

# Student Entrepreneurship Policy

## *Role of Kerala Startup Mission (Nodal Agency)*

### *In accelerating the growth of Student Entrepreneurs*

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**Abstract:** The most talented youth of Kerala have been leaving the State in pursuit of better career options, and many of them have become successful entrepreneurs outside the State. This loss is irreparable in knowledge economy where people and ideas are more important than land or capital. To realize the true potential of Kerala, the state government, as part of the Emerging Kerala conclave in 2012, announced a Student Entrepreneurship Policy. This initiative triggered a number of young prospective entrepreneurs to come forward and start enterprises in Kerala. The aim of my study is to provide a general idea about the student entrepreneurship scheme and Kerala Startup Mission's Programmes for the universities, colleges and polytechnics in Kerala and also for the school-going students in Kerala.

**Index Terms - Entrepreneurs, Entrepreneurship, TBI, Kerala Startup Mission.**

#### 1. INTRODUCTION

Over a lakh of students in both engineering and non-engineering students graduate every year in Kerala. There are a significant number of students who have valuable entrepreneurial ideas which do not germinate and grow to completion, for want of the necessary environment and support. Allowing students both engineering and non-engineering, to start working on innovative ideas even while in universities, colleges and polytechnics could contribute significantly to the growth of a robust entrepreneurial ecosystem in the State. Government of Kerala's this big initiative to support home companies through a specific programme for student start-up companies is appreciable.

The Kerala Government implemented the Student Entrepreneurship Policy (SEP), on September 12th, 2013. Under this policy, college kids who run their own company and are part of incubators such as Startup Village are entitled to 20% attendance relaxation and 4% grace marks.

#### 2. OBJECTIVES OF THE POLICY

The Policy aims to achieve the following by year 2020;

- Attract Rs 5,000 Crore in investments into the Incubation and Start up Ecosystem in Kerala
- Provide Rs 2500 Crore for youth entrepreneurship activates for the next five years (1% of the annual State Budget)
- Create more numbers of Indian owned Global Technology companies based out of Kerala.
- Establish at least 10 Technologies Business Incubators / Accelerators in each of the different sectors in the State
- Encourage/Facilitate /Incubate at least 10,000 technology product start-ups
- Facilitate Venture Capital funding of a minimum of Rs 2000 Cr

#### 3. TECHNOLOGY BUSINESS INCUBATORS

Department of Science and Technology has setup up many TBI and Science and Technology Parks across the country in premier academic institutions to nurture entrepreneurs in varied knowledge and technology domains. Incubators are a capital efficient method for technology innovation and job creation. Technology business incubators are an effective tool for technology transfer, innovation, generating skill-based jobs and for local economic development.

Business Incubators are programmes designed to accelerate the successful development of entrepreneurial companies through an array of business support resources and services, developed and orchestrated by incubator management and offered both in the incubator and through its network of contacts. Since these programmes provide targeted business to young firms at their earliest stages of development – when they are most vulnerable – business incubators help support new ventures and result in a greater than average chance of success for new entrepreneurial ventures.

TBIs aim explicitly at incubating enterprises with high or advanced technology content. A typical TBI provides its client with a comprehensive range of services, not only the rental space at an affordable price but also a full range of business and specialized services aimed at intensifying technology utilization. TBIs generally have strict admission and exit criteria and the entrepreneurial firm is expected to graduate from the business incubators in a stipulated amount of time, (3years) or upon meeting specific growth criteria (revenues, employees) whichever is the earliest.

#### 4. WHO CAN AVAIL THE POLICY BENEFIT?

As per the current GO, the policy benefits can only be availed for the Startup Founders.

#### 5. HOW CAN YOU APPLY?

Step –1 Applicant has to Submit the duly filled Certification form and obtain the certification from the concerned Nodal Agency/ Incubator

Step – 2 Applicant should obtain attested Recommendation letter from the respective College/Institution.

