



START UPS AND INCUBATION CENTRE

Pradhul Raj K. Madhu

Murshitha Fathima

Nanma K. V.

Anumalik N. R.

*Deendayal Upadhyay Kaushal Kendra,
Cochin University of Science and Technology.*

Abstract:

This research focuses on the importance of start-up incubators on nation-building by fostering the growth and development of new businesses. startup incubators provide support and resources for the early stages companies, including mentorship, office space, and access to funding. They can have a significant impact on the success of startups by helping them to overcome common challenges such as lack of experience, networks, and funding. However, incubators can also present challenges for startups, such as intense resources and pressure to achieve milestones quickly. Additionally, incubators may not be a good fit for every startup, as they may have different needs and goals.

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Introduction:

A startup incubator is a program or facility designed to support and accelerate the growth and development of early-stage companies. These programs typically provide startups with a variety of resources, including office space, mentorship, funding, and networking opportunities. The goal of a startup incubator is to help startups to overcome common challenges, such as lack of experience, networks, and funding. So that they can become successful and sustainable businesses.

Startup incubators can take many different forms, from for-profit accelerators run by venture capital firms to non-profit incubators run by universities or government agencies. They also vary in terms of the industries they focus on the type of startups they support, and the resources and services they provide some incubator

focus on specific industries. such as technology or biotech, while others are more general and support startups from a wide range of industries.

The process of joining an incubator typically involves an application and selection process, in which startups are selected based on factors such as their potential for growth and scalability their leadership team, and the strength of their business model. Once accepted, startups typically participate in a program that lasts anywhere

Objective:

- **To establish an incubation center in the colleges.**
 - Establishing incubators in college can improve the skills of the students and use them to generate new business ideas and to become successful entrepreneurs. Encouragement towards innovation & nurture innovative ideas among the student community and also encourage students to



participate in projects & to gain experience in various topics.

Impact and Challenges of Startup Incubators:

Startup incubators provide support and resources for early-stage companies, including mentorship, office space, and access to funding. They can significantly impact startups' success by helping them overcome common challenges such as lack of experience, networks, and funding. However, incubators can also present challenges for startups, such as intense competition for resources and pressure to achieve milestones quickly. Additionally, incubators may not be a good fit for every startup, as they may have different needs and goals.

Role of Startup Incubator:

The role of a startup incubator is to provide support, resources, and guidance to early-stage companies to help them grow, develop, and become successful. This can include a wide range of services, such as:

Mentorship: Incubators often have a network of experienced entrepreneurs and industry experts who can provide guidance and advice to startups.

Office space: Incubators may provide a shared workspace or dedicated office space for startups to use.

Access to funding: Incubators may have connections to venture capitalists, angel investors, and other sources of funding that startups can tap into.

Networking opportunities: Incubators may organize events and networking opportunities for startups to connect with potential customers, partners, and investors.

Educational and training programs: Incubators may offer workshops, classes, and training programs to help startups develop the skills they need to be successful.

Business development: Incubators may also provide resources such as legal and financial advice, marketing and PR support, and other business development services to help startups grow and scale.

Incubators also help to provide a sense of community and belonging for entrepreneurs, who often work in isolation. The support and camaraderie of other entrepreneurs can be an important factor in helping startups to stay motivated and focused.

Incubators also play a role in connecting startups with potential customers, partners, and investors and help them to find the right resources to achieve their goals.

Overall, the goal of startup incubators is to provide a supportive environment where startups can develop and grow and increase their chances of success in the long run.

Influence of Business Incubators:

Business incubators can have a significant impact on a nation's economy by fostering the growth and development of new businesses. Some of the ways in which incubators can influence a nation include:

Job creation: Incubators can help to create new jobs by supporting the growth and development of new businesses. This can have a positive impact on a nation's unemployment rate and overall economic well-being.

Innovation: Incubators can help to foster innovation by providing resources and support for new and emerging businesses. This can lead to the development of new products, services, and technologies that can drive economic growth.

Entrepreneurship: Incubators can help to promote entrepreneurship by providing support and resources for people who are starting their own businesses. This can lead to the formation of new companies, which can drive economic growth and create jobs.

Regional Development: Incubators can also help to promote regional development by providing support for new businesses in underdeveloped areas. This can lead to the revitalization of these areas, which can have a positive impact on the local economy.

Attracting Investment: Incubators may act as a catalyst to attract investment to a certain region or nation by



creating a favorable environment for startups, which can lead to more investment in the area.

