

2017

**INCUBATORS/ACCELERATORS
DRIVING GROWTH OF INDIAN
START-UP ECOSYSTEM**



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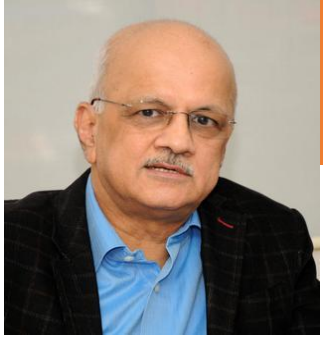
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FOREWORD



R Chandrashekhar
President, NASSCOM

India continues to mature as a start-up hub with the number of new technology product start-ups expected to grow by 8-10%. The number of these start-ups in India was expected to cross 4,700 by the end of 2016. Incubators and Accelerators (I/A) in the country have played an important role in this growth by mentoring start-up founders, nurturing ideas, providing technical support, helping them generate funds, and acquiring new customers.

The number of incubators and accelerators have grown by 40%, with more than 40 new ones added in 2016. Out of these, 30+ are academic incubators established under the ‘Start-up India Stand-up India’ initiative. The incubators and accelerators are currently technology-driven, and seem to be industry agnostic.

I/As can be broadly classified into four categories: Corporate, Independent, Academic, and Government-supported. Corporate and Independent mostly work on accelerator model, whereas Academic and Government-supported have an incubator-like model.



Pari Natarajan
CEO, Zinnov

The first edition of NASSCOM-Zinnov report titled “Incubators/Accelerators (I/As) Driving the Growth of Indian Start-up Ecosystem – 2017” throws light on the critical role that I/As play in the start-up landscape. It classifies the various types, provides a compilation of facts, trends, best practices, challenges and opportunities. This report also helps in understanding the role played by the government, corporates, and academic bodies in the growth of incubators and accelerators in India.

We hope this report is useful to you and we welcome your feedback and comments at research@nasscom.in

Mr. Pari Natarajan
CEO, Zinnov

Mr. R Chandrashekhar
President, NASSCOM



ACKNOWLEDGEMENT

This report has been co-developed by **NASSCOM** and **ZINNOV MANAGEMENT CONSULTING** through a comprehensive three-month study to understand the Incubator and Accelerator landscape in India.

The preparation of this report has been facilitated by a number of organizations and people who have extended great help to the research team. We wish to sincerely thank all of them for their valuable contributions without which this report would not have been possible. Mentioned below are the names of the research team members that developed this report.

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- Sangeeta Gupta
- Ashok Madaravally
- Manishree Bhattacharya

ZINNOV MANAGEMENT CONSULTING

- Praveen Bhadada
- Rajat Kohli
- Mohit Gupta
- Akash Talwar



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7	Outlook



INCUBATORS/ACCELERATORS (I/A) LANDSCAPE – Quick Facts

140+

Incubators/Accelerators
(~40% YoY growth in 2016)



30+

New academic incubators established in
2016



Bengaluru, NCR, and Mumbai
continue to be the leading hubs, with
40%+ incubators/ accelerators



Tier 2/Tier 3 cities seeing traction,
with **66%** new incubators in 2016



Corporate Accelerators seeing
growth

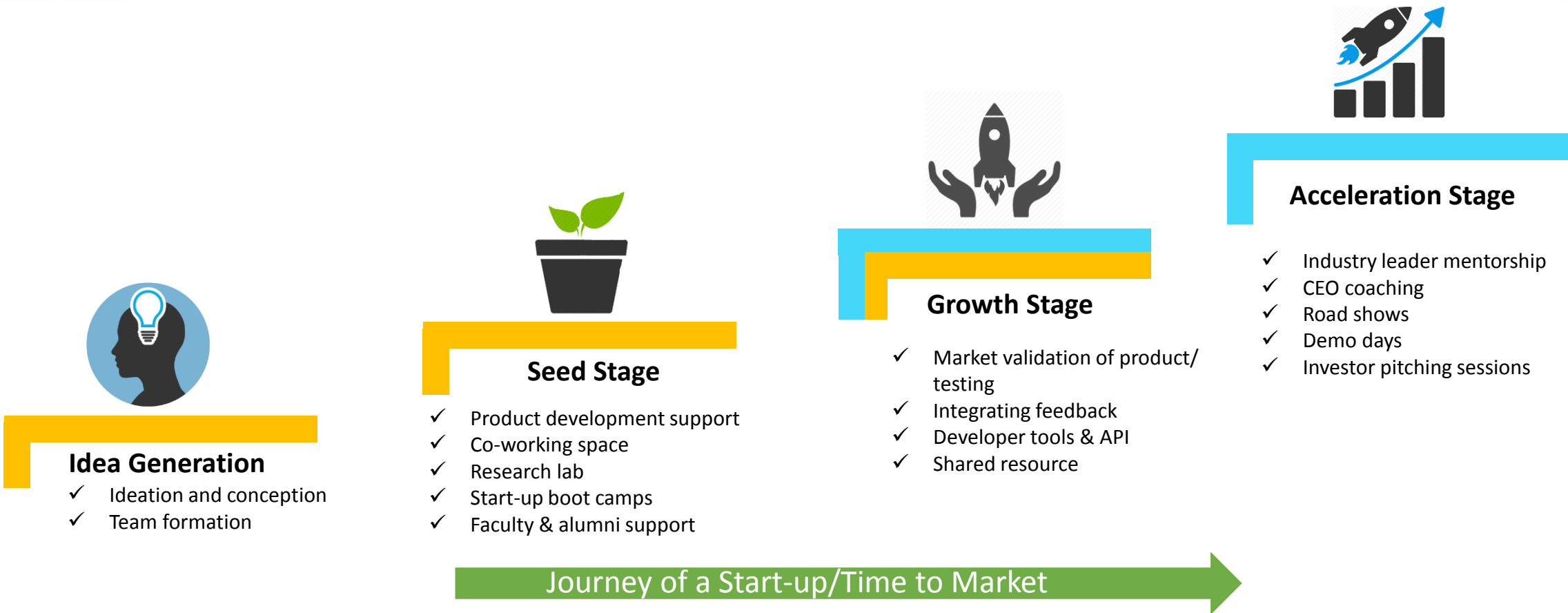
~35% YoY



Incubators/Accelerators have a
technology (Cloud, Big
Data/Analysis, and ML/AI) focus, but
vertical specific I/As rising



START-UP LIFECYCLE - While incubators provide support across the life cycle, accelerators are more focussed on 'Growth & Acceleration' stage



