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# ENTREPRENEUR DEVELOPMENT CELL

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## POLICY DOCUMENT

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MAHARAJA INSTITUTE OF TECHNOLOGY MYSORE  
*Belawadi, Srirangapatna Taluq, Mandya Dist - 571 477*  
*Web Site: [www.mitmysore.in](http://www.mitmysore.in)*

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AFFILIATED TO,

VISVESVARAYA TECHNOLOGICAL UNIVERSITY (VTU),  
BELAGAVI

## PREFACE

India is a developing country with a large youth population and its GDP is growing at a phenomenal rate of more than 7%. Still there is large youth populaces, which are well educated and are in constant look out for better opportunities. Government has taken lot of new initiatives such as Make in India, Skill Development, etc to cater to these new challenges to ensure that the growth continues unabated. Maharaja Institute of Technology Mysore, part of Maharaja Education Trust, started by eminent professors, strongly believes in encouraging the young engineering students, graduates, faculty, staff and researchers to think beyond and become entrepreneurs thus creating employment opportunities.

In this regard MIT Mysore has set up a large incubation facility at its premises for the specific purpose of supporting the entrepreneurs and companies. Some of these companies may be founded based in part or in full on technologies/IP developed by the College, or jointly with it in collaborative mode. MITM may also provide incubation support to external Start-ups with which Faculty/Staff/Research Scholars/Students are associated as consultants or mentors. Such external Start-ups may sometimes license technology/IP developed by MITM a priori. The commercialization of advanced technologies developed at the College as a result of incubation will greatly benefit the College as well as society at large and will contribute to the economic resurgence of our country.

The members of the committee carry out various functions, with in the scope/objectives of the mission, to continuously contribute to the betterment of the entrepreneurs through various initiatives. The policy document of the “ED-cell- MIT Mysore” touches upon various functionalities, roles, responsibilities, functions etc to meet the objectives set out by the committee for the Institution.

To make this policy document relevant, it is recommended that the work and the guidelines as envisaged in this document be reviewed periodically as the need arises.

**DR. B. G. NARESH KUMAR**

*Convener*

*Chairman*

*Principal*

## DECLARATION

I am happy to learn that the members of the ED-cell – MIT Mysore committee have spelt out the functional procedure in the form of “Policy Document”. I congratulate members headed by the chairman in this regard. Further they have taken initiatives to ensure that the ED-cell is responsible for the overall Entrepreneurs development thus providing various opportunities to our students and the other interested companies as per the policies laid out in this document.

I, Dr. B G Naresh Kumar, hereby declare that ED-cell committee policy document is right in all aspects and deem fit for actual practice in the auxiliary ED-cell mission and the management functions of this institute and hence all aspects compiled in this document be whole heartedly accepted and followed by all the stake holder of the institute with effect from \_\_/\_\_/\_\_\_\_.

**DR. B G NARESH KUMAR**

PRINCIPAL

DATE: \_\_/\_\_/\_\_\_\_

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## 1. INTRODUCTION

Maharaja Institute of Technology, Mysore is a twelve year young institutions established under the Maharaja Education Trust to cater to technical education. It has five distinct branches of engineering namely, Civil, Computer Science, Electronics & Communication, Information Science, and Mechanical; along with Masters Programs, MCA and MBA. MIT Mysore believes in the vision that “developing innovative and enterprunerial attitude amongst its students” and further that the students should have an opportunity to follow their passion and dream of becoming an entrepreneur, and towards that end, there are several initiatives being taken to inculcate those qualities in the students along with providing them a platform to grow.

