

“AN INSIGHT ON STARTUP VILLAGES WITH SPECIAL REFERENCE TO KERALA INDUSTRIAL INFRASTRUCTURE DEVELOPMENT CORPORATION (KINFRA)”

Akhil Sebastian

Assistant Professor (FDP Faculty)

Department of Commerce

Sacred Heart College, Thevara, Cochin

Kerala, PIN: 682013

Abstract

A **startup incubator** is a collaborative program designed to help new start-ups succeed. Incubators help entrepreneurs solve some of the problems commonly associated with running a startup by providing workspace, seed funding, mentoring, and training (see list below for a more extensive list of common incubator services). The sole purpose of a startup incubator is to help entrepreneurs grow their business. Startup incubators are usually non-profit organizations, which are usually run by both public and private entities. Start-ups are flourishing in India not only in the field of internet but in various other fields as well. Educational tech start-ups are a new hot bee among various investors since it is anticipated that the complete educational system will be digitized in the near future. Similarly, start-ups are also eyeing big data for analytics, healthcare, beauty and fitness, biotechnology and other areas as well. Several start-ups have also ventured into food delivery service as well. The study focuses on the Kerala Industrial Infrastructure Development Corporation (KINFRA) a government initiative to set up industrial parks to flourish trade and commerce in Kerala. Several theme parks already implemented by KINFRA include food processing parks, an apparel park, a film and video park, an export promotion industrial park, an information technology and electronics park as well as a herbal and Ayurveda park.

Keywords: KINFRA, Start-up Village, Incubator, Technology Incubators, Technology innovation centers

1. INTRODUCTION

A startup is a young company that is just beginning to develop. Start-ups are usually small and initially financed and operated by a handful of founders or one individual. It is an organization designed to accelerate the growth and success of startup companies through a set of business support resources and services.

Startup Village is a not-for-profit business incubator based in Kochi, Kerala, India. Started in April 2012. In January 1, 2016 Kerala Startup Mission took over the physical space of the iconic Startup Village at Hi-Tech Park in Kalamassery. The organization aimed to launch 1,000 technology start-ups over the next ten years. It focuses primarily on student start-ups and telecom innovation. It is India's first incubator that is funded jointly by the public and private sector. As of October 2013, Startup Village has incubated 450 start-ups. The promoters of Startup Village are Department of Science and Technology, Government of India, Government of Andhra Pradesh, Techno park, Trivandrum and MobME Wireless. Kris Gopalakrishnan, co-founder of Infosys and an IT entrepreneur from Kerala, is the chief mentor at Startup Village.

2. OBJECTIVES

- To study on the concept of startup villages.
- To highlight the need and importance of Start-ups
- To get an overview about KINFRA

3. RESEARCH METHODOLOGY

This study is based on the secondary data collected from various sources like journals, articles and websites.

4. NEED AND IMPORTANCE

Startup Incubation holds significant importance in a country like India, that produces more than 300,000 management graduates and 0.75 million engineers every year. "Startup Village" in Cochin is a typical case study for the success of technology incubation centres in India.

Startup Village has been featured as a major achievement in the two years of the present Kerala Government. Around 700 small start-ups have come forward to get them incubated. The total investment exceeds Rs.1 billion and around 5000 employment opportunities have been created. A joint venture of the National Science and Technology Entrepreneurship Development Board(NSTEDB), Techno park (one among the three large IT parks in India) and a private firm, Startup Village aims at incubating 1000 product start-ups in 10 years. Startup Village seeks to emulate Silicon Valley by transforming Kerala into a Silicon Coast and begin a search for a billion dollar tech startup out of Indian campuses by the end of this decade.

5. Startup Village – A Centre of Excellence

Startup Village is equipped with full 4G LTE network, telecom labs, innovation zones, legal and intellectual property services, fully furnished offices spaces and videoconference rooms. In addition, Startup Village will give a host of perks from three-year service tax holiday to funding opportunities for tech start-ups to build, break and innovate. As per the National Association of Software and Services Companies (NASSCOM), the number of start-ups had been tripled in the country to 450 last year from 162 in 2006. Cloud and Big Data topped the list with 32 per cent, followed by education (29 per cent), mobile (21 percent) and social media (18 per cent). NASSCOM has also drawn up plans to facilitate setting up 10,000 start-ups in the country in the next 10 years. Securities and Exchange Board of India (SEBI) approved the Startup Village angel fund of \$10 million with a 'Green Shoe' option (over allotment) of \$20 million. This would address the problem of resource crunch for startup companies in Startup Village as well as across the country.

Incubation Centers in India – A Wider Perspective

Almost every famous B-school in India today houses an incubation center of its own. At present there are roughly 100 incubation centers supported by the Indian STEP and Business Incubator Association (ISBA) - the apex Indian professional body supporting business incubators. The numbers are expected to double next two years considering participation from private partners as well. Some of the best business incubation centers include

- 1. Techno park Technology Business Incubator (T-TBI), Kerala

T-TBI has till date successfully incubated about 60 companies and has had a 92 percent success rate. In early 2011, T-TBI was chosen as the world's best software incubating company and the first Indian organization to have achieved this status.

- Innovation and Entrepreneurship (SINE), IIT Mumbai

Established in 2004, SINE can incubate an average of 15 companies at a time and has an infrastructure spread over 10,000 sq.ft

- Centre for Innovation, Incubation and Entrepreneurship(CIIE), IIM Ahmadabad

A business incubator housed at India's prime business school incubated more than 50 companies. CIIE want entrepreneurs to build their ideas from wherever they are located, so that the local economy benefits from its growth.

