Oriental College of Technology

Incubation and Entrepreneurship Policy Guidelines For Faculty and Students

ORIENTAL COLLEGE OF TECHNOLOGY, BHOPAL

Approved by AICTE, New Delhi & Govt. of M.P.

Affiliated to Rajiv Gandhi Proudyogiki Vishwavidyalaya, Bhopal

Oriental Campus, Raisen Road, Bhopal-462021 (MP)

Phone No.-0755-2529015, 2529016, Fax: 0755-2529472, E-mail: directoroct@oriental.ac.in

Website: http://www.oriental.ac.in/oct-bhopal

Contents

I. About OCT Incubation Centre (OCT–IC)

OCT-IC Bhopal is established for nurturing innovation by encouraging, supporting & promoting technology-based startups / entrepreneurships and providing an ecosystem for their growth by Incubating in the Centre. The Incubation Centre is dynamically involved in evolving the paradigm of entrepreneurial approach and environment of ideating, creating and commercializing the ventures at the institute or any other startups aligned to the core theme of Foundation.

The Main Objectives of OCT-IC

- To encourage and promote innovation and assist start-up companies by establishing and providing physical infrastructure
- To provide incubation services to innovation and start-up companies by facilitating technology and management consulting services and guidance.
- To conduct entrepreneurial activities and create culture of innovation and entrepreneurship leading to technology-based start-ups

Our focus and thrust Areas for the Incubation are

- Software / IT based solutions
- Electrical and Electronics
- Automation
- Material Engineering

II. OCT-I&E Policy

Based on the above National Innovation Start-Up Policy [1], Madhya Pradesh Startup Policy and Implementation Scheme [2], the OCT-IC Faculty, Staff, Students and Stakeholder Startup Policy 2021 is developed. This policy addresses the following:

1 Strategies and Governance
2 Start-ups Enabling Institutional Infrastructure
3 Nurturing Innovations and Start-ups
4 Norms for the Faculty, Staffs and Students Startups
5 Intellectual Property Rights Protection and licensing
6 Monitoring
7 Review

1. Strategies and Governance

- Establishment of Entrepreneurship promotion, development and implementation at the institution is headed by a willing and qualified Senior Professor to promote start-ups, entrepreneurship and innovation in the Institute.

- Importance of innovation, implementation of policy and entrepreneurial activities should be promoted for the entire institute through the institutional programs such as conferences, workshops, internships, etc.

- Investment for the OCT-I&E activities must be upto 1% fund of the total annual budget of the institution.

- The policy is presumed to nurture innovation, investment in R&D, infrastructure, knowledge creation, technological development and skilled manpower, resulting in high growth entrepreneurial ventures.

- Extending support to social entrepreneurship for a positive social impact and inclusion.

- Allowing start-ups to define, develop and follow best practices that ensure the business activities are conducted effectively without adding unnecessary risks.

- Ensuring that organizations are run in a transparent, ethical manner, promoting good business practice.

2. Start-ups Enabling Institutional Infrastructure

- Creation of pre-incubation (as per the guidelines by MHRD's Innovation Cell) and incubation centre and facilities in the institute by using internal / external resources.

- Pre-Incubation / Incubation facility will be accessible in the institute timings to students, staff and faculty members of all the disciplines and departments across the institution to bridge the gap between the innovators and incubators.

Facilities

- **Infrastructural support** in terms of an air-conditioned co-working space, with round the clock operations, institutional security and availability of facility management team for any instant need.

- 1 Co-working Space: Well designed and furnished official dedicated workspace Incubation Centre is available for the Incubate. The Incubation unit is designed with plug and play facility with high speed wireless and wired connectivity. Meeting and conference rooms are available for brainstorming and discussions.

2   Conferencing Facility: Meeting rooms with audio and video conference facilities are available. Large conference halls facility of OCT can be utilized by Start-up based on availability and as per rules of OCT.

3   Library: Well-established library services are accessible with access to research papers and international journals database.

4   Eatery: A pantry is available with refrigerator, heating flask and water cooler for startups. Mess providing food and snacks and coffee shops are available at OCT campus.

5   Miscellaneous: Hostel facilities are available on request depending on availability. Incubate can participate and attend various expert sessions and talks and other course works. Startup can participate in workshop and expert sessions conducted by OCT.

- **Industry compatible IT infrastructure** comprising of high-speed internet connectivity with high dedicated bandwidth. All the necessary IT devices are always made available on request.

  1   Meeting room and video conferencing facilities are also available.

  2   Specialized hardware and computing devices made available as per request.

  3   Server space and Application testing infrastructure would also be provided depending on the requirement.

  4   Photocopier, office phones and desktop computers (as per need & availability) are provided.

3. Nurturing Innovations and Start-ups

- OCT-IC provides Pre-Incubation and Incubation support in various kinds and services as per the requirement needed.