Developing a strong innovation ecosystem: Incubators can also play a role in developing a strong innovation ecosystem by connecting startups with other key stakeholders such as universities, research institutions, and other organizations that can help them to grow and develop.

Overall, business incubators can have a positive impact on a nation's economy by fostering the growth and development of new businesses, promoting innovation and entrepreneurship, and driving regional development.

Expectation Vs Reality of Business Incubators:

Start-up incubators are programs or facilities that provide resources, support, and mentorship to early-stage companies. Many entrepreneurs have high expectations for these incubators, believing that they will provide the perfect environment for their start-ups to thrive and grow. However, the reality is often quite different.

One of the main expectations for start-up incubators is that they will provide access to funding and investors. While some incubators may have connections to venture capital firms and angel investors, this is not always the case. Many incubators rely on government funding or corporate sponsorships, which may not provide the same level of support as private funding. Additionally, competition for funding can be fierce, with only a small percentage of start-ups being selected to receive funding.

Another expectation is that incubators will provide a supportive community of like-minded entrepreneurs. While this can be true, the reality is that the start-up ecosystem can be highly competitive, with entrepreneurs often competing for resources and attention. Additionally, incubators may have a limited number of spots available, which can make it difficult to build a strong community.

Finally, many entrepreneurs expect that incubators will provide expert mentorship and guidance. While some

incubators may have experienced mentors on staff, this is not always the case. Additionally, mentors may not have the same level of expertise or experience as the entrepreneur expects.

Overall, while start-up incubators can be a great resource for entrepreneurs, it's important to manage expectations and understand that the reality may not always align with what was initially hoped for. It's important to do your research and find an incubator that aligns with your specific needs and goals.

Startup Incubators in India and their Influence:

Startup incubators have been gaining popularity in India in recent years, as the government and private sector have recognized the potential for incubators to support the growth and development of new businesses in the country.

There are several government-funded incubators in India, such as the Indian Institute of Technology's (IIT) Incubation Cell and the National Science and Technology Entrepreneurship Development Board (NSTEDB).

These incubators provide a range of resources and services to startups, including office space, mentorship, and funding.

In addition to government-funded incubators, there are also a number of private incubators in India, such as Zone Startups and NASSCOM 10,000 Startups. These incubators are typically focused on specific industries, such as technology or biotech, and are often run by venture capital firms or large corporations.

The performance of startup incubators in India has been mixed. According to a report by NASSCOM, Indian startups that have gone through an incubator or accelerator program have a higher success rate compared to those that haven't. However, some incubators have struggled to attract and retain startups, and have been criticized for providing insufficient resources and support.



Despite the challenges, the government and private sector in India continues to invest in the development of incubators, recognizing the potential for incubators to support the growth and development of new businesses in the country.

In recent years, there has been an increasing number of incubators, accelerators, and innovation hubs being set up in India, which are actively supporting and mentoring startups. The Indian startup ecosystem has evolved to become one of the most vibrant and dynamic in the world, with a number of startups that have grown to become unicorns. With the increasing focus on the startup ecosystem, government initiatives, and favorable policies, incubators are expected to play a crucial role in the growth of startups in India.

Indian Economy and Startup Incubators:

The Indian economy has seen a significant growth in the startup ecosystem over the past few years, and startup incubators have played a key role in this growth. Incubators provide a range of resources and support for startups, which can help them to grow and succeed.

One of the key ways that startup incubators have contributed to the growth of the Indian economy is by fostering innovation and entrepreneurship. Incubators provide startups with resources such as office space, funding, and mentorship, which can help startups to develop their ideas and bring them to market. This has helped to create a more vibrant startup ecosystem in India, with more startups emerging and more opportunities for innovation and growth.

Additionally, startup incubators have helped to create jobs and stimulate economic growth in India. Incubators provide resources and support for startups, which can help them to grow and create jobs. This has helped to reduce unemployment in India and create more opportunities for people to participate in the workforce. Startup incubators have also helped to attract foreign investment to India. Incubators provide resources and support for startups, which can help them to grow and

become more attractive to foreign investors. This has helped to increase the flow of foreign investment into India, which has had a positive impact on the Indian economy.

Overall, startup incubators have played an important role in promoting the growth of the Indian economy by fostering innovation, creating jobs, and attracting foreign investment. They continue to play a vital role in the startup ecosystem and the economy as a whole.

