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GOOD INCUBATION IN INDIA

Strategies for supporting social enterprise in challenging contexts

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SUMMARY

Social enterprise, inclusive business, impact entrepreneurship… whichever buzzword you choose, it's on the rise. In India, entrepreneurs in markets from dairy produce to heart surgery are building sustainable businesses that provide products, services and livelihood opportunities for low-income communities.

In a country that is home to a third of the world's poor, promoting social enterprise has many potential benefits. Social enterprises can make essential goods and services like healthcare and energy more affordable. In turn, this can improve wellbeing and contribute to economic development, particularly in rural areas. They can also create jobs or micro-entrepreneurship opportunities for people in low-income communities. So through the products and services they sell and the inclusive ways in which they operate, social enterprises have the potential to reduce poverty and inequality. And while in the past social enterprise mainly referred to micro-entrepreneurship, it is now increasingly associated with high growth opportunities that create both financial and social value, sometimes differentiated as 'social ventures'.

These possibilities have captured the interest of funders and investors looking to tackle poverty. Over the last decade, an increasing number of 'impact investment' funds has emerged, backed by donor agencies, philanthropic funders, corporates, private investors and governments. These funds typically look to invest in high-growth ventures that can generate financial returns - sometimes at full market rate - alongside social impact. Yet it is widely recognised that there is now more investment on offer than social enterprises ready to take it on. Most social enterprises are too early stage, and high-risk, to be attractive to investors.

As a result, those looking to promote social enterprise have started to consider what can be done to bring forward more investible social ventures. One option is to fund incubators to support early-stage social enterprises to improve their chances of survival and growth.

The number and range of incubators in India has grown rapidly over the last five years. There are government-funded university incubators focused on commercialising research like SID at IISc Bangalore, or developing a culture of student entrepreneurship like SINE Bombay. There are commercial co-working spaces like BHive in Bangalore, corporate incubation programmes like Reliance Gen Next and a growing pool of investor-led accelerators like Morpheus or Axilor, helping develop and exploit the rapidly growing startup communities in entrepreneurial hubs. While startup sectors like e-commerce are thriving, this has prompted some to question whether there are opportunities to further harness some of this entrepreneurialism towards more explicitly social goals.

While few incubators currently have a primary focus on social impact, there are some notable examples, like Villgro and UnLtd India. They form part of a growing range of initiatives supporting social enterprise, including networks (like the National Association of Social Enterprises), funders and impact investors (like Aavishkaar) and conferences (such as the Global Sankalp Summit). India's national social enterprise landscape is becoming more diverse and vibrant, particularly compared with that of most other developing countries.

Yet one of the challenges for social enterprise in this huge country is to spread activity to where it is needed most. India's poorest people are concentrated in eight predominantly rural 'low-income' states, but most social enterprises, and support organisations, are based in India's big, bustling metropolises - cities like Mumbai, Chennai and New Delhi.

This has prompted the UK's Department for International Development (DfID) to launch Innovative Ventures and Technologies for Development (INVENT). In partnership with Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and the Government of India,

this programme invests in incubators in India's low-income states and an online incubation platform, StartupWave. Our report aims to support DfID in implementing INVENT by exploring how to do social incubation effectively in India's low-income states. It draws on empirical evidence from around the world, over 30 interviews with incubator managers and experts in India, and UK best practice.

What does effective social incubation look like?

Nesta's 2014 report Good Incubation showed that social incubators are appearing across the globe. As a relatively new phenomenon, there is little evidence so far to say 'what works' in social incubation. But research on mainstream business incubation, which has been around for over 60 years, shows that:

- Incubators usually provide some combination of office space, business services, coaching and mentoring, funding and access to networks.

- Incubators have diverse goals, business models, host institutions and target enterprises, and they use a wide range of methods to support enterprises.

- There's no single recipe for effective incubation: incubators with the same aims can achieve these through different methods and combinations of support.

Those looking to support effective incubation are often in search of the most effective models, templates that can be replicated and scaled. Good practices can be shared and emulated, but no single ideal model exists. Rather than prescribing a particular support model, therefore, we suggest a four-stage process for designing good incubation programmes:

It's worth noting that while social enterprises share many characteristics with other small and growing businesses, they also have distinct challenges. In India, working with low-income communities in unconventional markets can make access to finance more problematic, increase operating costs and make it difficult to attract and retain staff. All social enterprises face the challenge of balancing profit and impact. So social incubators need the skill and insight, for example, to:

- Select ventures that can deliver a clear social impact while being commercially viable.

- Support social enterprises to connect with customers in isolated, rural areas and to understand, measure and improve their social impact.

- Find relevant mentors, investors and experts who understand social enterprise.

But successful social incubation does not just rely on good programme design. The role of the incubator manager is pivotal, and it is important that within the incubation team, there are people with an entrepreneurial background. Incubators' governance models need to enable

risk taking, and ideally their incentives should align with those of their incubatees - so that when incubatees do well, the incubator thrives. Incubators often achieve this by investing in their incubatees.

We illustrate these lessons with five case studies of Indian incubators. Between them, these organisations represent a range of organisational models, missions, locations and approaches. Some are social enterprise specialists, while others work with impact enterprises as part of a wider portfolio. They were chosen for their potential to provide useful lessons for other incubators working with social enterprises:

- UnLtd India, based in Mumbai, Maharashtra.
- Centre for Innovation Incubation and Entrepreneurship (CIIE) at the Indian Institute of Management in Ahmedabad (IIM-A), Gujarat.
- Villgro, based in Chennai, Tamil Nadu.
- Startup Village, in Kochi, Kerala.
- SIDBI Innovation Incubation Centre (SIIC) at the Indian Institute of Technology in Kanpur (IIT-K), in Uttar Pradesh.

How can incubators work effectively in areas where enterprise support is less well-developed?

Worldwide, many of the best-known incubators are in areas where there is a strong enterprise ecosystem - a thriving startup scene, an entrepreneurial culture and easy access to talent, mentors and investors. India's main metropolitan cities share these characteristics, but smaller cities and rural areas do not have all of these advantages. This means that incubating social enterprises outside of the main cities is likely to be more challenging.

To complement the five case studies mentioned above, we researched a further seven models of incubation and support for social enterprises operating outside of the biggest cities, including some based in low-income states. These were selected for their distinctive approaches to finding and supporting entrepreneurs in areas where the wider enterprise ecosystem is less well developed. Again, some of these organisations work exclusively with social enterprises, while others have a broader focus. They include:

- Coimbatore Innovation and Business Incubator, Tamil Nadu.
- Jagriti Yatra, a train journey for young entrepreneurs recruited from smaller towns and cities across India, also setting up an incubator in Deoria, Uttar Pradesh.
- Nativelead Foundation, Madurai, Tamil Nadu.
- Startup Oasis, Jaipur, Rajasthan.
- UnLtd Tamil Nadu, Auroville, Tamil Nadu.
- Venture Lab Thapar, Dera Bassi, Punjab.
- Villgro Unconvention|Local, a series of events and competitions that ran in 15 cities in 2014-15 (nine of which were in low-income states).

We found that Indian incubators operating beyond the main metropolitan cities are using creative strategies to compensate for gaps in their enterprise ecosystems. For example:

- Since there is not a ready supply of enterprises to incubate in Jaipur, Startup Oasis is working with local colleges to deliver enterprise bootcamps, aiming to build an entrepreneurial culture among students and bring forward more ideas to incubate.

- In order to help entrepreneurs access finance in an area where there are few investors, Nativelead Foundation in Madurai has built its own angel investor network appealing to local business leaders' sense of pride in their area to encourage them to invest in local entrepreneurs.

- Because it has difficulties attracting permanent staff to its rural location, UnLtd Tamil Nadu in Auroville has developed a resourcing strategy that differs from its 'parent' incubator in Mumbai. It supplements its small staff team with volunteers, who commit to spending at least half a day per week for six months providing hands-on support for entrepreneurs.

In fact, incubators in India's smaller cities often see themselves as 'ecosystem builders' and spend a significant proportion of their time on activities designed to create better conditions for enterprise in their areas. Based on their experiences, we have identified five competencies that incubators in these areas need:

- Networking and stakeholder management.

- Facilitating, collaborating and connecting.

- Problem solving and creativity.

- Influencing policy.

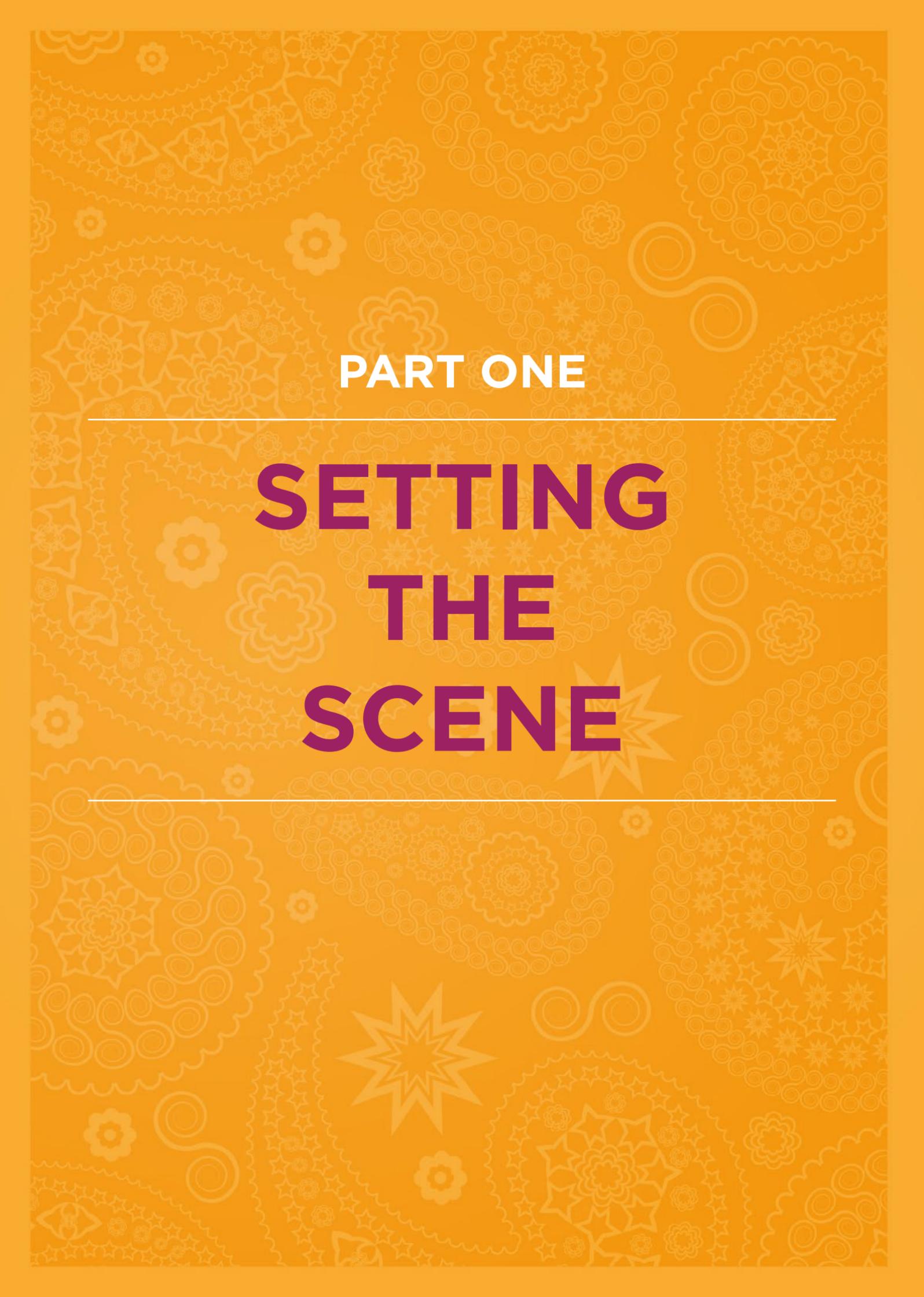- Regional languages and cultural sensitivity.

