

POLICY FOR

# Centre of Innovation and Technical Incubation (CITI)



**SREE VIDYANIKETHAN ENGINEERING COLLEGE**

Sree Sainath Nagar, Tirupati, A.P. India

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## PREAMBLE

Sree Vidyanikethan Engineering College (SVEC) was established in 1996 by Sree Vidyanikethan Educational Trust under the stewardship of Dr. M. Mohan Babu, Padmasree awardee, renowned Film Artiste and Former Member of Parliament (Rajya Sabha). The proactive management team and strong teaching community are the key drivers of Sree Vidyanikethan in all its achievements. Besides full, broad and balanced curriculum student co-curricular, extension and cultural & sporting activities in the right proportions have been part of student life. The institution is consistently attracting the best of students and transforming them into brilliant alumni who are spread across the globe. The networking with premier academic institutions, national laboratories, and industry has provided the necessary and essential platform for collaboration in academics and research. With its rich experience of over 25 years in education, Sree Vidyanikethan Engineering College is one of the premier educational institutions in India. With the support of all stakeholders the institution has been achieving remarkable successes in Teaching and Learning; Research and Entrepreneurship; Collaborations; Skill development and Community service.

In order to foster the idea of entrepreneurship among the students, Centre of Innovation and Technology Incubation (CITI) was established in the college. The centre aims at creating an entrepreneurial ecosystem in the region and also provides a forum for students and staff to translate an idea into a fundable technology business. The centre also has an objective of equipping the faculty who are interested in and passionate about implementing programs. Since its inception, the centre is encouraging the students and staff to think beyond placements or employment.

An expert committee involving around thirty experts from Industry, Alumni, Academia and CITI coordinator, continuously monitors and assess the entrepreneurial impact. The committee provides detailed guidelines for implementing innovation, Startup and entrepreneurship management.

## VISION

To create a vibrant innovation and incubation ecosystem that contributes to nation-building by sustaining students' entrepreneurial flame, transmuted into self-resilient and high-quality technical human resources.

## MISSION

To create and develop entrepreneurial opportunities for students, and Faculty, augmented through institutional infrastructure, learning interventions and strategic capabilities.

## OBJECTIVES

**The main objectives of the Innovation and Technology Incubation centre are as follows:**

- 1 • To encourage students ,faculty, research scholars, alumni and potential start up applicants to generate ideas and solutions for chosen problems of importance to local and national eco system.
- 2 • To convert the ideas and prototype to proof of concept and translate the technology to commercial value.
- 3 • To Support and incubate start-ups by promotion, sustainable financial strategies, pre-incubation support and institutional infrastructure.
- 4 • To facilitate technology transfer and collaborate with industries.
- 5 • Building synergistic relations between stakeholders by collaboration, knowledge exchange and elimination of the barriers hampering the growth of Startups by expedited decision making and autonomy.
6. • To establish mechanisms for easy creation and nurturing of startups.
- 7 • To develop an ecosystem of entrepreneurs, industry, venture capitalists and academia through entrepreneurship education and cross disciplinary learning.
- 8 • To assess the impact of institutes entrepreneurial initiatives through well defined evaluation parameters.
- 9 • To enhance the entrepreneurial awareness through training programs on cognitive domains and encouraging prospective pool of candidates right from the pre-startup phase.

## OUTCOMES OF THE CITI



### THE THRUST AREAS:

- ❖ Information and Communication Technology Services
- ❖ Software Solutions & Computing
- ❖ Renewable Energy
- ❖ E- Commerce
- ❖ Agricultural
- ❖ Automobile Technology
- ❖ Civil & Infrastructure
- ❖ Material Science
- ❖ Health and medical



Areas for Incubation is not limited to above, any innovative idea from any area will be eligible as per permission of CITI.

## **PROCEDURE FOR AVAILING INCUBATION FACILITIES AT SREE VIDYANIKETHAN ENGINEERING COLLEGE**

### **The Incubation aspirants will have to submit the following to avail the facilities at CITI:**

- ❖ Request letter on the letterhead of the company (registered).
- ❖ Details of project.
- ❖ Statement of infrastructure requirements.
- ❖ Statement of purpose for Incubation.
- ❖ Time frame - anticipated duration of stay within CITI from the date of admission.
- ❖ Details of promoters and their background.
- ❖ Nature of operations of the unit and Marketing Strategy.
- ❖ Employment year wise for next three years, Projected Revenue year wise for next three years.



