



VINAYAKA MISSION'S RESEARCH FOUNDATION

(Deemed to be University under section 3 of the UGC Act 1956)

INNOVATION & ENTREPRENEURSHIP POLICY 2023

Revision Sheet:

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Vinayaka Mission's Research Foundation - (VMRF-DU)

Sub: Innovation, Incubation & Entrepreneurship Policy 2023

1. **Introduction:** Innovation, Incubation and Entrepreneurship Policy of VMRF-DU is formulated to enable the constituent institutes to actively engage students, faculty, research scholars and staff in innovation, incubation and startup related activities. This will guide the institutions of VMRF-DU on the mechanisms of hand holding the students and faculty members for supporting their initiatives for innovations & Startups with the aim that Innovation, incubation and Entrepreneurship emerge as one of the focal points of our education related activities.
 - a. VMRF-DU has three Innovation & Incubation Centres, two at Chennai location called "Ganesan Incubation & Entrepreneurship Centre" and "MSME Business Incubator – Aarupadai Veedu Institute of Technology" the other at Salem location called "Vinayaka Mission's Kirupananda Variyar MSME Business Incubator" (earlier called as Prof. Dr. A.P.J. Abdul Kalam Incubator) which are recognized by Ministry of MSME, Govt. of India. More such incubation centres may be formed in the university based on the requirement.
 - b. In addition, Institution Innovation Councils (IICs) are functional in Thirteen constituent colleges to promote innovation.
 - c. The policy is formulated based on National Innovation & Startup Policy 2019 for Students, Faculty, Research Scholars and Staff of VMRF (DU).

2. **Strategies:** Entrepreneurship promotion and development is one of the major objectives of the university. Faculty & Students are encouraged to come out with innovative ideas & try them out in the incubation centres, convert them to products that would enable entrepreneurship and startups. To enable this a faculty/student friendly system is evolved and faculty & Students can access the incubation facilities without much hassles.
 - a. Research and Innovation are inseparable. Faculty who are carrying out Research activities, especially proof of concept or product oriented and students doing internships are encouraged to use the incubation facilities.
 - b. VMRF-DU being a multidisciplinary university, Institutions shall encourage innovation,

incubation, startups & entrepreneurship not only in specific disciplines but also in interdisciplinary & multidisciplinary domains. Incubation centres are equipped to promote and enable such ideas.

- c. Product to market strategy for startups is developed by the institute on case to case basis.
- d. Importance of innovation and entrepreneurial agenda is the responsibility of the Head of the Institution and Institutions Innovation Council across the institute and is promoted and highlighted at institutional programs such as conferences, lectures, workshops etc. The University Innovation, incubation and Entrepreneurship cell (IIEC) is coordinating to successfully implement the entrepreneurship culture.
- e. Development of entrepreneurship culture is not limited within the boundaries of the institution. The institutions is driving force in developing entrepreneurship culture in its vicinity (regional, social and community level). This include giving opportunity for regional startups, provision to extend facilities for outsiders and active involvement of theinstitute in defining strategic direction for local development. Institutes permit its alumni to make use of the incubation centre. Institution's decision is final in allowing outsiders to use the incubation facilities. Faculty provide the required technical guidance for the startups. Theintellectual properties is shared on mutually agreed basis.
- f. The incubation centres will be augmented on a contiguous and need basis to cater to the requirements of all the departments of the institutes.
- g. A designated person is heading the Innovation, incubation and Entrepreneurship cell (IIEC) and appropriate reporting structure and support system is formulated.
- h. Importance of innovation and entrepreneurship agenda is known across the Institutes and is promoted and highlighted at Institutional programs such as Smart India Hackathon, IDEATHON, Conferences, Workshops etc.,
- i. Action plan is formulated at Institution level with well defined short-term and long-term goals.
- j. As VMRF (DU) provides Seed Money for faculty, faculty are encouraged to take up product oriented research using the incubation centres.

3. Governance Structure:

- a. Each of the incubation Centres is headed by a Manager/one of the HoDs of the institution. He/She will facilitate Students, Faculty and other staff in all the incubation activities without hassles. The designated person is the custodian of the Incubation centre and he/she plan for its augmentation based on need periodically.
- b. The designated person report to the Principal/Dean of the respective College.
- c. A Senior Person has been designated as Director - Innovation, Incubation and Entrepreneurship Cell to coordinate Innovation, Incubation & Startup activities in the University and he reports to Vice Chancellor, VMRF-DU and report the progress to Research Advisory Board (RAB).
- d. Principals of the colleges having the incubation centres report to Director - Innovation, Incubation and Entrepreneurship technically for Innovation & Startup activities.

4. **Resource Mobilization:** Resource mobilisation plan is worked out at the institute for supporting pre-incubation, incubation infrastructure and facilities. A sustainable financial strategy is planned in order to reduce the organizational constraints to work on the entrepreneurial agenda.