Incubation and beyond: what can be done to improve conditions for social enterprise in India's low-income states?

If incubation is generally more difficult outside big metro cities, incubating social enterprises, with their additional challenges, in India's low-income states, is likely to be harder still.

While incubation is often promoted as a strategy to get ventures ready for investment, generating a large number of investible social enterprises in areas where there is not already a strong social enterprise ecosystem will be difficult. As such, we suggest that DfID, and other organisations looking to achieve similar things, could consider:

- Promoting further peer learning between incubators to help them develop better support offers and to encourage collaboration so that entrepreneurs are better served.

- Working with incubators to establish a more sophisticated set of success measures for incubation in low-income states, going beyond standard metrics like venture survival and revenue growth; commissioning evaluation to explore more complex or less tangible issues (like impact of incubation on entrepreneurs' self-efficacy); and commissioning support to help social enterprises track their own impact and improve their evidence, which might include hands-on help as well as standards or tools that enterprises could take and apply in their own organisations.

- Looking beyond incubation to strengthen other parts of the ecosystem, for example by exploring ways to bridge the gap between incubation and impact investment, and by working with government to create a more supportive environment for social enterprise.

We hope that this report will help illuminate strategies for good incubation in challenging environments, offering practical advice to policymakers, funders and ultimately, the incubator managers at the coalface of social enterprise.

SETTING THE SCENE

1. Introduction

I ndia has produced many of the world's most celebrated examples of for-profit businesses that are solving social problems at scale, from Husk Power, which provides power to thousands of rural Indians using agricultural waste, to Narayana Health, which uses innovative techniques from different industries to provide cardiac healthcare at a fraction of the cost.

Whether known as social enterprises, impact enterprises, inclusive businesses or social ventures, the potential of these models has led to the rapid, worldwide growth of funds targeting investments with both financial and social returns.

Globally the impact investing sector is attracting around £6.8 billion per annum.[1] In India it's estimated that over 500 deals, worth £962 million, were made between 2000 and early 2014.[2] Yet impact investors share a common challenge all over the world - accessing a pipeline of investable enterprises. Stimulated by this mismatch between available capital and investment prospects, and by the desire to stimulate the creation of more impact-focused businesses, a new breed of 'social incubators' providing business support for early-stage social entrepreneurs has emerged.

In 2014, Nesta's report *Good Incubation* mapped 235 social incubators around the world, and this community continues to grow. Mirroring its increasingly vibrant social enterprise sector, India has a growing number of initiatives designed to support impact businesses, from funds like Aavishkaar and conferences like the Sankalp Summit to social incubators like UnLtd India and Villgro.

Yet it's easy to spot, in India and elsewhere, that social enterprise activity tends to be concentrated in entrepreneurial hubs - big cities where there are dense ecosystems of support, advice, finance, customers and services.[3] Any incubator is likely to achieve more successful outcomes given a large pool of high quality companies to draw from and a rich entrepreneurial ecosystem. A major challenge for funders who want to direct business support to the poorest, neediest regions is to work out how to design interventions that succeed in these more challenging contexts, and indeed what success in these areas should look like.

The UK Government's Department for International Development (DfID) has established a new programme, Innovative Ventures and Technologies for Development (INVENT) to support technological and business innovations for the benefit of the poor in India's low-income states and other developing countries. As part of this programme, DfID intends to strengthen support for social enterprise by building the capacity of existing incubators in poorer states, as well as by investing (alongside GIZ, the German agency for international cooperation) in an online incubation platform, StartupWave. Over six years, the programme aims to create a pipeline of viable, for-profit social enterprises ready for impact investment in low-income states.

About this report

The aim of this report is twofold. First, it seeks to support the successful implementation of the INVENT programme and DfID India's future interventions to support social entrepreneurship. Second, given the immediate challenges of designing and operating social incubators, it aims to provide relevant and practical insights for incubator managers who wish to operate in low-income states and other areas where enterprise ecosystems are weaker.

The report is divided into three parts. The rest of **Part One** sets the scene by profiling the social enterprise and incubation landscape in India.

Part Two draws together insights from global peers, from empirical evidence and also, importantly, from within the diverse community of incubators working with social enterprises in India:

- **Section 3** summarises lessons from the wider evidence on incubation, and shows how social incubation has developed in the UK.

- **Section 4** explores what makes social incubation distinctive and suggests a framework for effective social incubation in India.

- **Section 5** explores how incubation methods can be adapted in low-income states and others areas where the landscape for social enterprise is less well developed.

- **Section 6** sets out conclusions and recommendations for DfID and organisations with similar aims.

Part Three presents resources for incubator managers and their teams:

- **Section 7** includes 12 case studies of incubation approaches in India, divided into two categories: established incubators, profiled so that others can learn from their programmes; and newer, innovative incubators operating outside main metropolitan cities, profiled to show the range of approaches being developed to address the challenges of incubation in less well-developed ecosystems.

- **Section 8** is a guide to tools and resources for incubator managers.

While the Indian context is distinctive, we hope that the lessons in the report will be relevant to incubators, funders and policymakers facing similar challenges in other countries and regions.

2. The landscape of social entrepreneurship and incubation in India

I t's a well-worn cliché that there are many Indias. The fast-paced, talent-rich tech hub of Bangalore in Karnataka, concentrating 28 per cent of the country's startups,[4] is 1,200 miles, but also a world away from impoverished rural Bihar, where entrepreneurship is more often about livelihood than building the next tech giant.[5]

The landscape of social enterprise and social incubation also varies widely within and between states. In this section we clarify what it means to be a social enterprise in India and map the landscape of existing support.

Life in the low-income states

In 2007, India became a 'middle-income country', achieving a gross national income per capita over $1,000. Its GDP growth between 2005 and 2014 averaged 7–8 per cent,[6] outstripping that of many other developing economies.

However, regions and populations have benefited unequally from the country's rapid economic growth. Over 630 million people - and more than 65 per cent of India's poor[7] - live in eight 'low-income' states in the north of the country: Bihar, Chhattisgarh, Jharkhand, Madhya Pradesh, Odisha, Rajasthan, Uttar Pradesh and West Bengal.[8]

The low-income states span the width of India and take in its enormous cultural and geographic diversity, from desert state Rajasthan in the west to Odisha, with its 450 mile coastline, in the east. Despite being home to over half of India's population, they account for only around 33 per cent of GDP[9] and have attracted just a tiny proportion of foreign direct investment.[10] Nearly 39 per cent of people in these predominantly rural states live below the poverty line: a per capita income of less than ₹972 (a bit less than £10) per month.[11] It is important to note that these estimates correspond to the latest Government of India's methodology to calculate the poverty line, the Rangarajan methodology, which has set the poverty line higher than others have, such as the Tendulkar methodology.

Yet while the challenges in these states are considerable, they also offer economic opportunities, from rich natural resources - Jharkhand, for example, is the most mineral-rich state in India - to a huge and largely untapped potential customer base. This has led many to believe that business can play a key role in improving lives in the low-income states, if the entrepreneurial energy bubbling up in India's big cities can be directed to serve the needs of people living at the so-called 'base of the pyramid'.

Social enterprise in India

The Indian social enterprise movement has rapidly gathered momentum over the last ten years. A recent report estimated that the country has 7,500 social enterprises,[12] with most being micro, small and medium-sized enterprises (MSMEs).

So what is social enterprise? There are many definitions in use worldwide, with different features emphasised in different contexts. In this report, we use the term to refer to for-profit, 'inclusive' enterprises that aim to create a positive social impact for poor communities. These businesses are often described as having a 'double bottom line': creating both financial and social value.

Indian social enterprises can be characterised by inclusive business models that give poorer people a chance to participate economically. Many aim to make products and services affordable to base-of-the-pyramid communities, delivering essentials such as affordable healthcare, housing, energy, water and sanitation.[13] Husk Power Systems, for example, has developed technology to generate renewable energy from rice husks, one of India's most common agricultural waste products. It has so far set up 84 mini-power plants to provide remote villages in Bihar with electricity. Husk has created some 300 jobs directly, while access to electricity promotes livelihoods, helps to improve villagers' health and makes it possible for businesses to stay open after dark and children to study at night.[14]

Business models can also be inclusive in the sense that they offer the opportunity of a livelihood to poorer people (as employees or micro-entrepreneurs), involve them as part of the supply chain, or give them a chance to become business owners.[15] Under the Mango Tree (UTMT) gives small Indian honey producers a route to market, buying organic, single-origin honey at fair trade prices, and packaging and marketing it for consumers. The organisation, which has been incubated by both UnLtd India and Villgro, uses a hybrid model: buying and selling honey through its for-profit business, while training farmers and carrying out research and advocacy through the non-profit UTMT Society.

As in the West, there is a spectrum of social enterprises in India, ranging from organisations that generate income primarily to support their social aims, to those that are more commercial in their ethos and create social impact as a spin-off.[16] As a result, the boundaries between social enterprise and traditional business are blurred, and not all businesses that could be described as social enterprises identify with the term. Milk Mantra, based in Odisha, sees itself as a fully commercial enterprise that has impact inherent in its business model. It produces a range of dairy products under its 'Milky Moo' brand, while generating impact through its Ethical Milk Sourcing programme. Milk Mantra provides an opportunity for small-scale farmers to sell their milk for a fair and transparent price, while supporting farmers to improve quality and productivity, through training in best practices, access to capital, investment in infrastructure and improved cattle feed.

