

Incubation and Startup Policy

of

Baba Farid Group of Institution
Bathinda, Punjab

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1. INTRODUCTION

To create an ecosystem of Startups & inculcate the entrepreneurial traits in the Students, BFGI is already running School of Entrepreneurship, since 2014 with an intention to support the students to transform in to budding entrepreneurs to establish their new venture through constant guidance & mentoring through Incubation, mentoring, customized handholding various training programs & industrial collaborations.

Realizing the importance of this, School of Entrepreneurship (SoE), had now converted into an independent a society registered under the Societies Registration Act, 1860 has been set up to promote innovation and entrepreneurship among the Faculty, Staff, Research Scholars, and Students at BFGI. To accomplish its goal, SoE will facilitate incubation to new enterprises and students with innovative technologies by admitting them at SoE and providing them physical, technical and networking supports and services.

The scope of this document is to define the policies and procedures for the operational matters related to the School of Entrepreneurship for driving its innovation-incubation and entrepreneurship related activities. The Vision and Mission of this centre is

Vision

To develop an entrepreneurial ecosystem where students, entrepreneurs and faculty could fearlessly come forward with innovative idea and enable, enhance and carve their entrepreneurial potential.

Objectives

- To foster exchange between high level experience (Corporates) and Agile Innovation (Start-up's)
- To promote entrepreneurship by providing dedicated fully furnished work space for startup, facilities like internet connectivity and other resources required for start up.
- To facilitate funding for the ideas and fueling the success of entrepreneur's by connecting them with influencers, experts and customers.
- To assist students\budding entrepreneurs to build a comprehensive business plan from their idea to a prototype that can be launched in the market (from concept to launch) .
- To provide various services including information on all aspects of enterprise building to budding S&T entrepreneurs
- To encourage a culture of innovation and Science & Technology based enterprise
- To promote better linkages between the BFGI's School of Entrepreneurship and Industries and other related organisations engaged in promoting innovation and entrepreneurial skills
- To support the student at all levels from pre-incubation-to-incubation-to-enterprise
- To scout for the mentors, successful entrepreneurs & passionate people
- To make the School of Entrepreneurship a Self-Sustainable in terms of administration, Process, Partnership & Network and Financially.

2. CREATING INNOVATION AND ENTREPRENEURIAL CULTURE AT INSTITUTE LEVEL BFGI & PUNJAB

2.1 Pre-Incubation Activities

- A series of sensitization workshops would be conducted online/ offline for Spreading awareness among students, faculty and staff about the value of entrepreneurship and its role in career development or for employment creation
- Initiatives like idea and innovation competitions, hackathons, workshops, bootcamps, seminars, conferences, exhibitions, mentoring by academic and industry personnel, throwing real life challenges, awards and recognition will be routinely organized in house in the BFGI Incubation centre
- Foster and promote entrepreneurship spirit and nurture entrepreneurial talent
- Facilitate knowledge creation, innovation and entrepreneurship activities amongst students and faculty
- Students will be encouraged to do courses on innovation, entrepreneurship management and venture development
- Encouraging and enabling the alignment of R&D activities to potential needs of the industry.
- Students will be encouraged to develop entrepreneurial mindset through experiential learning by exposing them to training in cognitive skills (e.g. design thinking, critical thinking, etc.), by inviting first generation local entrepreneurs or experts to address young minds.
- Faculty and staff will be encouraged to do courses on innovation, entrepreneurship management and venture development
- Periodically external subject matter experts such as guest lecturers or alumni will be engaged for strategic advice and bringing in skills which are not available internally
- Students will be encouraged to participate in external evenets organized for the student entrepreneurship in completions such as Ideation events, Hackathons, EDP's etc.

2.2 Incubation Activities

- Identifying entrepreneurial talent through sensitization workshops, call for incubation etc and such entrepreneurs would be on boarded through an Incubation Program with proper NDA and Incubation MOU in place.
- Developing good pool of Mentors and engage them with the Mentees for different need such as Technology Validation, Strategy and Business Plan Development, Marketing and Sales Planning, Financial Compliances, Legal and Company Issues, Regulatory Issues, IP Issues etc.
- Besides the Mentor-Mentee engagement these interactions give better insight for pitch presentation, Investor Relations and Investor Engagement.
- Mentoring will be taken up through Expert Talks, One-On-One mentoring between mentors and start-ups and Conferencing/Skype/Tele /Con Call between mentors and

startups virtually Incubating early-stage technology based innovative entrepreneurial ventures.

