

ROLE OF INCUBATION CENTRES IN NURTURING ENTREPRENEURSHIP: ACASE STUDY OF CIBA

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ABSTRACT

Building an enterprise requires careful planning and a series of various functions to performed by an entrepreneur. The most distinctive skill of an entrepreneur is the ability to innovate, plan, organise resources and start up one's own enterprise. An entrepreneur identifies a suitable opportunity and exploits to the fullest to achieve the desired goals. The things done by the entrepreneur are usually not done in the ordinary course of business. The entrepreneur enters a venture having profit potential as well as considerable amount of risk. Entrepreneurship in the present scenario is growing at a very high speed. One reason is the increasing efforts taken by incubation centres in providing maximum facilities to the entrepreneur. Development of start- us is possible with the help of business incubators as it provides services including management, training office space and seed funding etc. Entrepreneur face certain difficulties in the initial period of starting their enterprise. Such difficulties are solved by incubation centres. This paper attempts to find out the role of incubation centres in the state of Goa specifically with respect to Centre for Incubation and Business Acceleration (CIBA). The paper highlights the steps taken by CIBA for nurturing the start-ups by providing various facilities. Data collected from secondary sources focuses on the entrepreneurship development programmes initiated by CIBA. Also, the present study attempts to highlight on the number of start-ups running successfully in the state. It also focuses on ongoing projects with CIBA. The study conducted in this area will benefit the upcoming entrepreneurs to understand the role played by incubation centres in nurturing entrepreneurship in the state of Goa.

Keywords:CIBA,enterprise, entrepreneurship, incubation centres.

1. INTRODUCTION

Most people wish to start a business may be after finishing education or whileat work. There is a realization that entire life is wasted in working for someone else.Life is full of uncertainties and so is the business. High level of risk factor is involved for the entrepreneur while starting his own enterprise. People might hesitate to move towards entrepreneurship because of the risk involved in it. Also, lack of financial resources and lack of confidence deviate people from becoming entrepreneurs.

Entrepreneurship can be defined as a process of starting one's own enterprise or a start-up company offering creative and innovative products or services to the customers. An entrepreneur thus, is a creator who comes up with new ideas and processes as per the demands and requirements of the market. Creation or innovation can be with respect to new method of production, a new product, a new market.

Building a strong enterprise requires entrepreneur to have some qualities and skills which includes his ability to take risks which will be associated with the business, to have good leadership skills to lead the required group of people and directing them towards the common goals.

The scenario discussed above was present till the last few years. The reasons being lack of facilities, guidance and capital provided by the government agencies. The current situation depicts a drastic change. Venture capitalists are growing tremendously who fund the new and innovative ideas and lead them to a profit-making opportunity. Also, presence of incubation centres in many states have benefited the upcoming entrepreneurs in several ways. Such incubation centres organize entrepreneurship development programmes for the awareness as well as development of entrepreneurship.

Many workshops are conducted by government, private companies to promote entrepreneurship. Seed funding is provided for those ideas having a potential of being converted into a successful venture. The present study focuses on Centre for incubation and business acceleration (CIBA), which is an incubation Centre playing a major role in development of entrepreneurship in state of Goa by providing various facilities to new entrepreneurs who needs initially nourishing.

1.1. INCUBATION CENTRES

A company providing unique combination of facilities to a new and small businesses to help them grow and overcome difficulties in the early stages of development is a business incubator. Incubation is a process of nurturing new start-ups in their early stage of business by providing networking, management, and infrastructural support. Business incubation centres provide support to startup companies in terms of Consultation, Business Plan assistance, growth acceleration, product prototyping, office space, infrastructure, mentorship and seed funding.

New businesses are provided with an access to a more protected environment to grow before they become self-sustaining.

1.1.1. CIBA

CIBA also known as Centre for incubation and business acceleration is a technology business incubator based in Goa and Mumbai. It supports and nurture startup companies by providing them with services such as seed funding, rapid prototyping, networking opportunities, modern office space, mentoring, incubation etc.

