SISTK –INNOVATION AND ENTREPRENEURSHIP POLICY

Supported by

MoE's INNOVATION CELL (GOVERNMENT OF INDIA)

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AICTE

NATIONAL INNOVATION STARTUP POLICY (NISP)

(for students and faculty)

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Vision

- ❖ To evolve systems and mechanisms to convert the present demographic dividend into high quality technical human resource, capable of doing cutting edge research and innovation and deep-tech entrepreneurship.
- ❖ To envision an educational system oriented towards startups and entrepreneurship opportunities for students and faculties.
- ❖ To provide ways to develop entrepreneurial agenda, managing Intellectual Property Rights (IPR) ownership, technology licensing, and equity sharing in Startups or enterprises established by faculty and students.
- ❖ To bring high-quality technical human resources in terms of IPR ownership management, technology licensing, and institutional startup policy, thus enabling the creation of a robust innovation and Startup ecosystem across **Siddartha Institute of Science and Technology.**
- ❖ To help emphasize that entrepreneurship is all about creating a business, which is financially successful.

National Innovation Startup Policy 2020 for Students and Faculty

1. Strategies and Governance

- Investment in the entrepreneurial activities should be the part of the institutional financial strategy.
- Minimum 1% fund of the total annual budget of the Institution should be allocated for funding and supporting innovation and startups related activities through creation of separate 'Innovation fund'.
- The strategy should also involve raising funds from diverse sources to reduce dependency on the public funding.
- Bringing in external funding through government (state and central) such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MSDE, MSME, etc. and non-government sources should be encouraged.
- To support technology incubators, academic institutes may approach private and corporate sectors to generate funds, under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.
- Institute may also raise funding through sponsorships and donations. Institute should actively engage alumni network for promoting Innovation & Entrepreneurship (I&E).
- To establish processes and mechanisms for easy creation and nurturing of Startups/enterprises by students (UG, PG, Ph.D.), staff (including temporary or project staff), faculty, alumni and potential startup applicants even from outside the Institutions.

Students who are under incubation, but are pursuing some entrepreneurial ventures while studying should be allowed to use their address in the institute to register their company with due permission from the institution.

Importance of innovation and entrepreneurial agenda should be known across the institute and should be promoted and highlighted at institutional programs such as conferences, convocations, workshops, etc.

Micro action plan should also be developed by the affiliated institutes to accomplish the policy objectives.

Product to market strategy for startups should be developed by the institute on case-to-case basis.

2. Startups Enabling Institutional Infrastructure

To create facilities within their institution for supporting pre-incubation (e.g., IICs as per the guidelines by MHRD's Innovation Cell, EDC, IEDC, New-Gen IEDC, Innovation Cell, Startup Cell, Student Clubs, etc.) and Incubation/ acceleration by mobilizing resources from internal and external sources. This Pre-Incubation/Incubation facility should be accessible 24x7 to students, staff and faculty of all disciplines and departments across the institution.

HEIs may offer mentoring and other relevant services through Pre-incubation/Incubation units in-return for fees, equity sharing and (or) zero payment basis. The modalities regarding Equity Sharing in Startups supported through these units will depend upon the nature of services offered by these units.

3. Nurturing Innovations and Startups

Allow faculty and staff to take off for a semester / year (as sabbatical/ unpaid leave/ casual leave/ earned leave for working on startups and come back. Institution should consider allowing use of its resource to faculty/students/staff wishing to establish start up as a fulltime effort.

The seniority and other academic benefits during such period may be preserved for such staff or faculty. Start a part-time/full time MS/ MBA/ PGDM (Innovation, entrepreneurship and venture development) program where one can get degree while incubating and nurturing a startup company. AICTE has already issued guidelines for a similar program.

Institute will facilitate the startup activities/ technology development by allowing students/ faculty/ staff to use institute infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:

i Short-term/ six-month/ one-year part-time entrepreneurship training.

ii Mentorship support on regular basis.

iii Facilitation in a variety of areas including technology development, ideation, creativity, design thinking, fund raising, financial management, cash-flow management, new venture planning, business development, product development, social entrepreneurship, product-costing, marketing, brand-development, human resource management as well as law and regulations impacting a business.

iv Institute may also link the startups to other seed-fund providers/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.