> *We don't classify ourselves as as social enterprise… Our philosophy is about 'conscious capitalism'… Impact is built into the way we structured the business."*
>
> **Srikumar Misra, Founder, CEO and MD, Milk Mantra**

Given the aspiration for social enterprise to address the problems of India's poorest people, research with social enterprises in India shows a notable trend. While nearly 60 per cent operate in at least one low-income state, few are based there. A 2012 report revealed that among 95 social enterprises surveyed across India, 75 per cent were based in higher-income states (Maharashtra, Karnataka, Andhra Pradesh, Tamil Nadu and the National Capital Region).[17] Of these, 70 per cent had headquarters in major metropolitan areas such as Mumbai, Bangalore, Hyderabad, Chennai and New Delhi. This pattern reflects the distribution of startups more generally, so while not necessarily surprising, it suggests that there is a far greater potential to tap into the talents of entrepreneurs from low-income states, and for social enterprises to get closer to the communities they support.

India's incubation landscape

What can be done to spread social enterprise activity beyond the main metropolises and richer states? A potential solution is to invest in incubators: organisations that support early-stage enterprises to improve their chances of survival and growth, and to de-risk them for later-stage investors.

Since their emergence in the 1950s, business incubators have proliferated around the world, often supported by governments as a means of spurring economic development. In India, the Government's Department for Science and Technology (DST) first invested in Science

and Technology Entrepreneurs Parks (STEPs) in the 1980s, and then from the early 2000s, in Technology Business Incubators (TBIs).[18] DST has so far funded over 60 TBIs.[19] Most are based within academic institutions, but some are public-private partnerships with other types of 'host' organisations, such as the Indian Angel Network. India also has a growing number of private incubators, set up by entrepreneurs, investor networks and corporations.

More recently, a subset of incubators focusing on social enterprise has started to develop; examples include Villgro and UnLtd India. But there are many Indian incubators that have a broader remit while also supporting impact enterprises. In practice, the distinction between social incubators in India and others is blurred - partly because social enterprise is also a vague concept.[20] For example, in 2013, just seven per cent of DST-funded STEPs and TBIs focused specifically on supporting social enterprises: Rural Technology and Business Incubator (RTBI) is a key example. Nevertheless, several had related interests - for example, a further six per cent focused on agribusiness, 13 per cent on cleantech and energy and 11 per cent on health.[21] CIIE, based at IIM-Ahmedabad, falls into this category.

As in other parts of the world, social incubation in India takes a variety of forms. The table below lists some of the main models. These aren't mutually exclusive – in fact, they are sometimes used in combination by the same organisations.
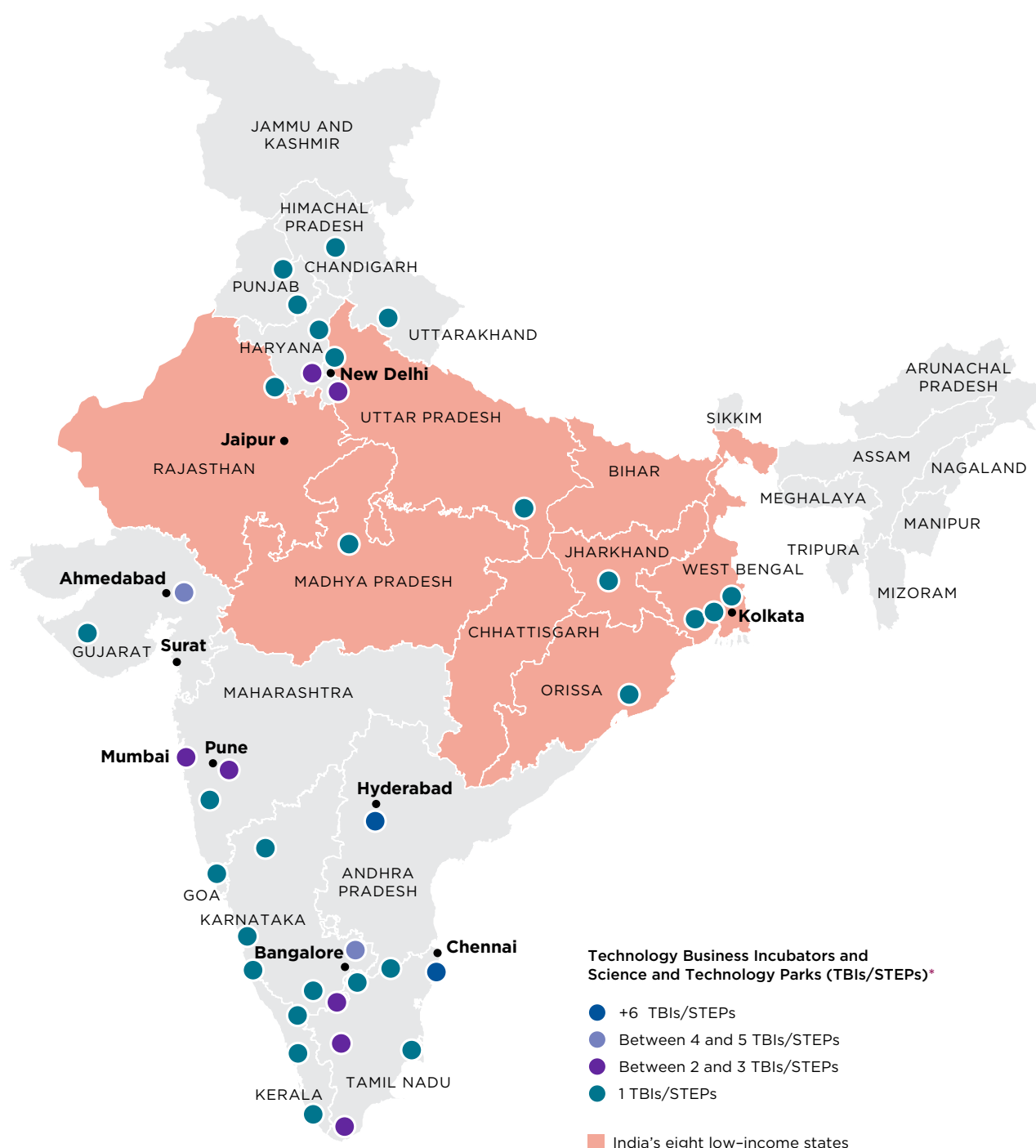
Figure 1: **Social incubation models in India**

Model	Typical features	Examples in India
Support-led incubation	Rolling application process, or one or more application deadlines each year. Tailored, individual support (sometimes alongside group or peer support) provided by staff or external mentors. Sometimes, but not always, time-limited. Seed funding sometimes provided.	Villgro UnLtd India
Impact accelerators	Open, competitive application process. Upfront investment, usually in exchange for equity. Time limited (e.g. three-six months) with intensive support, including events and mentoring. 'Cohorts' of startups, rather than individual companies. Periodic graduation, with Demo Day/Investor Day.	CIIE's Water Accelerator and Food & Agri-business Accelerator
Classic incubator workspace	Rolling application process. Office or desk space and access to shared facilities like meeting space. Strategic advice, coaching or mentoring. Seed funding or opportunities to apply for investment sometimes provided.	Rural Technology and Business Incubator (RBTI)
Co-working spaces	Flexible desk and meeting space. Opportunities to meet other ventures or entrepreneurs. Programme of events or learning.	Bombay Connect
Social venture academies	Modules or training delivered through classes specifically aimed at social entrepreneurs or ventures (but not part of a wider qualification like a degree).	Dasra-Social Impact
Impact angel networks	Group of high-net-worth individuals looking to invest, sharing cost and process of search and due diligence. Investment, plus mentoring, support and connections.	I3N Toniic
Prizes and competitions	Widespread publicity for the prize and its aims. Shortlisting by competition organisers. Pitching or face-to-face 'final'. Follow-up support and publicity for the winners.	TATA Social Venture Challenge Artha Venture Challenge Villgro Unconvention|Local

Adapted from Miller and Stacey (2014)

There is, then, considerable diversity in the types of incubators working with social enterprises in India - from Government-funded Technology Business Incubators to privately funded social innovation specialists - and in the models they use to support entrepreneurs. Like social enterprises, however, Indian incubators are clustered around hotspots in higher income states.

Figure 2: **Indian government–funded incubation landscape**

Technology Business Incubators and
Science and Technology Parks (TBIs/STEPs)*

- ● +6 TBIs/STEPs
- ● Between 4 and 5 TBIs/STEPs
- ● Between 2 and 3 TBIs/STEPs
- ● 1 TBIs/STEPs

■ India's eight low–income states

*National Science and Technology Entrepreneurship Development Board (2014) 'Fuelling Entrepreneurship: The story of technology business incubation in India'. New Delhi: NSTEDB.

Taking incubation beyond the main metros

DfID's INVENT programme aims specifically to spread social incubation into low-income states and to make it possible for Indian social entrepreneurs to get incubation support, wherever they are located. DfID is providing funding and direct support to existing physical incubators in low-income states, and co-funding 'virtual incubation' through the StartupWave platform.

INVENT forms part of a growing range of activities that aim to build a supportive environment for social entrepreneurship in India - a process often referred to as 'strengthening the ecosystem'. Some of these echo DfID's focus on incubation. GIZ and CIIE, for example, have set up a capacity building programme for incubators operating in smaller cities across India. Unitus Seed Fund, a US-based impact investor, has developed 'Speed2Seed', a training programme for incubators working with impact enterprises. Both programmes aim to share good practice and transfer knowledge between Indian incubators.

India has also seen several initiatives aimed at creating better connections between people and organisations within the social enterprise ecosystem. Intellecap, a company working to build and scale impact enterprises, has created the Intellecap Impact Investor Network (I3N), a global network of angel investors worldwide that invest in impact enterprises in India and East Africa. Intellecap is also behind the Sankalp Forum, a series of events bringing together people working in and around social enterprise. Its flagship event, the Global Sankalp Summit, takes place in India each year, drawing delegates from across the world for talks, workshops and networking, and recognising achievements of Indian social enterprises through the Sankalp Awards.

Other examples include the National Association for Social Enterprises (NASE), founded in 2012 as an industry body for social enterprises in India, and Villgro's Unconvention|Local events (profiled in the case studies section of this report). Some of these initiatives have an international flavour. The global Aspen Network for Development Entrepreneurs (ANDE) has some 70 member organisations working in India (several of which are also headquartered in the country) and actively works to create a more supportive environment for small and growing businesses, with a focus on 'impact' sectors such as health and education.