The ED-CELL incubator will work within the well-defined and accepted norms of the Incubator-Incubatee matrix as depicted below. The MITM ED-CELL primarily focuses on the areas highlighted below

S/L	Incubator Description	Main Philosophy dealing with	Main Objective	Secondary	Sectors
1.	Technology Incubator	Enterprunerial Gap	Create Enterpruners	Stimulate Innovation	Focus Technology
2.	Basic Reaserch Incubators	Discovery Gap	Bleu-Sky research	Spin offs	High Tech
3.	Social Incubators	Social Gap	Integraton of Social categories	Employment creation	Non-Profit Sector

**Table 1: Typical Entrepreneur Sectors**

Above Matrix is an indicator and the incubators could also be from other sectors/services which the ED-cell Committee can take a decision based on various other parameters at the time of inception of the company in incubation space.

## 2. DEFINITIONS

Following definitions are used to facilitate ease of communication and documentation.

**MITM Member(s) (Henceforth called MEMBER):** Any permanent faculty/staff on duty or on short/long leave, research scholars and students having live registration.

**MITM Incubation or Entrepreneurship Cell (Henceforth called -CELL):**A cell established for the primary purpose of promoting and fostering Incubation of Start-up companies involving one or more MITM Member(s), by administering and implementing MITM's policies on incubation.

**MITM Incubated Company (Henceforth called COMPANY):**A registered Company promoted and/or invested in by MITM Member(s) singly or jointly with others, or those incubated by any of the MITM incubators located in MITM premises or elsewhere, and declared by the CELL as such, or an external start-up declared by the CELL as such.

**External Start-up (ESU):** A registered Company promoted and invested in by non-MITM Member(s) and not located in the MITM/CELL/Incubator premises.

**Incubator:** A physical and/or virtual unit that extends various forms of support for Start-ups and engages in specified relationships with them on behalf of MITM and/or CELL.

**Ecosystem:** Entrepreneurs ecosystem provides easy access to various entities but is not limited to only these such as: mentors, angel investors, venture funding agencies, customers, legal and technical advise, etc.

### 3. OBJECTIVES

This document is prepared to elucidate the overall objectives of the ED-CELL and to ensure that the procedures and processes for the entrepreneurs to work under the umbrella are clearly stated.

Main objectives are:

- Encourage the entrepreneurs amongst the students, staff, faculty of the MITM along with the public at large who would be interested in enterprunership with proper guidance and mentoring as needed.
- Create a start up ecosystem at MITM through the ED-CELL to help the start up companies so they can prosper.
- Provide various facilities and activities to help the entrepreneur's to grow.

Further different stake holders impact is listed as below:

#### **For the College:**

1. To Create a strong and thriving local startup ecosystem at MITM through the ED-CELL to help the students, alumni and faculty so they can prosper.
2. To Encourage the entrepreneurs amongst the students, staff and faculty of the MITM with proper guidance and mentoring as needed.
3. To Increase the reputation of the Institution locally and among peers
4. To Create tangible assets, IP and patents for the college
5. To Improve the quality of inward and outward student traffic consistently
6. To Create enduring Industry relationships through mutually beneficial engagement

#### **For the Students:**

1. To Facilitate an early entry into the industry ecosystem with confidence
2. To Facilitate engaging in Industry standard project and product creation while still in college
3. To Assist in preparing for the real-world challenges in work place
4. To Attain improved acceptance in the corporate world

#### **For the Alumni Entrepreneur:**

1. Access to wholesome infrastructure and serious ecosystem for realizing start up ideas
2. Access to an eager, motivated and willing talent pool to learn and contribute in creating assets
3. Access to shared workspace with other entrepreneurs for increased peer networking

4. Opportunity to work on potentially great ideas for the next big product
5. A great chance to give back to the alma mater

**For the Industry at large:**

1. Access to talent pool and reduced cost of training
2. Easier and beneficial foray into Tier-2 cities
3. Access to start up ecosystem to realize bigger goals through modularized work products
4. Access to experimentation bed for beta testing of products and service ideas

## 4. FUNCTION OF ED-CELL

The CELL will carry out on behalf of the College all dealings with Start-ups directly and/or through its incubators. It will also determine whether a Start-up is to be designated as an "MITM Incubated Company" (COMPANY). CELL will actively support the COMPANY with a combination of inputs, which could include:

- *Permission to Use Branding in the form of "Incubated By MITM",*
- *Advice Pertaining to Legal and Commercial IPR Transactions,*
- *Office and Operational Space,*
- *Permission to Use Laboratories, Workshop Facilities and Equipment,*
- *Logistics Support,*
- *Business Management Advice,*
- *Networking Support,*
- *Mentoring,*
- *Seed-Fund When Possible,*
- *Monitoring,*

as per the prevailing MITM norms pertaining to all the above.