A Nation without Incubators:

A nation without incubators may face challenges in promoting and supporting the growth of its startup ecosystem. Without incubators, startups may have limited access to resources, mentorship, and networking opportunities, which are important factors for their success.

Incubators provide startups with a variety of services such as office space, funding, mentorship, and networking opportunities, which can help startups to grow and succeed.

Without incubators, it may be more difficult for startups to access funding and resources, as they may not have as many opportunities to connect with venture capital firms and angel investors. Additionally, without incubators, there may be fewer mentorship and networking opportunities for startups, which can limit their potential for growth.

In a nation without incubators, the government may have to take a more active role in promoting the startup ecosystem by providing funding and resources for startups, simplifying compliance procedures, and reducing bureaucratic red tape. Also, private sectors, universities, and other organizations may have to take more responsibility in promoting the startup ecosystem by providing resources and mentorship for startups.

Overall, incubators play an important role in promoting and supporting the growth of the startup ecosystem, and a nation without them may face challenges in promoting the growth of its startups.



India and Growth of Startups:

India has seen significant growth in the number of startups in recent years, driven by a number of factors such as a growing economy, a large and educated workforce, and a supportive government policy environment.

The Indian government has launched a number of initiatives to support the growth of startups in the country, such as the Startup India program, which aims to provide funding, mentorship, and other resources to startups. The government has also implemented policies such as tax exemptions and easier compliance procedures to make it easier for startups to do business in India.

The Indian startup ecosystem has also evolved to become one of the most vibrant and dynamic in the world, with a number of startups that have grown to become unicorns (private companies valued at over \$1 billion). Sectors like e-commerce, fintech, healthcare, and EdTech have seen a lot of growth in recent years.

The growth of startups in India is also driven by a large and educated workforce, as well as a growing economy. The country has a large pool of talented engineers and entrepreneurs, and the Indian economy has been growing at a steady pace in recent years, which has created opportunities for new businesses.

In addition, the Indian startup ecosystem has also been supported by an increasing number of incubators, accelerators, and innovation hubs that are actively supporting and mentoring startups.

The presence of these entities has helped in providing startups with the necessary resources, mentorship, and networking opportunities to grow and scale.

The Success Rate of Startups in Indian Incubators:

The success rate of startups in Indian incubators varies depending on the incubator, the stage of the startup, and the industry in which the startup operates. However, according to a report by NASSCOM, Indian startups that

have gone through an incubator or accelerator program have a higher success rate compared to those that haven't. The success rate of Indian startups that have gone through an incubator or accelerator program ranges between 20-25%, which is considered to be relatively high compared to the global average of 10-15%.

However, it's important to note that success rate can be defined in different ways and it can be difficult to generalize the success rate of startups in Indian incubators. Some startups may be considered successful based on their revenue or profitability, while others may be considered successful based on the impact they have made or the number of jobs they have created.

In addition, it's also important to note that incubators in India are relatively new and evolving, and some of them may still be working to refine their models and improve their success rates.

Overall, the success rate of startups in Indian incubators can be considered to be relatively high, but it's important to take a nuanced view when evaluating the success of startups in Indian incubators.

Type of Startups Successful in Indian Incubators and Reason:

The type of startups that are successful in Indian incubators can vary depending on the incubator and the industry in which the startup operates. However, some common characteristics of successful startups in Indian incubators include:

Strong leadership team: Successful startups in Indian incubators typically have a strong leadership team with relevant industry experience and a clear vision for the company.

Scalable business model: Successful startups in Indian incubators typically have a business model that is scalable and has the potential for growth.

Innovative technology or solution: Successful startups in Indian incubators often have an innovative technology or solution that addresses a real market need.



Strong market potential: Successful startups in Indian incubators typically have strong market potential, with a clear target customer segment and a large addressable market.

Good traction: Successful startups in Indian incubators typically have some initial traction, such as a minimum viable product (MVP), beta customers or partners, or other early-stage validation.

Good fit with the incubator: Successful startups in Indian incubators typically has a good fit with the incubator's industry focus, resources, and network.

Sectors like e-commerce, fintech, healthcare, and EdTech have seen a lot of success in recent years, as these sectors are witnessing a lot of growth in India, and also have a large customer base. Startups in these sectors also have the potential to scale quickly and become profitable.