### **WHO CAN AVAIL THE FACILITY?**

- ❖ Students and alumni, R&D partners (sponsors of R&D and consultancy projects).
- ❖ Sree Vidyanikethan Engineering College faculty members (current and in the recent past).
- ❖ Collaborating universities/industries/Government agencies (having R&D collaborations).
- ❖ Potential Startup applicants, even from outside the institutions.

### **INCUBATION ACTIVITIES/FACILITIES**

- ❖ Technology Training Centre.
- ❖ Provision of shared facilities to incubate viz. office support, equipment support, and technology support.
- ❖ CITI may provide seed funds subject to the availability of funds/ grants/ schemes meant for this purpose.
- ❖ Legal/Industry/Technology/Financial Mentorship.

- ❖ Preparation and execution of strategic plans, Macro, and Micro action plans.
- ❖ Monitoring of activities that promote and highlight entrepreneurship and Innovation in the region.
- ❖ Integrate the entrepreneurial activities across various departments, faculties within the boundaries of the Institution.
- ❖ Provide mentoring through pre-incubation/ Incubation units in-return for fees, equity sharing and (or) zero payment basis.
- ❖ Facilitate technology development, ideation, creativity, design thinking, fundraising, financial management, cash-flow management, a new venture planning, business development, product development, social entrepreneurship, product costing, marketing, branddevelopment, human resource management, and law and regulations are impacting a business.
- ❖ Raise funds from diverse sources to reduce public funding dependency.
- ❖ Provide entrepreneurship training and mentorship support regularly.
- ❖ An excellent talent pool of students for internships/assistance.

#### WHY AT CITI?

- ❖ Resources (Dedicated work space for startups, advanced research laboratories, Central library etc.,)
- ❖ Faculty Strength (Total number of Teaching and Research Faculties in the Institute is about 400. About 120 faculty members are with Ph.D. qualification)
- ❖ Excellent talent pool of students
- ❖ Strong Alumni
- ❖ Local environment
- ❖ Entrepreneurial training and motivation
- ❖ Mentoring network
- ❖ Strong collaboration with Industries

## Policy

1. Any person desirous of availing incubation facilities has to incorporate a private/public limited company under the Indian Companies Act and apply it in the prescribed format and the required documents. No Incubation application shall be entertained if the applicant has not incorporated a private/public limited company under the Companies Act.
2. The companies promoted by students enrolled for full-time Degree at an educational institute shall not be offered Incubation if the student is holding an Executive position; however, companies promoted by students are eligible to apply for incubation, provided the student is not actively engaged with the company beyond an engagement which may be permitted by the Institute.
3. A company is promoted by regular Government staff or employee shall be granted Incubation only upon submission of 'No Objection Certificate' from the competent authority or employer. However, companies having employees as shareholders are eligible to apply for Incubation.
4. Any company that is engaged or proposing to be engaged in imparting educational courses and/or training programs including vocational training or is planning to undertake such activities during or after its incubation at Sree Vidyanikethan Engineering College is not deemed eligible for incubation, and their application will not be entertained.
5. Companies will be permitted to stay in the incubation centre, to begin with, for a period of 24 months.
6. CITI may, at its own discretion, permit companies to extend their stay to be decided on a case by case basis.
7. Pre-incubation & Incubation support will be offered to the startups by students, staff, and faculty for one year at the initial stage, which may be extended after the approval from the expert committee. However, in the absence of a dedicated facility/ specific infrastructure, the Institute enables incubation facilities in other HEIs/ other centres.

8. Students involved in setting up of startups shall be given a relaxation in attendance up to 20% with due permission and inputs from the concerned institution/ department authorities.
9. Student inventors/innovators are allowed to opt for startup in their mini project/ major project, seminars, and summer training. The area in which a student wants to initiate a startup may be interdisciplinary or multidisciplinary. However, the student must describe how they will separate and clearly distinguish their ongoing research activities as a student from work being conducted at the startup.
10. The institution may allow the students to take a semester/year break (or even more depending upon the decision of the review committee constituted by the Institute) to work on their startups and rejoin academics to complete the course.
11. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. In this regard, a review committee will be formed to review the startup by students, and based on the performance and progress made, appropriate credits may be given.
12. The Institute might allow faculty and staff to take a break for a semester/year (or even more depending upon the decision of the review committee constituted by the institute) as unpaid leave/ casual leave/ earned leave for working on startups and rejoin. In this regard, the Institution would consider allowing use of its resources to faculty/students/staff wishing to establish a startup as a full-time effort. The seniority and other academic benefits during such period may be preserved for such staff or Faculty. However, Faculty must not involve research staff or other staff of the Institute in activities at the startup and vice-versa.
13. At any point, faculty must not accept gifts from the startup.
14. Minimum 1% of the Institutional total annual budget can be allocated as an "innovation fund" for funding and supporting innovation and startup related

