

BUSINESS INCUBATORS IN INDIA

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Business incubators help to promote talented young people to realise their business dreams to reality. People may have lot of innovative ideas and technical knowledge in creating a product but may not be success in drawing their ideas in planning and commercialising aspect. Studies in this area revealed that competent incubators could promote budding entrepreneurs to inscribe and nurture suitable business models by offering a short term training. Along with the commercialisation of business ideas business incubation centres help to identify financial needs for the initial formation, short term and long run existence and growth. In short, business incubators are novel idea to develop entrepreneurial culture and thereby tapping unearthed resources for accelerating industrial pace of India. The present study intends to identify successful incubators in India and their contribution in nurturing entrepreneurship culture among the young talents. Some of the notable startup incubators in our country are 1) Amity Innovation Incubator, Noida, 2)Angel Prime, Bengaluru, 3) Centre for Innovation Incubation, Ahmedabad, 4) IAN Incubator, New Delhi, 5) icreate, Ahemadabad, 6) Indavest, Bangalore, 7)Khosia Labs, Bangalore, 8) NSRCEL, IIM Bangalore, 9) Science and Technology Entrepreneureship Park, Kharagpur. 10) Seedfarm seedfund, Mumbai. In Kerala a few incubators have started functioning, they are: Amurtha Technology Incubator, Technique Egg Incubator, Business incubation Centre, Kerala Startup mission, KSIDC First technology Startup Mission in Kerala, Etc. The present study revealed that private business incubation centres and centres promoted by government agencies and reputed business education institutions in this sector have done a remarkable contribution in widening the entrepreneurial vision, nurturing talent and set up business units in untapped and novel areas, which is most needed one in our country.

Key words: Incubators, business vision, entrepreneurial talent, untapped areas.

Introduction

A business incubator is a company that helps to provide management training, financial need assessment, capital structure decisions, marketing training.etc.to new entities

such as newly started companies and partnerships. National Business Incubation Association (NBIA) defines Business Incubators as “Catalyst tool for either regional or national economic development”. Incubation may be divided in to five categories based on their nature: a) academic institutions, b) non-profit entities, c) property development ventures, d) venture capital firms and 5) government institutions¹. Many new undertakings fail due to the lack of financial management abilities and collection of funds in the early stage. The literature review says that new enterprises are competent with new technologies and innovation but backward in the ability of selling out their product. Also new firms are not in the development of products with the filling of product line gap, which is key aspect of market success. Incubators are supposed to equip new firms to overcome these obstacles by inculcating monetary skills and capital formation strategies².

Incubators train new enterprises to stand in economic ups and downs also as many economy witness these phenomenon in recent years. It has witnessed that new entities had struggled with economic crisis as they were not able to support from plough backed profits. Therefore, one of the major challenge of incubators is to train new entities to withstand or manage economic crisis of a nation. Competition management is the other area to be emphasised in the incubation training. The success of any business is depend upon the careful use of scarce resources. Every incubator training centre has to look in the use of entrepreneurs in modelling and manufacturing of novel products with scarce resources. Similarly in the opening up of service enterprises, emphasise should be given for adding up new needed services along with present offerings followed by other competitors. Therefore, incubation business is also challenging area as they have a lot of functions to be trained to budding entrepreneurs. Most incubators created more than 50 jobs per incubator program (63.2%)³.

Significance of the study

Business incubation centres are the places which identifies and nurtures prospective entrepreneurs in all over the world. They training places to new business peoples. These institutions are act as finishing school and equips entrepreneurs with courage and techniques to start and run enterprises. The study is significant to identify the functions and role played by the business incubators. It is also important to identify best incubators in the country.

Objectives of the study

Major objectives of the present study 'Business Incubators in India' are

1. To identify major incubation centres functioning in the country and
2. To look into the role played by the business incubators.

Design and Methodology

The design of the study is descriptive in nature. Both primary and secondary data has been used in the study. The researcher has used knowledge shared by 15 entrepreneurs through personal interview along with secondary sources such as articles in journals, magazines and published works in website. All the 15 entrepreneurs have started their venture through incubation centres.

Major Incubation Centres in India.

Given below are the top ten business incubation centres in India

1. Society for Innovation and Entrepreneurship (SINE), IIT Mumbai,

Webaroo, Bhugol GIS and SMSGupshup.com, are ventures came into existence because they were nurtured and incubated by SINE – the tech incubator housed at IIT Bombay. ThinkLABS Technosolutions, an educational robotics venture, Myzus Technologies and Elfninitus are amongst some of the famous businesses centres incubated by SINE. These startups have been successful in raising venture capital investment after incubation of up to Rs. 3 crore from the market.

2. Technology Business Incubator, IIT Delhi

This is a IIT, Delhi, run incubator receives applications from either IITD students, alumni or one of the members of the academic staff only. The selection criteria is quite stringent. If external startups want to be a part of it, they can explore having tie-ups with the college professors, which can then enable you entry into TBI.

3. Technopark Technology Business Incubator (T-TBI), Kerala

Established in 2006 with the support of the Government of Kerala, T-TBI offers fully furnished working spaces spread over 15,000 sq.ft, expert opinions and guidance from the industry, marketing and legal management consultancy and financial assistance.

T-TBI has incubated nearly 60 companies and has had a 90 per cent success rate. In early 2011, T-TBI was chosen as the world's best software incubating company and the first Indian organization to have achieved this status.

4. Startup Village

Startup Village is a different kind of incubator which is a public private partnership run by Government of Kerala. The Government has earmarked Rs. 100 crore for Startup Village and want to incubate over 1000 startups in 10 years. A lot of students entrepreneurs get benefited from startup village.

