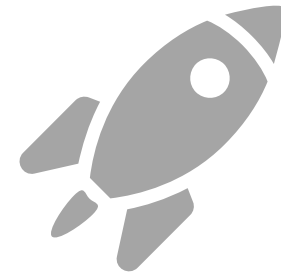


FINANCIAL FEASIBILITY - BOTH
SHORT AND LONG TERM,
INCLUDING ESTABLISHMENT
COSTS

Design your Incubator



Decide on your objective focus area/s



Design the space

Space & Design

Designing the incubator to suit the requirements of the start-ups.

Leveraging design to create purposeful use of space

Collaborative, creative and idea-generating areas, and private spaces for individual to carry out confidential meetings and discussions.



Pre-Incubation Vs Incubation Vs Accelerator



Pre Incubation program is carried to ensure good quality of teams are present and to enable to build the ecosystem

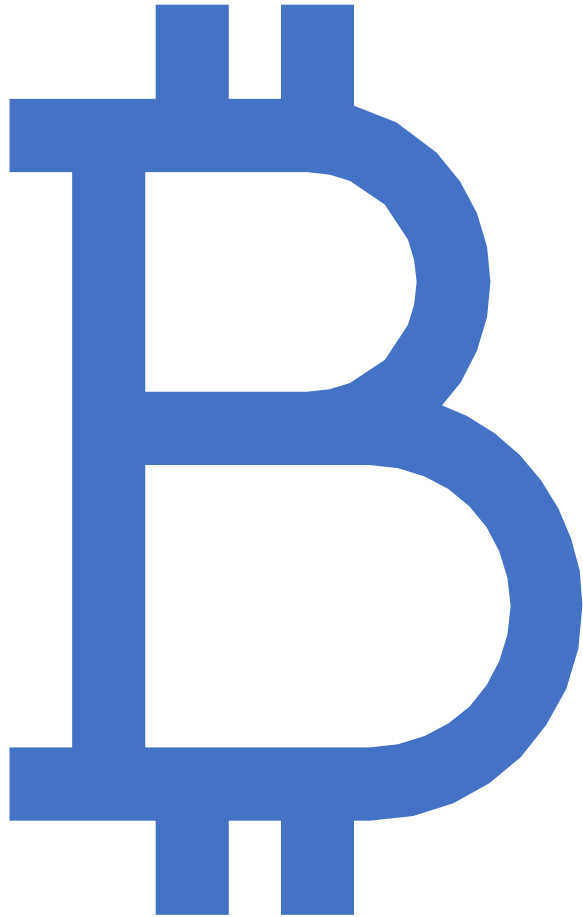


Incubation is to reduce the chances of failure of early stage start-up and provide necessary support and access to resources that results in the financial and economic viability of the start-up.



As opposed to incubation which provide start-ups with support on a protracted basis, acceleration programs run for a concentrated period of time, usually between three and six months. The curriculum typically involves mentorship, networking, and customer building, and often some venture capital investment

Particulars	Society	Section 8	Trust
Formation and Ownership	Minimum 7 persons should subscribe their names to Memorandum of Association (MoA), file the same and certified copies of the same with the Registrar of Society along with the fees	Minimum 2 persons should subscribe their name to the MoA and apply to the Regional Director for registration under Section 8 of The Companies Act, 2013	The Act remains silent on the number of trustees required. Hence, a single trustee can also govern the Trust. However Income Tax Authorities ask for atleast two trustees to govern the trust
Timeline and formation	1 Month	1 - 3 Months	10 - 15 days
Formation cost	INR 3,000 - 10,000	INR 30,000 - 50,000	INR 10,000 - 15,000
Liability	Limited to their subscription amount	Limited to their subscription amount	Limited liability to make good the loss which the trust property has sustained
Alteration of objects	Objects can be modified with the approval of 3/5th of the members	Objects can be modified anytime subject to approval of Central Govt.	Objects can be modified subject to approval of the Charity Commissioner.
Management Control	Governing Council as elected by the society members	Directors are appointed by the shareholders	Trustees / Board of Trustees are appointed



FUNDING AN INCUBATOR

- Host will need to provide initial funding
- Government Funding (NSTEDB, AIM , BIRAC, MEITY, MSME, NRDC, DST)
- CSR
- Alumni and Industry

Handle Financials of the incubator



Establish the business incubator;



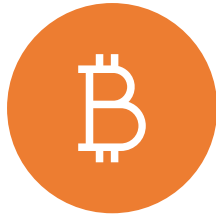
Start its activities;



Operate efficiently and in a manner that contributes to achieving the incubator's overall goals; and



Ultimately, reach sustainability.



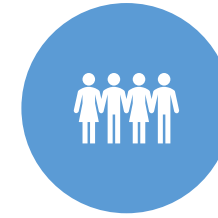
PRE-OPERATING
EXPENDITURES;



PHYSICAL FACILITIES;



EQUIPMENT;



HUMAN
RESOURCES;




GENERAL
EXPENDITURES; AND



RESERVES.