### 4.1 ENGAGEMENT PROCESS

Incubation facility is provided to either the external start ups or the students, faculty, staff and researchers of MITM. Incubation facility provided by the ED-CELL is open to all the students, faculty, staff and researchers of MITM and the following category of start ups are identified for the support.

- **Ideation Stage:** Those who want to see if their idea can be productized – typically called ideation stage, who may or may not have incorporated the company as per the Companies Act. However, they would have to pitch their idea in front of the ED-cell governing committee along with the peers.



- **PoC stage:** Those who are ready with a product but the Proof of Concept (PoC) is not completely ready for customer trials. Again, they may or may not have incorporated a company as such.
- **Start Up Company:** Those who have established a company as per the companies act and are looking for facilities to run their establishment called simply Start Up (SU) company.

For the external start ups (ESU) who wish to use the Incubation Support would have to be:

- Established as per the Indian Companies Act as either a Private Limited Company or Limited Liability Partnership or Public Company or One Person Company (one director only).
- A company if it is promoted by regular Government staff or employee of private company then incubation facility will be provided only upon submission of “No Objection Certificate” from the competent authority or employer.

In all the cases as listed above, there would be an MoU signed between the “company” and the “ED-CELL” and a sample of the MoU is contained in Appendix A. The Company and its representatives/employees must comply with the rules, regulations, responsibilities as outlined in this document along with the MITM general guidelines.

## 4.2 ED-CELL FACILITY

The incubation facility at the MITM comes with the following categories: Incubates facility, Common facilities, MITM infrastructures and facilities.

**For each incubator** following is provided free of cost: Office space for minimum of 4 members, Internet facility, Lights and Water, Standard Furniture as decided by ED-cell, housekeeping services, Security as per the Campus norms, etc. Following can be availed with some cost: Computers – up to two on rental basis. More than two can be availed at market rates, Land Phone connection– Each company will pay the rentals and bills, etc.

**Common Facility** which is available are: Meeting rooms, Conference rooms with projector, Scanners, Common network Printers, Canteen and other facilities, etc.

**MITM Infrastructure** and facilities: Class rooms, Library, Fax machines, Video conferencing facility, Workshops, Labs etc., and for some of these incubate company needs to work with the ED-cell representative.

Further to this the faculties, staff and Researchers are available to assist them with various other aspects such as mentoring, or consulting, etc. Students are available for any kind of internships, etc. There would be dedicated mentors from MBA and Engineering stream faculty who will guide them with any day to day tactical help as needed. Further MITM is collaborating with various local industries and has set up regular mentoring to the incubates to help them to grow. MITM has been working with various farmers in the surrounding areas on various research initiatives and can have a friendly customer validation set ups for any of the farm related products or services.

Specialized mentors are also available to the companies to assist with particular strategic areas or to provide project-oriented consultation. These arrangements may begin as a pro bono arrangement with an option for both parties to graduate to a paid relationship.

In addition to the above support and assistance, the ED-CELL also enables and empowers entrepreneurs through

