

# **GATEWAY**

## **EDUCATION**

### **Objective**

The goal of i- Center under CSDEn (Center for Skill Development and Entrepreneurship) is to promote innovations, entrepreneurship and provide a startup enabling platform thereby facilitate practical application of knowledge for public use. The term “incubation” refers to the process of support which is needed by start-up enterprises for successful development. The aim is to produce successful firms that will leave the programme financially viable and independent.

CSDEn wishes to facilitate the creation of ideas and inventions that benefit society. We have adopted the Innovation and Incubation Policy to provide guidance and management structure facilitating the development of entrepreneurship.

The scope of this document is to define the policies and procedures for the operational matters related to the i-center. It covers the following processes:

### **Eligibility**

#### **Admission to i-center is open to:**

1. Staff Members of Gateway Education.
2. Students and Alumni of Gateway Education.
3. Gateway Education & partner universities (with R&D collaborations).

Any person desirous of availing incubation facilities has to incorporate an entity in the form of a proprietorship/company/firm/NGO etc. to be registered with the required government authorities. The registration should be done after 5 months of occupying the incubation facility. The companies promoted by the staff of **Gateway Education** shall be governed by Faculty Entrepreneurship Policy as approved by the TEQIP Cell(Technical Education Quality Improvement Program).

- i-center would not incubate companies if the CSDEn board feels that the incubatee will harm the atmosphere at Gateway campus or go against the values of the organization.
- The business plan has to be submitted during the application phase containing realistic financials demonstrating significant revenues within the first five to seven years.

#### **Note :**

- Applicants must fulfill all the above criteria for making an admission in the i-center.

- The final decision regarding the eligibility shall be taken by the CSDEn authorities with the approval of Management of Gateway Education as prescribed from time to time.

## **Admission/Selection Process**

It is recommended that applicant should carefully read and agree to the terms and conditions of the i-center.

Following are various stages for processing applications:

### **Stage I: [Submission of Pre - Application Form \(PAF\)](#)**

For admission to the i-center, the interested candidates can apply online via Pre - Application Form. The application will be scrutinized at an appropriate level.

### **Stage II: Submission of Formal Application**

If the PAF seems suitable then the applicants will be asked to submit a [formal application](#) with a detailed proposal. The Business Plan will be scrutinized by a team of experts having relevant technical and financial expertise on the basis of certain evaluation criteria.

### **Here are the Evaluation Criteria:**

1. The strength of the product idea in terms of its technical content, innovation, timeliness and market potential.
2. Profile of the core team/ promoters.
3. Intellectual Property (IP) generated and the potential of the idea for IP creation.
4. Financial/ Commercial Viability and 5-year projections of Profit & Loss, Balance Sheet and Cash Flows.
5. Funds requirement and viability of raising finance.
6. Time to market.
7. Break-even period.
8. Commercial potential, demand and requirement in India.
9. Scalability.

### **Stage III: Presentation to Evaluation Committee of GIIC**

If the initial evaluation of the business plan / executive summary is positive, CSDEn will call a meeting with the company founders, during which the company will be expected to present a PowerPoint presentation describing critical aspects of the business plan (BP) to the evaluation committee. Evaluation Committee (EC) will comprise of representatives from the team of experts and two board members of the CSDEn. The presentation will be followed by a Q&A session. The presentation through video conferencing is also

permitted. After the presentation, the EC's recommendation along with the clarification by the Incubatee duly endorsed by the Chairman of the EC would be sent to the board member of the CSDEn for their recommendation.

A final decision will be made regarding the company's entry into the incubator. The entry to i-center will be in accordance with the MoU signed between the company and CSDEn.

### **Incubation Support**

Upon admission to i-center, the following facilities will be offered to the incubated companies on an individual basis to make the enterprise successful and achieve higher growth:

- Fully furnished Plug & Play Infrastructure which ready to use with internet connectivity, Electricity, Water, Security & other office facilities.
- Accommodation to Director/Promoter depending upon the availability.
- Mentoring support in business and technology plans,
- Networking of business resources,
- Entrepreneurship cum skill development,
- Seed capital assistance by providing investor networking,\
- Marketing assistance,
- Professional assistance.

### **Common Infrastructure**

I-center will provide a common pool of hard and soft infrastructure to be shared by all incubated companies. The following resources will be provided:

- Photocopying machine.
- Document Scanner.
- Library: Management Books, Business, Management and Trade journals, and newspapers.
- Meeting/Conference room with projection equipment.
- Other facilities created from time to time as per requirement.
- Drinking Water
- Pantry

### **Institute Infrastructure**

i-center may facilitate access to the Institute infrastructure or laboratories as per the norms of Gateway Education or of the respective institute.

- Any specialized consultancy work for a specific company has to be paid for by the innovator / incubatee directly. However, i-center may provide certain services to all

incubates, which it may choose to bear the complete cost. However, it would be the sole prerogative of i-center to choose who would pay for these specialized services.

## **Tenure of Incubation**

The companies will be permitted to stay in the incubator for a period of two years. They may be granted maximum two extensions for 6 months each at a time at the sole discretion of the CSDEn.