- It provides a common working platform in terms of motivation, guidance, mentoring, value-based collaboration, physical co-working spaces and facilities for virtual incubate.

- The overall services extend to infrastructural, technological, mentorship, knowledge-based support and services.

- Provide training programs for both start-ups as well as other needy persons on the entrepreneurship skills to bridge the gap between industry requirement and current curriculum.

- Networking events must be organized to create a platform for the budding entrepreneurs to meet the Investors and pitch their ideas.

Services

Institute will facilitate the start-up 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:

- Short-term part-time entrepreneurship training.

- Mentorship support on regular basis.

- Facilitation in a variety of areas including technology guidance, ideation, creativity, design thinking, development, R&D Support, fund raising, financial management, new venture planning, business development, product development, social entrepreneurship, product costing, marketing and Outreach, Legal support, brand- development, human resource management as well as law and regulations impacting a business.

- The Center will provide technical mentorship, business mentorship and financial advisory services. It will further also work towards knowledge management and outreach, exposure to incubate.

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

- Intern Assistance well-trained students will be made available as interns; for technologies, core team etc., can be employed as per need & requirement in domains of technology, creativity, business etc. as per the rules and regulations of OCT.

- Grants & Fellowships and, need based financial services are provided upon thorough examination of the application and decision taken by the advisory committee. Assistance in getting loans would be another support.

- Seed Funding Support will be provided to start-ups after analyzing the potential and scalability factors with the approval of the special committee constituted whenever needed.

- Deferred Payment Provisions for deferring the Incubation charges are also available to minimize the financial burden on start-up on very soft terms on prior approach and approval by the members of OCT-IC.

4. Norms for the Faculty, Staffs and Students Startups

This policy permits faculty, staff and students to transform the ideas based on IPR owned / co-owned by them for running Entrepreneurship / Startup Company. Faculty startup may have a faculty member alone or with students or with faculty of other institutes or alumni or with other entrepreneurs. The following mechanisms are evolved for running such a company within the Institute.

For Faculty and Staffs

a. The Institute may provide space, infrastructure, mentorship support, seed funds, support for accounts, legal, IPRs etc. for the Startup company owned by Faculty and staff. In return for the services, the Institute may take 2.0 – 9.2 % equity / stake in the company (As per the policy guidelines of the IIC / NISP).

b. If a faculty member is an Owner or Co-owner of such companies with the permission of the Institute and be a Director on the Board, he / she may also play an operational role (Technical Adviser, CEO, Manager etc.,) with the approval of the Institute with the conditions given below:

- No restriction on the shares that faculty / staff can hold, as long as they do not spend more than 20 % of office time on the startup company in the role mentioned and do not compromise in their academic and administrative work / responsibilities.

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

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

- Faculty must not accept honorariums or gifts from the startup.

c. In case the faculty / staff holds the executive or managerial position for more than six months in a startup company, they should be on sabbatical /leave without pay/ or utilize existing leave.

d. Other Faculty members may undertake projects from the company owned by a faculty member / staffs following the Institute norms of consultancy projects that prevails. Similarly, for the utilization of any testing / characterization of product developed by the company it should be as per the norms of the Institute testing charges.

e. The IP Rights for the technology developed by the company and faculty as per the section 5 shall be held jointly by the company and the faculty concerned as per the IPR

Policy guidelines of the Institute.

f. A Company owned or co-owned by a faculty/ staff will normally be required to incubate at the Institute incubator. However, in exceptional cases, where the faculty / staff want to incubate outside the institute, a sufficient justification has to be provided for the approval of the Institute. Decision of the Institute is final and binding in this case.

g. For the incubation of the Company owned or co-owned by a faculty / staff evaluation should be as per the incubation policy of the existing incubator in the Institute.

For Students

Institutes are requested to encourage as many startups by the students with inter departmental and inter-institutional participation, taking note of the fact that startup planning and management requires inter-disciplinary skills. 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 Institute shall prepare the students for creating startup through the above activities.

a. Institute may allow students to establish Startup or working part time for the startup already present with the Institute Incubator while studying / working as intern.

b. Students may be allowed to earn credits for working on innovative prototypes / Business Models as per the Regulations of study and approved by the Concerned students Department Committee.

c. Students may be allowed to opt for start-up in place of their mini project / major project, seminars, summer trainings with the approval of Concerned students Department Committee.

d. Students may be permitted to use the startup idea / prototype development as their major project work for the Institute academic requirements with the approval from the affiliated incubator.

e. Students who are under incubation while studying may be allowed to use their address in the institute to register their company with due permission from the institution.