1. Nucleation of new business by creating the environment and opportunities for know-how providers, entrepreneurs and financiers to meet each other and form business teams.
2. Promoting and running an active program for identification, creation, acceleration and translation (into practice) of technology ideas suitable for new venture creation.
3. Run an active program in building (and sharing generously) resources, networks, competencies and special expertise in select areas at the interfaces of technology and innovation, business and entrepreneurship, and government and policy.
4. Providing paid and subsidized auxiliary and additional services for a successful end to end incubation of an idea into a finished product or service. Service offerings such as
  - a. Assistance in early-stage industry grade feasibility analysis and viability assessment of incubation ideas
  - b. Assistance in early Technology selection and Proof of Concept life cycle
  - c. Industry standard assessment and assistance in sharpening and hardening of value proposition, identifying target applications where value proposition is the strongest.
  - d. Support and academic research assistance in market survey and analysis for proven Proofs of Concepts (PoC) that are ready for a leapfrog into the next level
  - e. Building partnerships with technology providers and others who understand markets
  - f. Support in preparing and performing soft pitch to potential investors
  - g. Support in accessing Industry standard Process and Standard Operating Procedures, Documentation and Compliance and Regulatory services
  - h. Help in Alpha and Beta Testing support, independent verification services, Data preparation services, help in performance and load testing etc.

Value Added Benefits envisioned in ED-CELL for the Incubatees are

1. Guest Lectures from Industry leaders
2. Working lunches to share experiences and ideas
3. Entrepreneurial Awareness Programs
4. Community Outreach Programs
5. Interaction with Industry Research and Development Cells
6. Local Business and Promoter meets
7. Sponsored Industrial Tours
8. Access to various customer bases for Customer Validation of the product.

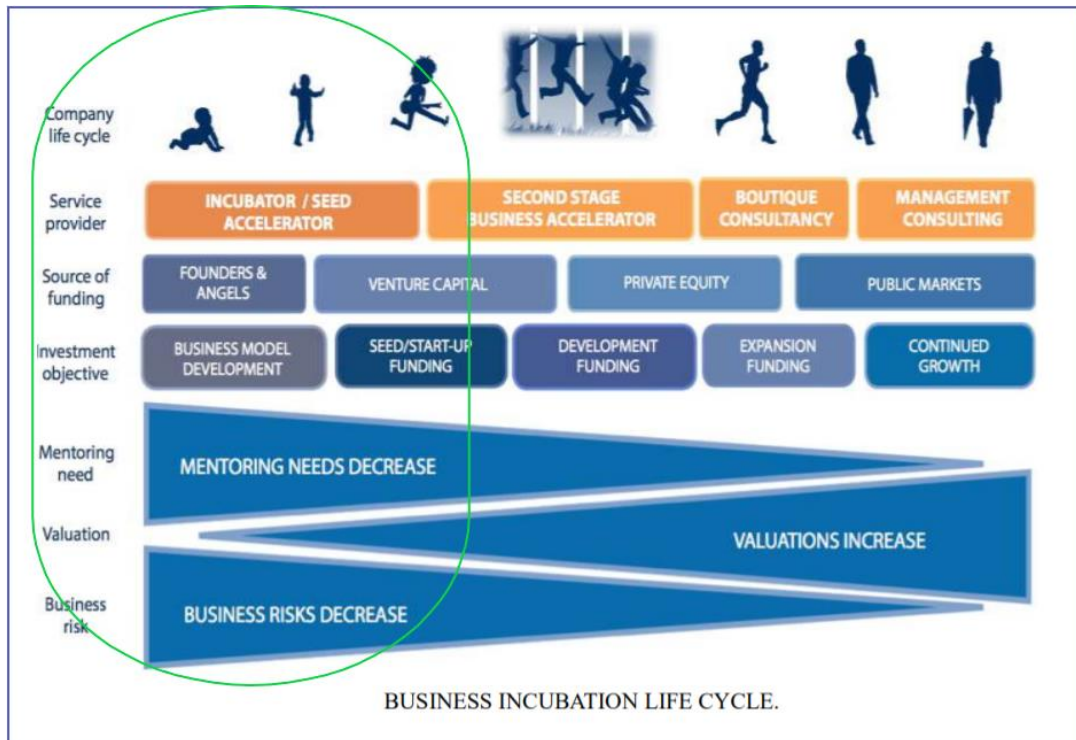
### 4.3 APPLYING FOR THE FACILITY

Those who are interested in the Incubation Facility of the MITM have to apply for this through the following procedure.