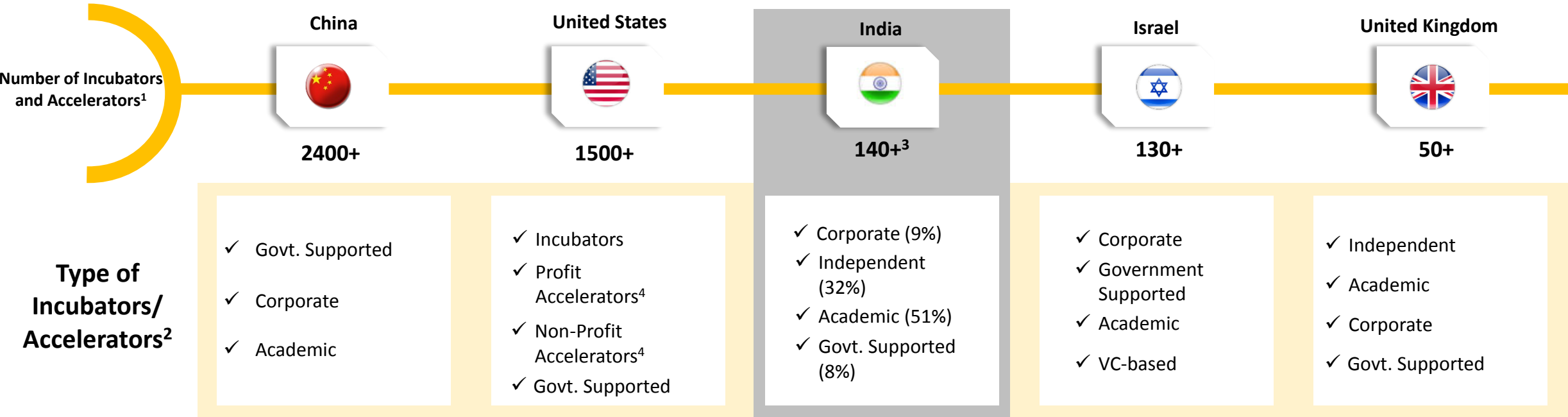
Incubator Typical duration: 6-36 months

Accelerator Typical duration: 3-12 months

Source: Zinnov Research and Analysis
Note: Research based on conversation with 30+ accelerators and incubators



COMPARISON WITH THE GLOBAL ECOSYSTEM - India emulates global best practices, with innovation and improvisation as per the Indian landscape



India is following global best practices, yet innovating in its own way

Vertical specific programs

Following global trends on vertical focus, for eg. UK (Fin-tech & eCommerce focussed) and Israel (social focussed), India has started focussing on vertical specific programs

Not just an urban story

Unlike UK where more than 60% accelerators are located in London, India is balancing growth between tier 1, tier 2, and tier 3 cities - 50% I/As are located in non-metro cities

Government's impetus

In line with China, Government of India is also driving the incubators ecosystem. It announced a policy to start 30+ new incubators in 2016

Source: Inbia, Entrepreneur.com, Israel Advanced Technology Industries, Technode, Gust.com, Zinnov Analysis
 Notes: 1. Data as of Dec, 2016, 2. Nomenclature as defined in the country, 3. Single count for an entity – its multiple branches/warehouses not counted separately, 4. Includes corporate and independent accelerators



TYPES OF INCUBATORS & ACCELERATORS (I/AS) - 50% of I/As are established by academic institutions

Incubators and Accelerators are the crucial support centres of the start-up ecosystem

Incubators (I) = idea development

Incubate ideas, help in product development, and provide seed funding

Accelerators (A) = start-up growth

Provide mentorship to companies with atleast a ready version of the product, helping them scale-up

I/As can be classified into 4 categories*

	Corporate By Large Corporates	Independent Independent Private Centres	Academic¹ By Academic Institutes	Govt. Supported Started/ Supported by Govt.
Incubators ~100	3+ 	17+ 	68+ 	10+
Accelerators 40+	12+ 	25+ 	2+ 	2+

Global accelerators like Y Combinator run cohorts of global start-ups. Recently, Y Combinator and Launchpad by Google inducted 7 Indian start-ups each as a part of their ongoing cohort



*A very broad classification - there can be overlaps/other niche categories

Source: Zinnov Start-up Database, YourStory, Crunchbase

Notes: 1. Academic incubators may or may not receive grants from the government; 2. Standalone co-working spaces not a part of the report

Represents Number of Incubators/ Accelerators

Key Takeaways

50%+ Incubators and Accelerators are located in Tier 2/3 cities



Jaipur



Chandigarh

60%+ Incubators and Accelerators focussing on deeper technologies

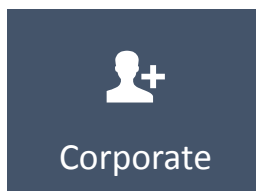


KEY ATTRIBUTES OF VARIOUS TYPES OF INCUBATORS/ACCELERATORS IN INDIA – Average

incubation duration is 2-3X that of acceleration

With a mind-set to accelerate start-ups

Different Types of I/As



Proportion of Incubators/ Accelerators

~80% are Accelerators

~62% are Accelerators



Physical Support

- Shared Resources
- Cloud Support
- Developer Tools
- APIs



Networking Support

- Investor Connect
- Customer Showcase Opportunity
- VC Sessions
- Road shows



Mentorship Support

- Business Leader Mentorship
- Corporate Support
- CEO Coaching



Focus Areas

Technology: ML/AI, Big data/Analytics, Cloud

Verticals: Edu-Tech, Fin-Tech, Health-Tech, Ad-Tech, Retail

Segments: Both B2B/ B2C



Typical Acceleration Period: 3-12 months

With a mind-set to incubate start-ups



~97% are Incubators

~82% are Incubators

- Dedicated Office Space
- Hi-speed internet
- Research Labs & Library Access

- Start-up Boot Camps
- Investor Networking & Pitching Sessions
- eSummits (attended by CEOs, investors, start-up founders)

- Alumni Mentorship
- Faculty and Industry Advisor Support
- Technical & Leadership Training

Technology: Analytics, 3D Printing, Internet of things (IOT), ML/AI

Verticals: Manufacturing, Hi-Tech, Health-Tech, Energy

Segments: B2B



Typical Incubation Period: 6-36 months

Unique to the category highlighted in blue color



I/As SOLVING INDIA CENTRIC PROBLEMS - Across sectors such as agriculture, healthcare, education, and banking

I/As are providing necessary resources and support for solving India-centric problems

Agriculture

I/As are focusing on technologies such as mobility, and IoT to address India's agriculture problems



Creating innovative applications and domain capability in smart agriculture (amongst others) through IoT technology



Healthcare

I/As in India are finding new ways to deliver health care and enable Health-tech start-ups



Focusing on solving health related problems for India's urban middle class



Education

Enabling Ed-tech start-ups to solve India's problems in education sector



Works with start-ups that are solving critical problems in the education system through product, service, or business innovation



Financial Inclusion

Supporting Fin-tech start-ups in finding effective means of conducting banking transactions through mobile devices



Incubating product led start-ups that are solving India's complex problems in financial inclusion and unorganized retail



Government Speaks

On Job Creation



UP govt. is setting up the largest business incubator in the country in Lucknow. Efforts are being made to make a workplan that will allow 7 million individuals to get opportunities for employment and self-employment in the next five years at the planned IT Parks and Start-Up Incubators.