Step – 3 Applicant has to send certified (above mentioned) forms along with a University requested letter addressed to the respective Registrar of the University

Any objection or dispute in certification from the Nodal agency/Incubator or attestation from the college /Institution may be filed for resolution through a resolution form addressed to the concerned Registrar of the University /Higher Education Department. (student entrepreneurship scheme for the universities,colleges and Polytechnic in kerala, 2013)

#### 6. STAGES IN THE INCUBATION PROCESS.

1. **Ideation stage:** At this stage, an expert committee formed for evaluation of the ideas will interview each entrepreneur and analyse the business potential and feasibility.
2. **Teaming and company formation:** At this stage, the team needs to register a private limited company or a limited liability partnership(LLP) or a legally recognized entity.
3. **Prototype developed/ Business started:** This is a stage when the product is ready for commercialization and needs to be certified by experts. If its a services business, the company must be legally recognized and should have started generating income according to the business plan. (Technopark, A Hand of Support for the Student Entrepreneurs in Kerala., 2013) (Student entrepreneurship scheme for the universities college, 2013)

#### 7. APPROVED INCUBATORS IN KERALA.

1. Technopark TBI, Trivandrum
2. NITK TBI, Trivandrum
3. ITIH TBI (Startup Village) Cochin
4. Amritha TBI, Kollam
5. Central Institute of Fisheries Technology TBI Cochin NRI TBI, Kollam, Cochin & Calicut. (Technopark, A Hand of Support for the Student Entrepreneurs in Kerala., 2013) (Student entrepreneurship scheme for the universities college, 2012)

#### 8. PROPOSED BUSINESS INCUBATORS.

1. National center of excellence for entrepreneurship to be set up by Kerala Government and Confederation of Indian Industries (CII)
2. Pushpagiri – Medical TBI, Thiruvalla
3. Care – Keralam – Ayurveda TBI, Trichur.

All engineering colleges and government aided engineering colleges will be entitled to apply for TBI status. (Technopark, A Hand of Support for the Student Entrepreneurs in Kerala., 2013) (Student entrepreneurship scheme for the universities college, 2012)

#### 9. STARTUP FUNDING.

KSIDC (Kerala State Industrial Development Corporation) to introduce Seed Fund for start-ups. Earlier named as Angel fund, KSIDC has created a Rs 10 Crore financial assistance to support innovative start-ups. The fund will be allocated to any innovative projects not only in IT sector but in bio-technology, agriculture, food processing, business innovation, green technology and so on. The maximum seed capital for each start-up will be Rs 25 lakh. (P, 2014)

#### 10. SELECTION PROCESS OF STUDENTS.

1. Each College will have to designate a faculty member as an entrepreneurship coordinator from among the faculty of that college.
2. Each University shall assign a faculty member as an entrepreneurship coordinator for the University.
3. The Additional Director in Charge of Supervisory Development Centre, Kalamassery will be designated as the Entrepreneurship coordinator for the Polytechnics.
4. The student entrepreneurs will have to apply to the one of the following TBIs.
  - a) Techno park TBI, Trivandrum
  - b)NITKTBI, Calicut
  - c)ITIH TBI ( Startup Village), cochin
 with a recommendation by the Entrepreneurship coordinator of the college and submit his business/technology concept for evaluation.
5. The TBI listed above shall either adopt the student for assistance or refer the student either to another suitable TBI after assessing the requirement of the student and matching the same with the skills in a TBI.
6. The TBI will provide assistance to the student entrepreneur in the preparation of the business plans including introducing the student entrepreneur to mentors to help them prepare the plan.