These initiatives reflect a growing belief among donor agencies, philanthropic funders and others that in order to grow and scale social enterprises, it is necessary to invest at a system level, not just in individual ventures. The challenge of spreading social enterprise beyond India's main metropolises can be cast in these terms: the need to strengthen 'ecosystems' in places where there is currently less social enterprise activity.

GOOD INCUBATION IN INDIA

3. What we know about how incubation works

Six things we've learned about successful incubation

What does it mean to incubate a new company or organisation?

Incubators are entities that aim to help new companies start up, survive and grow. They tend to provide at least four of the following five things: office space, business services (e.g. legal/accountancy), coaching and mentoring, funding, and access to networks.

Given business incubators have been around for over 60 years now, it's not surprising that designs and methods have proliferated. Traditionally, business incubation was real-estate based: shared office space alongside advice and assistance.[22] Now, however, the term is used much more broadly, to cover models ranging from short-term, highly-structured, intensive 'accelerator' programmes, to longer-term, flexible support, as well as competitions, courses and co-working spaces.[23] Recent approaches emphasise not only helping a firm to 'survive its formative years', but also ensuring it has a 'positive impact on the economy and society'.[24]

How many different models of incubation are there?

Incubation can be differentiated in a number of ways, for example:

- Business model (e.g. commercial/not-for-profit).
- Host institution (e.g. university/municipal/corporate/investor).
- Target enterprises (e.g. highly selective/open to all/sector specific/pre-company formation).
- Methods used (e.g. shared office space/online platform/structured, time-limited accelerator programme/employed staff or volunteer mentors).[25]

One of the most useful differentiators is what the incubator is aiming to achieve. Goals can include local economic development and job creation, high growth venture acceleration, entrepreneurial education, commercialisation of science, accessing or nurturing new markets, building investment pipelines, improving the lives of the poor and creating micro-businesses and rural livelihoods.[26]

Is there any hard evidence that incubation is beneficial to enterprises?

Given that the term covers such a diverse range of activities, it is difficult to prove the effectiveness of incubation overall, although many academic studies have attempted this analysis. Empirical (field) studies often show increased firm survival rates, faster entrepreneurial learning and increased job creation. For example, in 2015 a large longitudinal study found that social entrepreneurs in developing countries who took part in incubation programmes, grew revenues and employees at three times the rate of ventures that had applied unsuccessfully to the same programmes.[27]

However, studies also show neutral or even negative impacts, and rarely consider cost-effectiveness. Academic findings are often based on small studies with narrow definitions of success, so should always be interpreted cautiously. There is no doubt there are wide economic and social benefits of supporting fledgling companies. Yet there is little hard data on the most effective approaches in different contexts, particularly given that highly selective incubators, located in entrepreneurial hubs tend to produce the best results.

What do we know about the wider impacts of incubation efforts?

The impacts of many incubators may go far beyond the target firms, although these impacts are often poorly measured. For example, the focus on measuring the impact on the firm often overlooks the importance of incubators in developing the skills and experience of individual entrepreneurs. Even failed attempts to launch a firm can provide valuable experience for subsequent entrepreneurial activities.

Meanwhile, there has been rapid growth in seed accelerator programmes. These are differentiated from traditional incubation models by their support for time-limited cohorts of companies rather than individual firms, among other features, and has led to a lot more research on the ecosystem and network building effects of incubators and accelerators. For example, one study found that accelerators positively affected the availability of seed and early-stage venture capital funding for startups in their areas, not just for incubatees.[28] Another found that 40 per cent of early-stage investors had sourced a deal through introductions made by incubator programmes.[29]

Do we know how to select the right approach for a particular context?

There is no single recipe for successful incubation: incubators with the same objectives can achieve them using different combinations of services. Both evidence and experience show that there are common success factors (e.g. the expertise and entrepreneurial experience of the manager, the importance of peers, access to expert networks). However, there is strong and growing evidence, as incubation models proliferate, that rather than starting with a predetermined model or offer, successful incubators start by identifying the needs of individual firms (or a select target group), and matching services and adapting them as those needs change. A model that works for a capital intensive green-tech company will be inappropriate for a digital healthcare app developer.

How should we measure the success of incubators?

Success metrics for incubators most often relate to the survival and growth of incubated ventures, such as new venture survival rates, job creation rates and ventures' successes in securing follow-on investment. Nevertheless, these measures can be problematic - the focus on job creation, for example, may not be helpful for young enterprises that need to keep their fixed costs low in order to attract investment.[30] An increasingly common indicator of success is the incubator's financial sustainability. However, this often overlooks the fact that, despite the growing number of corporate and investor accelerators, anywhere between 75 per cent and 95 per cent of incubators are dependent on public support for survival.[31] The need for public support is likely to be far higher in less well-developed ecosystems.

As such, there is wide agreement that the indicators currently used to measure success are partial at best, and unhelpful or even damaging at worst. We have learned that:

- Indicators of 'success' should be strongly linked to the goal of the incubator.[32] For example, incubators shouldn't focus on measuring investment raised by companies if they really care about entrepreneurial learning in a weak ecosystem; or focus only on measuring firm survival and growth if they care more about effects on the wider ecosystem.

- Indicators and benchmarks need to be appropriate to context. A rural incubator in an impoverished area should have different expectations of 'success' than one in a high-tech hub.

- Funders should be cautious not to create overly burdensome post hoc evaluation processes. Support to monitor progress and adapt offer, as well as judging long-term effects on individual entrepreneurs, is likely to have greater impact.

Startup Village

Social Incubation in the UK: a timeline

The context for social incubation in the UK has developed rapidly over the last decade, with key milestones in legislation, investment and new institutions. It is still an emerging ecosystem today, with lessons to share, but lots to learn from other diverse ecosystems such as India.

Context and drivers for social incubation →

GROWING INTEREST

Building on the UK's history of co-operative and charitable activity, interest in using enterprise to solve social problems grows

ROLE OF GOVERNMENT

Government becomes increasingly interested in social enterprise, particularly as a way to deliver public services. It makes capital available for social enterprise development and creates incentives for social investment

UK Government sets up Social Investment Task Force

Community Interest Company legal form for social enterprises launched

Bridges Ventures

Bridges Ventures and CAF Venturesome founded

| 1997 | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 |

UnLtd set up with endowment of public funds

UnLtd

IMPACT HUB

Hub Islington opens, forerunner of the worldwide Impact Hub network

School for Social Entrepreneurs founded

school for social entrepreneurs

FIRSTPORT start something good

Firstport, Scotland's development agency for social entrepreneurs, founded

THE GROWTH OF SOCIAL INCUBATION →

EMERGENCE OF SUPPORT ORGANISATIONS

Seed funding, non-financial support and courses for early stage social entrepreneurs start to become available at the turn of the century and later, new models such as co-working spaces for social entrepreneurs become more common

Government has played an important role in developing the ecosystem for social enterprise in the UK, providing funding, creating tax incentives and supporting innovations like Social Impact Bonds. Alongside these more 'top-down' initiatives, there have been sector-led activities, like the establishment of Social Enterprise UK to bring together networks of social enterprises across the country. The ecosystem has taken time to develop, but there is now a wide array of intermediaries working in the sector. While social enterprises can be found across the country, the UK has experienced a concentration of support and investment in London - a situation that is now slowly changing.

RISE OF SOCIAL INVESTMENT

The social investment market builds, with around £200m invested annually by 2012. Players initially include big charitable banks and community development finance institutions. Later, social investment finance intermediaries like Bridges Ventures, Social Investment Business and Nesta Impact Investments emerge, alongside innovation in financing models

First Social Impact Bond launched Social Enterprise UK set up

Government announces social investment tax relief

BIG SOCIETY CAPITAL
Transforming social investment

nesta impact investments

Big Society Capital set up with £600m to fund 'social investment finance intermediaries'

Launch of Nesta's Impact Investment Fund

Scottish Government launches Social Entrepreneurs Fund

2008   **2009**   **2010**   **2011**   **2012**   **2013**   **2014**   **2015**

2015
It's estimated there are around 68,000 social enterprises in the UK, 30 social investors and at least 27 social incubators

BIG VENTURE CHALLENGE

UnLtd's Big Venture Challenge set up to address the gap in growth funding from from £50,000 to £250,000

BETHNAL GREEN VENTURES

THE YOUNG ACADEMY

wayra. UnLtd for social entrepreneurs

SOCIAL INCUBATOR EAST Growing social ventures

Government launches £10m 'Social Incubator Fund'. Over the next two years, ten incubators are funded, including seven offering support outside London

HUB LAUNCHPAD

Health Social Innovators

BIG ISSUE INVEST

SEEDBED

SOCIAL INCUBATOR NORTH

DF

INVESTMENT READINESS

Incubators respond to push from investors to create more 'investment ready' ventures and bridging the gap between startup and mainstream social investment. The accelerator model developed in tech startups starts to be deployed

NEW DIRECTIONS

Thematic specialists and corporate partnerships emerge; grant funders start using accelerator methodology as a way of supporting grantees

4. How to design good social incubators

Globally, we are still a long way from a 'state of the art' for social incubation. As we have shown in Section 3, even in the mainstream business incubation field, which has a much longer history, there remains limited evidence about what works.

But although there is no definitive recipe for successful social incubation, we can suggest ways to approach it based on insights from those working in the field, the small but growing literature on social incubation, and the transferable knowledge accumulated in the mainstream business incubation sector. In this section, we first look at what distinguishes social from mainstream incubation. We then propose a simple framework for social incubation, and examine the organisational factors that seem to contribute to success.

Five well-established Indian incubators

This section draws on the experiences of five Indian incubators that have been established long enough to show impact. These incubators represent a range of different 'host' organisations, locations and organisational missions, and their approaches to incubation vary. Villgro and UnLtd India are social enterprise specialists, while CIIE has a strong focus on high-impact sectors such as cleantech. Startup Village and SIIC support some social enterprises as part of a larger portfolio. Interviews taught us a lot about their models. By sharing learning, we hope to show the range of approaches that other social incubators, depending on their own aims and circumstances, could consider adapting or adopting. All our case studies are mapped and profiled in more depth in the 'case studies' section at the end of this report.