6. SERVICES PROVIDED BY INCUBATORS

Incubation program ensures that an individual seeking to start or promote the growth of their

enterprise has easy access to the knowledge, experience in management and financial resources. Invariably business incubators will provide a variety of resources or resourcefulness which may include the following:

- Shared premises
- Business advice
- Networking
- Mentoring
- A full time manager.

7. TYPES OF INCUBATORS

Business incubators

Promote continuous regional and national industrial and economic growth including increasing employment through general business development or stimulating specific economic objectives such as industrial restructuring and wealth generation or utilization of resources. The incubator combines a variety of small enterprises support elements in one integrated affordable package. It has a special niche, i.e. nurturing early stage, growth-oriented ventures, through focussed assistance within a supportive environment. A “third generation system” termed as “*International Enterprise Centre*” is reported to be emerging to bring under a single aegis the full range of support services for the development of knowledge-based business, with linkages to universities, research institutes, venture capital and international joint ventures.

Technology Incubators

They are intended for bolstering the technology development stage. The primary goal of technology incubators is to promote the development of technology-based firms, and assist in completion of the technologies under development. These are located at or near universities, R&D institutes, and Science and Technology parks. They are characterized by institutionalized links to knowledge sources including universities, technology transfer agencies, research centre, national laboratories and skilled R&D personnel. The aim is also to promote technology transfer and diffusion while encouraging entrepreneurship among researchers and academics. Technology incubators, in practice, are a variant of business incubators, and combine broadly the functions of technology business incubator and innovation centre.

Technology innovation centers

The TICs conduct research and development (R&D) and technology innovations required by the industrial field, which aims to jointly invest resources into university campuses or research institutions and achieve commercialization with support from business enterprises or public institutions. As a concept the TIC is similar to that of the Technology Parks, and, at the R&D stage,

to the TI.

Technology business incubators

The TBI is a venture of universities, public research institutes, local government and private institutions to promote and bolster a new technology intensive enterprise. TBI refers to the type of incubation where the focus group consists of innovative, mostly technology-oriented, or knowledge-intensive service sector enterprises and interactions with the academic sphere giving a substantive element of the incubation process. The pushing forward of TBI occurred in parallel with the vigorous transformation of today's spatial economic processes, it can be interpreted *as a reply for the challenges of the learning-based economy*.

8. ABOUT KINFRA

Kerala Industrial Infrastructure Development Corporation, KINFRA aims at bringing together all the suitable resources available in the state and developing infrastructure to woo the industrial growth of the state. KINFRA is dedicated to catalyse industrial growth in Kerala by providing the best industry-specific-infrastructure. KINFRA has identified over 20 core competency areas. It has 12 well-defined industrial parks of which many are functional and some are in the launching phase. Each of these Parks offer comprehensive infrastructure and support services to the clients. The most fascinating feature of KINFRA is that it offers single window clearance facilities. Attractive incentives and excellent opportunities for expansion and diversification are the specialties of KINFRA. The head office of KINFRA is located in Trivandrum, the state capital of Kerala. The Parks of KINFRA are scattered in different parts of the state. Kerala has several specialties. The state offers highly skilled man power and cheap labour compared to international rates. Owing to the rich natural resources of the land, the State of Kerala offers the lowest tariffs for potable water and electricity compared to its counterparts.

In working towards its goal of metamorphosing Kerala into a industrialized state, KINFRA takes utmost care to protect the natural environs as the state is one of the greenest in the country. Kerala is one of the most fertile grounds for investors as it is the only state in the country which offers single window clearance

Mission

Enable development across Kerala by identifying and promoting core competency industries of each region, creating walk-in and manufacture environments and wooing discerning investors from across the world.

Vision

Create a Kerala where industry thrives in the midst of the rich green environs and where people

flourish in an achievement that fosters growth and the freedom to innovate.

Kerala State Industrial Infrastructure Development Corporation known as KINFRA had been set up to unleash the industrial potential of Kerala. The KINFRA's mandate was to create conducive infrastructure and environment with state of the art facilities and to manage it an efficient manner. Thus attract investments and motivate entrepreneurs to set up new businesses inside these new forms of industrial parks. The objectives were realized even from the first park it set up. From apparel to food processing, rubber to seafood, KINFRA has pioneered the 'park' concept in Kerala, kick starting development, particularly in industrial sectors where the state has an edge by way of natural and human resources. This indeed helped to craft an industry culture and forced many leading industries to set up their factories and manufacturing to KINFRA parks. It has created the much necessary impetus to the industrial promotional movement in Kerala. The infrastructure quality, local people support, abundance of work force from nearby places, easier access, connectivity, power and water availability, Power back up plans, sewage and environmental protection, Secure and peaceful environment, and efficient management of the parks helped to build the confidence among investors. KINFRA is proud to be a front runner in leading the industrial promotion in Kerala by creating industrial spots in many unlikely areas for industries.

KINFRA Parks had earned much needed people support and contributing to the local economy in a bigger way which translates into upliftment of economically backward classes to lead a better life. The studies and social indications point towards the influence of KINFRA parks in all these growth spots. KINFRA had built sector specific parks and common parks for all industries. KINFRA had achieved many awards and recognitions from Government and non-government agencies for the meritorious services it lends to industries.

9. CONCLUSION

India have been quite successful over the last decade, with over 500 companies and organizations successfully graduating from their incubators to create tangible home grown impact on their local as well the national economies. However, the challenges faced by them such as a lack of sufficient follow up mentorship, continuing corruption and bureaucratic red tape, etc. continue to prevent them from achieving their fullest potential

Business incubators has been identified as a means of meeting a variety of economic and socioeconomic policy needs, which may include

- Creating job & wealth
- Fostering a community's entrepreneurial climate
- Technology commercialization

- Diversifying local economies
- Building or accelerating growth of local industry clusters.
- Business creation
- Encouraging women or minority entrepreneurship
- Identifying potential business opportunities

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