

Propel

Entrepreneurship | BMU

Table of Contents

Proposed Structure	2
Student Incubator Program	2
Benefits of the Student Incubator Program.....	3
Selection into the Student Incubator Program.....	3
Key activities done by the incubator.....	4
Plant your tree (PYT)	4
How does the competition work?.....	5
There could be two categories of prizes:.....	5
B. Student Entrepreneurship	5
C. Entrepreneurship Support	6
D. Innovation Development.....	7
Utilization of funding amount.....	8
Exit Criteria.....	9
Conflicts of interest and confidentiality of information	10
Disclaimer.....	10

ready to
find the entrepreneur in you

Proposed Structure

BMU's incubator (Propel) would consist of the following four initiatives, each of which would be driven by a group of 2-3 faculty members of the University:

- A. **Incubation Support:** This is a student led body responsible for creating an entrepreneurial culture across the University. Their mandate is to conduct business plan/business idea competitions, workshops, invited industry talks by experts etc.
- B. **Student Entrepreneurship:** The primary role here is to seed ideas of entrepreneurship within the student community by conducting programs, and to mentor/advise student entrepreneurs on their business ideas through 1-1 mentoring and/or through customized workshops on different topics (financial planning, marketing plan etc.)
- C. **Entrepreneurship Support:** This will primarily focus on external entrepreneurs (non-University community), and typically these entrepreneurs/startups could either be early stage or late stage ventures. Depending upon their stage of development, this could provide assistance for them to accelerate their growth. The services offered would range from use of mailing facility and networking opportunity, to specialized enablement workshops in identified areas, as well as assistance with raising finance.
- D. **Innovation Development:** This will focus on the innovative classroom projects of the students (primarily postgraduate) and assists them with prototype development, product design finally leading to their commercialization.

In addition to the above, there is also significant focus on bringing live industry projects to the University, which in effect becomes living laboratories, and providing internship/training opportunities for the students.

Student Incubator Program

Propel offers incubation to Full-time/Part-time BMU students (current/alumni) from all BMU constituent schools for all programs offered by them at all levels (UG, PG, and Ph.D), with a view to nurture their business ideas. While in Incubation, these students not only get to avail the various facilities of the incubator but also interact and learn from the experiences of other entrepreneurs. They get to meet their mentors during various mentoring sessions and learn the nitty-gritties of how to incorporate a company, validate a business model, formulate a go-to-market strategy, build a core team etc.

ready to
find the entrepreneur in you

Benefits of the Student Incubator Program

Office Facilities:

- Fully Furnished Office;
- Personal Computers (CYOD);
- Telecom Facility;
- Internet Connectivity;
- Multi-function printer;
- Conference room equipped with projection and tele-presence facilities;
- Pantry facilities

Shared Resources

- Library resources;
- All University labs – (including the clean room, Siemens and Bosch facilities)
- Pre-incubation support;
- Mentoring support;
- Access to Professionals with legal, financial and accounting expertise;
- Networking events to facilitate interaction with industry and investors;
- Training program and seminar relevant to entrepreneurs;
- Seed fund support on a case to case basis*

**The seed fund utilization is subject to guidelines mentioned later in this document.*

Selection into the Student Incubator Program

RELEVANCE: As a pre-cursor this function undertakes to incubate enterprises which have innovative products and services with technology as the backbone. Other areas include Advanced Materials for specified applications that require clean room facilities including anti-microbial surface materials, packaging, catalysts, polymers; Engineering and Manufacturing including components, machining and assembly, new production processes; Devices and instruments -analytical, diagnostic, consumer; and Socially Important Technologies including old age comforts, personal and community hygiene, disease control, drinking water etc.

**ready to
find the entrepreneur in you**

Propel

Entrepreneurship | BMU

MERITOCRACY: Strength of the product idea in terms of its technology content, innovation, timeliness and market potential. In addition, strength of the business model and the team are two critical elements to getting selected in the incubator program. Teams with promising personnel and relevant exposure in all the crucial areas relevant to the business that can demonstrate a potentially strong return to its stakeholders get through the screening process. In addition, potential of the idea for IP creation and the extent of involvement of BMU faculty, employees / students and alumni

FINANCIAL VIABILITY: Fund requirement and viability of raising finance and the projected break-even period.

SCALABILITY: The feasibility of the proposal and its scalability are given due consideration for selection.