Villgro

Figure 3: **Characteristics of our case studies**

Model	CIIE	SIIC	Startup Village	UnLtd India	Villgro
Location	Based in Ahmedabad, Gujarat, with initiatives running in several other Indian cities	Kanpur, Uttar Pradesh	Kochi, Kerala	Mumbai, Maharashtra	Chennai, Tamil Nadu and Bangalore, Karnataka
Summary	Identifying underserved high-potential sectors and designing tailored incubation services to fill those gaps	Turning an underused university incubation space into a busy service hub for entrepreneurs	Building sustainable partnerships between government and industry, and providing flexible support for startups at scale	Supporting individuals who want to solve social problems to get their entrepreneurial ideas off the ground	Providing intensive support for high potential social enterprises, while growing the pool and diversity of future prospects
Who they work with	Early-stage entrepreneurs in cleantech, energy, agri–business and water sectors	Broad range of innovators, from students to tech-sector startups (digital, biotech, energy)	Entrepreneurs at all levels of experience, working on mobile, internet or electronics technology	Early-stage social entrepreneurs	For-profit social enterprises with potential to scale
Types of non-financial support	Accelerator programmes including: mentorship, workshops, and access to technical facilities	Mentorship Access to prototyping labs and facilities Business and IP support	Self-learning curriculum Mentorship Access to business services and providers	Mentorship Peer learning workshops and retreats	Mentorship Access to talent (Villgro Fellowship) Access to business services and providers
Types of finance offered	Mainly equity	Equity (to IIT-K) Seed loans	Soft loans and grants	Mainly grants, some quasi-equity	Mainly grants so far; setting up equity fund
Workspace offered?	Yes	Yes	Yes	No	No
Average duration of support	Two-three months	Two-three years	One-three years	One year	One-three years
Status	Autonomous not-for-profit entity of IIM-Ahmedabad	Grant-funded academic incubator based at IIT-Kanpur	Public-Private Partnership	Not-for-profit organisation, donor-funded	Not-for-profit organisation, donor-funded

What's different about 'social' incubation?

Before launching into a framework for social incubation it's worth considering the extent to which it differs, if at all, from 'regular' incubation. Social enterprises certainly share many characteristics with other small and growing businesses. Nevertheless, there are some challenges specific to, or more common amongst, social enterprises. In India, these include:

- **Access to finance:** social enterprises often target unconventional markets (e.g. low-income consumers). Because of this, they often have trouble securing finance from mainstream banks and investors, who perceive their business models to be too risky, or unlikely to offer 'market level' returns.[33, 34]

- **High operating costs:** especially when serving low-income consumers or working in low-income states where there is often a lack of basic infrastructure, a need for consumer education and trust building with communities,[35] harsher climatic conditions, and less hospitable terrain (desert, mountains, etc.).[36]

- **Working across legal forms:** not-for-profit structures in India operate in a less regulated space than for-profit ones.[37] For-profit social enterprises in particular face many regulatory issues. For example, all formal education institutions in India have to operate as non-profit institutions, restricting equity investment and entry for private investors. This sector has, however, recently started opening up to more private sector participation, and social enterprises willing to work in the education sector can adopt hybrid models, combining for-profit and not-for-profit structures.[38]

- **Attracting and retaining talent:** particularly at mid-management level, because of lack of brand recognition, inability to pay competitive salaries and difficulty of attracting people to work in rural areas.[39] Access to local skilled labour is often difficult for social enterprises in rural areas, where the quality of education is poorer and where the level of formal skills is lower than in urban areas.[40]

- **Language barriers:** many Indians, particularly in rural areas, do not speak English or even Hindi, instead speaking one of India's 22 State languages. Language barriers can make it difficult for social enterprises to reach and interact with customers and for entrepreneurs who speak regional languages to access finance[41] and support.[42]

- **Trying to promote changes in entrenched behaviours, practices and service models:** Husk Power Systems, for example, had to build a whole service ecosystem around its small–scale electricity generation plants in Bihar in order to make them viable - from rigging up wiring to connect villagers' households to the grid, to coming up with new payment mechanisms for low-income consumers with no credit history.[43]

- **Balancing profit and impact:** the majority of social enterprises attempt to achieve a balance between their two bottom lines,[44] but the challenges of working with low-income consumers can mean that they are at risk of 'mission drift' - moving into more conventional, lower impact markets.

There may be also a difference in the entrepreneurs themselves. Some social entrepreneurs are like any other opportunity entrepreneurs - they have spotted a problem they wish to solve, which simply happens to have a social impact dimension. But others are more driven by their social mission and may have less entrepreneurial skill and experience. And their backgrounds may vary widely: from experienced business people who have lived abroad and now want to come home and make a difference, to grassroots entrepreneurs who speak regional languages.

So while many of the models, tools and techniques of incubation are the same for social and mainstream enterprises, social incubators need, in addition, the skill and insight to:

- Select ventures to incubate based on their potential to deliver a clear social impact, and/or the commitment of the entrepreneurial team to solve a social challenge.
- Support social enterprises to develop a clear proposition that generates both social and economic value, and to manage risks around mission drift.
- Support social enterprises with customer validation in isolated, rural areas.
- Support social enterprises to understand, measure and improve their social impact.
- Connect social enterprises to relevant investors, funders, mentors, experts and peers, who understand the challenges they face and that support the venture's aims.
- Translate tools and templates for entrepreneurs who may have little experience of business terminology and concepts.

And of course, incubation needs vary by sector. Supporting digital technology startups, which can bring their innovations to market quickly and on limited resources, is a different prospect from supporting capital intensive businesses in sectors like agriculture and healthcare that may need access to labs, prototyping facilities, and a longer lead-in time. Our interviewees pointed out that incubators in India need to cater for social enterprises with a range of needs.

" *Unless incubators can help entrepreneurs cut down on time and make it easier to bring solutions to market, there will be more people doing food delivery apps, not solving food production problems."*
**Kunal Upadhyay, Chief Executive, CIIE**

Startup Village

How to design a social incubator

Good social incubation programmes are designed around the needs of social entrepreneurs. Based on extensive evidence from the literature, interviews and UK experience, we have suggested a simple four–stage process. Below, we look at each step in turn.

Figure 4: **Process for designing a social incubation programme**
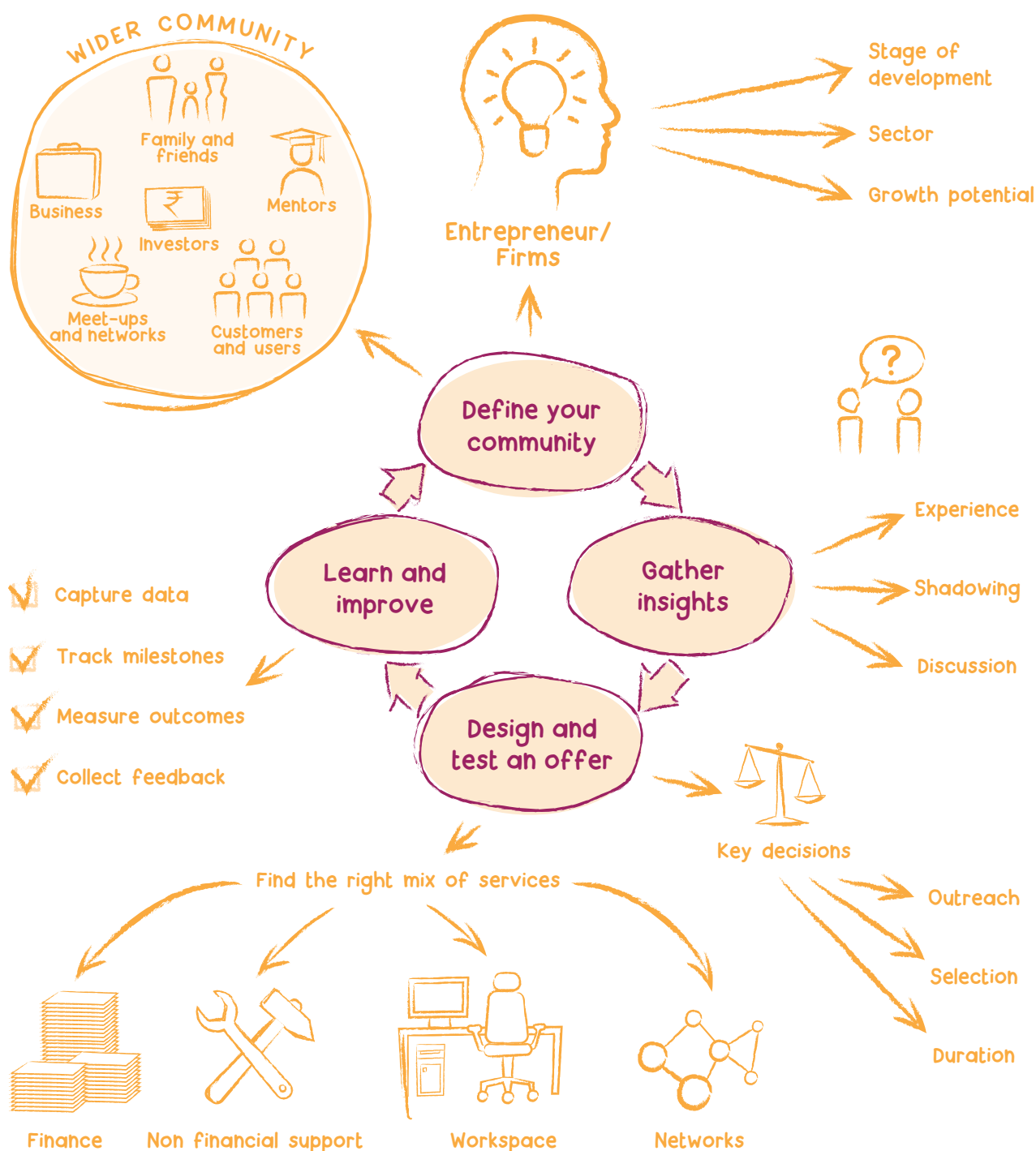
1. Define an incubation community

The first step in our framework is to define an incubation community - the target group of social entrepreneurs that the programme will support, and the other stakeholders who will be involved in providing support.

In practice, the incubators we interviewed selected target groups of entrepreneurs based on a mix of internal drivers - such as the incubator's mission and values, competencies and networks - and external drivers, such as perceived need and opportunity. Target groups are commonly defined by one or several of the following factors:

- **Entrepreneurial stage of development:** From pre-startup (aspiration, intention, ideation and business model–discovery) to startup (prototyping and initial customer validation, company setup), early-stage venture development (acquiring customers) and growth (once an organisation has traction in the market). UnLtd India's 'Level 1' offer, for example, focuses on the startup phase, helping social entrepreneurs pilot a new initiative.

- **Sector:** This allows incubators to build more relevant, targeted networks and to develop domain expertise. CIIE has set up several separately-branded incubation initiatives, each focusing on a sector where CIIE perceives a gap in support and an opportunity to make a difference. It is currently running accelerators focusing on energy, water and agri–business, each based in different Indian cities.

- **Growth potential:** Villgro, for example, focuses on supporting ventures that are potentially scalable. Meanwhile, Startup Village, whose mission is more about changing entrepreneurial culture, does not discriminate by growth potential, as it believes it's impossible to tell what the next 'big' idea will be.