In return of the services and facilities, institute may take 2% to 9.5% equity/ stake in the startup/ company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of startup.

The institute should normally take much lower equity share, unless its full-time faculty/ staff have substantial shares). Other factors for consideration should be space, infrastructure, mentorship support, seed funds, support for accounts, legal, patents etc.

For staff and faculty, institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.

Students entrepreneurs should be allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the institute.

HEIs should allow their students to take a semester/year break (or even more depending upon the decision of review committee constituted by the institute) to work on their startups and re-join academics to complete the course. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise. Institute should set up a review committee for review of start up by students, and based on the progress made, it may consider giving appropriate credits for academics.0

4. Product Ownership Rights for Technologies Developed at Institute

a. When institute facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity, IPR is to be jointly owned by inventors and the institute.

i. Inventors and institute could together license the product / IPR to any commercial organization, with inventors having the primary say. License fees could be either / or a mix of

1. Upfront fees or one-time technology transfer fees

2. Royalty as a percentage of sale-price

3. Shares in the company licensing the product

ii. An institute may not be allowed to hold the equity as per the current statute, so SPV may be requested to hold equity on their behalf.

iii. If one or more of the inventors wish to incubate a company and license the product to this company, the royalties would be no more than 4% of sale price, preferably 1 to 2%, unless it is pure software product. If it is shares in the company, shares will again be 1% to 4%. For a pure software product licensing, there may be a revenue sharing to be mutually decided between the institute and the incubated company

b. On the other hand, if product/ IPR is developed by innovators not using any institute facilities, outside 16 MIC office hours (for staff and faculty) or not as a part of curriculum by student, then product/ IPR will be entirely owned by inventors in proportion to the contributions made by them. In this case, inventors can decide to license the technology to third parties or use the technology the way they deem fit.

c. If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members (having developed sufficient IPR and translated to commercialization), two of the institute's alumni/ industry experts (having experience in technology commercialization) and one legal advisor with experience in IPR, will examine the issue after meeting the inventors and help them settle this, hopefully to everybody's satisfaction. Institute can use alumni/ faculty of other institutes as members, if they cannot find sufficiently experienced alumni / faculty of their own.

d. Institute IPR cell or incubation center will only be a coordinator and facilitator for providing services to faculty, staff and students. They will have no say on how the invention is carried out, how it is patented or how it is to be licensed. If institute is to pay for patent filing, they can have a committee which can examine whether the IPR is worth patenting. The committee should consist of faculty who have experience and excelled in technology translation. If inventors are using their own funds or non-institute funds, then they alone should have a say in patenting.

e. Interdisciplinary research and publication on startup and entrepreneurship should be promoted by the institutions

5. Organizational Capacity, Human Resources and Incentives

Institute should recruit staff that has a strong innovation and entrepreneurial/ industrial experience, behaviour and attitude. This will help in fostering the I&E culture.

Faculty and departments of the institutes have to work in coherence and cross-departmental linkages should be strengthened through shared faculty, cross-faculty teaching and research in order to gain maximum utilization of internal resources and knowledge.

Periodically some external subject matter experts such as guest lecturers or alumni can be engaged for strategic advice and bringing in skills which are not available internally.

6. Creating Innovation Pipeline and Pathways for Entrepreneurs at Institute Level

To ensure exposure of maximum students to innovation and pre incubation activities at their early stage and to support the pathway from ideation to innovation to market, mechanisms should be devised at institution level.

The institute should link their startups and companies with wider entrepreneurial ecosystem and by providing support to students who show potential, in pre-startup phase. Connecting student entrepreneurs with real life entrepreneurs will help the students in understanding real challenges which may be faced by them while going through the innovation funnel and will increase the probability of success.

For strengthening the innovation funnel of the institute, access to financing must be opened for the potential entrepreneurs. Institute must develop a ready reckoner of Innovation Tool Kit, which must be kept on the homepage on institute's website to answer the doubts and queries of the innovators and enlisting the facilities available at the institute.