## **Exit**

An incubated company will leave the incubator under the following circumstances:

- Completion of two years stays (if no extension granted).
- Underperformance or non-viability of the business proposition as decided by i-center on a case to case basis.
- Irresolvable promoters disputes as decided by i-center on a case to case basis.
- Violation of i-center policies.
- Change in promoter's/ founder's team without the concurrence of i-center.
- Any change of more than 50% of equity ownership would require prior approval of CSDEn.
- Any other reason for which the i-center may find it necessary for an incubated company to leave.

**Notwithstanding anything written elsewhere, CSDEn's decision in connection with the exit of an incubated company shall be final and shall not be disputed by any company.**

## **Periodic Assessment**

A committee set up by CSDEn will evaluate the performance of incubatees every 6 months. The emphasis of evaluation will be on checking if the milestones specified in the business plan are met. For a company which has taken seed fund loan, additional checks will be done on the financial health of the company in terms of its order booking, expenses, profitability, utilization of seed money loan for the specified purposes and its ability to repay the loan. Further seed fund disbursal will be dependent on the progress is shown in the previous appraisal.

The periodic assessment would vary according to the stage of the incubated company. Some representative criteria for evaluation are:

### **A. Ideation / Innovation stage**

- Concept development / Opportunity spotting
- Product Development

- Market assessment / Competitive analysis
- First level Business Planning / Business Modeling
- Funding Team
- IP protection
- Seed Funding

#### **B. Pre-Market Stage**

- Proof of Concept/ Prototyping
- Product Development and enhancement
- Financial Assistance Required
- Test marketing
- Full-scale business planning including production, sales, and sourcing.

#### **C. Implementation Stage**

- Full-scale Business Planning
- Pitching for Venture Funding
- Scaling up operations
- Large-scale commercialization
- Mature Team Formation.

#### **D. Exit stage**

- Going National / Global
- Exit options for GIIC
- Full-scale business Graduation
- Post incubation Survival.

The incubatee may be asked to submit more frequent updates to CSDEn.

### **Conflicts of Interest**

In case of any conflicts of interests, the decision of the CSDEn shall be final and binding upon the parties.

#### **Disclaimer:**

CSDEn, does not guarantee success and/or feasibility of the technology transferred from the Institute. CSDEn/Gateway Education or any person representing them shall not be liable for any acts or omissions of the incubated company. However, in case of any such event, the incubated company shall do all that is required to hold CSDEn/Gateway Education or any person representing them harmless from any loss including damage, penalty/punishment.

## **Agreements:**

All incubatees shall enter into the following agreements with the Institute:

1. Incubation Agreement: Contain rules and other incubation norms, consideration, equity holding, etc. (Applicable to all.)
2. Technology Commercialization Agreement: Applicable to incubatees using technology or IP developed by i-center.

## **Intellectual Property (IP)**

The Promoters should fill an IP declaration worksheet at the time of admission and declare the Intellectual Property developed and owned by the incubated company.

1. In case the incubated company is desirous of using the IP of Gateway Education like patent, software code, copyright, design registration, developed product, etc, then the company shall make such request in writing to CSDEn. The terms and conditions for such IP licensing shall be decided by the CSDEn.
2. The company shall inform if any students have worked on the technology and if their work will be incorporated into the product(s).
3. The company shall inform if any IP has been generated as a result of the collaborative work with faculty members (who are not promoters) and is being incorporated into the product(s).
4. The company shall inform if any Gateway Education infrastructure (hardware, testing setup, instrumentation, computing resources, processes) has been used in developing the IP or technology that will go into the product(s).
5. The company shall inform the CSDEn board members if any IP has been assigned to the company for commercialisation.
6. The startups/entrepreneur would have the option of first purchasing the rights of IP from CSDEn and then being incubated or assigning equity to CSDEn in lieu of the direct payments to the Institute.

The incubatee would maintain a register with the details of any IP (patents, licenses, copyrights, etc.) that has been brought into the company prior to or during their stay at GIIC. Also, any IP developed during the stay would be maintained in the register.

**Notwithstanding anything written above, IP Rights will be governed by the Intellectual Property Policy of CSDEn.**

## **Consideration**

CSDEn will charge the incubatees for infrastructure, services, seed loan and Gateway Education's IP's. This payment would be in the form of service charges and total equity

share as per the following details. Liability free (paid-off) Equity of 3% equity would be assigned to Gateway Education for providing incubation facility and infrastructure services in all cases.

**Infrastructure and Services:** For a company with the office space of 250 sq. ft. and 1 PCs, the service charge comes to a minimum of Rs. 5000/- per month as per the following calculation. Other services like accommodation, consultancy is charged extra.

**\* i-center may at its discretion revise the rates from time to time.**

The incubatees would have the option of deferring 50% of the rent till the time they exit from i-center. For the deferred amount, an interest rate of 5% would be charged to the incubatee. This amount would have to be paid back at the time of exit or converted into equity. The price for conversion would be as per the Seed Fund Guidelines.

## **Business Plan Template**

The following template can be used for creating a comprehensive business plan. Though the sequence shown is not mandatory, the plan must cover all the sections listed in the template:

1. Introduction / Company overview
2. Concept / Proposition / Product description
3. Market opportunity
4. Competition survey
5. Development plan and milestones
6. Marketing plan
7. Management / Organizational chart
8. Financials
9. Risks and de-risking strategies
10. Appendix