activities. The seed funding to the startups would be taken up on a case-to-case basis.

15. The Institute would also reach out to external funding agencies of government (state and central) such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME, etc. and also non-government sources would be encouraged.
16. All the pre-incubation/incubation facilities of CITI will be accessible 24X7 to students, staff, and Faculty of all disciplines and departments across the Institution.
17. To support technology incubations within the Institute, the institutes may approach private and corporate sectors to generate funds under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013. Further, the Institute would also raise funding through sponsorships and donations.
18. Institute would actively engage alumni network for promoting Innovation & Entrepreneurship (I&E) and invite them for angel funding into the startups.
19. The Institute would explore the provision of accommodation to the student entrepreneurs within the campus for two weeks, depending upon accommodation availability.
20. The institute infrastructure in the form of machines, equipment, tools, testing facilities, and other resources available in various departments, workshops, laboratories, centres etc., would be utilized for pre-incubation and Incubation to nurture innovator's startups without hampering the regular academic schedule of the departments and centres.
21. The institute would offer mentoring and other relevant services through pre-incubation/incubation units in-return for fees, equity sharing, and (or) zero payment basis.
22. In return for the services and facilities, institute would take 2% to 9.5% equity/ stake in the startup/company (on case to case basis) based on brand used, faculty contribution, the support provided and use of the institute's IPR.

Other factors for consideration should be space, infrastructure, mentorship support, seed funds, support for accounts, legal, patents etc.

23. For staff and faculty, institute would take no more than 20% of shares that staff/faculty takes while drawing a full salary from the institution; however, this share will be within the 9.5% cap of company shares listed above.
24. The faculty's role may vary from being an owner/ direct promoter, mentor, consultant, or on-board member of the startup.
25. The institute would involve in capacity building programs through training and development of faculty & staff, strengthening the coherence and cross-departmental linkages, optimum resource utilization, periodic involvement of external experts, conduction of academic programs/ courses on innovation & entrepreneurship, academic/ non-academic incentives & reward systems. However, new approaches may also be introduced by the expert committee at CITI on case to case basis.
26. Startups involving human/ animal subjects and activities related to such research must get clearance from the Institution's ethics committee.
27. Incubate companies will leave the incubator under the following circumstances:
  - a. Completion of stay for 24 months, unless CITI extends the stay.
  - b. Less than 24 months for the cases of underperformance or un-viability of the business proposition: Criteria for the same will be decided and applied by CITI on the case to case basis.
  - c. When the number of employees of the company exceeds 10.
  - d. Change in promoters'/ founders' team without the concurrence of CITI.
  - e. Any other reasons which CITI may find it necessary for an incubated company to leave the incubation centre.
28. The incubate company will have to sign an MoU with Sree Vidyanikethan to abide by terms and conditions.
29. The expert committee, at its discretion, will have the authority to take decisions to make amendments as deemed fit on any of the aforementioned points.

## Glossary

**Accelerators** - Startup Accelerators design programs in batches and transform promising business ideas into reality under mentors' guidance and several other available resources.

**Angel Fund**- An angel investor is a wealthy individual who invests his or her personal capital and shares experiences, contacts, and mentors (as possible and required by the startup in exchange for equity in that startup). Angels usually have accredited investors. Since their funds are involved, they are equally desirous in making the startup successful.

**Cash flow management** - Cash flow management is the process of tracking how much money is coming into and going out of your business.

**Co-Creation**- Co-creation is the act of creating together. When applied in business, it can be used as an economic strategy to develop new business models, products and services with customers, clients, trading partners, or other parts of the same enterprise or venture.