Community goes beyond the target group of entrepreneurs, though. As a recent report put it, 'incubation is a group sport',[45] involving a range of players from investors and mentors to entrepreneurs' families and the wider community. So when establishing a new incubation programme, it's important to understand who the other organisations, networks and individuals are that can contribute to supporting social entrepreneurs, what they can offer, and how the incubation programme will add value to what already exists. CIIE recommends doing an 'ecosystem report', both as a mapping exercise, and as a tool for starting conversations with potential partners and collaborators.

2. Gather insights

Gathering insights from the target group of entrepreneurs before launching a formal programme can help in understanding scale of demand - which influences how selective the eventual programme can be - and what they need, which will inform the support offer.

Gathering insights - UnLtd India

Before launching a formal support offer, UnLtd India found three potential investees (incubatees) and asked to shadow them for three months. In return, UnLtd India offered coaching and a promise of funding, if and when the formal programme launched. This gave UnLtd India several insights that fed into future programme development. It was clear that the three entrepreneurs - all female, and none with a background in the sectors they were working in - faced difficulties in accessing others like them, building credibility and working out how to achieve their visions, so they needed experienced people who could act as sounding board and offer advice as well as encouragement and emotional support. The process also showed the personal pressure each of the entrepreneurs was under - all were using their own savings to fund their work. They also faced some practical difficulties, such as access to lawyers, and working out how to register a business.

3. Design and test an offer

The next step is to design an incubation offer, thinking about how the programme will be structured and the combination of services that will be provided. Key decisions include:

- **Outreach:** How will the programme find entrepreneurs to take part?

- **Selection:** How selective can/should the programme be? How will participants be selected? Will there be a single application deadline or will selection take place on a rolling basis?

- **Non-financial support:** What types of support will be offered? How much, and who from? Will entrepreneurs be supported as a cohort/group, individually, or a mix of both?

- **Finance:** Will finance be offered to all or some participants? If so, what type and how much?

- **Workspace:** Will workspace be offered? If so, what type and on what terms? Will entrepreneurs need to relocate to the incubator?

- **Duration:** Will the programme have a specific end point? If so, will support end after a certain time (e.g. a three-month accelerator), or when a certain milestone or outcome is reached (e.g. investment received)? Will there be any sort of culmination events, such as a demo day or graduation?

The research literature and interviews for this report both strongly suggest that there is no single 'ideal' mix of services. Programmes with the same objectives can successfully use different combinations of support to achieve them, but each approach entails its own set of considerations - for example, if programmes aren't residential, how can interaction be encouraged between incubatees? The key is therefore to prototype a programme based on the needs identified (taking into account the resources available), and then to iterate and develop it in response to feedback.

Figure 5: **Methods of incubation support**

Element	Methods	Tips/success factors
Outreach	Scouting Marketing Partnering with other organisations	Clearly communicating what the programme criteria are and what types of (aspiring) entrepreneurs should apply. Involving partners in selection to help them build a better understanding of what the programme is for.
Selection	Online applications Interviews Pitches	Involving potential mentors and investors in selection panels to get them hooked into supporting social enterprises. Including a wide range of screening factors in the selection process. Observing how entrepreneur teams interact to pick up potential problems with team dynamics - a common reason for later drop-out.
Non-financial support	Coaching by incubator team Mentoring by experts or peers Office hours (open drop-in advice sessions) Group peer support/learning Workshops, training and talks Curriculum (taught or self-learning)	Agreeing clear terms with external mentors and clarifying expectations at the start. Making good use of peers and alumni - for example as mentors for future cohorts.
Finance	Grants, loans or investment in return for equity, quasi-equity or revenue share Support in raising investment: angels, crowdfunding, peer investment Demo Days/ pitching opportunities	Staging payments, for example by tying them to milestones to help keep incubatees focused. Using standardised term sheets for investments to simplify the process and reassure incubatees (and external investors) that they are getting a good deal.
Workspace	Office space Co-working space Meeting and event space Makerspaces/labs	Designing workspace with the needs and preferences of incubatees in mind - e.g. flexible co-working for very early-stage entrepreneurs; reserved desks or modules for later stage companies; access to meeting spaces. Reliable services e.g. internet, power. Encouraging interaction and community building, e.g. by mixing startups and relevant freelancers who might collaborate with them; holding workshops and events.

4. Learn and improve

An incubation programme will never be perfect straight away. By testing the offer, incubators can learn and improve. This includes both being responsive to needs during the programme - research shows that entrepreneurs value programmes more if they feel they're flexible to changing needs[46] - and iterating them over time to make them more effective. Methods for finding out how well an incubation programme is working include:

- **Capturing data to see how processes work and their effectiveness:** for example, recording numbers of applications and where/who these come from.

- **Tracking milestones in incubatees' development:** Startup Village, for example, is developing an online 'timeline' on which incubatees can record their key milestones, based on a predetermined set of key events in the life of a startup. Villgro agrees an incubation plan with each incubatee and tracks progress against this regularly, with formal monthly reviews.

- **Measuring outcomes for incubatees that reflect the incubator's aims:** entrepreneurial learning and business survival and growth, for example. A recent report recommended that incubators should continue to measure some key metrics for three to five years after ventures have graduated, to capture longer-term outcomes.[47]

- **Collecting feedback from incubatees and partners:** informally or through more formal processes like online surveys or phone interviews.

A related issue, of specific importance for social incubators, is impact measurement. Measuring social impact has climbed the agenda in recent years, driven largely by funders and impact investors, so incubatees seeking impact investment will often need to be able to convincingly demonstrate their social impact. From an incubator's perspective, there are several dimensions worth considering:

- **Supporting social enterprises with evaluation:** particularly to find out if, how and for whom their services or products create impact, and to measure how much impact is created. This can help in demonstrating value (e.g. to potential investors), accountability (e.g. to communities), and to drive learning and improvement. There is a growing amount of literature on approaches to impact measurement, some of which is referenced in the 'tools' section of this report.

- **Measuring social impact of incubatees at a portfolio level:** some incubators (like some investors and funders) attempt to collect standard data from their incubatees to give a picture of the overall impact of the portfolio. Finding common impact measures that are relevant to the range of social enterprises incubated tends to be difficult, so most often, measures of activity (such as 'people reached') are used. Incubators with a stronger sector focus can sometimes identify a wider range of common measures.

- **Building impact measurement into the way the incubator takes decisions:** it is common for social incubators to consider potential social impact when deciding which ventures to incubate. Incubators can also consider impact when deciding whether and how to continue supporting ventures over time. Villgro, for example, is aware of the possibility that incubatees might drift from their missions to work with base-of-the-pyramid communities and start serving less challenging markets, so takes this into account when deciding whether to continue incubation relationships. Related research in the impact–investing world has shown a need for investors to get better at using impact measures to inform the way they structure investments and work with investees over time, for example offering different rates based on the potential scale of impact, or using impact milestones (not just financial ones) as a basis for releasing further funds.

Above all, good incubation programmes take time to develop. Research shows that the most successful incubators tend to be those that are longer established - those that have had time to build their communities, test programmes, and iterate and improve them.

Organisational success factors

While good programme design is important, it's not the only factor in success. Our research also highlighted four key organisational factors:

- **Incubator manager and team:** research consistently points to the importance of having an experienced incubator manager, who is able, for example, to make good judgements about who will benefit from support.[48] Those we interviewed for this report consistently emphasised that incubator managers, or at least people in their teams, should have an entrepreneurial background. This was argued to be important both to be credible with incubatees, and to be able to offer good advice.

- **Governance and decision making:** incubators need to be able to take risks, make timely decisions and tolerate failure. This is particularly important when host institutions have different or broader aims. The culture and decision–making processes of academic institutions, for example, tend to be quite different from those in the startup world, so university-based incubators need to find the right balance of accountability and independence. CIIE feels that its relationship with IIM-A works well: faculty members sit on CIIE's board, and CIIE involves students in activities from startup selection to mentoring. At the same time, CIIE is independent and has the flexibility to make investments, form partnerships, and start or stop programmes.

- **Incentives:** several incubators try to align their own incentives with incubatees' success. A common way to do this is through equity investment, but there are other approaches, such as revenue sharing. Startup Village, for example, is developing an approach in which incubatees will be asked to pay if they benefit from the incubator's services - for example, if they generate revenue as a result of introductions that Startup Village has made, they would pay a small proportion to Startup Village.[49]

- **Funding models:** few incubators are completely financially sustainable without grant or philanthropic income, but many have developed income generation strategies that allow them greater independence from funders and more financial security. As well as generating income through investment or revenue share agreements, strategies include charging for office/desk space and charging membership fees from incubatees or other 'community' members, such as angel investors. Corporate Social Responsibility (CSR) provides another opportunity; the Government of India recently legislated to require that companies over a certain size spend 2 per cent of their net profits on CSR.

5. Making incubation work in challenging environments

I n 2012, UnLtd India set up its first 'affiliate', a spin-off in Auroville, Tamil Nadu. Armed with the incubation methodology UnLtd India had honed in Mumbai. The new incubator had a head start in developing its programme, but it couldn't simply replicate its parent's operating model. *"We run almost entirely with volunteers,"* explains manager Gijs Spoor, *"and we don't have the corporate relationships they have in Bombay - these people wouldn't come to Auroville"*. UnLtd Tamil Nadu has needed to adapt to its environment - from coming up with a new staffing strategy to translating its materials for Tamil-speaking incubatees.

As well as good programmes and good teams, incubators' success is often strongly influenced by their location. Y Combinator and St John's Innovation Centre, often held as shining examples globally, are based in Silicon Valley and Cambridge respectively - places that have such well-developed startup ecosystems they have been described as 'regional incubators'.[50] In Mumbai, Chennai and New Delhi, incubators benefit from a thriving startup scene, a ready supply of entrepreneurial talent, easy access to mentors and investors and a cosmopolitan culture. Incubation outside the main metropolises - particularly in the low-income states, where DfID's work focuses - is likely to be more challenging.

So how can incubators operating in less well–developed ecosystems adapt and thrive? This section draws on interviews with incubators in smaller cities and rural areas, looking at the incubation challenges they face and the strategies they use to address them.

UnLtd Tamil Nadu

We found that these incubators believed they were not only responding to their context, but also helping to shape it. Many of them saw 'ecosystem building' as a core part of their mission, which they interpreted mainly as building a more entrepreneurial culture and increasing the range and connectedness of support for (social) entrepreneurs. Incubators most often defined their ecosystems in relation to 'city regions' - i.e. a hub city and its surrounding area - rather than whole states.