7. Norms for Faculty Startups

Only those technologies should be taken for faculty startups which originate from within the same institute. In case the faculty/ staff hold the executive or managerial position for more than three months in a startup, they will go on sabbatical/ leave without pay/ utilize existing leave.

a. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.

b. In case of selection of a faculty start up by an outside national or international accelerator, a maximum leave (as sabbatical/ existing leave/ unpaid leave/ casual leave/ earned leave) of one semester/ year (or even more depending upon the decision of review committee constituted by the institute) may be permitted to the faculty.

c. Faculty must not accept gifts from the startup.

d. Faculty must not involve research staff or other staff of institute in activities at the startup and vice-versa.

e. Human subject related research in startup should get clearance from ethics committee of the institution.

8. Pedagogy and Learning Interventions for Entrepreneurship Development

Diversified approach should be adopted to produce desirable learning outcomes, which should include cross disciplinary learning using mentors, labs, case studies, games, etc. in place of traditional lecture-based delivery.

Entrepreneurship education should be imparted to students at curricular/ co-curricular/ extracurricular level through elective/ short term or long-term courses on innovation, entrepreneurship and venture development. Validated learning outcomes should be made available to the students.

Pedagogical changes need to be done to ensure that maximum number of student projects and innovations are based around real life challenges. Learning interventions developed by the institutes for inculcating entrepreneurial culture should be constantly reviewed and updated.

9. Collaboration, Co-creation, Business Relationships and Knowledge Exchange

Stakeholder engagement should be given prime importance in the entrepreneurial agenda of the institute. Institutes should find potential partners, resource organizations, micro, small and medium sized enterprises (MSMEs), social enterprises, schools, alumni, professional bodies and entrepreneurs to support entrepreneurship and co-design the programs.

The institute should develop policy and guidelines for forming and managing the relationships with external stakeholders including private industries. Knowledge exchange through collaboration and partnership should be made a part of institutional policy and institutes must provide support mechanisms and guidance for creating, managing and coordinating these relationships.

10. Entrepreneurial Impact Assessment

Impact assessment of institute's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education should be performed regularly using well defined evaluation parameters

Formulation of strategy and impact assessment should go hand in hand. The information on impact of the activities should be actively used while developing and reviewing the entrepreneurial strategy.

Impact assessment for measuring the success should be in terms of sustainable social, financial and technological impact in the market.

For innovations at pre-commercial stage, development of sustainable enterprise model is critical. COMMERCIAL success is the ONLY measure in long run.

Way Forward

Uniform and successful implementation of the 'National Innovation and Startup Policy 2020' for students and faculty is the main objective. The roadmap suggested through this document is 'broad guidelines'. The institutes are expected to make use of already available infrastructure as much as possible to achieve the implementation of suggestive measures.

Glossary

Accelerators	Startup Accelerators design programs in batches and transform promising business ideas into reality under the guidance of mentors 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 are usually 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 is an economic strategy to develop new business models, products, and services with customers, clients, a trading partner, 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	Corporate social responsibility (CSR) is a self-regulating business model that helps a company be socially accountable – to itself, its stakeholders, and the public.
Cross-disciplinary	Cross-disciplinary practices refer to teaching, learning, and scholarship activities that cut across disciplinary boundaries.
Entrepreneurial culture	A culture/ society that enhances the exhibition of the attributes, values, beliefs, and behaviors that are related to entrepreneurs.
Entrepreneurial	An individual who has an entrepreneurial mindset and wants to make his/her idea Individuals successful.
Entrepreneurship	Entrepreneurship education seeks to provide students with the knowledge, skills education, and motivation to encourage entrepreneurial success in a variety of settings.

Experiential learning	Experiential learning is the process of learning through experience and is more specifically defined as learning through reflection on doing.
Financial management	Financial Management is the application of 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 for developing startups and contributing 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) which would be applied for students working on startups. The experiential learning method will be used for teaching 'startup related concepts and contents' to introduce a positive influence on the thought processes of students. 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 to arrive at a decision while facing 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 center, is a purpose-built cluster of office spaces, labs, workrooms, and meeting areas designed to support research and development in S&T.

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).
Technology Business	Technology Business Incubator (TBI) is an entity, which helps technology-based Incubator startup businesses with all the necessary resources/support that the startup needs to evolve and grow into a mature business.
Technology	Technology commercialization is the process of transitioning technologies from the Commercialization of 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 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

CRETIFICATE

This is to certify that the Innovation and Entrepreneurship policy at SISTK, Puttur is approved by council members of governing body and it is effectively implemented in the campus to promote innovation among student community.

Head of the Institution

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