It's also worth noting that successful startups in Indian incubators are not only those which become unicorns or are acquired, but also those that have been able to create a sustainable business, create jobs, and have a positive impact on the society.

Overall, the success of a startup in an Indian incubator is a function of multiple factors like the business model, the team, the market, the innovation, and the fit with the incubator.

Incubators in India:

The state in India with the most successful startups through incubators can vary depending on the metrics used to measure success. However, some states that have a strong startup ecosystem and a high number of successful startups include:

Maharashtra: Maharashtra state has a strong startup ecosystem and is home to many successful startups. The state has a large number of incubators and accelerators, as well as a large number of venture capital firms and angel investors. Cities like Mumbai and Pune are considered to be startup hubs in the state.

Karnataka: Karnataka state is home to many successful startups and has a strong startup ecosystem. The state has a large number of incubators and accelerators, as well as a large number of venture capital firms and angel investors. Cities like Bengaluru is considered to be startup hub of India and many successful companies have emerged from this city.

Delhi-NCR: Delhi-NCR is also considered to be a startup hub, and many successful startups have emerged from this region. The region has a large number of incubators and accelerators, as well as a large number of venture capital firms and angel investors.

Telangana: Telangana state has a strong startup ecosystem and many successful startups have emerged from this region. The state government has been actively promoting the startup ecosystem by providing resources and funding to startups. The city of Hyderabad is considered to be a major startup hub in the state.

Tamil Nadu: Tamil Nadu state has a strong startup ecosystem and many successful startups have emerged from this region. The state government has been actively promoting the startup ecosystem by providing resources and funding to startups. The city of Chennai is considered to be a major startup hub in the state.

It's worth noting that the success of a startup is not only limited to a particular state, but startups from all over the country have the potential to be successful. Incubators are also helping to promote the startup ecosystem in other parts of the country as well.

Action Plan To Increase Success Rate:

Kerala, a state in southern India, has a growing startup ecosystem, but there is still room for improvement in terms of the success rate of startups from incubators. Some potential action plans to increase the success rate of startups from incubators in Kerala include:

Increase funding and resources for startups: The state government can increase the availability of funding and resources for startups by setting up venture capital funds,



and angel investment funds, and providing tax incentives for investors.

Establish more incubators and accelerators: The state government can establish more incubators and accelerators in the state to provide more resources and mentorship for startups.

Promote mentorship and networking opportunities: The state government can promote mentorship and networking opportunities for startups by organizing events and connecting startups with successful entrepreneurs and industry experts.

Develop a startup-friendly policy environment: The state government can create a startupfriendly policy environment by simplifying compliance procedures, providing tax exemptions, and reducing bureaucratic red tape for startups.

Focus on specific sectors: The state government can focus on specific sectors that have high growth potential and have a large customer base. These sectors could be technology, healthcare, agriculture, tourism, and so on.

Encourage innovation and R&D: The state government can encourage innovation and R&D by setting up research and development centers and providing funding for research projects.

Provide support for international expansion: The state government can provide support for international expansion by setting up trade offices and providing resources for startups to enter international markets.

Support for incubation in colleges and universities: The state government can support incubation in colleges and universities, this will give a chance for student entrepreneurs to access resources, mentorship, and networking opportunities.

Overall, these action plans can help to create a more supportive environment for startups in Kerala and provide the resources and mentorship necessary for startups to succeed.

Why does Kerala have not that much rate of success for startups?

Kerala, a state in southern India, has a growing startup ecosystem, but it may not have as high a success rate as some other states in India. Some reasons for this may include:

Lack of funding and resources: Startups in Kerala may face challenges in accessing funding and resources, as there may not be as many venture capital firms or angel investors in the state compared to other states.

Limited mentorship and networking opportunities: Startups in Kerala may have limited access to mentorship and networking opportunities, as there may not be as many successful entrepreneurs or industry experts in the state.

Bureaucratic challenges: Startups in Kerala may face bureaucratic challenges, as the state government may not have a startup-friendly policy environment that simplifies compliance procedures and reduces red tape.

Limited focus on specific sectors: Kerala may not have a specific focus on sectors that have high growth potential and a large customer base.

Limited support for international expansion: Startups in Kerala may not have as much support for international expansion as startups in other states, which could limit their potential for growth.

Limited incubation support: Startups in Kerala may not have as much incubation support, as the state may not have as many incubators or accelerators as other states.

Limited access to technology and innovation: Startups in Kerala may not have access to the latest technology

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