- Identifying technologies/innovations which have potential for commercial ventures.
- Physical infrastructure and support systems creation for business incubation activities.
- Creating a collaborative environment between industry and academia.
- Facilitate networking with professional resources, which include mentors, experts, consultants and advisors for the incubatees
- Enabling development of high quality personnel and motivating researchers to grow professionally within organizations.

3. INCUBATEES SELECTION

The applicant can be a Local Entrepreneur, StartUp (defined by DIPP, Government of India), Branch of Existing firm, Spin-off from Institution or R&D Centre.

Incubatee selection and graduation are critical to a successful incubator. The screening process will be customized to meet the incubators mission and ensure the selected firms can be benefitted from its value-added services.

(i) Application Process

The proposed application process for incubatees involves three steps. The application process would be completed within 15 days.

Step 1: Complete Incubation Application - All prospective Incubatees would complete a brief application form. A completed application provides the incubator with a brief description of the applicant's current business status and a very preliminary sense of the applicant's service and facility needs.

Step 2: Provide Business Description or Business Plan & startup Pitch deck - Prospective Incubatees that complete Step 1 and are determined to be a potentially eligible entity, would be required to augment their application with a business plan or written business description. The CEO, School of Entrepreneurship and an individual/expert/mentor with expertise in the applicant's industry would review the document. It should provide more in-depth information about the stage of business development, market potential and overall potential for success.

At this point, if the business description or business plan adequately addresses screening criteria pre-established by the Board, the SoE management team could approve the applicant for acceptance and inform the Board.

If the management team needs additional assistance to determine if approval is appropriate for an applicant an additional step would be added. It involves a brief presentation to an incubator panel as described below.

Step 3: Presentation to Incubator Panel / Panel of Experts/ Mentors (In-House/ External Mentors/ Industry Mentors/ Senior Industry Veterans/ Entrepreneurs)- The prospective incubatee would present their business case to a small panel of three to four people comprised of Board members, appropriate industry experts, and the CEO of SoE. The panel's role is to assist the SoE management team in understanding the business case and determining if the applicant should be approved for acceptance into the incubator. Based on the panel's input, the SoE management team would make a decision regarding acceptance.

(ii) Evaluation Criteria

The criteria used to evaluate prospective incubatees throughout the application process will be based on the mission and objectives of the SoE and be compatible with the broad mix of technologies supported by the incubator. The Evaluation Criteria would be on a 5 Pointer Thumb Rule of (1. Problem statement solved by startups 2. Solution/ Innovation/ Value Prop of the startups Product/ Service 3. Market Potential 4. Execution Plan/ Scalability 5. Team).

However few more indicative broader criteria would be explored on the startup proposals on a case to case basis to encourage all sorts of ideas, these are

- (i) The business should be innovative related to relevant technologies mandated by SoE. Compatible innovative applicant that meets these criteria would be eligible to apply, provided their space need would be available with the incubator facility.
- (ii) The business must be in early stages of development. Early stage usually means within the first two years of business operations, but startup companies involved in a significant change in direction or launching a new business product may also apply.
- (iii) The applicant must have a good management team either having experience or must be energetic. The team should have entrepreneurial business acumen or be willing to accept advice from an incubator established advisory board.
- (iv) The applicant entrepreneurs willing to be Coachable & Mentor able on entrepreneurship and wants to take advantage of and be able to take benefit from the value-added services and guidance of the incubator.
- (v) **The entrepreneur has vision to build & scale the startup organization and provide employment opportunities.** The applicant business must have the capacity for growth and provide economic benefits to the area including creating new jobs and opportunities for area suppliers and vendors.
- (vi) The applicant must not be in direct competition with existing incubator businesses. Incubates. however, they may be considered after the graduation of existing incubates working on the same domain/ sector/ idea
- (vii) There would be a tenant lease agreement/ MOU with the startup applicant, post signing off which the startups can avail space and other facilities in the incubator.