Key activities done by the incubator

- 1) Hold annual Idea competition open to all. Using Advisory Members, help distribute seed money to each idea of 5L for 20% stake, valuing the ideas at 25 Lacs (SUPPLY)
- 2) Ensure that the idea finalists are grown to be successful in 24 months and at least 20% of them are valued by Angel Investors at 2.5 Crores (DEMAND)
- 3) The heart of the incubator is the Annual fest which will run into 2 days with talks, events, trainings and a Pitch competition. The competition must have an attractive prize to sell the idea of a 'BMU Mauka' that will attract the best start-ups. The competition will be modelled around the TV show 'Shark Tank' format.
- 4) In addition, 4 Seminars/Workshops on venture ideation are planned in Year 1 that will be done to communicate the benefits of the incubator, train people in entrepreneurship and make it a Centre of Innovation.
- 5) To mentor the incubatees in various business areas such as venture implementation, strategy, growth planning, HR, marketing, funding, VC, creating legal agreements, IP, valuations, etc.

The **annual competition** could have the following format:

Plant your tree (PYT)

PYT is designed to help young entrepreneurs make the transition from ideas to formalized action plans, with the opportunity to win funding. Once a year, student entrepreneurs from BMU and other Universities/colleges are invited to pitch their business ideas for a chance to win up to Rs. 1,00,000/-.

ready to
find the entrepreneur in you

How does the competition work?

All current students (current, valid ID compulsory) are invited to apply for the competition by submitting their business idea and application. A internal review committee (with appropriate representation from finance, management and the appropriate specialization area) will screen the applications based on the quality of the idea and the ability to move the business forward. Selected finalists will be invited to pitch on a prescribed date to a panel of judges (consisting of angel investors, and leaders from successful startups that are now mature.) The winning ideas will receive a cash prize, as well as access to mentorship, media exposure, and professional services, provided by Propel.

There could be two categories of prizes:

- (1) **Product Prize** (non-ICT startups): Rs. 50,000/-, formal mentorship, access to co-working space, a free 1 year current bank account from Yes Bank, and connects creating the opportunity to sell product for one (1) year.
- (2) **Technology / Service Prize** (ICT startups): Rs. 50,000/-, formal mentorship, a free 1-year current bank account from Yes Bank and access to co-working space.

B. Student Entrepreneurship

Led by 2-3 faculty from School of Management, this would primarily focus on creating supply i.e. seeding ideas of entrepreneurship within the student community by conducting courses, and mentoring student entrepreneurs on their business ideas through 1-1 mentoring and/or through customized workshops on different topics (venture ideation, entrepreneurship etc.)

ready to
find the entrepreneur in you

Propel

Entrepreneurship | BMU

It is proposed to have two mandatory non-credit audit courses taught for all students entering BMU. The first course on **venture ideation**, would give the students an opportunity to examine the entrepreneurial mindset and to compare their skills, strengths, and goals to those of successful entrepreneurs. The course would help them to both identify and develop a business idea using practical skills. Skills would include financial planning, pitching an idea etc. In financial planning for example, students will examine the process of financing an entrepreneurial venture; and in pitching they would study the art of persuasive communication; identify the expectations of key stakeholders in an entrepreneurial venture; practice creating and delivering an elevator pitch and follow-up investor presentations. The second course on **Design Thinking** would start the student down the path toward innovative solutions, focusing on the problem first: Developing empathy for consumers by “putting yourself in their shoes”, and further understand their perspectives by defining a point-of-view statement. It would be conducted in workshop mode where students can start generating ideas and then move on to building low-resolution prototypes, which they can take back to consumers for feedback.

C. Entrepreneurship Support

This will primarily focus on external entrepreneurs (non-University community), and typically these entrepreneurs/startups could either be early stage or late stage ventures. Depending upon their stage of development, this could provide assistance for them to accelerate their growth. The services offered would range from use of office facility and creating networking opportunities to assistance with raising finance. Additionally, BMU students will get the opportunity to complete their PS3 in pursuing their venture – for which they would be given due academic credit – provided the idea has the prior approval of the School Dean.

ready to
find the entrepreneur in you

Specific services offered by this could include:

- Access to the Propel mentor network comprising of renowned names from the industry and including eminent personalities from diverse fields (to be developed.)
- Invitation to knowledge sessions and events happening on campus including discounted entries to entrepreneurial events organized by NASSCOM, FICCI, CII and other industry bodies (would require BMU membership.)
- Online showcasing of products and services through our portal to the VC/PE industry – help in creating short, crisp elevator pitch videos.
- Regular updates & support on becoming a part of ongoing government schemes on entrepreneurship development.
- Accessing Interns and hiring interested management graduates as team members
- Business Plan Assistance & Support including overall business planning, understanding the market space, strategy formulation and answer to other critical business/industry related questions.

D. Innovation Development

The objective of this function would be to identify and support prototype development (through seed funding) of innovative student/faculty projects, which can be potentially commercialized. The student/class room projects/Joy of Engineering projects could be chosen primarily based on the following metrics:

- Potential for Intellectual Property Creation & Protection
- Potential Market Size

A panel of experts would enable this process. There will be at least three expert members having technical and financial expertise, including the Head – IT, Digital & Innovation, a Professor of Finance/Strategy/operating Finance Officer of the University, and others would be invited/ identified depending on the nature of the proposal. The strength of the members may be extended as and when necessary.

ready to
find the entrepreneur in you

Utilization of funding amount

Any amount granted for funding would go into an escrow account jointly operated by a designated representative of BMU-Propel and the incubate company. Any expenditure of over 10K would need to be authorized by both approvers.