Before discussing the challenges these incubators faced and the strategies they developed in response, it's worth noting that regional social enterprise ecosystems in India are diverse, even between low-income states. For example, Jaipur (in Rajasthan) has a history of social entrepreneurial activity, while Bhopal (Madhya Pradesh) has very little entrepreneurship at all.[51] Some cities in low-income states have relatively well-developed enterprise ecosystems, such as Noida and Kanpur (Uttar Pradesh) with their easy access to Delhi. In fact, a World Bank study on the ease of doing business in Indian cities found that Jaipur, Bhubaneswar (Odisha) and Ranchi (Jharkhand) ranked higher than Mumbai and Chennai on a range of indicators.[52]

To illustrate the variations in the context for social enterprise in different places, we used data from a 2014 report by Okapi and Villgro to roughly sketch four different 'ecosystem profiles': 'nascent', 'emerging', 'vibrant' and 'established'.

Figure 6: **Sketches of regional social enterprise ecosystems in India**

	Nascent	**Emerging**	**Vibrant**	**Established**
Traits	May not have much history of enterprise in the region. Little active State government support for Social Enterprise (SE), and possibly for enterprise more widely. Established NGO sector, but likely to have few examples of SE and low awareness of SE. Well-regarded educational institutions, but not many teaching enterprise/SE.	History of enterprise activity in the region, if not much SE/Startup scene starting to develop. Some incubators, investors and other intermediaries, but not always well connected. Well-regarded educational institutions, some teaching enterprise/SE.	Visible startup scene. History of enterprise activity in the region and some examples of SE. Active State government support for enterprise and possibly SE. Educational institutions teaching/researching enterprise/SE. Often near to a more established hub.	Large number of entrepreneurs and intermediaries like incubators. Established startup hub. Range of informal networks. Easy access to talent, markets, investment
Examples	Bhopal	Lucknow, Bhubaneswar, Patna	Jaipur, Pune	Mumbai, Chennai

Our analysis offers a basis for a slightly more nuanced understanding of what incubation outside major metropolises might involve. We can assume that in 'nascent' and 'emerging' ecosystems, incubators are likely to need to intervene earlier in the startup journey and place a greater focus on 'ecosystem building' activities, while in 'vibrant' and 'established' ecosystems, it may be possible to find more advanced early-stage ventures to incubate, and incubators may need to focus more on finding a niche that differentiates them from other support providers.

Incubation beyond the main metros

There are currently few incubators operating in low-income states that focus specifically on supporting social enterprise, so we looked to learn from incubators whose experiences might offer transferable learning. Through stakeholder interviews, we identified five incubators that were seen to be developing interesting methods for delivering support for entrepreneurs in smaller cities and rural areas. We also explored two examples that combine outreach with enterprise support in an unusual way, and were specifically designed to reach smaller towns and rural areas - Villgro's Unconvention|Local competition and Jagriti Yatra's train journey. Each of these organisations is mapped and profiled in more depth in the 'case studies' section at the end of this report.

Figure 7: **Case studies of incubation beyond the main metros**

Incubator	Location	Summary	Incubation offer in brief
Coimbatore Innovation and Business Incubator	Coimbatore, Tamil Nadu	Working with investors and industry partners to launch tech acceleration, business acceleration and co-working under the FORGE brand.	Currently supporting startups in a temporary co-working space, while launching new tech accelerator and business accelerator, focusing on the hardware and software sectors.
Nativelead Foundation	Madurai, Tamil Nadu	Creating networks of local entrepreneurs, business people and angels to support startups in Madurai.	Mentoring and investment for entrepreneurs as well as structured workshops for students.
Startup Oasis	Jaipur, Rajasthan	Turning an under-used IT incubator into an entrepreneur hub and working with partners to boost the startup ecosystem in Jaipur.	Business advice, connections to mentors and investors, co-working space.
UnLtd Tamil Nadu	Auroville, Tamil Nadu	Adapting UnLtd India's model to meet entrepreneurs' needs in a rural setting.	Grants alongside 12 months of coaching, peer learning support, training and access to external mentoring.
Venture Lab Thapar	Dera Bassi, Punjab	Incubating startups to solve regional problems and seed a social entrepreneurial culture.	'Ankurit' business plan competition offering seed funding, non-financial support and workspace to winners; also supporting other ventures with workspace, workshops, advice and access to external support.
Jagriti Yatra	Nationwide	Inspiring young entrepreneurs in India's smaller towns and villages and drawing on a growing alumni network to develop outreach and incubation services.	Jagriti Yatra is a two-week train journey for aspiring entrepreneurs. Jagriti is now piloting support to enterprises through the Jagriti Enterprise Network and aims in future to set up physical incubation centres.
Villgro Unconvention |Local	15 cities (including nine in low-income states) in 2014-15	Reaching and inspiring social entrepreneurs across India - with a focus on low-income states - while building a pipeline for incubation.	Events and business plan competition with prizes including grants, mentoring and access to Sankalp Summit.

Strategies for good incubation in difficult places

The challenges that incubators described were grouped around four key questions. These - and the strategies incubators had developed in response - are set out in the table below.

Challenge	Strategies
How can we attract entrepreneurs to the incubator?	• **Pro-active scouting:** Jagriti Yatra has set up Jagriti Ambassadors for District Entrepreneurs (JADE) to reach aspiring entrepreneurs in small towns and rural areas, and to encourage them to apply for Jagriti Yatra. The ambassadors are Jagriti Yatra alumni who are familiar with the region and able to speak regional languages. • **Awareness raising:** Some incubators hold 'sensitisation' events, introducing the concept of social enterprise to local audiences. Examples include Villgro's Unconvention|Local events, with talks from established social entrepreneurs. • **Building a 'pipeline' by intervening at the pre-startup stage:** A common strategy is to partner with educational institutions to generate interest in (social) entrepreneurship amongst young people. Startup Oasis offers enterprise bootcamps at local colleges; Nativelead Foundation delivers structured programmes of workshops for students; and Startup Village runs student-led bootcamps in 500 engineering colleges. • **Using the media:** UnLtd Tamil Nadu has found that doing interviews with state-wide newspapers is really effective in generating interest from entrepreneurs. Although these have mostly been in English so far, it's now looking to partner with a Tamil-language TV station to showcase some of its investees.
How can we build a 'community' of support around our incubators - for example mentors and investors?	• **Making use of alumni:** Startup Village encourages its incubation 'graduates' to invest small amounts in earlier stage entrepreneurs. Jagriti Yatra's JADE programme gives alumni the opportunity to join the train journey a second time as facilitators, and to compete for a cash prize and a nomination for the iVolunteer Awards.[53] • **Tapping local businesses and industry networks:** Nativelead Foundation has set up a network of angel investors and a mentor network, formed of local business people sourced through the Madurai chapter of the Confederation of Indian Industry. It has also made a deal with the local Rotary Club, securing reduced membership fees for its incubatees as well as access to established business people who might become their early-stage customers. • **Making links to organisations with national coverage:** In addition to a cash prize, winners of the Villgro Unconvention|Local pitching sessions across India are given the opportunity by Villgro to attend the Sankalp Summit, travel and registration costs covered, including coaching sessions with Villgro mentors. They also get the opportunity to pitch their ideas at the Sankalp Awards to a jury of experienced professionals and investors. • **Corporate partnerships:** By partnering with corporates such as Bosch and Luminous Group to develop and launch sector-focused incubation offers, Coimbatore Innovation and Business Incubator (CIBI) ensures greater visibility and credibility for the incubator, while securing access to experienced domain experts for incubatees.
How can we attract staff to the incubator?	• **Rethinking staff roles to open up different opportunities:** UnLtd Tamil Nadu finds it difficult to attract talented people to support social entrepreneurs to come to its rural location permanently, but much easier to attract them for short term positions. So it has set up a 'buddies' scheme in which people work with UnLtd Tamil Nadu for up to six months and provide hands-on support for incubatees. Atma, an accelerator based in Mumbai, works to support education NGOs and grassroots social enterprises. It taps into the networks of its Dutch and Australian founders, attracting volunteers from India and around the world. 30 per cent of Atma's staff has come from its Volunteer Programme.
How can we help our incubatees to access markets?	• **Improving access to major cities:** SIIC, based in Kanpur, is investing in office space in New Delhi for its incubatees to rent, once they have reached the product commercialisation stage. SIIC is also planning to build a new Innovation and Entrepreneurship Park next to the Lucknow Airport, where entrepreneurs and SMEs can receive support and training to become globally competitive. • **Strengthening distribution channels:** Villgro incubated and later spun out a social enterprise, Villgro Innovations Marketing Pvt. Ltd, that operates a network of retail outlets in South India's underserved rural areas. It has occasionally marketed new products and services developed by Villgro incubatees, and is training a travelling sales force of village-level entrepreneurs to help reach the most remote rural poor.[54] Jagriti Yatra, through its Jagriti Enterprise Network incubation pilot, has been looking into connecting their incubatees to e-commerce platforms to help them sell products or services. • **Helping entrepreneurs to get international exposure:** Startup Village's SVSquare initiative sends a few young entrepreneurs on an all-expenses-paid trip to Silicon Valley, where they have the opportunity to interact with Google and other local mentors and partners.

Competencies for incubators in challenging environments

The case studies and interviews highlighted not just interesting strategies, but a range of competencies and attitudes that underpinned successful incubation in challenging environments. These included:

1. **Networking and stakeholder management:** *"Most incubators forget about the importance of stakeholder engagement strategies,"* says Ashwin Joshi, VP Ecosystem Development at CIIE. CIIE has been helping other incubators to run 'network expansion workshops', bringing together local social entrepreneurs and support organisations to help build relationships between them.

> ❝ *Incubator managers need to be extroverts. Their positions are very relationship-based and the role is largely about networking."*
>
> **- Padmaja Ruparel, President and investor, Indian Angel Network**

2. **Facilitating, collaborating and connecting:** When Startup Oasis started operating in autumn 2013, there were already a few other initiatives in Jaipur, such as a Startup Saturday, run by a group of local entrepreneurs, and a networking event called Smashup, run by the local chapter of TiE (The Indus Entrepreneurs). Rather than duplicating them, Startup Oasis became active partners, taking responsibility for running Startup Saturday and later partnering with TiE to run the Smashup together.

3. **Problem–solving and creativity:** Interviewees emphasised that incubator managers in challenging contexts need to be able to come up with innovative ways to solve problems, for example by finding creative ways to mobilise resources to support social entrepreneurs. Nativelead Foundation's approach - to appeal to local business people's sense of pride in Madurai as a way of getting them to support 'native' entrepreneurs - is a good example.

4. **Influencing policy:** Among the incubators we studied, relatively few had attempted to work directly with government or to influence policy. But there were some notable exceptions. Startup Village has a strong relationship with the State government in Kerala. Its policy engagement has contributed to the establishment of India's first student entrepreneurship policy, providing for 20 per cent attendance relaxation and four per cent grace marks in academic courses for students who engage in innovation and entrepreneurship during the course of their degree.

