

# A Study on the Role & Impact of Incubator in Promoting Entrepreneurship

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**Abstract:-“Incubators are Launch Pads for a Modern Economy “. The passion to create new products or services to satisfy the needs and desires of the society by the first generation entrepreneurs, who possess entrepreneurial skills but deprived of the support from family or society are encouraged by the government by the policy of incubation. The general facility in incubators encourages not only to innovate new things but also helps in gaining confidence by establishing market share at less risk of finance. The facility of incubation since is a part of governments Startup India policy helps to establish enterprises and also protect their Intellectual property Rights at subsidized rates. The case study chosen is on the role and impact of incubator in promoting entrepreneurship, like T-HUB and such establishments with support of central government or educational and industry established by Government of Telangana to promote entrepreneurship.**

## I. INTRODUCTION

Knowledge enhances creativity & creativity leads to Innovation. More and more opportunities are beckoning the youth of today in the field of higher education which is creating highly qualified, talented workforce. At the same time the employment creation is not on par with the today’s requirement. This situation led to the encouragement of entrepreneurship which changed the slogan of job seekers to job creators.

The study mainly is concentrated on the number of such incubators like:

**ICRISAT** has set up an incubator in agriculture sector. Anybody having the knowledge in agriculture produce and have innovative and creative ideas in regard to practices leading to more yield or economy or interested in researching on new plant varieties are encouraged by leasing a maximum of 5 acres of land together with mentor support.

**CIPET** a central government sponsored institution encouraging in packaging and parts made of plastic.

**T-HUB** encouraging IT & ITES related industry products and services. R&D institutions in the state both private and public are part of this study.

The study is mainly the analysis of the collected data such as :

- Number of registrations in these incubators.
- The sector of industry to which the products or services belong to.
- The number of products or services eligible for Intellectual Property Rights registration.
- The time taken by each idea to get realized. Is the idea still the need of present society as felt when taken up for innovation.
- The number of units/firms started by these intellectuals.
- The employment generated because of the setting up of these units.
- The policy of the government, to what extent helping the innovator or prospective entrepreneur to take the risk of finance.
- The amount of investment into the market in terms of economic growth.

The analysis of the above collected data for some tenure and understanding the ground reality of success or the need for any change in the policy for improving the count of such prospective entrepreneurs.

The study also understands the need for training or value addition programs to be included in the university curriculum to shorten the cycle of innovations or launching the innovative products or services to gear up with the dynamic changes in market. It also concentrates on the type of industries with self-finance or venture capital or financial institution support setup, like Small, Medium or Major Industry. The employment generated to that extent.

## II. POLICY AND PROCEDURE OF INCUBATION

In general the processes that may be included in the framing of the policy and procedures for operational matters of Incubation Centre are:

- Eligibility
- Admission procedure
- Infrastructure and Services provided to Incubate
- Mandatory Mentorship
- Period of Incubation/Exit
- Intellectual Property Evaluation
- Seed Funding
- Periodic Assessment
- Consideration
- Conflicts of Interest
- Disclaimer
- Agreements
- Special provisions for certain Industries.

### III. INCUBATOR SPERCEPTION

The perception of any incubator is that a prospective Entrepreneur will be in need of the following:

- General and Specific Facility-Physical.
- Training & Development-If needed.
- Mentorship.
  - Technology Mentorship
  - Business Mentorship
  - Legal Mentorship
- Confidentiality-Intellectual Property.
- Agreements& Protection. The Incubator should ensure that the enrolled prospective Entrepreneur or Startup Industry should be made available of all the above requirements.

#### A. General Facility or Specific Facility

A common and general facility which can used by the enroller in researching, designing, manufacturing the product. Can hire/lease the facility on hourly basis or a particular tenure basis for producing quantities and move the product in market and establish. Market share is mandatory for physical establishment of own units.

#### B. Training and Development

Since the enrollment is based on purely possessing of Entrepreneurship skills and capability of taking risk of finance together with a business idea. Incubators are expected to provide Training and Development programs to give necessary inputs.

#### C. Mentorship

Like T-Hub for example providing ,

- Technology mentorship from IIIT, Hyderabad
- Business Mentorship from ISB, Hyderabad
- Legal Mentorship from NALSAR University, Hyderabad

- Conduction accelerating programs on the above, is what is expected from incubators.