- a. Investment in the entrepreneurial activities is a part of the institutional financial strategy.
- b. The institution allocate sufficient fund of the total annual budget for funding and supporting innovation and startup related activities through “Research” head.
- c. The strategy also involve raising funds from diverse sources to reduce dependency on the institute alone.
- d. Bringing in external funding through government (state and central) such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, ICMR, AYUSH, Startup India, Invest India, MeitY, MSDE, MSME, etc. and non-government sources is encouraged.
- e. To support technology incubators, the institutes approach private and corporate Sectors to generate funds under Corporate Social Responsibility (CSR) as per Section 135 of the Company Act 2013 with required approvals from the institutions/university.

- f. Institute also raise funding through sponsorships and donations with required approvals from the institutions/university.
- g. Institutes actively engage and involve alumni network for promoting Innovation & Entrepreneurship (I&E) in the institution.
- h. The Innovation fund accounts are audited as per the institute procedures.
- i. When the Incubation & Startup activities of the institute reach a sufficiently matured stage, an 'Incubation cum Technology Commercialization Unit' (ITCU) may be formed and it should be a separate entity preferably registered under Section-8 of Company Act 2013 or 'Society' registered under Society Registration Act with independent governance structure. "Ganesan Incubation and Entrepreneurship Centre" one of our incubator is such a unit register under Section-8 of Company Act 2013.
- j. Institutes make use of the Innovation Fund for paying Patent filing charges for the patents coming out of the incubation facilities.

5. Nurturing Innovations and Startups:

- a. The institutes establish processes and mechanisms for easy creation and nurturing of Startups/enterprises by students (UG, PG, Ph.D.), staff (including temporary or project staff), faculty, alumni and potential start up applicants even from outside the institutions. While defining their processes, institutions will ensure to achieve following:
 - i. Offer access to Incubation facility to start ups to students, staff and faculty for mutually acceptable time-frame.
 - ii. Allow licensing of IPR from institute to startup: Ideally 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, should 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.
 - iii. Allow setting up of a startup and working part-time for the startups while studying / working.
 - iv. Institutes allow their students / staff to work on their innovative projects and setting up startups (including Social Startups) while studying / working.
 - v. Student Entrepreneurs earn credits for working on innovative

- prototypes/Business Models, wherever permitted by the respective statutory authorities. Student inventors are allowed to opt for startup in place of their mini project/ major project, seminar, summer trainings. The area in which student wants to initiate a startup may be interdisciplinary or multidisciplinary.
- b. Students who are pursuing incubation activities and are pursuing some entrepreneurial ventures while studying are allowed to use their address in the institute to register their company with due permission from the institution.
 - c. Institute facilitate the startup activities/ technology development by allowing students/faculty/staff/alumni/nearby outsiders to use institute infrastructure and facilities, as per the choice of the potential entrepreneur in the following manners, wherever permitted:
 - 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 also link the startups to other seed-fund providers/ angelfunds/ venture funds or itself may set up seed-fund once the incubation activities mature.
 - v. Institute extend this startup facility to alumni of the institute as well as outsiders with due approvals.
 - vi. License institute IPR as discussed in section 7 below.
 - vii. A Special Purpose Vehicle (SPV) funded by DST and / or other central govt. agencies will be setup in the institutes in future.
 - d. In return of the services and facilities, institute may take equity/ stake in the startup/company, based on brand used, faculty contribution, support provided and use of institute's IPs. The quantum of stake/royalty will be on mutually agreed terms through an MoU. Other factors for consideration should be space, infrastructure, mentorship support, seed funds, support for accounts, legal, patents etc.

6. Modifications in Academic/Examination regulations & HR Policies:

Vinayaka Mission's Research Foundation-DU will come up with modifications in Academic/Examination regulations & HR Policies to facilitate students & Faculty to become successful entrepreneurs and initiate startups. However the decisions of the University/institute in their implementation are final.

- a. University will come up with regulations to enable its students to turn to entrepreneurs by modifying its academic & examination regulations viz. Students entrepreneurs will be allowed to sit for the examinations, even if their attendance is less than the minimum permissible percentage, wherever permitted by corresponding statutory authorities, with due prior permission from the institute/university.
- b. Institutes 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 startups and re-join academics to complete the course, wherever permitted by corresponding statutory authorities. Student entrepreneurs may earn academic credits for their efforts while creating an enterprise, if permitted. Institute should 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.
- c. The institute will explore provision of accommodation to the entrepreneurs within the campus for some period of time on chargeable basis.
- d. May 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 paid leave up to one month/sabbatical/unpaid leave/ casual leave/ earned leave for working on startups and come back, wherever applicable. 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.
- e. Product development and commercialization, Participation in startup related 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.
- f. Institutions might also update/change/revise performance evaluation policies for

faculty and staff as stated above.

- g. Institute should ensure that at no stage any liability accrue to it because of any activity of any startup.

7. Product Ownership Rights for Technologies Developed at Institute:

- a. 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.
- b. 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
- c. An institute may not be allowed to hold the equity as per the current statute, so Special Purpose Vehicle (SPV) may be formed and it will hold equity on their behalf. If one or more of the inventors wish to incubate a company and license the product to this company, the royalties, licensing, revenue sharing will be mutually agreed upon through an MoU between the institute and the incubated company.
- d. **Technology transfer:** If product / IPR is developed in such a way as in 7 a & b, a five member committee constituted by the university consisting of three experts, a legal adviser and a financial adviser along with Director – Innovation, incubation and entrepreneurship as Chairperson will examine the product developed by inventors and recommend for technology transfer.

