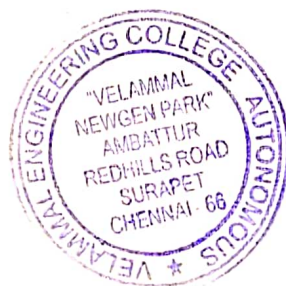


VELAMMAL ENGINEERING COLLEGE, CHENNAI



VELAMMAL INNOVATION & START-UP POLICY



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1. VISION

To facilitate a conducive environment with the intention of making an innovation to reach the society or industries for the betterment of our country and its citizen through entrepreneurial assets.

2. MISSION

To enable student and faculty to establish a start-up to market their innovative products; an enhanced coordination and priority setting across the start-up ecosystem; an improved customizable strategy and planning for pursuing productivity growth and better operational efficiencies and value for the start-up companies.



3. Members of the Committee:

External:

1. Dr. M. Mahesh Kumar, Registrar, St. Peters University, Chennai
2. Dr. Shubhasini, HOD, Department of IT, Sathyabama University, Chennai
3. Mr. Ramchander Rajagopal, Managing Partner - Entvent Tools & Services, Ambattur.

Internal:

1. Dr. S. Satish Kumar, Principal
2. Dr. A. Balaji Ganesh, Dean (Research)
3. Mr. Yuvaraj, IIC Convener
4. Ms. Kavitha, ARIIA Coordinator



4. Strategies and Governance:

- a) With the assist of Innovation and Startup Policy, VEC intends to create an **ecosystem which could** build an entrepreneur to the society. To facilitate **improvement** of an entrepreneurial **ecosystem** in VEC, **precise targets** and **related overall performance indicators will be described** for assessment.
- b) Through the development of a distinct "Innovation fund," a minimum of 1% of the institution's annual budget is set aside for funding and supporting innovation and startup-related activities. To lessen the load on VEC, however, revenue-generating activities will be promoted.
- c) NISP policy strategically encourages the ways of raising fund from external government (both state and central) sources like DST, AICTE, BIRAC, TNSCST, DBT, BIRAC, MHRD, YUKTI 2.0, CSIR, DSIR and non-government sources.
- d) To assist incubators, VEC may approach private and corporate sectors to generate funds, under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013.
 - i. VEC may also raise fund through sponsorships and donations. VEC will involve alumni in promoting and implementing Innovation and Entrepreneurship.
 - ii. VEC will work with industries and Government institutions to set up outstanding stratups.
 - iii. VEC indulges the faculty and students in organizing conferences, workshops, seminars and internships in promoting I & E.
 - iv. VEC has initiated the formulation of E-cell involving students in every step to inculcate entrepreneurship and innovation amongst the student community.
 - v. VEC has a well-established Incubation unit to inculcate the student and faculty community the market strategy involved in formulating start-ups.
 - vi. VEC has started his path towards Start-ups by establishing E Cell and driving its activities into a well formulated Pre-incubation unit. This start up enabling infrastructure and its success is acknowledged by various Government Ministries and Bodies of both State and Central with the approval from their lead ship programs like DST.
- e) IEDC New gen park established over a (size) works toward the I & E. This Pre-incubation unit is made available for the students and faculty of the institute to develop their product.
- f) VEC owes an active Innovation Council, E Cell, Codeathon Club, advanced labs and design centres, Centre of Excellence, and IPR cell in the focus of promoting I & C.
- g) NewGEN IEDC supports fund to start up for ready to market product or service with collateral for specific period.
- h) VEC has been with a Maker space, and Tinkering labs to nurture the talent pool.



5. Startups Enabling Institutional Infrastructure

- a) One of the objectives of Incubation is to utilize the technical expertise and lab infrastructure of VEC. Every Student presenting their innovation has to select one faculty from VEC who shall act as mentor for the batch and guide them towards product development and technology transfer.
- b) Specialized or experienced mentors from other Incubation Units, Research Parks and Industries are made available to the students to assist with particular strategies or to provide project oriented consultation.

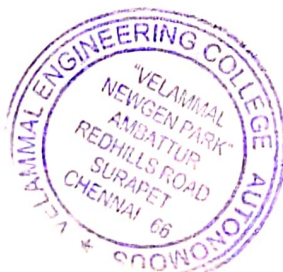
6. Nurturing Innovations and Start ups

- a) Institution has a well-established IPR cell with an IP expert for managing legal and IP filing.
- b) A separate IPR policy is in existence with the objective to facilitate IPR filing by students and faculty members along with an IP expert.
- c) The Technical Mentor Committee will consist of experienced and qualified professionals from specific industry, academicians and successful alumni entrepreneurs providing mentorship on technical issues.
- d) VEC organizes Hackathons for the students to depict their Innovation to defined expert members.
- e) VEC has been offering Incubation support facility to start ups by students, staff and faculty for mutually acceptable time-frame. Also, we have a collaboration with St. Peters and VelTech Incubation centres in order to facilitate access to their students, staff and faculty.
- f) VEC allowing 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, are being 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.
- g) VEC permitting the students / staff setting up a start-up (including social start-ups) and working part-time for the start-ups while studying/working.

7. Creating Innovation Pipeline and Pathways for Entrepreneurs at Institute Level

7.1. Student entrepreneurs:

- a) Student Entrepreneurs will be considered to earn credits for working on innovative prototypes/Business Models. Institute may need to develop clear guidelines to formalize this mechanism. Student inventors may also be allowed to opt for start up in place of their mini project/ major project, seminars, summer trainings. The area in which student wants to initiate a start up may be



interdisciplinary or multi- disciplinary. 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 start up.

