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Nurturing entrepreneurial instincts

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Harkesh K. Mittal



Technology business incubators: Providing impetus to entrepreneurs.

How can institutions become eligible for receiving support from the Government of India for setting up technology business incubators?

Technology education today, is increasingly paving the route to entrepreneurship for many students. With colleges seeking to nurture this bent of mind, in their students, the Department of Science and Technology has set up an entrepreneurship development board. Through this board, the government provides support of various kinds, from training faculty to supporting ventures, to setting up technology business incubators within the campus. This board, the National Science and Technology Entrepreneurship

Development Board (NSTEDB), was established in 1982 with the aim of promoting knowledge-driven, technology-intensive enterprise.

A part of this effort goes into inculcating the spirit of entrepreneurship in educational institutions. There are various schemes and programmes under which support is offered to colleges that wish to cultivate the entrepreneurial instinct in their students. The schemes include support for entrepreneurship awareness camps, faculty development programmes, technology business incubators and so on. The last — the Technology Business Incubator (TBI) — is often a culmination of a series of steps through which the college or institution engages with the NSTEDB, according to Mr. Harkesh K. Mittal, adviser and member secretary, NSTEDB.

This process happens in three stages, says Mr. Mittal. In the first level are the basic awareness programmes. For instance, there are the entrepreneurship awareness camps which are three-day events organised by the institution and financed, up to Rs. 20,000, by the board. Such programmes are meant for the final-year and pre-final-year students, and college alumni who have successfully breached the boundaries of entrepreneurship are invited to promote awareness about entrepreneurship.

In the second stage are the faculty development programmes (FDP). “These are two-week programmes attended by faculty members of NSTEDB and the institution. We fund nearly a hundred FDPs every year,” says Mr. Mittal. These programmes have been outsourced to the Entrepreneurship Development Institute in Gandhinagar (EDI), Gujarat, and the financial support can range from Rs. 2 lakh to Rs. 3 lakh.

More information on this is available at the EDI’s website.

As the college or institution gains some experience by conducting these programmes, lectures on entrepreneurship, holding market surveys and so on, for a few years, they are considered suitable for hosting technology business incubators.

Initially, through the technology innovation and EDP cell, the NSTEDB provides support of about Rs 2.5 lakh for 10 projects from one to five years, says Mr Mittal.

Out of this fund, the faculty mentor may be given an honorarium. The college has to provide a space of 5,000 sqft to set up the centre. Some support is provided and the salary of one or two professors may be given for five years.

It is after this that the institution may graduate to the level of setting up a technology business incubator.

Challenge

Institutions that have experienced faculty, some experience in business and interested students can take up the challenge of establishing TBIs. Mr. Mittal lists three essential criteria: (a) Students must have converted their ideas into businesses; (b) the institution must have trained faculty and (c) the ecosystem must be conducive.

“By the last criterion, I mean the existence of markets, funding and so on,” says Mr. Mittal. While the college has to provide a “built-up” space of 20,000 sqft, the board will provide finance of up to Rs 10-15 crore over a period of five years. “This can be used for equipment and faculty, but not for the building,” he says.

The funding is for five years only and the TBI is expected to become independent and self-sustaining after that period. This can be achieved by arranging for the TBI to get an equity from the startups. Even if one or two do well, it could sustain the incubator.

At present, over 110 TBIs are supported by the NSTEDB. “For the first two years, we support everyone; after the third year it is somewhat stringent – the funding may reduce or stop, if the review so recommends. However, it is not that we do this often, only in 3-4 cases have we withdrawn support,” says Mr. Mittal.

For details, visit National Science and Technology Entrepreneurship Development Board. <http://www.nstedb.com/>

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