A nominal monthly service charge will be levied to a company for the period of first 24 months. The service charge will be levied for:

- a) Office space @ Rs. 15 per sq. ft
- b) Other charges on actual basis for PC's, Internet connections, Electricity charges , Rent on specialized capital equipment, and any other facility as may be required during the incubation. The proposed rates are given below:
 - i. For IT related companies: per seat charges (one computer, one seating place, with table chair, except internet and phone) 750 – 1000/- per month (depending on category)
 - ii. The bifurcations in the charges are as follows:
 - a. For students: Rs. 750 per seater per month
 - b. For Alumnus: Rs .850 per seater per month
 - c. For outsiders/people of the region: Rs. 1000 per seater per month
- c) Applicable discounting: For BMU/Hero Group employees or current BMU students:
 - i. 50% rebate for the first year, thereafter 100% rent
 - ii. Other charges 50% rebate for the first year and 25% rebate for the second year. If extended beyond, then 100% charges as applicable

For the extended periods Companies will have to pay service charge at the prevailing market rate, which would be for:

- Office space
- Personal Computers/Laptops
- Internet connection
- Electricity charges including air conditioning
- Any other facility as may be provided at that time

If a company is provided with specialized capital equipment, rent on the same will be decided on case-by-case basis.

ready to
find the entrepreneur in you

Exit Criteria

Incubatee companies will leave the incubator under the following circumstances:

- 1) Raising substantial investment from angel investor / Venture Capital Fund / any other investor– Rs. 2 crores or more
- 2) Completion of stay for twenty-four months, unless the stay is extended by BMU Propel in writing. If the venture does not succeed after this period, BMU through its Corporate Relations department may offer placement assistance to BMU graduates who are part of the incubated company
- 3) Underperformance or unviability of the business proposition: criteria for the same will be decided and applied by Propel on case to case basis
- 4) Irresolvable disputes between promoters/ founders. Propel will decide the position
- 5) When the number of employees of the company exceeds 10
- 6) When the annual revenues of the company exceed Rs. 2 crores or when a company achieves a Profit before tax of Rs. 60 Lakhs.
- 7) When the company enters in an acquisition, merger or amalgamation deal or reorganization deal resulting substantially a change in the profile of the company, its promoters, directors, shareholders, products or business plans, or when a company plans for a public issue
- 8) Change in promoters'/ founders' team without concurrence of Propel
- 9) Any other reasons which Propel may find it necessary for an incubatee company to leave the incubator
- 10) Notice period of one month will be given to the incubatee companies for the exit or extension
- 11) Physical transfer of the shares from/to the incubator should be completed
- 12) All the financial obligations should be settled
- 13) All the resources provided to the incubatees should be returned to the incubator
- 14) Details of new location should be provided to the incubator
- 15) Feedback

Notwithstanding anything written elsewhere, the BMU-Propel decision in connection with the exit of an incubatee company shall be final and shall not be disputed by any incubatee company.

**ready to
find the entrepreneur in you**

Conflicts of interest and confidentiality of information

Propel endeavors to draw a line between appropriate and inappropriate interactions among its board members, employees, mentors, consultants, affiliates, incubatee companies, their employees, persons connected to them or their promoters, employees and staff, various service providers and suppliers. Propel considers the full voluntary disclosure as the best mechanism for managing conflicts between private interests and official responsibilities of all stake holders.

All stakeholders related to Propel and incubatee companies should be aware that no one should use his/her position in one role for the personal gains in the other role, and when necessary, explicit permission of relevant stakeholder may be obtained. Appropriate judgment should be applied by all concerned parties while assessing the genuineness of conflicting interests.

Disclaimer

The incubatee company will understand and acknowledge that BMU-Propel intends to provide supports and services to the Company in good faith to pursue its objective to promote entrepreneurship and supporting new enterprises. It is understood that by agreeing to provide various supports and services, BMU-Propel does not undertake responsibility for:

- Ensuring success of an incubatee company, its products/ process/ services or marketability
- Ensuring quality of support and services provided by BMU or Propel to the complete satisfaction of the incubatee companies or their promoters/ founders
- Ensuring quality of services of the consultants engaged by the incubatee companies through the Propel network. Incubatee companies will have to apply appropriate judgements before getting in to a relationship with them

The incubatee companies agree that BMU, Propel or their employees shall not be held liable for any reason on account of the above.

BMU reserves the right to change any of these terms at any time at the discretion of its management.

ready to
find the entrepreneur in you