5. INCUBATION AND MENTORING SUPPORT FOR INCUBATES/STARTUPS/ENTREPRENEURS

5.1 Pre-Incubation Support

- Support offered to group/teams having an idea which can be converted into Startup venture. Idea could be at the initial stage or developing a proof of concept
- Mentorship of total 5 hour a month
- Networking opportunity with incubated Startups
- Communication about external/internal activities
- Pre-incubation support will be given to BFGI student and faculty

5.2 Incubation Support

- Mentoring and advisory
- Any person desirous of availing incubation facility has to incorporate an entity as defined by DIPP, Government of India eligible to register as Startup and should fulfill the definition of a startup.
- Graduated Startup shall not be incubated again for the same Startup venture As well a startup incubated for 1 idea would have to continue incubation in the same idea (principle of 1 idea at a time).
- The entity if promoted by an employ of Government/organization shall be granted incubation only upon submission of “No Objection Certificate” from the competent authority
- Mentorship of total of 8 Hour in a month
- Access to meeting room with a minimum 3-days advance notice and subject to availability
- Connect to investors/VCs on a viable business model and established traction / initial sales for their products/ services.
- Access to workstation (Co-Working Space) with advance notice and subject to availability
- Networking opportunity with incubated Startups / Mentors/ Investors etc.
- Promotion of startups in various forums/ platforms (Exhibitions/ Fairs/ Print/ Digital/ Social Media).
- Access to student intern on stipend as Terms and Condition defined by BFGI
- Access to Library Services as per BFGI guidelines
- All benefits as mentioned in agreement
- Upon admission, the following facilities will be offered to the incubate companies on an individual basis Printer, Internet connection, Phone connection– (Each individual will pay the rentals and bills), Photocopying facility and Tele or Video conferencing facilities
- One Accommodation to Director/Promoter in the hostel can be given depending upon the availability (One room hostel) as per hostel rules

- School of Entrepreneurship will support innovators by following support services:
 - Strategy and Business Plan Development
 - Technology Validation
 - Marketing and Sales Planning
 - Financial Compliances
 - Legal and Company Issues
 - Regulatory Issues
 - IP Issues
 - HR Issues.
 - Any other support services as required by Incubatees.

5.3 Support to BFGI Students and Faculty Incubatees (In addition to 5.2)

- Students of BFGI who are under incubation, but are pursuing some entrepreneurial ventures while studying will be allowed to use BFGI address in the institute to register their entity with due permission from Principal of the institution and Head SoE.
- Students entrepreneurs will be given special weightage in attendance so that they sit for the examination, if their attendance is less, with due permission from HOD of the respective department and Principal of the institution.
- Short-term/part-time entrepreneurship training.
- Mentorship support on regular basis.
- Institute will link the startups to other seed-fund providers/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.

6. PERIODIC ASSESSMENT/MONITORING OF THE STARTUPS GROWTH JOURNEY

- Incubatees will submit information in form of a short progress report in a prescribed Incubation Progress template along with an Unaudited financial Statement to SoE on quarterly basis in a prescribed format. The companies may also be subject to an annual assessment by a committee comprising of external experts. Incubatee companies will have to submit their annual reports within a period of 7 days from the date of their approval.
- However, incubate may be asked to provide more frequent updates to SoE

7. MENTOR ENGAGEMENT POLICY

Mentor will be engaged for different need of Incubatees such as Technology Validation, Strategy and Business Plan Development, Marketing and Sales Planning, Financial Compliances, Legal and Company Issues, Regulatory Issues, IP Issues etc. Besides the Mentor-Mentee engagement will be for better pitch presentation, Investor Relations and Investor Engagement.

Types of Mentors

(i) **Full Time Mentors:** These mentors will be engaged with AIC for full time for the committed time for a year to ensure continue mentoring and advisory to startups. Such full time mentors would be seasoned entrepreneurs, advisors and experts from industry and consultants.

(ii) **Part time Mentors:** These mentors would be subject matter experts/consultants who have wide diversity of exposure in terms of technology, business development, marketing branding, IP, financial etc. These experts will be hand holding the incubatees startups on a one-on-one basis.

(iii) **Expert Mentors:** These mentors would be participating in various events of AIC, these experts will comprise of Personality development experts, counselors, subject matter experts who will be addressing of participant events of the incubator.

(iv) **Faculty of BFGI:** to mentor startups in the technical aspects, these faculty members would be able to leverage their subject matter expertise to the startups.

8. GRADUATION POLICY OF THE INCUBATEES

- A maximum amount of time for an incubatee to receive services will be set as per the standards. A fairly common standard is a maximum of Two years, post which the startup needs to exit out of the incubator and set up their own operations.
- SoE may, at its own discretion, permit companies to extend their stay for a maximum period of another 12 months.
- When the annual revenues of the entity exceeds Rs. 2 crores or when a entity achieves a Profit Before Tax of Rs. 60 Lakhs.
- The incubator should self-assess its ability to provide continuing value to an incubatee. Incubatees who have progressed beyond the incubator's ability to provide sufficient value should graduate and begin using private sector providers. Ongoing business development assessments between the incubator management and incubatee and the month-to-month lease structure facilitate this value assessment. This value assessment is usually assessed from investments by the incubatee with the help of incubator or otherwise.
- Such startups which graduate out of the incubator would be considered as Alumni startups and they would be a part of the incubators informal network and would be supported with the necessary connections, networking, updates to events whenever required.