- Yogi Adityanath, Chief Minister, Uttar Pradesh

On Innovation



As we want to double the no. of incubators over the next 4 years, we will spend INR 2 Bn for setting up 100 more incubators under the National Initiative for Developing and Harnessing Innovations Programme

- Ashutosh Sharma, Science & Tech Secretary, Indian Government



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KEY HIGHLIGHTS - Govt. supported/academic incubators nurturing early stage student start-ups, in areas of energy, health-tech, manufacturing & hi-tech

Key highlights

Focus on Energy/Clean-tech, Healthcare, Agriculture and Social Ventures



20+ incubators focussing on agriculture and social ventures

Both technical and management institutes have energy and healthcare as one of top 3 focus verticals



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National Academy of Agricultural Research Management (NAARM)

CIIE has launched Food & Agri-Business Accelerator program in association with NAARM



Strong support partner base

Banks, corporates, government & international organisations are partnering with academic incubators to provide a strong partner support



More number of student entrepreneurs, emerging from academic incubators in IITs/IIMs

100+

Students across IITs and IIMs have opted for deferred placement to pursue start-up ventures



clie

+



Cruxtor News App

Cruxtor News App, incubated at IIM-A

IOT is most widely adopted technology among technical institutes

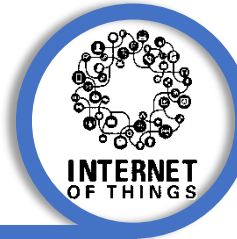


+



Daksha, a provider of next generation of video surveillance, incubated in IITM Incubation Cell

33%+ start-ups incubating in technical institutes like IITs are leveraging IoT in different verticals. The percentage is the highest for energy and clean tech (50%+)



Best Practices at 10 000 START-UPS

A NASSCOM Initiative



2013



Pan India



No. of Warehouses (Incubation centres)
10



Duration of each batch
6-12 months

Program Management Team

- The program has a team of several full time members, with roles distributed across leadership, managing mentorship programs, partnerships and other key initiatives.

Marketing / Events






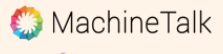













- With 800+ events conducted in 22 cities that were attended by 35,000 people, the 10,000 Start-ups program has high visibility in the start-up ecosystem.
- The program has reach in not only the metros but also tier 2 and tier 3 cities in India, through which they have developed a robust database of start-ups across India.

Partnerships


- It has partnerships with nearly 70 outreach partners who help them conduct events, curate start-ups, hold sessions across India.
- The 10,000 Start-ups program is supported by foundation grants and corporate partnerships.



DEEP-DIVE - Incubators provide funding, mentorship and networking opportunities, in addition to business support

Incubators	Founded & Location	Physical Infrastructure Support		Mentoring & Assistance		Number of Start-ups Incubated with Illustrative Examples		Key Focus Areas
		Office Space	Tools/Software	Business Assistance	Networking	No. of Start-ups ¹	Illustrative Examples	
	2004 Mumbai	Co-working areas, internet, telecom facility	Digital library, software resources	Training programs for entrepreneurs, 1-1 mentoring	Networking with industry leaders, faculty, investors	80+	  	Technology: 3D printing, Big data/Analytics, Cloud Vertical : Energy, Manufacturing, Health-tech
	2002 Ahmedabad	Co-working area, 24 x7 power supply, internet, telecom facility		~400 mentors, IIM-A alumni, tech development, design and legal support	Networking with industry leaders, faculty, investors	500	  	Technology: ML/AI, IoT, Big data/Analytics Vertical : Hi-tech, Health-tech, Energy
	2002 Bangalore	Office support with access to shared resources like meeting rooms		Faculty, vertical and alumni mentorship	Access to IIM-B alumni and other entrepreneurs, investors, industry leaders	55+	  	Technology: Cloud, Big data/Analytics Vertical : Fin-tech, Retail, eCommerce, Health-tech
	2013 Chennai	Co-working area, internet, research labs		Networking with industry leaders, faculty, investors	Networking with industry leaders, faculty, investors	55+	  	Technology: IoT, Big data/Analytics, Cloud Vertical: Health-tech, Agri-tech, Manufacturing
	2015 Hyderabad	24/7 access to physical Infrastructure including Wifi, meeting rooms		T-Hub's Digital lab and IOT hub, credits for cloud services	Office hours with industry experts, domain experts	Workshops such as investor meets, corporate connects, mentorship	~120	 

Source: News Articles, Company Websites
Note: Overall number of start-ups captured as of Jan'17

 Represents number of start-ups incubated



GOVERNMENT'S CONTRIBUTION – From setting-up incubators to providing recognition through awards

Government Initiatives



Setting up/ Opening Incubators

Establishing I/A programs by either inviting global I/As to set their programs in the state or by providing own space and areas for the same

Partnership with Industry Leaders

Partnership with industry bodies as well as successful incubators in order to replicate the successful 'Funding and Mentoring Models'



Incubator Management

Government, in some cases, closely monitor the proceedings of the supported incubators to better manage them

Recognition through Awards

Felicitating entrepreneurs and accelerators with awards, such as ISBA AWARDS and STAR GAZING AWARDS, organized by Indian STEP & Business Incubator Association



Supporting Colleges and Universities

Establishing incubators within colleges and universities to support young budding entrepreneurs

Initiatives by State Government (indicative only)



- AP Govt. plans to set-up at least one I/A by inviting global I/As to set up their programs in the state
- Target to create 1 million square feet of incubation space by 2019



- Telangana Govt. plans to establish sector-specific incubators, for areas such as animation and gaming
- Set-up one of the largest incubator in the country called T-Hub



बिहार सरकार

- Bihar Govt. will contribute INR 250 Mn to set-up an incubation centre at IIT Patna focused on medical electronics
- 45 start-ups over a period of 5 years will be incubated with min. 10 companies per year



- Opening incubators at engineering, management institutes and professional colleges
- MP Govt. has directed selected host institutes to provide basic facilities like workspace, training & mentoring



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KEY HIGHLIGHTS - Corporate/Independent accelerators provide better networking, fund raising & tools/software support

Key highlights



More focus on B2B start-ups

60%+

Start-ups with corporate and independent accelerators focus on B2B customer segment

turnaround
INNOVATION

Part of Target Accelerator Program, offering 360-degree view of products for eCommerce and e-tailers

SOCIETE GENERALE
Global Solution Centre

Societe Generale Catalyst Accelerator – a Fintech focused accelerator

HealthStart
enabling healthcare entrepreneurs

India's first accelerator program dedicated to health care start-ups

Vertical focus accelerators

8+

Accelerators are focussing on niche verticals which help them in providing more mature support & mentorship and also in getting quality talent pool



Start-ups opting for multiple acceleration programs

Start-ups are leveraging multi-acceleration programs to explore diverse opportunities and mentorship

niki.ai

Niki.ai was accelerated by both Pitney Bowes and SAP Accelerators

Arya.ai

Arya.ai Accelerated by Societe Generale Catalyst Accelerator and Swiss Re Insurtech

Building on in-house technology advantage

SAP startup.focus.

Access to technical resources to develop solution on SAP HANA

PitneyBowes

Access to location, machine learning & analytics data tools

Corporate accelerators providing access to in-house technologies, for start-ups to build products upon it



Best Practices at

Microsoft Accelerator

2012

Bangalore

Number of batches / year
2

Duration of each batch
4- 6 months

Average funding (USD)/start-up
~1 Mn

Program Management Team

- The program has 6 full time employees including the CEO and CTO, distributed roles for ecosystem alliances, marketing & communication.

Marketing / Events

- This is one of the most active accelerator in India in terms of marketing and branding.

Reach of the program

- Microsoft, along with start-ups, takes co-products to its own customers. Access to new markets and customers is an added advantage for mature start-ups.