- A simple application as attached in Appendix B needs to be submitted to the Chairman of the ED-cell which contains the Name, Address, etc along with the product idea.
- The ED-cell will ask for a presentation of their product idea which will look for the following criteria (may be edited/appended from time to time). For the ideation stage company only first 3 points are evaluated, for PoC stage first 5 points are evaluated at and the start up (SU) the first 7 points are evaluated and for the ESU all points listed below are evaluated.
  1. Strength of the product idea in terms of its technology content, innovation, timeliness and market potential
  2. Profile of the core team/ promoters
  3. Intellectual Property generated and the potential of the idea for IP creation
  4. Financial/ Commercial Viability and 5 year projections of Profit & Loss Account, Balance Sheet and Cash Flows
  5. Funds requirement and viability of raising finance
  6. Time to market
  7. Break-even period
  8. Commercial potential, demand and requirement in India
  9. Scalability and employment creation potential.

### 4.4 EXIT FROM THE FACILITY

The ED-cell at MITM believes that the incubates follow the Business Incubation Life Cycle as depicted below and with that in mind the below policy for exit has been framed. However, as and when needed these will be edited/appended to meet the overall ED-cell objectives.



**Tenure of Incubation:** Companies will be permitted to stay in the incubator for a period of **two** years. Maximum two extensions may be granted for 6 months each at a time at the sole discretion of the ED-cell Committee.

**Exit:** An Incubate company will leave the incubator under the following circumstances:

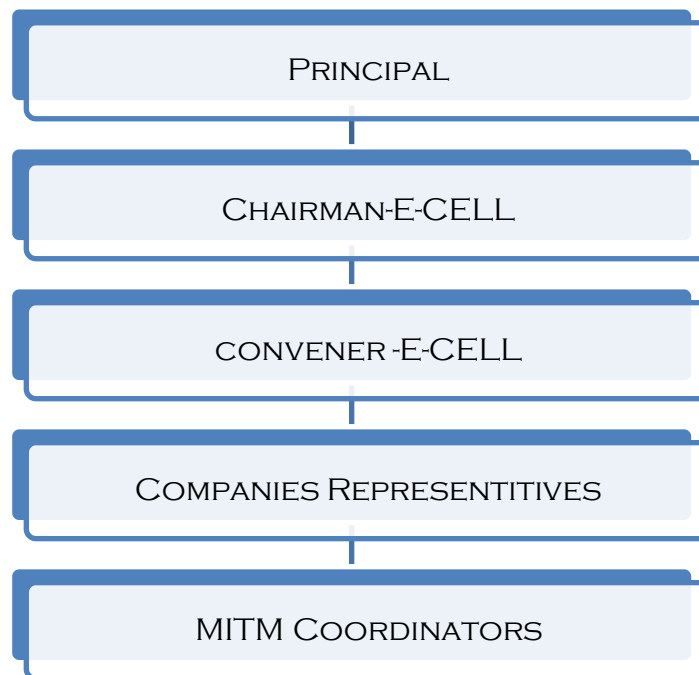
- Completion of “two year” stay (if no extension granted)
- Underperformance or non-viability of business proposition as decided by ED-cell on case to case basis
- Irresolvable promoters disputes as decided by ED-cell on a case to case basis
- Violation of any MITM’s policy
- When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting in a substantial change in the profile of the company, its promoters, directors, shareholders, products or business plan.
- Change in promoters'/ founders' team without concurrence of ED-cell.
- Any change of more than 50% of equity ownership would require a prior approval of ED-cell.
- Any other reason for which ED-cell may find it necessary for an incubate company to leave.

*Notwithstanding anything written elsewhere, ED-cell's decision in connection with the exit of an incubate company shall be final and shall not be disputed by any incubate company.*

**Conflicts of interest:** *In case of conflict of interests the decision of ED-cell shall be final and binding upon the parties.*

## 5. MITM E-CELL HIERARCHY

Following figure below indicates the hierarchy of the ED Cell – MIT Mysore mission and the list of names including the chairman, convener, faculty and MITM coordinators would be published from time to time and appended to this document. Along with this, there would be a group of mentor members from the industry or academia who could be able to help the enterpruner's in their journey thorough various activities.