9. TERMINATION OF AGREEMENT WITH INCUBATEE

- Violation of any BFGI Rules and Regulation
- Change in promoters'/ founders' team without concurrence of SoE
- Irresolvable disputes between promoters/ founders. SoE will decide the position or point when disputes are deemed to be irresolvable.

- When the number of employees of the entity exceeds 20.
- Any other reason for which SoE may find it necessary for an incubate entity to leave.
- Non Performance of incubatees: If incubatee is not able to perform as per the milestones set for him/her in the MOU between the startup and the incubator, the evaluation panel would counsel the startup and see if there is any possibilities of improvement in the startups, in case of non- performance of the startups, the startups would be requested to vacate the incubator within one month notice period, so that eligible startups could be accommodated in the incubation space.
- On specific request from the entrepreneur/ startup founders for withdrawal of incubation on written request on the grounds of personal reasons/ failure of product/ change of entrepreneurial plans of the entrepreneur.

10. COLLABORATION POLICY OF THE BFGI INCUBATOR WITH EMINENT INSTITUTIONS

- BFGI will collaborate with Govt. agencies, potential partners, resource organizations, private industries, social enterprises, alumni, and entrepreneurs to support entrepreneurship and co-design the relevant programs and Knowledge exchange programs will be conducted.
- BFGI will do MOUs with potential partners including industries to develop policy and guidelines for forming and managing the relationships with them.
- MOU's and Non-Disclosure Agreements with selected Mentors, Institute, Experts, Vendors, Consultants etc. to seek their support services.
- A range of Non-Financial collaborations would be done with Academia/ Research/ Govt. Bodies/ Incubators/ Compliance firms (IP/ Legal/ Secretarial/Financial Firms)/ Tech. Commercialization arms/ Investment/ VC Firms/ Any other etc. depending on the need of the Incubator to serve the student entrepreneur's& startups.

11. INTELLECTUAL PROPERTY

Any intellectual property generated by the entity during the incubation term shall be owned by the entity. However, the Institute's IPR Policy/SEED Policy shall apply in case:

- a. There is contribution from any faculty and student of BFGI
- b. The IP was developed using funds, facilities and laboratory/equipment of BFGI and the entity has not paid the charges for such utilization.

12. SEED GRANT

- The SoE may provide SEED funding (Equity/ Convertible equity) only to BFGI incubates subject to the availability of funds/ grants/schemes meant for this purpose as per the BFGI

SEED Policy. Seed funding, if sanctioned, shall be sanctioned only to the BFGI incubated companies. There shall be no guarantee of seed funding automatically or otherwise. The sanction shall be subject to the performance and milestone achieved by the incubate and clearance of the startup proposal for seed investment through the seed fund management committee (to be constituted after the seed fund corpus formation only). A startup desirous of getting seed loan may submit an application for SEED fund after three months of incubation. The application of the seed loan shall clearly indicate the requirement, activities, expenditure heads and timeline.

- SEED Policy can be downloaded from BFGI website; this innovation grant is for idea to prototype stage entrepreneurs only.

13. CONFLICT OF INTERESTS

In case of any conflicts of interests, the decision of the SoE shall be final and binding upon the parties.

14. AMENDMENTS & PERIODIC REVIEW

The policy is subject to periodical review and amendments. It will be the responsibility of the entity/incubate admitted to SoE to update themselves from time to time on amendments in SoE policy and procedures. SoE reserves the rights to make an exception of all or any of the terms of policy for a particular entity or a promoter on a case to case basis.

15. DISCLAIMER

The incubatee will understand and acknowledge that SoE intends to provide supports and services to the entity in good faith to pursue its objective to promote entrepreneurship by converting innovative technologies developed in the Institute to commercialization by incubating and supporting new enterprises. It is understood that by agreeing to provide various supports and services, SoE does not Guarantee responsibility for:

- Ensuring success of an incubatee, its products/ process/ services or marketability or for failure of the startup business/ ideas/ customer acquisition
- Ensuring quality of support and services provided by SoE to the complete satisfaction of the incubatee or their promoters/ founders.
- Ensuring quality of services of the Mentors/ Experts/ Business Support service Providers engaged by the incubatee companies through BFGI/SoE network.
- The incubatee companies agree that SoE/BFGI or their employees shall not be held liable for any reason on account of the above.