Partnerships

- They have partnerships across the ecosystem ranging from accelerators, ecosystem enablers and design schools
- Microsoft has a network of 150+ mentors on board – both internal and external



DEEP-DIVE - Accelerators also provide funding, mentorship and networking opportunities, in addition to business support

Accelerators

	Founded & Location	Physical Infrastructure support		Mentoring & Assistance		Number of start-ups accelerated with illustrative examples		Focus Areas
		Office Space	Tools/Software	Business Assistance	Networking	No. of Start-ups ¹	Illustrative Examples	
	2016 Bangalore	Co-working space, shared resources, grant of USD 8,000	Cisco's Networking, Security, Cloud, Collaboration, & IoT platforms	Cisco leaders and global external experts. Access to GTM teams, partners, customers	Investor connect, showcase opportunity to Cisco leadership & industry experts	16		Technology: Networking & Infrastructure, Collaboration, Security, IoT, Analytics, Cloud, ML/NLP, VR Vertical : Across verticals
	2016 Bangalore/ Delhi-NCR	Co-working space and amenities	Free Oracle cloud	Access to Oracle customers, partners, investor connects	Exposure to global stakeholders including CTOs and CIOs	12		Technology: Cloud, ML, AR, VR, Predictive Analytics Vertical : Across verticals
	2015 Bangalore/ Mumbai	Dedicated office space	HW & SW development kits, reference boards, design collaterals, test equipments	Access to channel partners, academia partners, customers, product development engineers	Investor connect and product demo to system integrators, customers, CXOs etc.	~50		Technology: Hardware & system start-ups, AI, VR, AR, 5G, Driverless cars Vertical : Health-tech, Agriculture, Automotive, and Manufacturing
	2014 Noida	Co-working space, shared resources such as printers, workstations, test beds and devices	PB data and APIs, location, analytics data tools	Customer validation, distributed channel leverage, inputs from product directors at PB	Investor connect & exclusive showcase opportunity with CXOs	~16		Technology: Data Analytics, Mobility, eCommerce, Location Intelligence Vertical: Ad-tech, Health-tech, eCommerce
	2014 Bangalore	Space in Target's office, IT support, transportation	Software by Target	Target executives, local entrepreneurs and business leaders	Pitching to target & other potential investors	22		Technology: IOT, ML/AI, AR, Analytics Vertical : Retail, eCommerce, Ad-tech

Represents number of start-ups accelerated

Source: News Articles, Company Websites
 Note: Overall number of start-ups captured as of Jan'17



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STAKEHOLDER COLLABORATION – Rising with increasing focus on specific verticals/domains

Industry leaders, through partnerships, are providing funding as well as technical expertise to the Incubators and Accelerators.

Incubators(I) Partnering with Industry Leaders



- ✓ 2 Start-ups to be incubated
- ✓ Funding/start-up up to USD 80,000
- ✓ Focus Areas: **Healthcare products & solutions**



- ✓ Funding corpus of USD 30 Mn
- ✓ Focus Areas: **Fin-tech products & services**



- ✓ Provides open APIs & payment gateways
- ✓ Focus Areas: **Financial planning, analytics, payments, fraud reduction**

Accelerators(A) Partnering with Industry Leaders



- ✓ Run by Zone Startups; enabling partnership with NASSCOM 10k, tech partners, various VC partners etc.
- ✓ Focus Areas: **Fintech solutions**



- ✓ 15 weeks **Accelerator** program
- ✓ Provides Barclays API, financial tools support
- ✓ Focus Areas: **Fin-tech products & services**



- ✓ 15 weeks **Accelerator** program
- ✓ Funding and international networking access
- ✓ Focus Areas: **Retail, FMCG, digital health**

Partnerships among Industry Leaders, I/As, & Govt. bodies



- ✓ 20 start-ups to be incubated
- ✓ Funding/start-up up to USD 45,000
- ✓ Focus Areas: **Hardware (security, graphics, display), IOT, data centres, cloud**

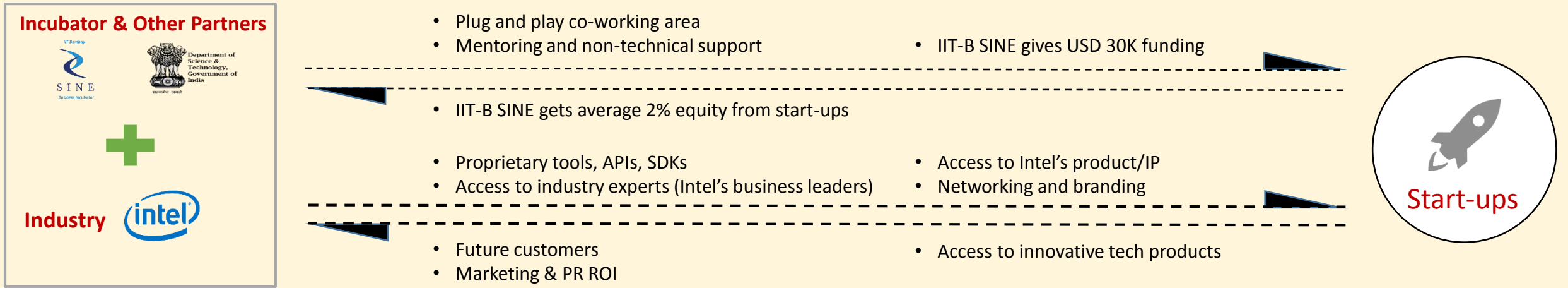


- ✓ 10 start-ups to be incubated
- ✓ Funding/start-up up to USD 30,000
- ✓ Focus Areas: **Artificial Intelligence, machine learning and Virtual and Augmented Reality**

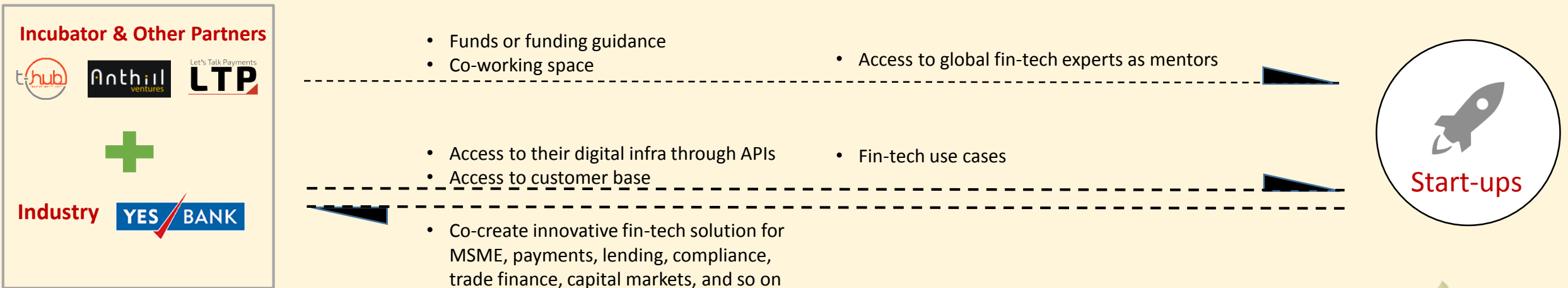


THE INTER-RELATIONSHIPS AMONG STAKEHOLDERS – All initiatives intended towards start-ups

Example 1: Intel has tied up with IIT-B Sine, DST to launch a program called “PLUGIN” to accelerate hardware and system start-ups in India



Example 2: Yes Bank has tied up with start-up incubator T-Hub, speed scaling platform - Anthill and fin-tech platform - Let’s Talk Payments, to launch its accelerator program, Yes Fin-tech



WHY CORPORATES WISH TO COLLABORATE WITH INCUBATORS/ACCELERATORS?