## 6. ROLES AND RESPONSIBILITIES

Roles and responsibilities of the ED-cell Committee is listed below and will change time to time as the MITM management feels or is as necessitated.

**Principal:** To monitor the overall activities of the ED Cell.

**Chairman ED-cell:** Various responsibilities are:

- Generate and update the policy document and associated activity with the approval of MITM.
- Conduct regular meetings with the various stake holders with the approval of MITM
- Conduct various events as envisioned above with Industry, Incubates and stake holders.
- Facilitate various aspects of the incubates such as the use of resources from MITM like Labs, Workshops, Library, etc as needed.
- Any other activity which is required to make ED-cell successful at MIT Mysore.

**Convener:** Convener of the ED-cell at MIT Mysore has the following roles:

- Convenes the committee meeting as appropriate and ensure the minutes of the meeting and any policy changes are communicated to all the stake holders.
- First point of contact for all the company/incubate to get help, provide feedback or concerns, etc, so they can be effectively addressed. Works with the Company Representatives to ensure the smooth working of the ED-cell.

## 7. ANNUAL REPORTING

Each of the Company with in the ED-cell will have an yearly review from the ED-cell committee consisting of MITM management, industry experts, etc to understand the progress made and to assess the next support, if needed, for the company to grow. The whole purpose of these review meeting is to help the ED-cell incubate to grow, prosper and to move out of the ED-cell facility. The following things are to be presented in this review by the incubate company:

- a. Introduction / Company overview
- b. Concept / Proposition / Product description
- c. Market opportunity
- d. Competition survey
- e. Development plan and milestones
- f. Marketing plan – customer acceptance details
- g. Management / Organizational chart
- h. Financials till date (Revenues, Expenditures, etc).
- i. Risks and de-risking strategies

## 8. RULES TO FOLLOW

Any organization will work smoothly with a set of rules to bound the day to day operations. The ED-cell at MITM is no exception. If there are questions on any of these rules you are requested to contact the Chairman of the Incubation Facility. The Incubates and the ED-cell members are bound by the following rules:

1. The Resident Company/Incubatee shall undertake Research & Development, Design/Testing, prototype development, Services, from MITM's premises but shall not carry out warehousing, storage, marketing sales or other commercial routine activity.
2. Subleasing or subletting of any kind of the space given by ED-CELL is not allowed. Non-observance of this rule will result in immediate expulsion
3. All the visitors to the ED-CELL Complex are required to sign in the visitor's register and collect their visitor's badges/passes. They must always bear these passes/badges while in the ED-CELL complex. They are required to return these passes/badges while leaving the building.

4. Employees of the Company/Incubates are required to be registered with the ED-cell for security purposes.
5. The space allotted to the incubate is to be returned with the same conditions as at the time of allotment, there should be no structural changes with out written permission from ED-cell.
6. All resident companies/Incubatees are required to observe health and safety standards. No hazardous material can be brought inside the complex without the prior approval of ED-CELL. All the incubatee companies are required to keep a first aid kit in the space provided to them.
7. It is the responsibility of all the resident companies and their employees to use the common facilities e.g. common area, fax & other machines etc. with due diligence and care. Also to keep the noise levels in the areas around the ED-cell with in limits. Any celebrations or any other activity should be with written permission of ED-cell.
8. All the employees and associated personnel of the Incubatee are to follow the various guidelines of the MIT Mysore such as Internet guidelines, Campus etiquette, College Disciplinary rules, Anti Sexula Harassment guidelines, etc.
9. Absolutely no Illegal activity in these premises.

The above rules may be appended/ edited from time to time as necessitated by the working of the organization.

APPENDIX: SAMPLE MOU