



**INNOVATION, STARTUP &
ENTREPRENEURSHIP POLICY
(ISEP 2020)
of
NIT HAMIRPUR
HIMACHAL PRADESH**

Innovation, Startup Advisory and a Guiding Framework



1. OVERVIEW

The **Innovation, Startup and Entrepreneurship Policy** of NIT Hamirpur is conceptualized to facilitate the students and faculty members of the Institute and other innovative minds to explore their Innovation and Entrepreneurship skills towards product development. The cell is committed to provide scientific, technical and managerial exposure and it will help the innovators to conceptualize their ideas through the work exposure, by hands on experiences and conducive environment for the startup ideas. It aims to provide innovative minds the hand holding platform to nurture their ideas, build the prototypes and safeguard the intellectual property rights. The Incubation, Startup and Entrepreneurship Cell (IS&EC) will be supported by academically sound faculty and technically qualified manpower in various labs. Each incubate will be provided with mentors of relevant field to give all possible advice and technical help to develop and scale up their ideas to achieve the end product and suitable guidance to roll out the product in the potential market apart from rendering suitable guidance towards intellectual property related issues.

2. VISION

- Developing a strong eco innovation system in line with the requirements of societal needs by encouraging startup activities to bring about sustainable and dynamic growth apart from generating employment opportunities.

3. MISSION

- To identify the societal needs and to facilitate startup activities for the innovative minds
- To motivate, inspire and facilitate the students, staff, faculty and all others who have innovative ideas and inquisitiveness towards product development
- To provide the incubate with the technical skills towards giving shape to the ideas into the product formation through appropriate design and fabrication

4. OBJECTIVES

- To create a startup ecosystem
- To promote creative thinking and efficient work culture
- To develop communication, marketing and management skills
- To assist in drafting productive business plans
- To liaison for securing finance through venture capitalists.
- To help in converting innovations into marketable products

5. INTRODUCTION

In the year 2019 the Ministry of Human Resource Development (now Ministry of Education), circulated the National Innovation and Startup Policy 2019 for students and faculty of Higher Education Institutions (HEIs). Approach towards taking innovative projects and societal problem solving capability will ensure that ‘Innovation and Startup’ becomes a technical culture which is in line with the policy framework and guidelines. The framework was created by a fifteen member committee on various aspects related to innovation, Startup and entrepreneurship management. This committee deliberated on various facets for nurturing the innovation and Startup culture in HEIs, which covered Intellectual Property ownership, revenue sharing mechanisms, norms for technology transfer and commercialization, equity sharing, etc. to enable the institutes to actively engage students, faculties and staff in innovation and entrepreneurship related activities.

Innovation and Entrepreneurship will help India to become 5 trillion-dollar economy in near future. To reach this target, an appropriate mechanism needs to be evolved to reap the present demographic dividend through technical human resource available which has the potential to carry out research and innovation and consequently take up startup activities and entrepreneurship. In the present situation the Startup India initiative will help in building an effective ecosystem, which in turn may lead to convert business ideas into a reality.

In line with the NISP 2019 guiding framework, Innovation, Startup and Entrepreneurship Policy (ISEP) 2020 has been framed to exemplify the culture of innovation in the Institute. These guidelines will enable the institute to actively support the faculty, staff and students to actively participate in innovation and entrepreneurship (I&E) related activities, thus encouraging students and faculty to consider start-ups and entrepreneurship as a career option.

6. Pre-Incubation, Incubation support

- i. To nurture and support various initiatives, facilities shall be created and/or upgraded in all the Departments and the Central facilities for facilitating the students to independently work on their innovative ideas. Frequent innovative, competitive technical events such as Hackathons shall be conceptualized under various Societies/Clubs of the Departments and the Institute Innovation Council (IIC).
- ii. Efforts to be made through proper intervention of Head, Department of Management Studies and other likeminded faculty members to judge the potential of students in undertaking Pre-incubation/incubation or startup activities through suitable mechanism.
- iii. The Incubation, Innovation & Entrepreneurship Cell (IIEC) has already been established in the Institute with Innovative Research Incubation Club (IRIC) as a

student club for NITH students, which aims to provide a multi-vibrant inter disciplinary platform for all activities related to pre-Incubation and Incubation. The Institute will facilitate conversion of innovative ideas from the pre-incubation stage to incubation/acceleration to startup and help to scale this up to entrepreneurship. The IIEC shall also act as **Accelerator and Incubation Unit**.

- iv. A sustainable financial support is required for taking up innovative projects and the Institute aims to set up an Innovation and Startup Fund by allocating 1% of the total annual budget of the institution for funding and supporting innovation and startups related activities. The Institute shall also be reaching out to the Alumni and other agencies/organizations for actively supporting the activities by contributing towards this initiative.
- v. A committee shall examine innovative proposals received from time to time and assign a suitable mentor and financial assistance to support the ideas through various stages.