Start-ups are usually the centers of innovation, and larger companies are very good at scaling proof of concepts - this symbiotic potential can be tapped by partnering with Incubators/Accelerators

CSR activity

Funding tech incubators was added to the list of Govt. approved CSR activities via an amendment. Indian Government, under Sec 135 of Company act, has made it easier for companies to contribute their CSR budgets



- Mahindra Finance granted USD 36,400 to CIIE, IIMA as a CSR activity
- Sickle Innovations, a farming solutions start-up, got USD 27,000 from the same fund



Marico has invested in Camtech, a health-tech start-up through social enterprise incubator Villgro

Open innovation/in-expensive R&D

Start-ups represent lucrative revenue streams and cradle of new tech



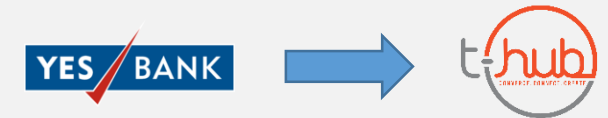
- Intel is investing in hardware and system start-ups through the IITB incubator, SINE
- SINE picks equity stake in the start-ups in exchange for approx. USD 30,000 funding



- IBM has partnered with kstart to help start-ups with their GTM strategies, achieve market alignment and augment their technology roadmaps
- Seed stage portfolio companies can further apply for IBM GEP, which provides mentoring, tech support and IBM cloud credits

Promotion of company's own platform/tech

This indirect promotion is a sales and marketing technique and helps garner loyal customers



- Fin-tech start-ups part of T-Hub are offered Yes Bank's various products and payment gateways
- Yes Bank also offers investment banking advisory to the start-ups



- Google to offer selected start-ups free cloud credits worth USD 100,000
- Indian start-ups with revenue less than USD 500,000 and who are a part of NASSCOM 10,000 Start-up Program are eligible to apply



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KPIs/SUCCESS METRICS FOR INCUBATORS/ACCELERATORS

Incubators and Accelerators globally rate themselves across three major parameters - **Financials**, **Training & Mentoring** and **Management**

	KPIs	Brief Description	Illustrative examples
Financials	Number of Start-ups Funded	Number of funded start-ups (both current and alumni)	Microsoft Accelerator Y Combinator gener8tor BELIEVE • IGNITE • ACHIEVE
	Number of Exits	Number of exits in the form of acquisitions, mergers, and IPOs	
	Success Rate of Start-ups	I/As having low mortality rate	
	Number of Investors	Number of investors associated with a specific I/A	
Training & Mentoring	Global Pool of Mentors	I/As with global pool of mentors having diverse backgrounds	Microsoft Accelerator Spinta accelerator Force Multiplier For Startups invest2innovate™
	Average time spent by Mentors	I/As providing one-to-one interaction with mentors, and the average minimum time spent by them	
	Number of Events	Number of events such as investor dating events, roadshows with prospective customers, and industry meets	
Management	Number of Start-up Applications	I/As are considered successful in their domain if they generate considerable interest from start-ups, and get significant number of applications and inquiries	500 startups 10 000 START-UPS A NASCOM Initiative
	Start-up Satisfaction	Some I/As conduct surveys among their start-up members to gauge their perception of the overall program structure and to assess their satisfaction levels	



START-UPS SUCCESSFULLY INCUBATED/ACCELERATED

NASSCOM 10,000 Start-ups



- A Bangalore-based start-up, popular for its online file editing and collaboration software, Docspad
- It was incubated at NASSCOM 10,000 start-up warehouse
- Later, it got acquired by Yahoo, for a supposed USD 15 million

Benefits gained by the start-up from Microsoft's accelerator program –

- Nurtured at the 10,000 start-ups warehouse in Bangalore
- Got a chance to visit Silicon Valley as part of NASSCOM Innotrek program, where the founders met M&A consultant Rob Schram, who later helped broker the deal between Yahoo and Bookpad

Microsoft Accelerator



- It is a Bangalore based B2B start-up that provides real time customer experience management platform deployed in cloud
- It was accelerated at Microsoft Accelerator and later raised USD 6 Mn funding in 2016

Benefits gained by the start-up from Microsoft's accelerator program –

- Unprecedented market access, increase in enterprise leads, sales support in closing deals
- Access to technical and business mentors
- Technical support, access to MSFT APIs

Cisco LaunchPad Accelerator



- Teslon is a Bangalore based B2B healthcare start-up that enables remote access to high quality specialist care for patients
- It was accelerated at Cisco LaunchPad and is now working with leading hospitals across India

Benefits gained by the start-up from Cisco LaunchPad Program

- Integration with Cisco collaboration portfolio: Spark and Telepresence
- Customer validation for the tele-ICU use case
- Onboarded to the Cisco Solutions Plus program, greatly expanding their partner and channel access

NIT Rourkela (Regional Incubator)



- It is an Odisha based B2B start-up that offers environment quality monitoring IOT system (Aurassure) and smart city solutions
- It was incubated at NIT Rourkela, Odisha. It has been profitable since inception and is looking to expand operations globally.

Benefits gained by the start-up from the incubation program –

- Technical support, guidance from professors
- Physical infrastructure including access to labs
- Access to customer prospects like Government of Odisha



KEY GLOBAL BEST PRACTICES – flexible duration, product development support, in-house venture fund, and global exposure



Flexible Duration to Accelerate Start-ups

The duration of a cohort could vary from 1 to 2 years. Global accelerators run their cohorts for a longer duration, as compared to accelerators in India, which typically follow a 3-6 months regime.



Product Development Support

Some global accelerators also provide product development support to their start-up members. For example, Spinta – a global accelerator has a technical pool of 500 engineers in India that supports start-ups to build their Minimum Viable Product (MVP).



Global Exposure

Global accelerators also provide their start-up members with international exposure by choosing mentors from around the globe. This provides start-ups with a perspective of the global market. They also provide Pitch decks to start-up founders, helping them make better sales pitch to customers/ investors.



In-house Venture Fund

A few of the global accelerators run an in-house venture fund that allows start-ups to raise seed money.



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7	Outlook



CHALLENGES AND OPPORTUNITIES – Experts highlight the need for a common platform to connect and share learnings/best practices

Opportunities

Technology is the Core Focus

- Major focus on Big Data/ Analytics and Cloud, followed by core technology such as Internet of things (IoT), 3D manufacturing, ML/AI

Although Industry Agnostic, Focus More on BFSI, Healthcare

- New incubators and accelerators are shunning the 'me to' approach and focusing on niche areas. Fin-tech, Healthcare, followed by Retail, M&E, Edu-tech, Mnfg. are some of the major focus areas

Co-innovation/ Co-product – An Opportunity Area

- Incubators / Corporate Accelerators collaborate for co-innovation and co-product development that can help in solving customers' problems

Challenges

Mismatch in Expectations

- Differences observed in business ideas/models as compared to on-field execution, increasing challenges for incubators/ accelerators

Limited Time Period for Incubation/ Acceleration

- 3-4 months of time to incubate/accelerate start-ups is not sufficient for a start-up to scale operations

Evaluating Start-ups is a big challenge

- Volume of start-up applications is quite high in India, making the process tedious and time consuming as compared to the US where benchmarks are well defined



“ A common platform is required through which incubators and accelerators can connect, share synergies, and best practices not only within India but also outside India.



