SESHADRI RAO
GUDLAVALLERU ENGINEERING OLLEGE

(An Autonomous Institute with permanent affiliation to JNTUK, Kakinada)
SESHADRI RAO KNOWLEDGE VILLAGE :: GUDLAVALLERU

INNOVATION AND ENTREPRENEURSHIP (I&E)

POLICY DOCUMENT

INNOVATION AND ENTREPRENEURSHIP (I&E)

In India a large number of technical institutions and institutions of higher learning have emerged since Independence. These institutions are churning out large number of human resources every year following conventional methods of teaching and learning. They are unable to fulfill the needs of the industry, R&D institutions and other sectors of economy. There exists a gap between the expectations of the industry, business and other economic and social sectors and the skill set of the graduates. There is an essential need to fine tune the potential of the students pursuing higher education and encourage them to transform as entrepreneurs and innovators. Realizing this veracity and aligning with the requirement of producing technically competent and entrepreneurial youth, it is proposed to focus on producing young graduates who are looking out for opportunities to exploit their full potential by setting up their own ventures and thus becoming "job generators" rather than "job seekers". This necessitates systematic interventions and new instruments which could facilitate the development and growth of new ventures by graduates. The National Assessment and Accreditation Council (NAAC) also underlines the importance of creating an Innovation Ecosystem in every Higher Education Institution. Such ecosystem for innovation includes incubation center and other entrepreneurial initiatives for creation and transfer of products and services. In this context, a new ecosystem of Innovation culminating into entrepreneurship is considered as the need of the hour and, innovation and entrepreneurship is established in the college.

Vision

To develop a world-class, self-sustaining startup ecosystem that fosters knowledge-based, technologically different, socially relevant ventures to make a positive economic impact in the region, state, nation, and the world.

Mission

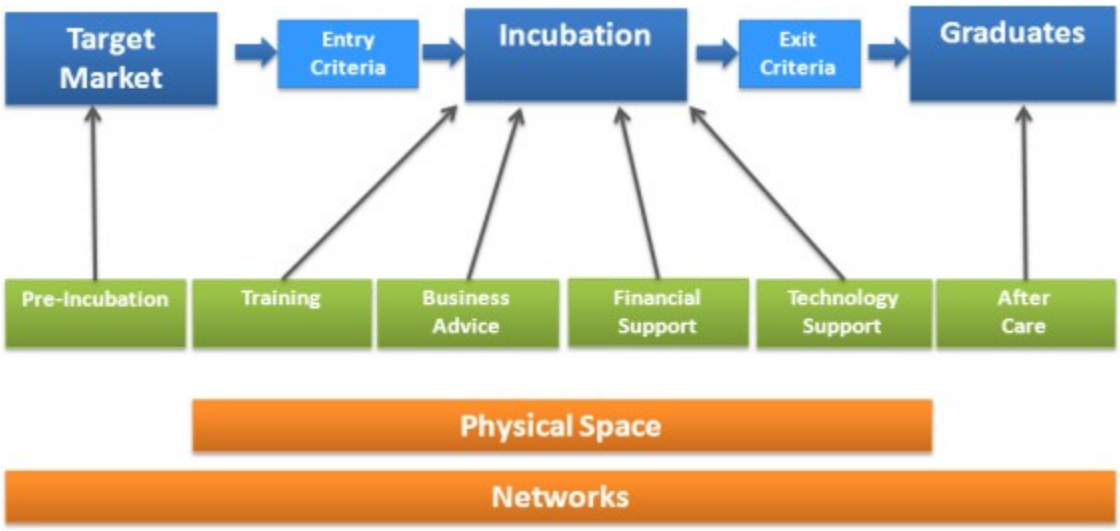
Aims to accelerate the creation of new businesses, employment and jobs in tech and non-tech sectors' aligned with unique opportunities.

- Inspiring entrepreneurial spirit and promoting innovation.
- Identify, explore, and enhance regional competitiveness.
- The university and local institutes should better leverage their intellectual property for knowledge transfer and higher productivity.

- Linking universities, businesses, and research institutions.
- Assist emerging technology businesses with growth and success.
- Making the local economy more competitive.
- A support program for high-growth SMEs.
- Employment creation.
- Support for the development of clusters within certain industries.

Objectives:

- To develop and nurture a culture of innovation and experimentation among students.
- To create an entrepreneurial ecosystem on campus to incubate and support new ideas innovations.
- To help translate innovative ideas into reality and upgrade them to the level of commercial value.
- To build a network of industry experts to mentor young startups.
- To partner with technology services to provide useful tech infrastructure for the development of products and services.
- To create promotional interventions to attract investors so that they may guide entrepreneurs on their journey to profitability.



Thrust Area:

The proposed thrust areas for the incubation are chosen based on the regional needs and the strengths of resources available to the university. These chosen areas include: rural innovation and social entrepreneurship, agri-business, information and communication technologies, data analytics, social start-ups with focus on creating social impact, creation of IPR.

Organization Structure:

- The Innovation and Entrepreneurship (I&E) will be guided by an Advisory committee under the chairmanship of the Principal.
- The advisory committee consists of faculty and experts who have excelled in technology translation.
- The advisory committee shall meet at least once in three months to take stock of activities also to suggest measures / make recommendations to I&E for better action in the respective areas.
- The chairman of advisory committee will nominate I&E members and the term of the membership shall be for two years.
- I&E shall have a Coordinator who is overall in-charge of the Center.