REVENUES	YEAR 1	YEAR 2	YEAR 3
<i>Incubator Generated</i>			
Rent from incubatees			
Consultancy services			
Royalty agreements			
Etc.			
Total Incubator Generated Revenue			
<i>Third Party Generated</i>			
Government Grant			
International Development Agency Grant			
Corporate Sponsorship			
Etc.			
Total Third Party Generated Revenue			
TOTAL REVENUE			

SOURCE OF FUNDING	NOT-FOR-PROFIT INCUBATOR	FOR-PROFIT INCUBATOR
Private Grants	X	
Local Private Investment		X
Corporate Social Responsibility	X	X
Government Subsidies	X	
Multilateral Programs	X	X
Non-Governmental Organizations Financing Mechanism	X	
Debt Financing		X
In-kind Financing	X	X

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- An Incubator manager
 - A Training Executive;
 - A Technology Manager;
 - A Financial Management Executive; and
 - An Accommodation and Common Logistics Services Manager.

Key incubator staff skills required:

- Administration – financial, legal, HR, IT;
- Facilities Management and ICT infrastructure;
- Provision of quality business development services to clients;
- Provision of quality office and infrastructure services to clients;
- Marketing;
- Stakeholder management and PR; and
- Planning, reporting, monitoring and evaluation.

Incubator Should Provide

- Besides physical infrastructure
- Mentoring both technology and business
- Legal support for IP and Regulatory
- Market Research & Business Services
- HR
- Financial Management
- Industrial Connects
- Access to funding
- Scale-up
- Networking

“Elements of An Effective Mentoring Program and Key Success Factors”

Defining Roles



Counseling primarily
is for correcting and
improving



Managing primarily is
for applying and
executing

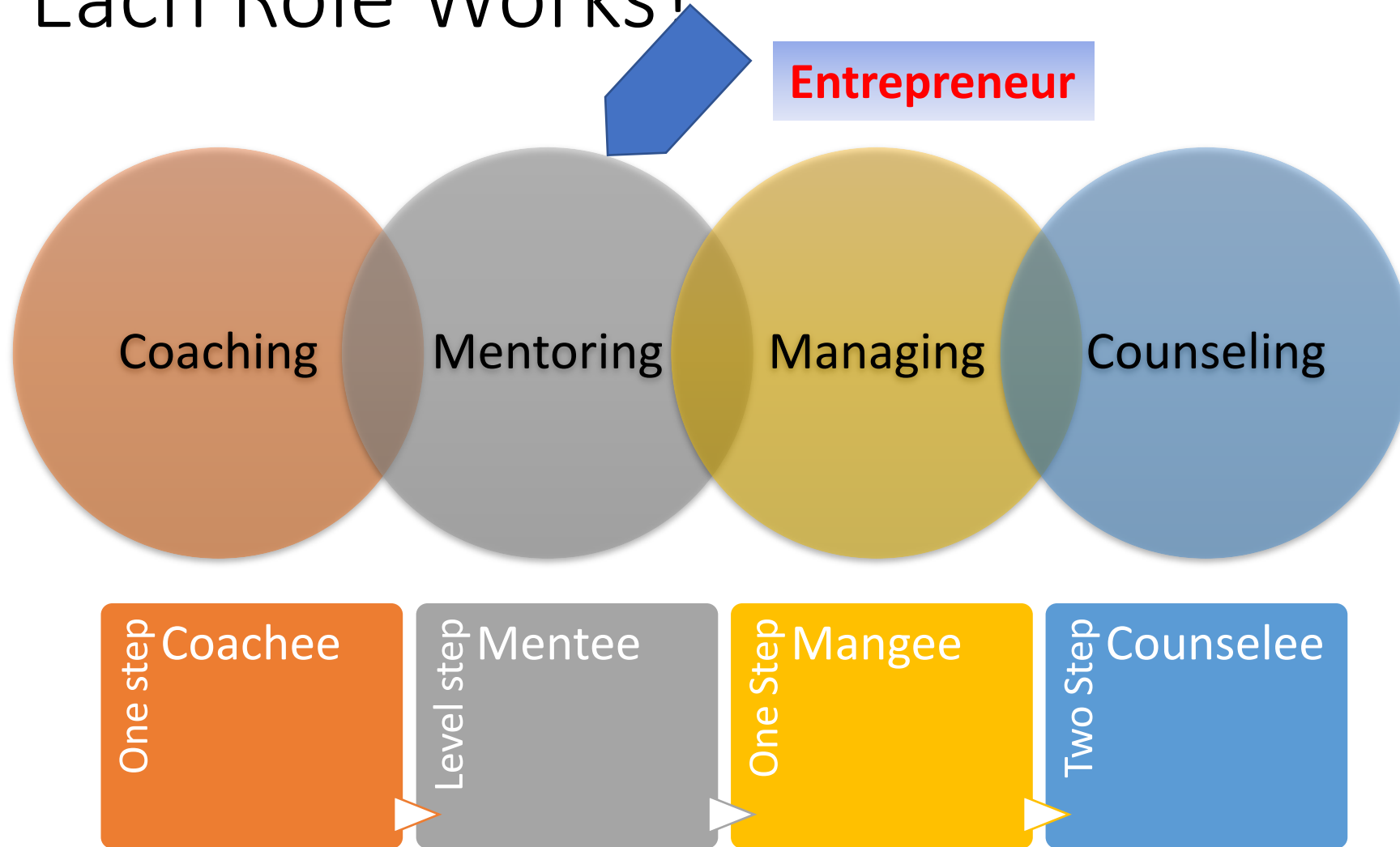


Coaching is primarily
is for inspiring and
motivating



Mentoring is primarily
is for instructing and
guiding

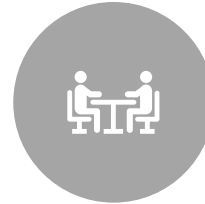
How Each Role Works?