CHALLENGES FACED BY REGIONAL INCUBATORS – Problems around infrastructure and lack of mentors

Pre-Requisites for opening an incubator



Hiring an incubation head



Choosing operational sector



Defining model & incubatees



Defining vision & objectives



Deciding legal status



Funding programs and funds



Setting up accounting system



Creating networks



Services to be provided

With regards to the above listed pre-requisites, regional players face a lot of challenges with their set-ups

Mentors

Lack of mentors

Regional incubators have problems providing adequate mentor support to its start-up members, since majority of the mentors are present in metropolitan cities



Stress on faculty members

Due to unavailability of mentors, there is a huge stress on the faculty members to run the entire program end to end



Lack of infrastructure

Some of the regional incubators lack the basic infrastructure in terms of internet connectivity, research labs, etc.



Limited contacts with the industry

Regional incubators have limited connects with VCs, angel investors, corporates etc. delaying the start-up journey by several months



Limited access to funding

Since majority of the investors are present in metropolitan cities, it poses a challenge for local incubators to rope in prospective investors



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OUTLOOK

Incubators and Accelerators continue to play an important role in the growth of the Indian start-up ecosystem. Witnessing a **~40% year-on-year growth in the number of incubators and accelerators in India**, more opportunities are now available to start-ups. Tier 2/Tier 3 cities are also seeing traction with **66% new incubators established in 2016**, thus impacting the roots of entrepreneurial ecosystem.

Academia plays the most crucial role in the growth of incubators with **~30 new academic incubations established in 2016**. In addition to this, initiatives like entrepreneurship courses, student start-up clubs, investor summits & deferred placements offered by colleges and universities is driving the growth of student start-ups in the country. Inclined with the “Make in India” initiative, many **academic incubators are focussing on manufacturing start-ups as well**. Energy, health-care and manufacturing are some of the key focus areas of most of the academic incubators.

On the other hand, corporate and independent accelerators enable mature start-ups to get access to local as well as global customers, validate ideas, scale operations, get networking and funding opportunities.

The two most important trends in the Indian incubator and accelerator ecosystem are **partnership-driven and sector-specific incubators and accelerators**. Academia, Industries and Government are coming together to set up sector specific accelerators and incubators, for example, GE’s global healthcare accelerator - Five.Eight, Pfizer and IIT-D’s incubation accelerator for healthcare start-ups, SBI and IIT-B’s incubator for Fin-tech start-ups. Such partnerships will provide a mature mentorship to start-ups which could further drive the growth of quality products.

Given the impetus by academia, government, and corporates, Indian incubator and accelerator ecosystem is expected to grow manifold over the next few years. Initiatives by the central and state governments will trigger the growth of incubators and accelerators in tier 2/3 cities and with corporates eyeing start-ups for innovation, more and more sector-specific incubators and accelerators are continue to emerge in future.





NASSCOM 10,000 START-UPS PROGRAM



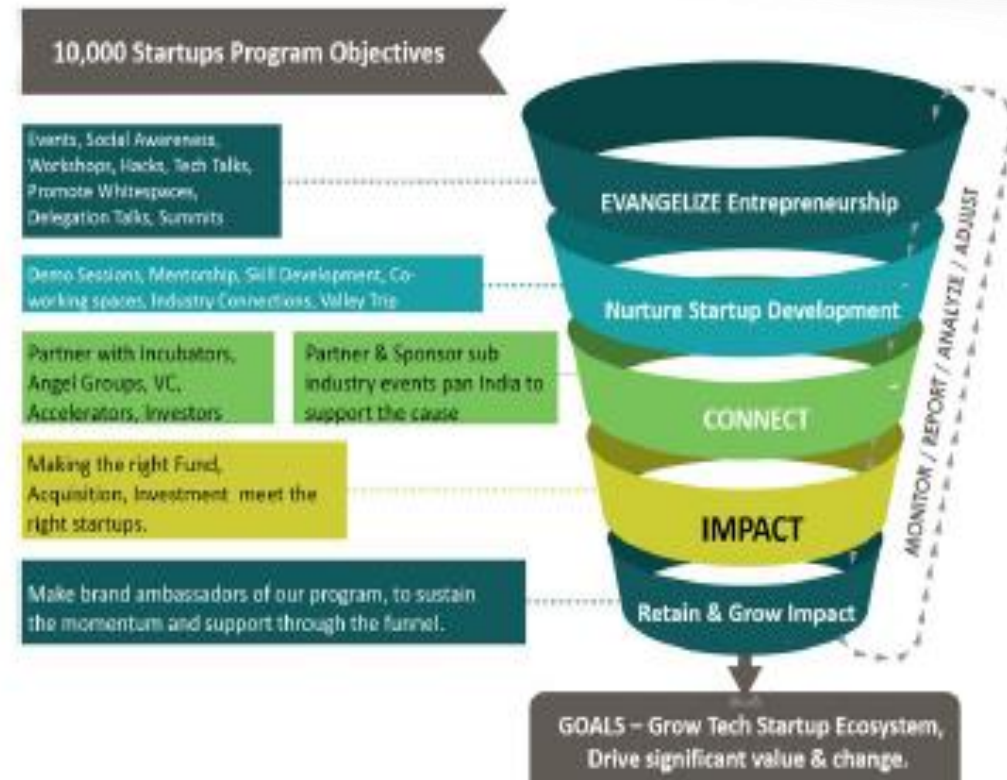
ABOUT THE PROGRAM

10,000 Start-ups is an initiative by India's premier IT industry body NASSCOM to scale up the start-up ecosystem in India by 10x through incubation, funding and support for 10,000 technology start-ups in India over the next ten years. The program's vision is to:

Foster entrepreneurship and build entrepreneurial capabilities at scale

Strengthen support system for tech start-ups

Impact 10,000 tech Start-ups on F.A.M.E. model by 2023



To meet these objectives, the program brings together key stakeholders of the ecosystem including start-up incubators / accelerators, angel investors, venture capitalists, start-up support groups, mentors and technology corporations. We operate as the knowledge base of start-ups' working models, vertical interest etc. From 15 partners initially, we've grown to a network of 70 partners today. The program is supported by foundation grants and corporate partnerships.



INCUBATION NETWORK (START-UP WAREHOUSES)

Start-up warehouses are designed for start-up ecosystem creation and enhance support for technology start-ups in various states of India. The warehouses offer space for dozens of technology start-ups at a highly subsidized cost, in the heart of the city.

The co-working space allows technology start-ups to work for 6-12 months, during which it facilitates demos and pitches by start-ups to investors, large corporates, other accelerators/incubators and individual mentors. It also provides a large event place for hackathons, regular talks and workshops to sharpen the skills of start-ups on go-to-market, scaling-up, global technology trends, and other learning & development needs.