Start-ups Enabling Infrastructure Facilities

Creation of pre-incubation and incubation facilities for nurturing innovations and startups in SRGEC will be undertaken. Incubation and Innovation need to be organically interlinked. Without innovation, new enterprises are unlikely to succeed. The goal of the effort should be to link Innovation to Enterprise to Financial Success.

- SRGEC is in process of creating facilities for supporting pre-incubation (e.g. IICs as per the guidelines by MoE's Innovation Cell, EDC, Innovation Cell, Start-up Cell, Student Clubs, etc.) and Incubation/ acceleration by mobilizing resources from internal and external sources.
- This Pre-Incubation/Incubation facility is accessible to students and faculty members of all disciplines and departments across the college.
- Institute would offer mentoring and other relevant services through Pre-incubation/Incubation units and might charge a suitable fee for providing space to the start-ups. At times, there may be equity sharing in Start-ups supported through these

units. The extent of equity sharing will depend upon the nature of services offered by these units and are elaborately explained below.

Nurturing Innovations and Start-ups

- College will facilitate the start-up activities/ technology development by allowing students/ faculty members to use institute infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners:

  i. Mentorship support on a regular basis.
  ii. Facilitation in a variety of areas including technology development, ideation, creativity, design thinking, fund raising, new venture planning, business development, product development, social entrepreneurship, marketing, brand-development, as well as law and regulations impacting a business.
  iii. Institute may also link the start-ups to other seed-fund providers/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.

- The college will set up its own fund or set up a fund with support from multiple stakeholders and create prototype fund that will help very early-stage innovations.
- The college will financially support based on merit within the availability of funds
- The availed grant can be utilized under the major heads i.e. prototyping support, patent support and activities, events, mentoring, common institute level facility, etc.
- In return for the services and facilities, the legal entity designated by the institute may take 1% to 5% equity/ stake in the start-up/ company, based on use of brand, faculty contribution, infrastructure support and use of the institute's IPR. The legal entity designated by the institute would normally take nominal equity share, unless its full-time faculty members have substantial shares. Other factors for consideration should be space, infrastructure, mentorship support, seed-funds, support for accounts, legal, patents etc.
- For faculty members the legal entity designated by the institute would not take more than 20% of shares if that staff draws full salary from the institution; however, this share will be within the 5% cap of company share capital, listed above.
- No restriction on shares that faculty members can take, as long as they do not spend more than 10% of office time on the start-up in an advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case

the staff holds the executive or managerial position for more than three months in a start-up, then they may go on sabbatical/ leave without pay/ earned leave.

- In case of compulsory equity model, Start-up may be given a cooling period of 3 months to use incubation services on rental basis to make a final decision based on satisfaction of services offered by the legal entity designated by the institute/incubator. In that case, during the cooling period, the legal entity designated by the institute cannot force start-ups to issue equity on the first day of granting incubation support.
- The institute could consider providing services based on a mixture of equity, fee based and/ or zero payment model. So, a start-up may choose to avail only the support, not seed funding, by the institute on rental basis.

Product Ownership Rights - Technologies Developed at Institute

- When college 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.
- On the other hand, if product/ IPR is developed by innovators not using any institute facilities, outside 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.
- Institute IPR cell or incubation centre will only be a coordinator and facilitator for providing services to faculty, staff and students.

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.
- Spreading awareness among students, and faculty members about the value of entrepreneurship and its role in career development or employability should be a part of the institutional entrepreneurial agenda example like arranging Business Plan Competition.

- Students/ faculty members should be taught that innovation (technology, process or business innovation) is a mechanism to solve the problems of the society and consumers.
- Students should 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. Initiatives like idea and innovation competitions, hackathons, workshops, boot camps, seminars, conferences, exhibitions, mentoring by academic and industry personnel, throwing real life challenges, awards and recognition should be routinely organized.
- The college will help student innovations to emerge, to grow and to scale up every year through the help of all the resources in its campus.
- The students, who wish to convert their projects into products/services and want to set up start-ups, will be supported. The college will extend training and basic facilities to help its innovators file patent applications.
- The college will provide common facilities for operations such as legal, accounting and basic administration.

Norms for Faculty Start-ups

- Faculty members are also encouraged to involve themselves in entrepreneurial activities. They may support the Institutions in the following manner.
    i. Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.
    ii. Faculty members shall float their own start-ups without compromising their assigned academic duties.
    iii. Faculty startup may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.

Impact Assessment:

- Impact assessment of department entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education should be performed regularly using well defined evaluation parameters.
- Monitoring and evaluation of knowledge exchange initiatives, engagement of all departments and faculty in the entrepreneurial teaching and learning shall be assessed periodically.

- Number of startups created, support system provided at the department level and satisfaction of participants, new business relationships created by the departments shall be recorded and used for impact assessment.
- Impact shall also be measured for the support system provided by the departments to the student entrepreneurs, faculty and staff for pre-incubation, incubation, IPR protection, industry linkages, exposure to entrepreneurial ecosystem, etc.
- 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 strategy.

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