f. Students entrepreneurs may be allowed to sit for the examination, even if their
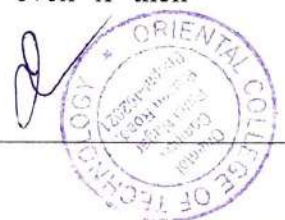
attendance is less than the minimum permissible percentage as per the Regulations of the Institute along with due permission from the institute.

g. Institute may 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 start-ups and re-join academics to complete the course. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise.

h. Institute may set-up a review committee (HOD of the Student Department, Head of Incubation Centre and Director of the Institute) for review of student startup by students, and based on the progress made, it may consider giving appropriate credits for academics.

i. The institute shall provide accommodation for the student entrepreneur within the campus depending on the requirement.

j. The Institute may provide space, infrastructure, mentorship support, seed funds, support for accounts, legal, IPRs etc. for the Startup company owned by students. In return for the services, the Institute may take 2.0 – 9.5 % equity / stake in the company (As per the policy guidelines of the IIC / NISP).

5. **Intellectual Property Rights Protection and licensing**

Intellectual Property Rights (IPR) denotes the specific legal rights of the inventors to hold and exercise Patents, Trademarks, Copyrights, Industrial Designs, etc. IPR aims to exclude third parties from exploiting the protected subject matter for a certain period of time (normally 10 years), without explicit authorization from the right holders. The IPR developed by the Institute / startup has to be protected and licensed as per the Institute norms

- Licensing of IPR from institute to start up: Ideally students and faculty members intending to initiate a start-up based on the technology developed or co-developed by them or the technology owned by the institute, will be allowed to take a license on the said technology on easy term, either in terms of equity in the venture and / or license fees and / or royalty to obviate the early stage financial burden.

- 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.

  a. 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

b. 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.

- 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.

- 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 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 may consist of Director of institute, HoD of concerned department and 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.

- All institute's decision-making body with respect to incubation / IPR / technology-licensing will consist of faculty and experts who have excelled in technology translation.

- Interdisciplinary research and publication on start-up and entrepreneurship should be promoted by the institutions.

6. Monitoring

The success of the OCT Faculty, Staff and Students startup policy will depend upon the Knowledge exchange through collaboration and partnership. The implementation of the
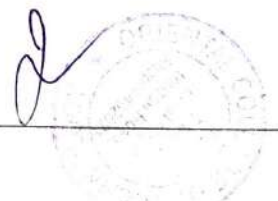
policy is the responsibility of Principal and institute must provide support mechanisms and guidance for creating, managing and coordinating these relationships.

- Impact assessment of Institute's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education should be performed regularly using well defined evaluation parameters such as Number of Workshops, conferences conducted / lab infrastructure / IPR policy / Review committee meetings both at Department and Institute level.

- 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 as indicated in the following Table.

S. N.	Year	Number of Startup	Employment generated	Incubators Detail	IPR	Remark
1						
2						
3						

The success of the policy should be in terms of social / sustainable economics / technological impact in the market based on the commercial output.

7. Review

This policy is subject to the review once in 3 years. This policy is as per the Ministry of Education (MHRD) National Innovation, Startup policy 2022 for students and faculty and Madhya Pradesh Startup Policy and Implementation Scheme based on the change in these policies time to time.

III. References

1. National Innovation and Startup Policy 2019 for Students and Faculty MHRD, GOI www.mhrd.gov.in / www.mic.gov.in

2. Madhya Pradesh Startup Policy and Implementation Scheme 2022.

IV. Definitions

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 start-up in exchange for equity in that start-up). Angels are usually accredited investors. Since their funds are involved, they are equally desirous in making the start-up successful.
Co-Creation	Co-creation is the act of creating together. When applied in business, it can be used as an economic strategy to develop new business models, products and services with customers, clients, trading partner or other parts of the same enterprise or venture.
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.
Entrepreneurial culture	A culture/ society that enhance 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.
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.
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).
Pre-incubation	It typically represents the process which works with entrepreneurs who are in the very early stages of setting up their company. Usually, entrepreneurs come into such programs with just and idea of early prototype of their product or service.
Prototype	A prototype is an early sample, model, or release of a product built to test a concept or process.
Seed fund	Seed fund is a form of securities offering in which an investor invests capital in a start-up company in exchange for an equity stake in the company
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) dated February 19, 2019.
Faculty / Staff / Student Startup	A Start-up that is initiated by Faculty (s) / Staff (s) / student(s) enrolled in any academic institution recognized/approved by AICTE.
Technology Business incubator (TBI)	TBI is an entity, which helps technology-based Incubator start-up businesses with all the necessary resources/support that the start-up needs to evolve and grow into a mature business.
Technology commercialization	TC is the process of transitioning technologies from Commercialization the research lab to the marketplace.