10 Start-up warehouses

- Bangalore
- Hyderabad
- Kolkata
- Vizag
- Chennai
- Mumbai
- Pune
- Gurgaon/Noida
- Kochi

- 211 start-ups have been incubated across warehouses with more than USD 20 Mn funding raised.
- Over 250 events conducted across warehouses including investor and industry connects, workshops and hackathons

Top Gun Start-ups from 10,000 Start-up Warehouse

Admission Table, SlideRule Labs Inc, AdNabu, Eclinic247, Urbanpiper software india pvt. ltd, EnglishDost - BlueHat, TechBoulder Technology solutions Pvt Ltd, Gigatable Technologies Private Limited, Uncanny Vision, Medikoe, Vidgyor Media Technologies Pvt. Ltd., Coeey Technologies Pvt Ltd, Stelae Technologies, LIMITLESS, Changer Mints, Eazycoach, Seenit, IManageMyHotel, Zophop, Shoppinpal, Bookpad, Ridingo, Bakfy, Findulum Techlabs Pvt Ltd, Abhiman Technologies Private Limited, NativeBeta, OptimizedBits, SmartPocket, Applop



Start-up Konnect Program

10,000 Start-up Konnect aims to bring together funding partners, mentors, enterprise tech industry network and 10,000 shortlisted start-ups for the purpose of win-win partnerships. These connect events enable start-ups to interact with bigger contemporaries and pitch their ideas and products.

The Indian start-up ecosystem witnessed the largest Start-up Konnect session with over 200 shortlisted start-ups engaging with over 100 investors, 150 accelerators/incubators partners and industry experts across 6 cities earlier this year.

NASSCOM Industry Partner Program (NIPP)

NIPP focusses on market validation and early customer development for start-ups. The program on innovative mature technology ventures to test their solution, pricing model, and marketing strategy, also do a proof of concept for sustained engagement between large corporates. NIPP member companies include Societe Generale, All State, CA Technologies, Wipro, HDFC, SAP, Sony, Walmart Labs, Hitachi, Accenture, Axis Bank, UBS, ICICI Dell, Motorola, Goldman Sachs, Swiss Re, Citrus Pay, Banca Sella, DB, Ford, Fidelity, Payoneer, Unilever.

Some of our impacted start-ups from this program are CustomerXPS, VuNet Systems, WhatFix, Implantaire, CRMNext, Mobiotics, Vymo & Uniphore, Imagine, The Decision Labs, Lets Endorse, Uniken Lightmetrics, Uncanny Vision



- 10 warehouses incorporated since its inception in 2013
- Incubated ~211 start-ups across warehouses with more than \$20 Mn funding raised
- 800+ high impact events conducted in 22 cities - attended by 35,000 attendees
- Events impacted 1350 start-ups - out of which 300 received funding, and rest received mentorship



APPENDIX



ILLUSTRATIVE LIST OF INCUBATORS/ACCELERATORS IN INDIA

Incubators in India	
NASSCOM 10K (10 warehouses)	T-Hub
NASSCOM CoE IOT	IIM Rohtak
IIM Ahmedabad CIE	IIT Mandi
IIM Bangalore NSRCEL	IISER Mohali
IIT Madras Incubation cell	IIT Roorkee
IIIT Hyderabad	IIM KOZHIKODE
MANIT Bhopal	IIM Raipur
NIT Rourkela	NIT Warangal
NIT Jalandhar	MNIT Jaipur
IIM Udaipur	NIT Tiruchirappalli
NIT Calicut	IIT Patna
IIT Ropar	IISER Thiruvananthapuram
Pfizer Healthcare Incubator	IISER Bhopal
IIT Bombay Sine	Paypal Incubator

Accelerators in India	
Microsoft Accelerator	Healthcare Accelerator (started by IIIMA)
SAP Start-up Accelerator	Bennett, Coleman and Company and GSV
AIM Smart city Accelerator	Insur Tech Accelerator
Target Accelerator	Cisco Launchpad Accelerator
Pitney Bowes Accelerator	GE Healthcare Accelerator
Kstart	Govin Accelerator
Oracle Start-up Cloud Accelerator	Axis Bank Thought Factory Incubator
Swiss Re Insurtech Accelerator	



CASE STUDY - Kerala Start-up Mission (KSUM)

KSUM formerly known as ‘Technopark Technology Business Incubator’, is a non-academic business incubator located at Technopark, Kerala, a joint association of Technopark, DST, and Government of India



2006

Kerala



~95 start-ups successfully incubated since 2011

Year	Funding Deals*	Avg. Funding per Deal
2015	5	~USD 4 Mn
2016	8	~USD 2 Mn

Main Programs

1 Acceleration Program

Partnered with EY to launch a Business & Technology Accelerator, providing a fully functional office space of 1500 sq.ft. Program is of 6 months for start-ups that are incubated in the state of Kerala, with a further extension of 6 months.

2 Incubator Program

The incubation stage comprises of: pre-incubation (3-6 months) which mainly focuses on ideation; incubation (6-12 months) where start-ups initiate product development and are prepared for marketing; and accelerator stage (3-6 months) focusing on rapid growth

3 FAB Labs

Launched 2 MIT Electronics Fabrication labs, at IIITM-K, Trivandrum and Kerala TIZ, Kochi. FabLab is a small scale workshop that provides stimulus for local entrepreneurs and offers digital fabrication, empowering the users to create smart devices for themselves

4 Technology Innovation Zone (TIZ)

TIZ under KSUM operates at Kalamassery and helps to promote technology in diverse sectors like Biotechnology, IT/ITeS, Telecom, Agriculture, Tourism, Coir, Health & Media. An area of 13.5 acres is earmarked for setting up the Innovation Zone.

Other Programs

Start-up Bootcamp

Bootcamp is a student focused program that helps to realize their entrepreneurship spirit in early stage of higher education. Kerala Government has come up with policy for promoting entrepreneurship by offering 4% grace marks and 20% attendance.

Learn to Code (Raspberry Pi)

Launched initiative called “Learn to Code” that aims to train 40,000 talented youngsters. The students were given training on Raspberry Pi. Kerala Start-up Mission along with IT@School also conducted the Kerala Raspberry Pi Competition for students

Start-up Box

Initiative designed to distribute start-up kits to various technology and industry verticals for motivating start-up entrepreneurs to attempt new and innovative products by creating varied applications in different platforms



CASE STUDY – T-Hub

T-Hub is a non-academic incubator. It is a public/private partnership between the government of Telangana, 3 of India's premier academic institutes (IIIT-H, ISB & NALSAR) and key private sector leaders. It stands at the intersection of the start-up, academic, corporate, research and government sectors.



2015



Hyderabad



~120 start-ups till Jan 2017



T-Hub has already partnered with **20 VCs**

Main Programs

1 T-Bridge

T-Hub, in partnership with Uber and TiE Silicon Valley, has launched T-Bridge programme that will connect Indian start-ups with global market opportunities, and help bring global start-ups to India. This programme will enable start-ups in India and globally to cross-pollinate ideas and also create a network of mentors, VCs, incubators and accelerators.

