
Innovation and Startup Policy

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1. Introduction

The Government of India's initiative to nurture the spirit of innovation among academic institutions and translate these into products, processes and services for commercial exploitation has manifested in two policy guidelines: (a) the National Innovation and Startup Policy (Ministry of Education, Sep 2019); and (b) Draft guidelines for Intellectual Property Rights (IPR) in academic institutions (Department of Industrial Policy and Promotion, Sep 2019).

Indian Institute of Information Technology, Design & Manufacturing, Kancheepuram (IIITDM Kancheepuram), hereafter referred to as the 'institute', has reviewed these policies and after consultation with faculty, staff and a cross-section of students has decided to adopt them with some minor refinements to support its specific context. This document outlines the key elements of the Innovation and Startup Policy of the institute.

2. Terminology:

- Director: means director of the Indian Institute of Information Technology, Design & Manufacturing, Kancheepuram
- Intellectual Property Rights (IPR): means ownership and associated rights relating to aforementioned Intellectual Property, either registered or unregistered, and including applications or rights to apply for them and together with all extensions and renewals of them, and in each and every case, all rights or forms of protection having equivalent or similar effect anywhere in the world
- Startup: An entity shall be considered as a Startup as per the following guidelines of the Ministry of Commerce and Industry, Gazette Notification No. G.S.R. 34 (E) dated January 16, 2019:
 - i. Entity is working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation. Provided that an entity formed by splitting up or reconstruction of an existing business shall not be considered a 'Startup'
 - ii. Upto a period of ten years from the date of incorporation/ registration, if it is incorporated as a private limited company (as defined in the Companies Act, 2013) or registered as a partnership firm (registered under section 59 of the Partnership Act, 1932) or a limited liability partnership (under the Limited Liability Partnership Act, 2008) in India
 - iii. Turnover of the entity for any of the financial years since incorporation/ registration has not exceeded one hundred crore rupees.

3. Innovation and Startup Policy:

3.1 Objective and Scope:

- a. The objective of the Innovation and Startup Policy is to enable the faculty, staff and students of the institute to participate in innovation and entrepreneurship activities, and encouraging them to consider entrepreneurship and startup as a career option
- b. This policy shall apply to all faculty, staff and students who have established legal relationship with the institute. Such a legal relationship may arise pursuant to the provision of law, collective agreement or individual agreement (may refer to employment/ retainership contract/ pursuance of studies or any other legal arrangement). The policy also encourages involvement of the institute's alumni, and local industry in the entrepreneurship and startup activities.

3.2 Strategies and Governance

- a. Entrepreneurship promotion and development is one of the key dimensions of the institute's vision and strategy. The institute will use the ARIIA ranking framework to set objectives and track the different performance indicators and guide actions.
- b. The entrepreneurial agenda of the institute will be the responsibility of the Dean (Design, Innovation and Incubation). Since promoting entrepreneurship requires a different type of mindset as compared to other academic activities, this role may be staffed by a faculty or staff or external hire who understands the industry and above all business
- c. Resource mobilization plan should be worked out at the institute for supporting pre-incubation, incubation infrastructure and facilities. A sustainable financial strategy should be defined in order to reduce the organizational constraints to work on the entrepreneurial agenda
 - i. Investment in the entrepreneurial activities should be a part of the institutional financial strategy. The institute will create a separate 'Innovation Fund' and work towards allocating a minimum 1% fund of the total annual budget of the institution for funding and supporting innovation and startups related activities
 - ii. 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, MeitY, MSDE, MSME, etc. and non-government sources should be encouraged.
 - iii. 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
 - iv. Institute may also raise funding through sponsorships and donations. Institute should actively engage alumni network for promoting Innovation & Entrepreneurship (I&E).
- d. For expediting the decision making, hierarchical barriers should be minimized and individual autonomy and ownership of initiatives should be promoted

- e. 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. The Institute Innovation Council comprising student and faculty representatives will play an important role in the above, along with student clubs
- f. The I&E strategy will embrace the entrepreneurial activities across various centers, departments, faculties, within the institute, thus breaking the silos. The objectives of the units may be aligned with the overall objectives and performance indicators
- g. Product to market strategy for startups may be developed by the institute on case to case basis
- h. Development of entrepreneurship culture should not be limited within the boundaries of the institution. Faculty and staff may participate in initiatives to promote startups outside the institute with prior approvals
 - i. The institute must strive to be the driving force in developing entrepreneurship culture in its vicinity (regional, social and community level). This shall include giving opportunity for regional startups, provision to extend facilities for outsiders and active involvement of the institute in defining strategic direction for local development.
 - ii. Strategic international partnerships should be developed using bilateral and multilateral channels with international innovation clusters and other relevant organizations. Moreover, international exchange programs, internships, engaging the international faculties in teaching and research should also be promoted.