7. An expert committee attached to the TBI should then review the business plans or product idea submitted by the student entrepreneur. This expert committee consists of a minimum of 5 members including technical expert, a finance expert, an infrastructure expert, a marketing expert, and a business expert. The entrepreneur is invited to give a presentation to the expert committee for a thorough review of the business plan. If there are gaps in the business proposal, the committee ask the student group to rework the plan. In this process, the mentors attached to the centre should provide all the necessary assistance. Once the committee approves the admission of the entrepreneur, the enterprise will be provided with all infrastructure facilities to start operations without delay and he will be connected to any of the DST approved incubators based on the area of operation of the company. (student entrepreneurship scheme for the universities college, 2012)

### 11. PERFORMANCE REVIEW

The expert committee conducts annual, half yearly and quarterly reviews by evaluating the progress of the student entrepreneur on various areas and adequate corrective measures are advised to overcome the short falls. (Student entrepreneurship scheme for the universities college, 2012)

### 12. GRACE MARKS AND ATTENDANCE

The policy provide for 20% attendance relaxation and 4% grace marks in academic courses for students who pursue entrepreneurship and innovation during their studies. (45 projects worth Rs 40,000 cr proposed at Emerging Kerala, 2014)

STAGES	GRACE MARKS	ATTENDANCE
1) Ideation Stage	1%	5%
2) Teaming & Company formation	1%	5%
3) Prototype for technology based firms	2%	10%
Or 3b) Business services of service based firms	2%	10%

- For students to be eligible to receive the special attendance under this scheme, they should have secured a minimum of 75% attendance.
- Students shall not be allowed to avail this special attendance to skip any of the examinations fixed by the college/university/directorate of technical education as applicable.
- Students should encouraged to participate in nationally reputed idea competitions/ business plan context, entrepreneurship seminars etc. To gain maximum exposure. Duty leave may be given for this purpose.
- Students who win prizes at university/state/national level idea competitions/business plan context may also be given up to 2% grace marks in the semester in which prize was won. (student entrepreneurship scheme for the universities college, 2012)

### 13. THE SECOND PHASE OF THE POLICY

The Kerala Government has announced the rollout of its flagship Student Entrepreneurship Policy for schools, after its successful Startup Village Concept which has received 1,000 applications in 15 months. Around 10,000 bright schools students from classes VIII to XII will be chosen through an online examination and provided computers and other learning material to improve their technology skills as part of the new project.

By extending the Student Entrepreneurship Policy to school level, Kerala will seamlessly have a programme where young minds from 8<sup>th</sup> standard have opportunity to explore original thinking and learn computer programming languages in depth which will give them a great foundation to begin a start up from first year in college and have successful company by their fourth year in college, said Sanjay Vijay Kumar, Former Chairman, Board of Governors, Startup Village. (V, 2013)

Young people are going to provide the strength for Kerala's forward march, and our duty is to provide them the opportunities here at home, the former Chief Minister has said adding "It is very clear that employment and growth opportunities around the world in the next fifty years are going to be based on technology. (www.economicstimes.indiatimes.com, 2013)

The State Government launched a new project that offers 100 teams of five college students each a Startup Tool Box, which will have high-end computers, smart phones and other technology items required to create a startup company. (Kerala government announces rollout of Student Entrepreneurship Policy, 2013)

### 14. KERALA STARTUP MISSION (KSUM) MARKS AND ATTENDANCE

Kerala Startup Mission (KSUM, formerly known as **Technopark TBI**) is the nodal agency of Government of Kerala for entrepreneurship development and incubation activities in Kerala, India. The primary objectives of KSUM was to undertake the planning, establishment, and management of Technology Business Incubators/ Accelerators in Kerala. Being an apex body for all other incubators in the state, KSUM coordinate their functions to strengthen the entrepreneurship development activities of the state government, promoting knowledge driven and technology based startup ventures by students, faculties, local entrepreneurs, planning and implementing industry institute linkages and networking, setting up of R & D facilities and related facilities,

encouraging formation of IEDC and TBI's in academic institutions and capacity building programmes for human resources. (Kerala Startup Mission, 2006)

## 15. PROGRAMS OF KSUM

- **INCUBATION PROGRAMME:**

Startup incubation can usually be divided into three stages, namely a pre-incubation stage (3-6 months), an incubation stage (6-12 months) and an accelerator stage (3-6 months).

- **ACCELERATOR – PROGRAMME:**

Kerala startup Mission in association with Ernst and Young have started a Business & Technology Accelerator. The objective of the accelerator program is to offer technology and business thought leadership and mentorship support that can aid in the development of the selected start-ups incubated in the state of Kerala through a programme to facilitate business sophistication and skill enhancement of the selected entrepreneurs.