2 Lab/32

T-Hub offers an incubation program called as Lab/32. Under this program, start-ups will get access to mentors, angel investors and VCs. Selected B2B start-ups also receive guidance from CIOs of top companies, engage with legal professionals, digital marketers, CAs, investment bankers, and so on.

Catalyst

It is a T-hub building that is used for co-working spaces, meetings, mentoring, networking sessions and conferences. T-Hub provides access to mentors, investors and academia under one roof.

Membership options

1. Open Seating

Flexible seating -> Hot Desk (1st come, 1st Serve)

2. Dedicated Desk

Permanent desk -> A dedicated desk

3. Private Office

Permanent cabin -> Furnished, lockable, private room with seats for 8 to 12 people

Access to T-Hub digital community including mentors, CIOs, investors

24/7 access to physical Infrastructure including wifi, limited use of meeting rooms, printer and scanner



CORPORATE INCUBATORS AND ACCELERATORS - Difference between the two models across parameters like purpose, duration etc.

Corporate Incubators

Corporate Accelerators



Purpose

- Corporate incubators nurture start-ups in idea phase. These act like an extended R&D team of a corporate.



Duration

- Incubation period is for extended period (around 18 months or more) compared to that of a corporate accelerator



Resources

- Provide new businesses with office space and shared facilities, such as telecommunications systems and Internet connections, in a dedicated building



Sponsors/
Owners

- Run by corporate employees, R&D folks



Benefit to
entrepreneurs

- Networking opportunities, mentoring and professional advice, contacts with other entrepreneurs



Benefits to
Sponsors

- Start-ups act as extended R&D team, helping corporates to leverage emerging technologies

- Accelerators aim to turn prototypes to market-ready products in a matter of months

- Incubation period is very short and intense; 3-6 months

- Provide mentorship, office space and supply chain resources

- Run by full time industry experts

- Entrepreneurs have the opportunity to make a pitch to VCs to obtain further funding
- More suitable for start-ups that want to reduce time to market

- Sponsors take small equity stake in the new business, typically around 6-8 percent

Key Highlight: Corporate incubators likely to grow in future, as a part of the overall CSR initiative



ROLE OF INCUBATORS/ACCELERATORS DECODED

1

Role of Incubator/Accelerator

- Accelerator role is to foster rapid growth of its portfolio companies
- Incubator role starts at an early stage to enable business ideas to grow and help them innovate

2

Selection Process

- Start-ups apply for admission in the cohorts formed by incubator/ accelerator
- Factors taken into consideration while selecting start-ups are product, idea, market opportunity, team attitude, capabilities etc.

3

Program Details

- 6-36 months typical Incubation program duration
- 3-6 Months typical Acceleration program duration
- Conduct ~2 cohorts in a year with a batch size of 10-15 applications

4

Incubators/Accelerators Offerings

Networking

Help connect with investors and provide a platform to network with other start-ups

Mentors/ Guide

- Help in forming company vision, refinement of the product and business strategy
- Mentors include proven CEOs, investors, industry experts etc.

Facilities

Provide funding and additional facilities such as office space, internet, computers, accountants etc.

Others

Provide marketing assistance, business training programs, technology assistance etc.

6

Start-ups Benefit

Start-ups that take help/support from incubators/accelerators are better placed to succeed in the market

5

Incubators/Accelerators Benefit

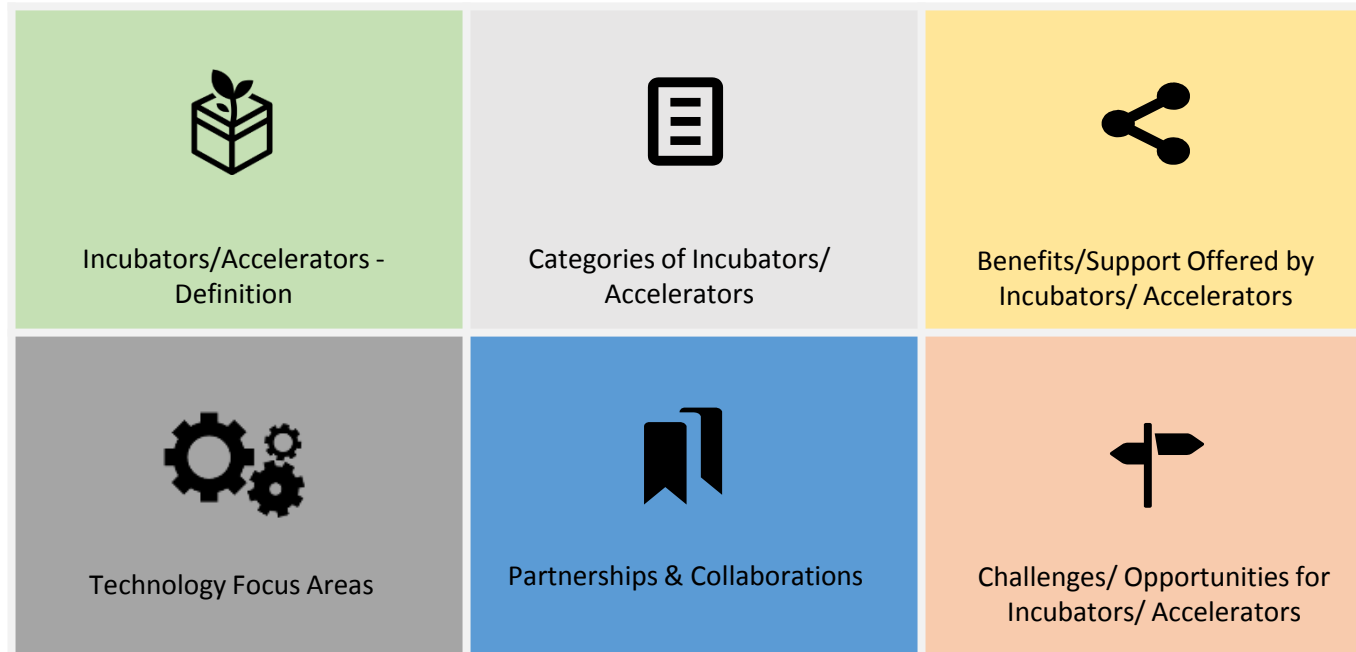
- Takes a small share in equity (falling in the range of 3%-10%) or fixed fee
- Understand new innovations in the market



PROJECT SCOPE AND RESEARCH METHODOLOGY

Introduction

This report defines roles and responsibilities of incubators and accelerators, helps in understanding the key differences and similarities between the two across categories such as Corporate, Academic, Standalone, and Public. It also helps understand the technology focus around Cloud, Big Data/ Analytics, Machine Learning/ Artificial Intelligence, IoT etc. and recent trends of start-ups that are incubated/ accelerated.



The report will help Indian as well as global stakeholders (start-ups founders & employees, government, regulatory bodies, incubators, accelerators, students), understand the ecosystem better.

List of Data Sources

Public Sources:

- NASSCOM 10,000 Start-up Database
- YourStory
- CrunchBase
- Angel List
- LinkedIn
- Start-up Websites
- Incubator/ Accelerator Websites
- Media Articles

Zinnov Repository:

- Zinnov tech product start-up database

Expert Discussions:

- 30+ Interactions with Incubators/ Accelerators
- 35+ Technology product companies/ start-ups



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