3.3 Startups Enabling Institutional Infrastructure

Creation of pre-incubation and incubation facilities for nurturing innovations and startups in HEIs institutions should 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 ENTREPRISES to FINANCIAL SUCCESS

- a. The institute may create and continuously improve facilities to support 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
- b. The Pre-Incubation/Incubation facility should be accessible 24x7 to students, staff and faculty of all disciplines and departments across the institution
- c. Pre-incubation facilities may or may not be a separately registered entity or Special Purpose Vehicle (SPV), but it is recommended that 'Incubation cum Technology Commercialization Unit' (ITCU) must be a separate entity preferably registered under Section-8 of Company Act 2013 or 'Society' registered under Society Registration Act with independent governance structure. This will allow more freedom to Incubators in decision making with less administrative hassles for executing the programs related to innovation, IPR and Startups. Moreover, they will have better accountability towards investors supporting the incubation facility
- d. Institute may offer mentoring and other relevant services through Pre-incubation/Incubation units in-return for fees (or) zero payment basis. The institute may not hold the equity as per the current statute, so SPV (Section 8 company – MaDeIT Innovation

Foundation) may be requested to hold equity on its behalf. The modalities regarding Equity Sharing in Startups supported through these units will depend upon the nature of services offered by these units.

3.4 Nurturing Innovations and Startups

- a. The institute will encourage creation and nurturing of Startups/enterprises by students (UG, PG, Ph.D.), staff (including temporary or project staff), and faculty. They will be encouraged to apply for incubation with the institute's incubator. However, the selection of the startup for incubation will be as per the guidelines of the incubator (MaDeIT Innovation Foundation)
 - a. The institute will allow licensing of IPR from institute to start up as per the IPR policy. Students and faculty members intending to initiate a startup based on the technology developed or co-developed by them or the technology owned by the institute, may be given a license on the said technology as per the IPR policy.
 - i. The institute will encourage students to intern with the startups incubated in any recognized incubator while studying.
 - ii. Student inventors will also be allowed to opt for developing their startup in place of their mini project/ major project, seminars, summer trainings. The area in which student wants to initiate a startup may be interdisciplinary or multidisciplinary. However, the student must describe how they will separate and clearly distinguish their ongoing research activities as a student from the work being conducted at the startup
- b. Students entrepreneurs will be allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the institute
- c. The institute will 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 will 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
- d. The institute, depending on availability, will provide accommodation to the entrepreneurs within the campus for some period of time
- e. The institute will allow 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 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
- f. The institute will consider starting a part-time/full time Masters program in Innovation, entrepreneurship and venture development program where one can get degree while incubating and nurturing a startup company
- g. Institute may 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
- v. License institute IPR as discussed in the IPR policy
- h. Participation in startup related activities will be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and must be considered while evaluating the annual performance of the faculty. Every faculty may be encouraged to mentor at least one startup
- i. Product development and commercialization as well as participating and nurturing of startups would now be added to a bucket of faculty-duties and each faculty would choose a mix and match of these activities (in addition to minimum required teaching and guidance) and then respective faculty are evaluated accordingly for their performance and promotion
- j. Institute will also update/change/revise performance evaluation policies for faculty and staff as stated above
- k. The institute at no stage will have any liability accrue to it because of any activity of any startup. Students who intend to pursue entrepreneurial ventures cannot use the institute address to register their company

3.5 Product Ownership Rights for Technologies Developed at Institute

- a. The ownership of IP will be as per the IPR policy of the institute
- b. All institute's decision-making body with respect to IPR / technology-licensing / incubation will consist of faculty and experts who have excelled in technology translation
- c. Interdisciplinary research and publication on startup and entrepreneurship should be promoted by the institute.

3.6 Organizational Capacity, Human Resources and Incentives

- a. Institute should recruit staff that have a strong innovation and entrepreneurial/ industrial experience, behavior and attitude. This will help in fostering the I&E culture
 - i. Some of the relevant faculty members with prior exposure and interest should be deputed for training to promote I&E
 - ii. To achieve better engagement of staff in entrepreneurial activities, institutional policy on career development of staff should be developed with constant upskilling.
- b. 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
- a. 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. Such experts may be paid honorarium as per the institute norms
- b. Faculty and staff are encouraged to do courses on innovation, entrepreneurship management and venture development using their professional development fund

- c. In order to attract and retain right people, institute in consultation with the Board of Governors will develop academic and non-academic incentives and reward mechanisms for all staff and stakeholders that actively contribute and support entrepreneurship agenda and activities.
 - i. The reward system for the staff may include sabbaticals, office and lab space for entrepreneurial activities, reduced teaching loads, awards, trainings, etc.
 - ii. The recognition of the stakeholders may include offering use of facilities and services, strategy for shared risk, as guest teachers, fellowships, associateships, etc
 - iii. A performance matrix will be developed and used for evaluation of annual performance

3.7 Creating Innovation Pipeline and Pathways for Entrepreneurs at Institute Level

- a. 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, the institute will rely on the following mechanisms
 - i. The Design Spine curriculum at undergraduate level will be the main channel for cultivating this process. Students shall be taught that innovation (technology, process or business innovation) is a mechanism to solve the problems of the society and consumers. Entrepreneurs should innovate with focus on the market niche. And Students will 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, bootcamps, seminars, conferences, exhibitions, mentoring by academic and industry personnel, throwing real life challenges, awards and recognition shall be routinely organized. This tight integration between design-centric education and enterprise related activities will be persisted by the institute
- b. The institute shall provide 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
- c. The institute shall allocate an appropriate budget for the Institute Innovation Council (IIC) for its activities. IIC will organize various activities related to innovation, startup and entrepreneurship development. Collective and concentrated efforts will be required to identify, scout, acknowledge, support and reward proven student ideas and innovations and to further facilitate their entrepreneurial journey

3.8 Norms for Faculty Startups

- a. For better coordination of the entrepreneurial activities, norms for faculty to do startups should be created by the institutes. Only those technologies should be taken for faculty startups which originate from within the same institute.
 - i. Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.