What is Mentoring?



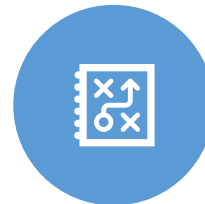
Mentor is the Latin word meaning “to endure” or “to sustain a relationship to share experience”



Mentoring is a way of offering support and advice to someone as a person and may touch on any aspect of their life.



A mentor may provide coaching or training if required.



Coaching is specific and tightly focused



Training is work related

Elements of Mentoring

Recruitment

Screening

Training

Matching

Monitoring and Support

Closure

Types of Mentoring

Two Types




- Natural
 - Friends, coaching, teaching and counseling
- Planned
 - Structured programs where mentors and mentees are matched

Why Are Mentoring Programs Becoming Popular?

- ✨ *Mentoring programs help startup go to market faster*
- ✨ *Increase survival rate of entrepreneurs*
- ✨ *Accelerate learning for entrepreneurs*
- ✨ *Build confidence to the entrepreneurs*
- ✨ *A great sounding board for entrepreneurs*

How Do Mentoring Programs Work?



People are matched informally or formally via interviews, personal profiles, common interests or Networking Events

Mentors are usually from a varied background

Mentors are usually sought informally or formally

Why Are Mentoring Programs Needed?

Mentors have two roles

- Expert or/and role model

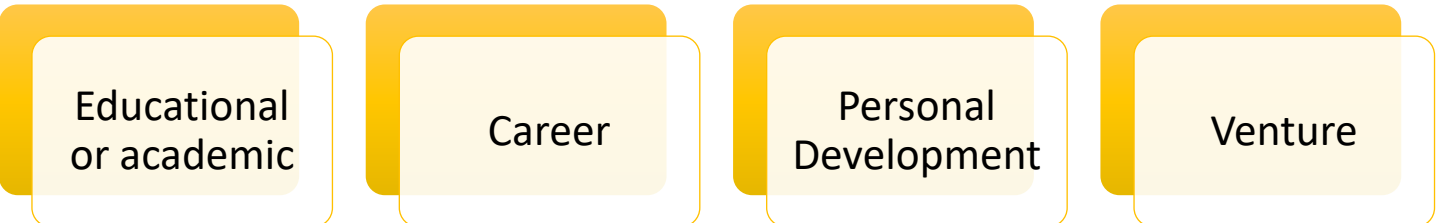
Help learn new skills and knowledge

Increase achievement rate

Increase self esteem and confidences

It is a one to one not one to many

What Are Mentoring Programs For?



Educational
or academic

Career

Personal
Development

Venture

Mentor – Mentee Relationship



OPEN OR CLOSED



PUBLIC OR PRIVATE



FORMAL OR
INFORMAL

How Does a Mentor Help?



HELP UNDERSTAND
SOCIAL BEHAVIORS



HELP UNDERSTAND
HOW AN
ORGANIZATION WORKS



PROMOTE LEARNING



EXPLORE DIFFERENT
AND CONFLICTING
IDEAS



UNDERSTAND OFFICE
POLITICS

Mentor's Approach



The mentor should look at the company as a whole and not just the Technopreneur's need but must balance otherwise the technopreneur will lose interest

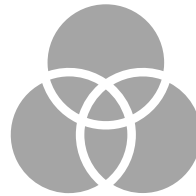


For Technopreneurs the company is more than a job it is often their life or a huge portion of it

Mentor's Approach



Mentor must learn the business
in terms of operations, financials
and marketing



Mentor must have a good
assessment of the mentee's
relationship with the company



Mentor should know about
relations and investors involved
in the business

Mentor's Approach



Mentors should be only people with complex experience in wide areas



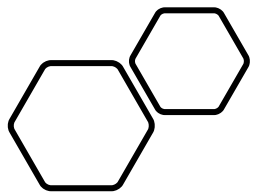
The question is always whether the technopreneur will be able to lead the company to the next stage and this is where the mentor plays a major role



Mentors must identify external forces like culture, goals and business processes

Networking

Conduct	Conduct events such as Hackathons, workshops, seminars and expert talks to provide a platform to bring together start-up enthusiasts and create awareness
Reach out	Reach out to renowned institutions and other organizations for expert talks and seminars
Decide	Decide for logistics, partnerships and meals.
Form	Form partnerships with investors, industry experts, institutions and local government.
Identify	Identify resource personnel to coordinate and follow up on partnerships
Connect	Connect with technical officer, business & legal professionals, marketing and advertising companies



Thank You For Your Participation



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