**Compulsory Equity**- An equity share, commonly referred to as ordinary share also, represents the form of fractional or part ownership in which a shareholder, as a fractional owner, undertakes the maximum entrepreneurial risk associated with a business venture. The holders of such shares are members of the company and have voting rights.

**Corporate social responsibility (CSR)** - is a self-regulating business model that helps Responsibility - a company be socially accountable - to itself, its stakeholders, and the public.

**Cross-disciplinary** - practices refer to teaching, learning, and scholarship activities that cut across disciplinary boundaries.

**Entrepreneurial culture** - A culture/ society that enhance the exhibition of the attributes, values, beliefs and behaviors that are related to entrepreneurs.

**Entrepreneurial Individuals**- An Individual who has an entrepreneurial mindset and wants to make his/her idea successful.

**Entrepreneurship education-** Entrepreneurship education seeks to provide students with the knowledge, skills and motivation to encourage entrepreneurial success in various settings.

**Experiential learning** - Experiential learning is learning through experience and is more specifically defined as learning through reflection on doing.

**Financial management** - Financial Management is applying general principles of management to the financial possessions of an enterprise.

**Hackathon** - A hackathon is a design sprint-like event in which computer programmers and others involved in software development, including graphic designers, interface designers, project managers, and others, often including domain experts, collaborate intensively on software projects.

**Host Institution** - Host institutions refer to well-known technology, management, and R&D institutions working to develop startups and contribute towards developing a favorable entrepreneurial ecosystem.

**Incubation-** Incubation is a unique and highly flexible combination of business development processes, infrastructure and people, designed to nurture and grow new and small businesses by supporting them through the early stages of development.

Intellectual Property Rights Licensing – A licensing is a partnership between an intellectual property rights owner (licensor) and another who is authorized to use such rights (licensee) in exchange for an agreed payment (fee or royalty).

**Knowledge Exchange** - Knowledge exchange is a process that brings together academic staff, users of research, and wider groups and communities to exchange ideas, evidence and expertise.

**Pedagogy and Experiential Learning-** It refers to specific methods and teaching practices (as an academic subject or theoretical concept) that would be applied to students working on startups. The experiential learning method will be used to teach 'startup related concepts and contents' to introduce a positive influence on students' thought processes. Courses like 'business idea generation' and 'soft skills for startups' would demand experiential learning rather than traditional classroom

lecturing. Business cases and teaching cases will be used to discuss practical business situations that can help students arrive at a decision while facing a business dilemma(s). Field based interactions with prospective customers; support institutions will also form a part of the pedagogy, which will orient the students as they acquire field knowledge.

**Pre-incubation** - It typically represents the process that works with entrepreneurs who are in the very early stages of setting up their company. Usually, entrepreneurs come into such programs with just an idea of an early prototype of their product or service. Such companies can graduate into full-fledged incubation programs.

**Prototype** – A prototype is an early sample, model, or release of a product built to test a concept or process.

**Science parks** - A science park, also known as a research park, technology park or innovation centre, is a purpose-built cluster of office spaces, labs, workrooms, and meeting areas designed to support research and development in science and technology.

**Seed fund** - Seed fund is a form of securities offering in which an investor invests capital in a startup company in exchange for an equity stake in the company.

**Special Purpose Vehicle** - Special purpose vehicle, also called a special purpose entity, is a subsidiary created by a parent company to isolate financial risk. Its legal status as a separate company makes its obligations secure even if the parent company goes bankrupt.

**Startup** - An entity that develops a business model based on either product innovation or service innovation and makes it scalable, replicable and self-reliant and as defined in Gazette Notification No. G.S.R. 127(E) dated February 19, 2019.

**Technology Business Incubator** - Technology Business incubator (TBI) is an entity, which helps technology-based startup businesses with all the necessary resources/support that the startup needs to evolve and grow into a mature business.

**Technology Commercialization** - Technology commercialization is the process of transitioning technologies from the research lab to the marketplace.

**Technology licensing** - Agreement whereby an owner of a technological intellectual property (the licensor) allows another party (the licensee) to use, modify, and/or resell that property in exchange for a compensation.

**Technology management** - Technology management is the integrated planning, design, optimization, operation and control of technological products, processes and services.

**Venture Capital** - It is the most well-known form of startup funding.

**Venture Capitalists** - (VCs) typically reserve additional capital for follow-up investment rounds. Another huge value that VCs provide is access to their networks for employees or clients for products or services of the startup.