#### D. Confidentiality of Intellectual Property

As there is always innovation happening in incubators, the enrolled industry or entrepreneur expects confidentiality of information generating during the process of incubation. Since Intellectual property Rights Act is also helping in registering their work it is necessary that proper measures need to be taken in terms of protection of the same.

#### E. Agreements

Since conflicts may arise both the parties need to enter into a proper legal agreement so that it helps to resolve the conflict if needed.

### IV. GOVERNMENT POLICIES

State and Central Government policies are made to encourage Entrepreneurship in India.

#### A. Startup India

Startup India campaign is based on an action plan aimed at promoting bank financing for start-up ventures to boost entrepreneurship and encourage startups with jobs creation. The campaign was first announced by Prime Minister Narendra Modi in his 15 August 2015 address from the Red Fort. It is focused on to restrict role of States in policy domain and to get rid of license raj and hindrances like in land permissions, foreign investment proposal, environmental clearances. It was organized by Department of Industrial Policy and Promotion (DIPP). A startup is an entity that is headquartered in India which was opened less than seven years ago and has an annual turnover less than 25 crore (US\$3.9 million). The government has already launched i MADE, an app development platform aimed at producing 1,000,000 apps and PMMY, the MUDRA Bank, a new institution set up for development and refinancing activities relating to micro units with a refinance Fund of 200 billion (US\$3.1 billion).

The Standup India initiative is also aimed at promoting entrepreneurship among SCs/STs, women communities. Rural India's version of Startup India was named the Deen Dayal Upadhyay Swaniyojan Yojana. To endorse the campaign, the first magazine for startups in India, The Cofounder, was launched in 2016.

#### a). Key Points

- Single Window Clearance even with the help of a mobile application
- 10,000 crore fund of funds
- Reduction in patent registration fee

- Modified and more friendly Bankruptcy Code to ensure 90-day exit window
- Freedom from mystifying inspections for 3 years
- Freedom from Capital Gain Tax for 3 years
- Freedom from tax in profits for 3 years
- Self-certification compliance
- Innovation hub under Atal Innovation Mission
- Starting with 5 lakh schools to target 10 lakh children for innovation program.
- new schemes to provide IPR protection to start-ups and new firms
- Encourage entrepreneurship.

#### B. *Make in India*

The Make in India program was launched by Prime Minister Modi in the year 2014 to put India on the world map as a major hub for global design and manufacturing. Through this initiative it is expected that India would surpass China and US as a global entity for foreign direct investment particularly when the world economy is on the recovery mode. In fact going by the positive outlook created by the initiative, on the ground reality India does start from a disadvantageous point. The points that support it are that the current manufacturing sector only contributes 16% of the overall GDP in addition to lack of enabling infrastructure, a perception not a best place to do business and lack of proven ability to set a platform to compete at a global scale. But at this juncture the points that favour it to look at this initiative as a long term prospect stems from the fact that it has a strong core human resource along with a robust growing domestic demand in addition to the strong base of entrepreneurs. Through the Make in India (MII) initiative the Government of India aims to take the GDP to 25% by 2022.

#### C. *TS i-pass*

The Telangana Government has enacted the “Telangana State Industrial Project Approval and Self-Certification System (TS-iPASS) Act, 2014” (Act No.3 of 2014) for speedy processing of applications for issue of various clearances required for setting up of industries at a single point based on the self-certificate provided by the entrepreneur and also to create investor friendly environment in the State of Telangana.

### V. LIST OF INCUBATORS IN INDIA

Some of the prominent Incubators in India are:

- Angel Prime.
- Khosla Labs.
- Science and Technology Entrepreneurship Park.
- Seed farm, Seed fund.
- SINE.
- Srijan Capital.

- Startup Village.
- Technopark TBI.

And many more setup in IITs, IIMs, Premier Institutes, Government established like T-HUB, International Institutes of Research like ICRISAT etc.

### VI. CONCLUSION

The case study revolving around the concept of incubation is to collect the data in terms of the policies ,procedures ,incubators their facilities and their output to analyze the impact in terms of enhancement of entrepreneurship in India.

### REFERENCES

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