7. Nurturing and Safeguarding Innovation

- i. The Institute shall devise its IPR policy so as to encourage the protection of the respective innovative ideas. This structural approach will help in establishing a footprint in the Atal Ranking of Institutions on Innovation Achievements (ARIIA) as well. To reinforce this, the students shall be encouraged to take up the projects based on realistic problems.
- ii. To encourage students towards taking up innovative projects/ business models or startup activities the following mechanism is proposed to be put in place with the approval of Senate:
 - a. to make a provision for earning credits against their involvement in such activities;
 - b. to work part time on their startup along with their studies;
 - c. to work on Startup project (with in or in interdisciplinary field) in place of Projects/ Seminars/Summer Training;
 - d. to make a provision towards allowing student entrepreneurs to take up the examination, even if their attendance is less than the minimum permissible percentage;
 - e. to allow student entrepreneurs to earn academic credits for their efforts while creating an enterprise;
 - f. to allow the 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.
 - g. to 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
 - h. To add regular or elective courses related to Entrepreneurship in the curriculum in such a way that these specific courses lead to a PG/Diploma /Certificate programme.

- iii. The Institute may consider to allow the faculty and staff to take off for a semester/ year (or even more depending upon the decision of review committee constituted by the institute) as sabbatical/ unpaid leave/ casual leave/ earned leave for working on startups and come back. Institution would consider allowing use of its resources to faculty/staff wishing to establish start up as a fulltime effort. The seniority and other academic benefits of the working employees during such period may be preserved at the level of the Institute.
- iv. IIEC shall take up initiatives to formulate a mechanism of organizing short-term/ six-month/ one-year part-time entrepreneurship training programmes. Such programmes may be open to students of the Institute and other interested persons. Suitable fee mechanism may be kept to sustain the running of such training programmes.
- v. The Institute aims to provide a loan of up to Rs. 1 Lakh (as seed money) to the Student Entrepreneurs out of Consultancy fund and Registration fee collected. It is proposed to use 10 % of the Consultancy fund and 50% of the registration fee collected from FDPs/STPs/Workshops/Conferences towards this loan. The loan must be returned within three years.
- vi. Faculty must participate in startup related activities and need to consider it as a legitimate activity in addition to teaching, R&D projects, consultancy and other assigned duties.
- vii. 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, space and infrastructure used, provision of mentorship support, seed funds, support for accounts, legal, patents etc.
 - a. 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.
 - b. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, they will be required to go on sabbatical/ leave without pay/ earned leave.

8. Ownership Rights for Technologies Developed at the Institute

- i. When institute facilities / funds are used substantially, IPR is to be jointly owned by inventors and the institute.
 - a. Inventors and institute could together license the product / IPR to any commercial organisation, 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 Special Purpose Vehicle 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.

9. Strengthening Outreach Activities Through Proper Network

- i. The Heads of respective departments must arrange some external subject matter experts to deliver guest lectures for the benefit of the students on the same lines as is being done at present, however, it should be a routine matter and at least two such guest lectures may be arranged from the experts from academia and or Industry through online/offline mode as per the availability of the expert speaker.
- ii. Dean (Alumni and Resources) in consultation with Heads of respective departments may reach out to alumni to engage them for strategic advice and bringing in skills and idea sharing through expert lectures or interaction. Efforts to arrange one such event in one semester may be made.

10. Interventions for Entrepreneurship Development

- i. Institutes aims to start two annual awards on ‘INNOVATION’ and ENTREPRENEURSHIP’ to recognize outstanding ideas, successful enterprises and contributors for promoting innovation out of the Innovation and Startup Fund.
- ii. Interdisciplinary innovation theme based competitive events shall be organized by different student clubs and bodies.

11. Collaboration and Knowledge Exchange

- i. Workshops on Innovation, Startup, and Entrepreneurship shall be frequently organized for the benefit of students. At least one such event should be arranged in one semester.
- ii. Frequent Interactions between the Incubates and Alumni/Entrepreneur may be arranged.
- iii. Students may take up internship in MSMEs or in close supervision of Alumni.

12. Startup Activities

- i. To identifying technologies/innovations which have potential to become ventures.
- ii. To provide appropriate support mechanism required for the incubation activities.
- iii. To nurture and promote entrepreneurship spirit.
- iv. To assign mentors and facilitate networking with experts required by the incubate
- v. To managing Incubation and Acceleration programs and provide proper social entrepreneurship ecosystem.
- vi. To evaluate applicants’ creativity, innovation, acceleration capabilities.
- vii. To act as a link for providing guidance to start-ups for fundraising and financial support.
- viii. To provide strategic assistance to entrepreneurs in different areas towards self-sustenance.

13.Startup Operating Model

A qualified team from the Institute will evaluate the proposal submitted by the applicant through presentation and discussion. If the proposal is found to have potential, suitable space allotment shall be done post registration and signing of the MoU. The incubate company shall be provided shared space to start with to bring its ideas to reality with the support of the Institute.

14.Handholding Support

The Institute will provide appropriate handholding support to all incubator companies for as per mutually agreed terms and conditions. The incubatee shall be provided with dedicated mentorship and he/she can remain in touch with appropriate means such as electronic or in person meeting. The Institute may look towards creating Technology Business Incubators (TBI) depending on the requirement and success of the policy.

It is expected that proper structural support for materializing the innovation through prototype development, protection of IPR, platform to showcase the product, and similar challenges will get mitigated through this conceptualized policy document. It is anticipated that the student innovators will find conducive environment to turning their startups to product development for marketing.

The disputes in ownership, if any, will be resolved with mutual discussion, however, if the issue remains unsettled, a five membered committee consisting of two senior faculty members, two of the institute's alumni/ industry experts and one legal advisor preferably with suitable experience in IPR, will examine the issue after meeting the inventors and help them settle the dispute.