- **FAB LABS:**

With the support of Government of Kerala, KSUM has started two MIT USA Electronics Fabrication labs each at Techno park, Trivandrum and Kerala Technology Innovation Zone (KTIZ), Kochi. A Fabrication Laboratory (FabLab) is a technical prototyping platform for innovation and invention which aims at providing stimulus for local entrepreneurship and serves as a platform for learning and innovation. It is a small scale workshop offering digital fabrication which empowers the users to create smart devices for themselves which can be tailored to local or personal needs. The Fab Lab also becomes a medium for connecting to a global community of learners, educators, technologists, researchers and innovators – essentially becoming a self-sustaining global knowledge sharing network.

- **LEARN TO CODE (RASPBERRY PI PROGRAM):**

Government of Kerala launched the initiative called "Learn to Code". During the phase 1 of Raspberry Pi Distribution Programme 2500 Raspberry Pi Kits were distributed to 8th STD students. The project's aim is to add 40,000 talented youngsters from schools to the vibrant maker community being developed through community participation programmes initiated by the Kerala Start-up Mission. The students were given hands on training and have encouraged to experiment with the Pi, focused coding sessions were arranged.

- **STARTUP BOX:**

The Kerala government has introduced a scheme 'Start-Up Box program' with the Kerala Start-Up Mission (KSUM) for bring about a culture of entrepreneurship and innovation amongst its youth. Start-up Box is designed to distribute startup kits to various technology and industry verticals. Yearly the Start-up Box Initiative will provide up to 50 teams composed of college students. (Kerala Startup Mission, 2006)

Kerala Startup Mission has six incubators and is focusing on sectors like space, biotech, agriculture and electronics.

The Kerala Startup Mission (KSUM) has initiated a financial aid project, Idea Day, to provide a fund for innovative projects, ideas and products from college campuses. The innovation fund will be given to novel projects from Innovation Entrepreneurship Development Centers (IEDC) in 196 colleges across the state and technology product startups from outside. The grant is given in the Idea Grant, Prototype Grant and Scale-up Grant categories. The Idea Day will be conducted on the first Saturday of every month (Kerala Startup Mission to provide fund for ideas from colleges, 2017).

Kerala Startup Mission (KSUM) will establish 50 Fabrication Laboratories at various technical colleges in the state to train students to design and manufacture any products using advanced manufacturing machines. KSUM has earmarked Rs 10 crore for the project which will be a fabricating platform enabling students to come forward and develop their ideas in the lab. The training for teachers at the colleges had completed. (Kerala Startup Mission to establish 50 fabrication laboratories, 2017)

Kerala Startup Mission has invited more engineering colleges to start Innovation Entrepreneurship and Development Centres (IEDC) to develop innovative business ideas with market-viable products. Each IEDC centre will get Rs 2 lakh to conduct startup boot camps. Launched with an aim to boost student entrepreneurship in Kerala, startup boot camps primarily conduct workshops, seminars and leadership camps.

Students selected from these camps will get pre-incubation training from KSUM. (Startup Mission to expand "Startup Boot camps" across Kerala, 2015)

**CONCLUSION**

Kerala has been one of the top states in India to promote Entrepreneurship recently. With the launch of Startup Village and incubation Centres across Kerala, the state has been considered a more business friendly state now.

Former IT and Industries Minister P K kunahlikutty said that Kerala needs revenue from Entrepreneurship and not from liquor sales and beverages corporation. We need to promote the new models of development which includes the vibrant young and challenging minds. He also urged the young minds of Kerala to make the state first in the country to promote start-up and entrepreneurship.

The upcoming projects like Smart City in Kochi, Techno Park Expansion in Trivandrum will be considerable addition to the state's growing IT expansion plans. Hopefully within the next few years we can see major companies starting their units in Kerala and helping it to be the next Startup destination of India after Bangalore.

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