Centre for incubation and business acceleration is Agnel Entrepreneurship Development Institute. It was founded in the year 2012 with an integral role in catalysing the entrepreneurial movement in Goa. CIBA is registered as a non-profit company and is supported by Department of Science & Technology under the Startup India Action Plan. CIBA at present is having two offices in the state of Goa, Assagao and Verna.

The key objectives of CIBA are:

- To support innovation and entrepreneurship in Goa.
- To provide ideal linkage between academia, industry and research
- Providing improved quality of life.

2. OBJECTIVES OF THE STUDY

- 1) To highlight the need and importance of incubation.
- 2) To get an overview of services offered by CIBA to the start-up companies.
- 3) To review performance of CIBA.

3. RESEARCH METHODOLOGY

3.1. Data Collection

The data required for the present study is collected through secondary sources which includes published information and statistics from the centre as well as websites.

4. ANALYSIS

4.1. Importance of incubation in Goa

Goa has a vast educated work-force. Knowledge economy in Goa should be focused by taking numerous steps. Graduates in Goa are contributing maximum towards unemployment. The major reason is the focus has moved on to having a safe white collar or government jobs at their hands. Long term employment opportunities are needed as state faces many problems with respect to employment. Such short-term problem should be replaced. Talents in Goa are either working and serving other organisations in other parts of country or have taken up a long route of settling down in other nations. Such a transfer of educated human resource leads to pulling in one's country from the race of development.

Risk taking and Entrepreneurship are by default linked together. Higher the risk taken by the entrepreneur higher would be his profits. Attitude of risk taking needs to be built among the vast educated work force of the state. Also, it should be supported by providing channelled knowledge, easy access to information and a database of facts & figures.

People in the society must think positively towards entrepreneurship. To help this make a reality, incubation centres play a major role. Centre for Incubation and Business Acceleration (CIBA) has the power to influence and inculcate certain values in the minds of people. The Goan youths are to be made aware about entrepreneurship. Self employment through entrepreneurship as well provision of employment to others lead to a good quality life. CIBA conducts various awareness and entrepreneurship development programmes in colleges, schools, higher secondary's. Incubation in the state helps the entrepreneurs in the starting up of businesses, availing loans from different financial institutions, conducting market survey, helping them to get funding, drafting project reports.

4.2. Facilities provided by CIBA

Support from CIBA to incubatees is experienced in major thrust areas which includes; information technology enabled services, electronic devices, food processing, solid waste management etc.

CIBA offers various services to a new start-up to help it grow from the idea generation phase to a full-fledged enterprise. The centre provides following services:

1. Pre-incubation services- Under this service CIBA provides preliminary counselling services to an entrepreneur. Various training programmes for the entrants are conducted at the entry level which includes arranging for boot camps, workshops. Such training is in the pre-incubation period where in training is provided from 1-3 days
2. Prototyping Facilities- incubatees are helped to build the prototype of their idea which can be tested for viability and future improvements. Also the ideas can be pitched to potential investors.
3. Individual Approach- customised packages are designed for the incubatees as per their needs and individual plans are made in line with the projects undertaken. Incubatees are assisted in preparing business plans and setting up of a working company.
4. Assistance for procurement of required licencing-an entrepreneur in the initial stages of the business faces difficulties in acquiring the required licenses. Keeping this in mind, assistance for procurement of licenses is also provided. Support with respect to liaisoning with the Government departments and authorities is provided to allow smooth working for their businesses.
5. Arranging services related to accounting and legal areas-in-house support of handling accounts and legal areas is provided to the incubatees.
6. Seed Funding-innovative and scalable start-ups are provided with seed funding upto Rs. 25 lakhs to give them required thrust and get their ventures on track. Incubatees are helped to raise bank finance, grants, seed and venture capital with names like Unitus Seed Fund, Kai Capital, 50K Ventures. Assistance is given for acquiring loans.
7. Networking with other entrepreneurs, Stakeholders and support agencies-incubatees are provided with platform to meet other entrepreneurs, stakeholders of various domains and support agencies which provides them an opportunity to establish relationships and grow.
8. Investor Pitch training-A comprehensive and personalised training is provided to our incubatees to help them improve upon their communication skills. An opportunity is provided to connect to market across the globe as per their products and needs. Assistance with business basics on an individual level is provided to every startup incubated helping them right from the basic.
9. PR and Marketing Support – CIBA provides Public Relations and Market support to all the startups incubated through links with the Digital, Print and Social Media. Regular networking events and functions are held to build network of associates with the stakeholders and other entrepreneurs.
10. Access to a Product Innovation Centre in its Food processing and Bioscience Labs- access to innovation centre is provided to the incubatees and associates with all the necessary tools and equipments which includes a heavy-duty 3D Printer. They are also allowed to make use of state of the art food and bioscience labs. The incubatees can keep themselves updated and focused towards their purpose. Access to venture capitalists, business angels, mentors and strategic partner linkages are provided to startups by way of consultation, advisory and guidance from Mentors and Angel Investors and Venture Capitalists.
11. Shared administrative or office services- CIBA has an infrastructure facility to be provided as per the needs of incubatees.
12. Comprehensive business training-Regular seminars and workshops are conducted to address Entrepreneurship Development. Entrepreneurship awareness camps are conducted Goa and Maharashtra. The incubatees admitted in CIBA are entitled to free access to programs conducted. Human Resource Training is provided to incubatees which enables them to make wise recruitment decisions as well as implement practices that are aimed at increasing employee efficiency and asset creation.

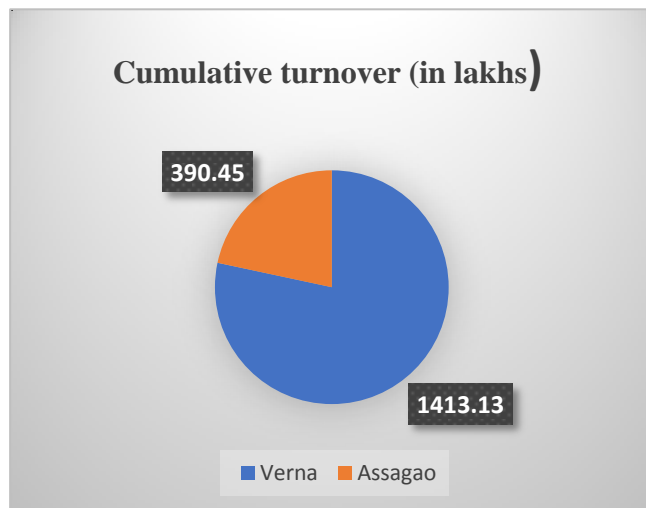
13. Network with Academic Institutions. CIBA has signed MoUs with 14 prominent technical as well as non-technical institutes across Goa and Mumbai. Besides that, 3 In-house Engineering Colleges, a catering College, an MBA programme and 2 Polytechnics. CIBA carries out regular follow-ups with all its incubatees and keeps a track of its progress. Regular guidance is provided as and when needed by the incubatees.

4.3. Performance review of CIBA

CIBA is a pioneering institute in Goa that focuses on boosting entrepreneurial activities within the state. It extends support to tech start-ups and innovation. Since its inception in the year 2012, CIBA has extended its support to over 115 startups from various domains of IT, Biotech, Internet Of Things, Food Processing, Agri-Based ventures, Healthcare, Clean Tech, Social Enterprises, Service sector and so on.