5. Indian Angel Network (IAN)

IAN in an equity based business incubator center that gives priority to ventures in the areas of healthcare, gaming and animation cloud computing, retail, mobile VAS, media and entertainment, alternative energy, education and clean technology. It has been established with the support of the National Science & Technology Entrepreneurship Development Board and the Department of Science & Technology of the Government of India.

Apart from the regular functions of a business incubator, the IAN incubator helps startups to get seed funding and pre angel funding through its tie-up with Small Industries Development Bank of India. The IAN also has strategic alliances with DST supported incubators, corporate, R&D labs and many industry associations.

6, CIBA

Centre for incubation and business acceleration also known as CIBA is a Technology Business Incubator catalyzed and supported by Department of Science & Technology under the Startup India Action Plan. CIBA is committed to growing a collaborative entrepreneurial network by providing a one-stop support system for start-ups and transforming Mumbai as a hub for innovation.

7. Centre for Innovation, Incubation and Entrepreneurship (CIIE), IIM Ahmedabad

A business incubator started by India's prime business school is a countable incubation centre in India. Having started incubation initiatives since 2007, CIIE has an interesting perspective on why it doesn't provide physical space for business incubation. From the day it started, CIIE has incubated more than 50 companies, only a handful of which were owned by IIM students. CIIE has been incubating businesses in the areas of internet and mobile technology, clean technology, social sector startups and healthcare.

Major companies incubated by the prestigious centre are Biosense, Boond, Croak.it, Flick2Know, Ideophone, etc.

8. NSRCEL, IIM Bangalore

NSRCEL is an incubation centre run and managed by IIM, Bangalore. They offer basic facilities to startups including an office space, desktops, Hi Speed Internet facility, uninterrupted power supply etc. The incubator provides mentoring from their eminent faculties and also offers seed money support to some of the incubate companies. The funding is primarily through government grants and its disbursement is in accordance with the guidelines that have been laid down by the primary funding agency.

9. GSF Accelerator

GSF is a private accelerator rather than an incubator. However, many startups from their portfolio have been quite successful. Some of them have got acquired by large companies of the world including Facebook, etc. GSF wants to push innovation and entrepreneurship in India through angel and seed investing. Their larger mission is for encouraging flow of informed, knowledgeable mentorship capital to the start-ups in India and abroad.

10. AngelPrime

AngelPrime was launched recently in 2011 in Bengaluru by well known business people in Indian tech industry like Bala Parathasarathy, Shripati Acharya and Sanjay Swamy. The areas that AngelPrime aims to incubate are mobile payments, e-commerce and smartphone / tablet apps. AngelPrime encourages in incubating their ventures at their office space so that they can be closely monitored. AngelPrime has an edge in its services because the founders bring their previous corporate networks and experiences into incubating new ventures.

Role of Business Incubators in Promoting Startups

1. Business incubators play a large role in reducing the gap between new products / services in stages of ideation to their spread up in market.
2. It provides a platform to budding entrepreneurs to analyse and test their business ideas with experienced and foresighted people before commercialising them.
3. Through a screening process, incubation centres select only talented people so as to increase the success rate in entrepreneurship.
4. Many incubation centres offer their built in area to start new and challenging ventures.
5. It provides financial help in the form of seed capital, capital arrangement through financial institutions to the enterprises in unexplored sectors.
6. It helps to identify and nurture commercial activities with the changing tune of the market needs.
7. As marketing of products and services are important tasks of the day, incubators emphasis this business function.
8. It inculcates business management solutions such as strategic planning, man management, inventory control, financial planning etc.
9. It helps to create self- employment and large job opportunities in private sector.
10. Incubation centres are in tune with the developments of global business and so they nurture Indian entrepreneurs to a multi-national perspective.

The National Business Incubation Association (NBIA, [2009](#)) identified that the most popular incubator type was technology incubators. Which offer several services such as : (1) physical infrastructure (2) management support (3) technical support (4) access to finance (5) capital collection services and 6) networking and 7) marketing.

Finding of the Study.

Based on the functioning and service offerings of 10 selected top business incubators in India, we arrived the following findings.

1. All the 10 business incubators have good physical infrastructure to attract talented young people for the incubation training.

2. It is found that 4 the incubation centres are technically faculty supported by reputed B-Schools in the country- they are SINE, Bombay, technology Business incubator, Delhi, CIIE, Ahemdabad and NSRCL, Bangalore, All are IIT supported also.
3. GSF Accelerator, AngelPrime are in private sector but performs well in training, novelty in venture started, arranging venture capital, etc.
4. T-TBI Thiruvananthapuram-Technopark only offers office space to start new entities in their campus.
5. All centres offers technical support and guidance during and post training period also.
6. Startup village in Kerala is the only PPP model among the 10 incubation centres studied.
7. IAN, T-TBI and Angelprime concentrate on software technology, mobile and tablet technology.
8. Statistics says that startup village Kerala has provided support to more than 1000 start ups during last 10 years. SINE, Mumbai stands second (820).
9. GSF Accelerator, New Delhi offers seed capital support to new entrepreneurs.
10. T-TBI Kerala has highest success rate among all other Business incubators in the country-92 percentage.
11. Incubators offer networking services to startups, which enable them to get technology services and marketing output.

Conclusion

Developing countries like India need challenging and prospective business men for encashing opportunities in the changing market scenario. Without nurturing new entrepreneurs we cannot compete with the financial powers of the world. In creation of new job opportunities, business incubating institutions have a leading role in the initial starting up of ventures, they identify job creators and nurtures them to initiate new enterprises. Also new products, services, exploring new markets, etc. may not be a reality in the absence of incubation centres in our country. Therefore, initiation in starting business incubation centres both in public sector and in private sector is inevitable one. They created networking between startups, offer seed capital assistance, etc.

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