- ii. Institutes should work on developing a policy on 'conflict of interests' to ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the startup activities.
- 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
- b. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, they will go on sabbatical/ leave without pay/ utilize existing leave
- c. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company
- d. 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.
- e. Faculty must not accept gifts from the startup
- f. Faculty must not involve research staff or other staff of institute in activities at the startup and vice-versa
- g. Human subject related research in startup should get clearance from ethics committee of the institution

3.9 Pedagogy and Learning Interventions for Entrepreneurship Development

- a. 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
 - i. Student clubs/ bodies/ departments must be created for organizing competitions, bootcamps, workshops, awards, etc. These bodies should be involved in institutional strategy planning to ensure enhancement of the student's thinking and responding ability
 - ii. Institute may create an annual 'INNOVATION & ENTREPRENEURSHIP AWARD' to recognize outstanding ideas, successful enterprises and contributors for promoting innovation and enterprises ecosystem within the institute
 - iii. For creating awareness among the students, the teaching methods should include case studies on business failure and real-life experience reports by startups
 - iv. Tolerating and encouraging failures: Our systems are not designed for tolerating and encouraging failure. Failures need to be elaborately discussed and debated to imbibe that failure is a part of life, thus helping in reducing the social stigma associated with it. Very importantly, this should be a part of institute's philosophy and culture.
 - v. The Institute Innovation Council may comprise innovation champions from within the students/ faculty/ staff for each department/ stream of study
- b. 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.

- i. Integration of expertise of the external stakeholders should be done in the entrepreneurship education to evolve a culture of collaboration and engagement with external environment
 - ii. In the beginning of every academic session, institute may conduct an induction program about the importance of I&E so that freshly inducted students are made aware about the entrepreneurial agenda of the institute and available support systems. Curriculum for the entrepreneurship education should be continuously updated based on entrepreneurship research outcomes. This should also include case studies on failures
 - iii. Industry linkages should be leveraged for conducting research and survey on trends in technology, research, innovation, and market intelligence
 - iv. Student innovators, startups, experts must be engaged in the dialogue process while developing the strategy so that it becomes need based
 - v. Customized teaching and training materials should be developed for startups
 - vi. It must be noted that not everyone can become an entrepreneur. The entrepreneur is a leader, who would convert an innovation successfully into a product, others may join the leader and work for the startup. It is important to understand that entrepreneurship is about risk taking. One must carefully evaluate whether a student is capable and willing to take risk.
- c. 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 institute for inculcating entrepreneurial culture may be constantly reviewed and updated

3.10 Collaboration, Co-creation, Business Relationships and Knowledge Exchange

- a. 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
 - i. To encourage co-creation, bi-directional flow/ exchange of knowledge and people should be ensured between institutes such as incubators, science parks, etc.
 - ii. Institute should organize networking events for better engagement of collaborators and should open up the opportunities for staff, faculty and students to allow constant flow of ideas and knowledge through meetings, workshops, space for collaboration, lectures, etc.
 - iii. Mechanism should be developed by the institute to capitalize on the knowledge gained through these collaborations.
 - iv. Care must be taken to ensure that events DON'T BECOME an end goal. First focus of the incubator should be to create successful ventures.
- b. 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
 - i. Through formal and informal mechanisms such as internships, teaching and research exchange programmes, clubs, social gatherings, etc., faculty, staff and students of

the institutes should be given the opportunities to connect with their external environment.

- ii. Connect of the institute with the external environment must be leveraged in form of absorbing information and experience from the external ecosystem into the institute's environment.
- iii. The institute may plan for an innovation knowledge platform using in-house Information & Communication Technology (ICT) capabilities.

3.11 Entrepreneurial Impact Assessment

- a. Impact assessment of institute's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education shall be performed using the Atal Ranking of Institutions on Innovation Achievement (ARIIA) on an annual basis.
 - i. Monitoring and evaluation of knowledge exchange initiatives, engagement of all departments and faculty in the entrepreneurial teaching and learning should be assessed
 - ii. Number of startups created, support system provided at the institutional level and satisfaction of participants, new business relationships created by the institutes should be recorded and used for impact assessment
 - iii. Impact should also be measured for the support system provided by the institute to the student entrepreneurs, faculty and staff for pre-incubation, incubation, IPR protection, industry linkages, exposure to entrepreneurial ecosystem, etc.
- b. 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
- c. 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