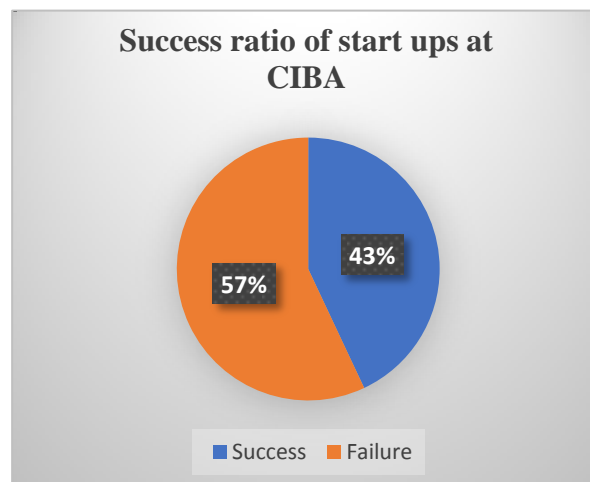
The following pie diagram (3.3.1) shows the success ratio of start ups at CIBA. The success rate of the startups incubated and or associated with CIBA stands at 43% which represents that it has been successful in helping start-ups companies. The current success ratio states that out of the incubatees registered with CIBA 43% of them have successfully graduated and are running successful ventures.

Figure:1 Cumulative Turnover (in lakhs)



The data depicted in the form of pie diagram (3.3.2) showcases the cumulative turnover of start ups associated CIBA wherein the turnover of Verna office is 1413.13 lakhs and 390.45 is that of Assagao. The average annual turnover with CIBA has been of Rs 3.37 Crores.

Figure: 2 Success ratio of start ups at CIBA



CIBA as an incubation centre is successful in providing work opportunities which are depicted the following figure (3.3.3). CIBA's centre at Assagao is able to provide work opportunities for 227 people. Verna centre has also provided opportunities to 81 people in Goa. The efforts taken by CIBA towards success of enterprises are helping locals all around to have job opportunity and improve their quality of life.

Figure:3 Work Opportunities



The success of incubation centre can be measured in terms of the incubatees graduated from CIBA. Start-up nurtured by CIBA have grown and earned high success. The list of few names provided below mentions the successful start-ups:

- Transerve Technologies
- LAN Foods (Wonderbean)
- Lawmate.in
- Inventrom
- Licor Armada
- CounterfeitIQ
- L&A Tech
- Hummingbill
- Vivrt Motors
- BrushFlicks
- Nellikuru Innovations
- Jeevandhara
- Sattvik Foods

Last 2 decades has witnessed a great increase in the number of graduates in and around Goa especially from technical domains. The increase in the number of engineers being graduated in Goa is more than 100%. Keeping this in mind, the major question arises is about the jobs for the youngsters. The increasing concern of unemployment in the state had lead to a dedicated effort towards creating a culture of entrepreneurs. This can be done by the projecting Entrepreneurship as a real and valid career alternative. With this view in mind, CIBA has been continuously involved in conducting Entrepreneurship development programme in the state. It has been creating awraeness among youths which is helping the state to retain its young blood and ultimately leads to better quality of life of people within Goa. Bar Camp, Google Developers Group meet, Nullcon meet, Lean startup Bootcamp, Global Entrepreneurship Week events, Entrepreneur Gupshup, I - the entrepreneur series, Kaun Banega Udyogpati, Tech Pitch competition, Growth Hacking, Million Miles, Quality certification of products and Energy efficient technologies, Top Coder Competition are some of the events conducted by CIBA for the awareness and growth of entrepreneurship in the state of Goa.

5. CONCLUSION

The increase in the educated workforce in the state of Goa has raised the concern about the job opportunities available at present. High knowledge economy should be benefited with the best so that available human resources are utilised to the fullest extent. The concern towards unemployment has focused more on entrepreneurship. Centre for incubation and business acceleration is a non profit company acting as a catalyst tool in promoting entrepreneurial environment in Goa. CIBA offers various services and facilities including product prototyping, fund raising, licencing which help early stage businesses grow and create a strong enterprise. Upcoming entrepreneurs in the state are offered incubation facility to help them cope up with the challenges. The entrepreneurship development programmes lead to awareness among the youths to take entrepreneurial activity as a career option. Entrepreneurship offers self employment as well as work opportunities to society. Goa also experienced presence of successful entrepreneurs nurtured by CIBA doing very well in various domains. Performance of the centre reviewed in terms of success achieved, events conducted, turnover earned highlights its role played in nurturing entrepreneurship in Goa

6. REFERENCES

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