- b) Students who are under incubation, but are pursuing some entrepreneurial ventures while studying are being allowed to use their address in the institute to register their company with due permission from the institution.
- c) Students entrepreneurs are being allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the institute.
- d) VEC has considered to 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. The research committee and relevant department heads given responsibility to review of start up by students, and based on the progress made, it may consider giving appropriate credits for academics.
- e) In return of the services and facilities, institute may take 2% equity/ stake in the startup/ company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 2% is suggested so that institute has no legal liability arising out of startup).

7.2. Faculty entrepreneur:

- a) VEC has considered to 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 considers 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.
- b) VEC facilitates 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:
- c) Short-term/ six-month/ one-year part-time entrepreneurship training.
- d) Mentorship support on regular basis.
- e) 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.
- f) Institute considered to have a link the startups to other seed-fund providers/ angel funds/ venture funds or itself may set up seed-fund once the incubation activities mature.
- g) In return of the services and facilities, institute may take 2% equity/ stake in the startup/ company, based on brand used, faculty contribution, support provided and use of institute's IPR (a limit of 3% is suggested so that institute has no legal



liability arising out of startup). The institute should normally take much lower equity share, considering the factors, space, infrastructure, mentorship support, seed- funds, support for accounts, legal, patents etc. The revenue and other sharing will be considered on a case to case basis and as per the recommendation of committee constituted.

- h) For staff and faculty, institute confirmed to 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.
- i) No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the startup in advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, then they will go on sabbatical/ leave without pay/ earned leave.
- j) In case of compulsory equity model, Startup may be given a cooling period of 3 months to use incubation services on rental basis to take a final decision based on satisfaction of services offered by the institute/incubator. In that case, during the cooling period, institute cannot force startup to issue equity on the first day of granting incubation support.
- k) The institute considered to provide services based on mixture of equity, fee-based and/ or zero payment model. So, a startup may choose to avail only the support, not seed funding, by the institute on rental basis.
- l) Institute could extend this startup facility to alumni of the institute as well as outsiders.

8. Pedagogy and Learning Interventions for Entrepreneurship Development

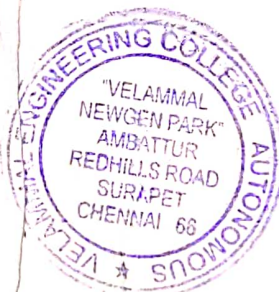
- a) Participation in start uprelated activities needs to be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and must be considered while evaluating the annual performance of the faculty. Every faculty may be encouraged to mentor at least one startup.
- b) 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.
- c) Institutions might also need to update/change/revise performance evaluation policies for faculty and staff as stated above.
- d) Institute should ensure that at no stage any liability accrue to it because of any activity of any startup.
- e) Where a student/ faculty startup policy is pre-existing in an institute, then the institute may consider modifying their policy in spirit of these guidelines
- f) Institute will extend the start up facility to students, faculty and alumni.



- g) 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
 - Upfront fees or one-time technology transfer fees
 - Royalty as a percentage of sale-price
 - Shares in the company licensing the product
- h) 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.
- i) On the other hand, if product/ IPR is developed by innovators not using 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.
- j) If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members (having developed sufficient IPR and translated to commercialisation), two of the institute's alumni/ industry experts (having experience in technology commercialisation) 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 can use alumni/ faculty of other institutes as members, if they cannot find sufficiently experienced alumni / faculty of their own.
- k) Institute IPR cell or incubation center is created as 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.
- l) Since the VEC is paying for patent filing, VEC can have a committee which can examine whether the IPR is worth patenting. The committee should consist of faculty who have experience and proven experience in technology translation. If inventors are using their own funds or non- institute funds, then they alone should have a say in patenting.

9. Entrepreneurial Impact Assessment

- a) Interdisciplinary research and publication on startup and entrepreneurship will be promoted by VEC.
- b) VEC convenes 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.
- c) Faculty and staff will be encouraged to do courses on innovation, entrepreneurship management and venture development.



- d) 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 should be routinely organized.
- e) The institute has established Institution's Innovation Councils (IICs) as per the guidelines of MHRD's Innovation Cell and allocate appropriate budget for its activities. IICs is guiding the institution in conducting various activities related to innovation, startup and entrepreneurship development.
- f) Faculty startup may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.
- g) 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.
- h) Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.
- i) 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.
- j) Faculty must not accept gifts from the startup.
- k) Faculty must not involve research staff or other staff of institute in activities at the startup and vice-versa.
- l) Human subject related research in startup should get clearance from ethics committee of the institution
- m) VEC has active student clubs/ bodies/ departments created for organizing competitions, bootcamps, workshops, awards, etc.
- n) 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.
- o) Institute organizing networking events for better engagement of collaborators and opening up the opportunities for staff, faculty and students to allow constant flow of ideas and knowledge through meetings, workshops, space for collaboration, lectures, etc.
- p) Mechanism are being developed by the institute to capitalize on the knowledge gained through these collaborations.
- q) Number of start ups created, support system provided at the institutional level and satisfaction of participants, new business relationships created by the institutes will be recorded and used for impact assessment.



- r) Impact will 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.
- s) Impact assessment for measuring the success will 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 considered as critical. COMMERCIAL success is the ONLY measure in long run.