- 8. **Conflict of interest:** If there is any dispute in ownership w.r.t. inventors (Faculty, students, university officers, if any) and incubated startup, 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. The Committee will be constituted by Vice Chancellor, VMRF-DU.

9. Capacity Building and Incentives:

- a. Institute should recruit staff that have a strong innovation and entrepreneurial/ industrial experience, behaviour and attitude, wherever applicable. This will help in fostering the I&E culture.
- b. To achieve better engagement of staff in entrepreneurial activities, institutional policy on career development of staff will be developed with constant upskilling.
- c. 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.
- d. 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.
- e. Faculty and staff should be encouraged to do courses on innovation, entrepreneurship management and venture development, wherever permitted by corresponding statutory authorities.
- f. In order to attract and retain right people, institute will develop academic and non-academic incentives and reward mechanisms for all staff and stakeholders that actively contribute and support entrepreneurship agenda and activities.

10. 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, mechanisms should be devised at institution level. Spreading awareness among students, faculty and staff about the value of entrepreneurship and its role in career development or employability should be a part of the institutional entrepreneurial agenda.
 - i. Students/ staff should 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.
 - ii. Students should be encouraged to develop entrepreneurial mind set 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.

- iii. To prepare the students for creating the start up through the education, integration of education activities with enterprise-related activities should be done.
- b. The institute should link their startups and companies with wider entrepreneurial ecosystem and by providing 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 institutes should establish Institution Innovation Cells (IICs), wherever they do not exist, as per the guidelines of MoE's Innovation Cell and allocate appropriate budget for its activities. IICs should guide institutions in conducting various activities related to innovation, startup and entrepreneurship development. Collective and concentrated efforts should be undertaken to identify, scout, acknowledge, support and reward proven student ideas and innovations and to further facilitate their entrepreneurial journey.
- d. For strengthening the innovation funnel of the institute, access to financing must be opened for the potential entrepreneurs.
 - i. Networking events must be organized to create a platform for the budding entrepreneurs to meet investors and pitch their ideas.
 - ii. Provide business incubation facilities: premises at subsidised cost. Laboratories, research facilities, IT services, training, mentoring, etc. should be accessible to the new startups.

11. Norms for Faculty Startups:

- a. Faculty members are also encouraged to involve themselves in start-up activities. 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. Faculty members shall float their own start-ups without compromising their assigned academic duties with due permissions from the university authorities.
 - 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 One months in a startup, they will go on sabbatical/ leave without pay/ utilize existing leave.
 - c. 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.
 - d. Faculty shall not accept gifts from the startup.
 - e. Human subject related research in startup should get clearance from ethics committee of the institution.
 - f. Faculty must not involve research staff or other staff of institute in activities at the startup or vice versa.

12. 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, wherever permitted by corresponding statutory authorities.
 - i. Student clubs/ associations must be created for organizing competitions, bootcamps, workshops, awards, etc. These clubs/ associations should be involved in institutional strategy planning to ensure enhancement of the student's thinking and responding ability.
 - ii. University should start annual 'INNOVATION & ENTREPRENEURSHIP AWARD' to recognize outstanding ideas, successful enterprises and contributors for promoting innovation and enterprises ecosystem within the institutes.

- 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. Innovation champions should be nominated 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, wherever permitted by corresponding statutory authorities. 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 should 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. Sensitization of students should be done for their understanding on expected learning outcomes.
 - v. Student innovators, startups, experts must be engaged in the dialogue process while developing the strategy so that it becomes need based.
 - vi. Customized teaching and training materials should be developed for startups.
 - vii. 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 institutes for inculcating entrepreneurial culture should be constantly reviewed and updated.

However VMRF-DU Academic Council shall approve the Pedagogical aspects.

13. 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. The institute should develop guidelines for forming and managing the relationships with external stakeholders including private industries.
- c. 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. Single Point of Contact (SPOC) mechanism should be created in the institute for the students, faculty, collaborators, partners and other stakeholders to ensure access to information.
- iv. Mechanisms should be devised by the institutions to ensure maximum exploitation of entrepreneurial opportunities with industrial and commercial collaborators.
- v. Knowledge management should be done by the institute through development of innovation knowledge platform using in-house Information & Communication Technology (ICT) capabilities.

14. Entrepreneurial Impact Assessment:

- a. Impact assessment of institute's entrepreneurial initiatives such as pre-incubation, incubation, entrepreneurship education should be performed regularly using well defined evaluation parameters.
 - 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 its success should go hand in hand. The information on

impact of the activities in terms Products incubated, Startups initiated and their sustenance, technology transfers made 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 essential and all the policies shall lead to it.
- d. The Institutional Research Committees and University Research Committee will review the progress of innovation and entrepreneurial activities periodically. The committees also will review the entrepreneurial impact assessment.
