



IIT ROORKEE



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CERTIFICATION COURSE

# Innovation, Business Models and Entrepreneurship

## Incubators: Business Vs Technology

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According to Schumpeter (1982), entrepreneurship is a critical factor for economic development because it is strongly related to the environment in which economic activities are started, organized and conducted.

Schumpeter, J.A. (1982), Teoria do desenvolvimento econômico: uma investigação sobre lucros, capital, crédito, juro e ciclo econômico, Abril, São Paulo

Considering that entrepreneurship can be understood as a chain of events that creates value and innovation through behavior oriented toward attitudes and decisions that manifest over time, the proper structure and support for making decisions is fundamental.



# Entrepreneurial Process

- Opportunity recognition
- Resource acquisition

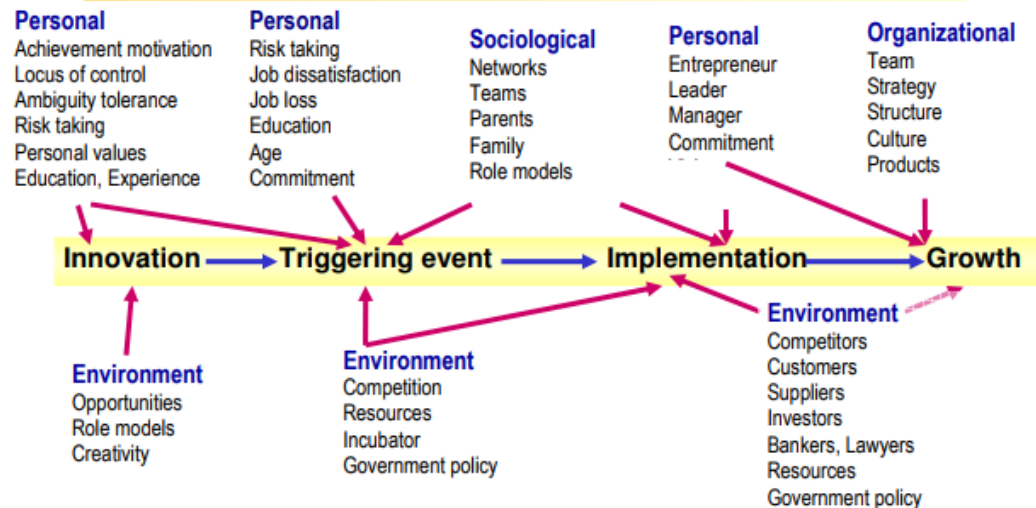


# Three Distinct Stages of Entrepreneurial Process

- Pre-founding stage (opportunity identification and evaluation);
- Founding stage (business plan, resource gathering, incorporation and market entry); and
- Early development stage (building the company and market penetration).

## Entrepreneurial process model by Hisrich & Peters

### A Model of the Entrepreneurial Process



The term incubation refers to the process of support, while incubator stands for the organization and infrastructure that are set up for these purposes.



# Startup Incubator

A **startup incubator** is a collaborative program designed to help new startups succeed.

Incubators help entrepreneurs solve some of the problems commonly associated with running a startup by providing workspace, seed funding, mentoring, and training.

**The sole purpose of a startup incubator is to help entrepreneurs grow their business.**





- A business incubator's main goal is to produce successful firms that will leave the program financially viable and freestanding.
- Startup incubators are usually non-profit organizations, which are usually run by both public and private entities.
- Incubators are often associated with universities, and technical Institutes (such as IITs, NITs )and some business schools (such as IIMs) allow their students and alumni to take part in these programs.

# Common services available in Incubator

- Help with business basics
- Networking opportunities
- Marketing assistance
- High-speed Internet access
- Accounting/financial management assistance
- Access to bank loans, loan funds and guarantee programs
- Help with presentation skills
- Connections to higher education resources
- Connections to strategic partners
- Access to angel investors or venture capital
- Comprehensive business training programs
- Advisory boards and mentors
- Management team identification
- Help with business etiquette
- Technology commercialization assistance
- Help with regulatory compliance
- Intellectual property management and legal counsel



# Business Incubators

- Regional and national industrial and economic growth including increasing employment through general business development
- Stimulating specific economic objectives such as industrial restructuring and wealth generation or utilization of resources
- Combination of a variety of small enterprises support elements in one integrated affordable package
- It has a special niche, i.e. nurturing early stage, growth-oriented ventures, through focussed assistance within a supportive environment.
- A “third generation system” termed as “International Enterprise Centre” is reported to be emerging to bring under a single aegis the full range of support services for the development of knowledge-based business, with linkages to universities, research institutes, venture capital and international joint ventures

# Technology Incubators

- For bolstering the technology development stage
- The primary goal of technology incubators is to promote the development of technology-based firms, and assist in completion of the technologies under development.
- These are located at or near universities, R&D institutes, and Science and Technology parks.
- They are characterized by institutionalized links to knowledge sources including universities, technology transfer agencies, research centres, national laboratories and skilled R&D personnel.
- The aim is also to promote technology transfer and diffusion while encouraging entrepreneurship among researchers and academics.

# Technology Innovation Centres (TIC)

- The TICs conduct research and development (R&D) and technology innovations required by the industrial field, which aims to jointly invest resources into university campuses or research institutions and achieve commercialization with support from business enterprises or public institutions.
- As a concept the TIC is similar to that of the Technology Parks, and, at the R&D stage, to the TI.



# Technology Business Incubators (TBI)

- The TBI is a venture of universities, public research institutes, local government and private institutions to promote and bolster a new technology intensive enterprise.
- TBI refers to the type of incubation where the focus group consists of innovative, mostly technology-oriented, or knowledge-intensive service sector enterprises and interactions with the academic sphere giving a substantive element of the incubation process.
- The pushing forward of TBI occurred in parallel with the vigorous transformation of today's spatial economic processes, it can be interpreted as a reply for the challenges of the learning-based economy.
- As TBI intervenes into the spatial processes of the learning-based economy, integrates innovation- and enterprise-policy, and is implemented with the active participation of the academic sphere, it has certain unique characteristics that deserve mention:
  - TBI fosters innovative start-up firms, thus the process of incubation is strongly intertwined with the innovation process that occurs in the supported enterprises.
  - The objective of TBI is the realization of certain local economic development goals (ultimately the enhancement of the competitiveness).
  - TBI aims at the development of new innovative industries by stimulating the establishment and early growth of start-up firms.

# Thank You