5. **Regional language skills and cultural sensitivity:** Around half of UnLtd Tamil Nadu's investees don't speak English well enough to participate in English-language workshops, so when selecting volunteers, the incubator places a high priority on regional language skills. It's started to translate its tools as well, which involves not just translating the words, but looking for metaphors and concepts that make more sense in the local environment. However, UnLtd Tamil Nadu's strong emphasis on regional languages wasn't reflected in many of the other incubators we studied.

Grow the ecosystem or be the ecosystem?

As noted at the start of this section, most incubators outside major metropolitan areas spoke of a mission to build the local ecosystem of support for social entrepreneurs. We noticed two approaches emerging. Some incubators looked to fill the various ecosystem gaps themselves, for example by developing new services, setting up investment funds, and intervening at more stages of the startup journey. SIIC in Kanpur exemplifies this approach, having set up several labs and prototyping facilities for incubatees as well as having diversified the range of support programmes, from the traditional incubation journey to more diverse and sector-focused programmes, and working with businesses from ideation all the way to commercialisation.

Others aimed to play a slightly different role, looking to work in partnership in a way that opened opportunities for other organisations to get involved in supporting entrepreneurs. CIBI's approach in Coimbatore fits neatly into this mould: it aims to put its partners Bosch and Luminous Group at the centre of its new incubation initiatives for the energy and consumer device sectors, with CIBI bringing incubation expertise. Vishwanath Sahasranamam, CIBI manager, argues that trying to make the incubator the centre of everything is a *"recipe for failure - because if you go to an investor and say 'work with us', they say 'who are you? Why should you be the hub of the ecosystem?'"*.

Regardless of the ecosystem-building approach they tended towards, there seemed to be more scope for incubators to collaborate with each other in a way that allows them to draw on their respective strengths (for example in generating knowledge, community outreach or pipeline development).

Startup Village

6. Conclusions and future directions

Social incubation is still a young discipline, with new programmes regularly launching and incubators experimenting with different models. As the field grows and evolves, we are still learning about 'what works'. So instead of prescribing a single model, this report proposes a process for designing social incubation programmes. Incubators should start by identifying their 'community'. This includes a clear target group of entrepreneurs who could benefit from support, as well as those around them, like mentors and investors, who can help these ventures to be successful. After gathering insights into the community's needs, incubators should prototype an offer, and then test, learn and improve over time.

We demonstrate the ways in which running successful incubation programmes outside entrepreneurial hubs is more challenging, and show how Indian incubators are developing strategies that respond to the context in these less well-developed enterprise ecosystems.

Incubators look a little different outside main metropolitan areas. They tend to have a stronger focus on 'ecosystem building', and devote considerable proportions of their time to this, as well as directly supporting incubatees. They do this partly because of a wider mission to support enterprise development in their regions, and also because they see a need to intervene 'upstream' in the entrepreneurial journey in order to bring forward sufficient numbers of good ideas for incubation.

The outcomes of incubation may also be different in these areas. Startup Oasis and SIIC, both based in low-income states, emphasise that the enterprises they support often become successful local ventures, that primarily use their own revenue to fund medium-scale growth. On the other hand, they see fewer ventures that are highly scalable and appealing prospects for equity investors.

We argue that social enterprises, working with low-income communities, have additional support needs over those of mainstream businesses. In addition, incubators outside main metropolises describe cultural challenges, such as a view that entrepreneurship is not a positive career option. These challenges are likely to be intensified when looking to promote social enterprise, given that the concept is relatively new.

In all, this suggests that if incubation is generally more difficult outside the biggest cities, incubating social enterprises in India's low-income states is likely to be harder still. The experiences of Indian incubators so far seem to support this. It is significant that Villgro, when looking at how to expand its reach into low-income states, designed Unconvention|Local, which targets entrepreneurs at a much earlier stage of development than Villgro's regular programme.

Although the Indian context is distinctive, supporting social enterprises outside major hub cities is difficult everywhere. So lessons from India may be instructive for other countries, and the experiences of other countries in building environments for social enterprise might also be relevant to India.

Opportunities: growing social enterprise in India's low-income states

Based on our analysis of the Indian context, experience from the UK and the wider literature on incubation, we suggest opportunities that DfID, and organisations with similar aims, could consider to further strengthen support for social enterprise in India.

1. **Help incubators to develop better support offers by encouraging peer learning and collaboration.**

Unitus Seed Fund's Speed2Seed programme and GIZ and CIIE's incubator capacity–building programme have shown that there is an appetite for peer learning among Indian incubators. While these programmes were conceived as time-limited initiatives, we suggest that more of this type of activity would help to improve incubation practices (among our interviewees, those participating in these programmes found them practically useful and inspiring). It could also foster other forms of collaboration between incubators, such as referrals from one to another, joint events (like pitch days) or even joint programmes.

Interventions to encourage further peer learning and collaboration between incubators could include:

- Building in peer support and networking to the INVENT programme - for example by facilitating regular events between the INVENT incubators.

- Supporting an annual event specifically for incubators, giving them a chance to share experiences and learn from each other. This type of 'incubator day' could be facilitated alongside an existing event such as the Global Sankalp Summit.

- Supporting incubators in low-income states to link to networks, investors and incubators operating at a national level, for example by promoting their participation at national events like the Sankalp Summit, setting up networking events or study tours, or by brokering direct introductions.

- Helping incubators to build their regional social enterprise networks, for example by replicating the 'network expansion workshops' piloted in CIIE and GIZ's capacity–building programme.

- Further developing the StartupWave platform so that it can function as a portal for incubator resources. These could potentially include resources developed through INVENT as well as other incubator capacity–building programmes in India and globally, and resources developed by incubators themselves.

- Encouraging programmes to consider sharing physical spaces, where this could increase opportunities for networking between different initiatives and help to make sure spaces are well–used. Workspace can be valuable, but it may not be the first thing needed when establishing incubation services in a new area.

There is a blurred distinction between social and mainstream enterprise in India. This means that, in implementing the initiatives we suggest above, there could be value in reaching out to incubators that do not see themselves as 'social'. Mainstream publicly and privately funded incubators will often be supporting some enterprises that deliver products and services for low-income communities, or that operate in sectors like health, energy and education. Sharing practices with those that see themselves more clearly as part of the social enterprise community might help strengthen mainstream incubators' understanding of ways to create social impact, and social incubators may benefit from their expertise in supporting mainstream enterprise.

2. Work with incubators to establish a more sophisticated set of success measures for incubation in low-income states.

Common success metrics for incubation - like job–creation rates and success in securing investment - are unlikely to capture the full value of social enterprise incubation in low-income states. Incubators in these areas are likely to need to work with very early-stage, high–risk enterprises, only small numbers of which will go on to be scalable, investible ventures. They will need to spend considerable portions of their time working to generate a 'pipeline' of entrepreneurial ideas, and working to build entrepreneurial skills, capacity and culture within local communities. These incubators can play a role in building the wider environment of support for social enterprise, for example by setting up networks. They can generate value for investors[55] and create positive spillover effects for enterprises in their areas, beyond those that they support directly.

And importantly, the ventures they support should create positive impact for low-income communities. While it's easy to assume that growth in scale means growth in impact, in practice, this isn't always the case (for example, social enterprises might scale by targeting more profitable, easy-to-reach consumer groups, but have less social impact as a result).

Most of the incubators we spoke to admitted that their success measures only captured part of what they aimed to achieve. They used these measures because their stakeholders expected and demanded them.

> " *We say we're entrepreneur-centric, but most of our measures are enterprise-centric - because this is what the external environment demands."*
>
> **Pooja Warier, Co-founder, UnLtd India**

There is an opportunity for DfID and organisations with similar aims to take a lead here by broadening the range of outcomes they value and helping incubators to measure those that reflect their aims. This could include:

- **Establishing metrics that capture a wider range of incubation outcomes for social enterprises and entrepreneurs**, and working with incubators to use these, not just for reporting, but to shape and adapt programmes in real time. Indicators might include:

  - Teams 'acqui-hired' (where teams are taken on by larger companies).
  - Founders getting hired as a result of their entrepreneurial experience.
  - Ventures achieving key milestones in early–stage development, such as acquisition of first customer, taking on first employee.
  - Ventures achieving break-even and/or profitability.

- **Encouraging a greater emphasis on social impact, for example by encouraging incubators to track:**

  - Increases in scale of social impact created by the ventures they support (for example, measured through numbers of people benefiting or numbers of areas served). Some funders set targets for scale (such as 'reaching at least 250,000 people').
  - Increases in quality and quantity of social impact, using metrics specific to each venture or sector.

- **Establishing metrics that capture activity and outcomes relating to incubators' impact on the wider environment for social entrepreneurship.** These could include, for example:

  - Number and diversity of partners (e.g. investors and other incubators) involved in supporting entrepreneurs during incubation.

  - Numbers of people attending events or meetups, or using facilities like makerspaces that are open to the public as well as to incubatees.

  - Numbers of students participating in workshops, courses or other activities run by the incubator, and proportions who go on to start their own ventures or work in a social enterprise.

- **Ensuring evaluation captures less tangible, qualitative or more difficult-to-measure outcomes of incubation**, such as:

  - Entrepreneurial learning, self-efficacy (the extent to which the process helps them become better entrepreneurs) and other factors known to increase entrepreneurs' success, such as peer networking and self-confidence, amongst founders and teams.

  - Entrepreneurial culture and attitudes to social entrepreneurship in key communities.

  - Strength of local ecosystems in supporting social entrepreneurship.

  - Role of incubators in improving the local support environment.

- **Supporting ventures to help them improve the quality of their impact evidence**. This could focus on adapting and disseminating existing tools and standards that ventures can apply in their own organisations, perhaps accompanied by group support or in some cases, targeted individual support, delivered face-to-face or virtually. Early-stage ventures often struggle with capacity for measurement, so funders often focus on starting small and building capabilities and quality over time. Interventions could include:

  - Support for social enterprises in articulating theories of change and describing how they intend to create social impact.

  - Support for ventures in improving how they collect, analyse, use and communicate data on social impact, potentially by helping them to raise their level of evidence against frameworks such as Nesta's Standards of Evidence.[56]

  - Support for social enterprises in commissioning outcome evaluations to show whether their work has the social impact intended.

  - For ventures looking to grow through replication, support in identifying what makes their activities successful and articulating the model clearly so that it can be translated into new areas.

3. Beyond incubation: the wider role of government partnerships in improving the ecosystem for social enterprise

Incubators are part of the toolkit for stimulating social enterprise, but their impact is likely to be amplified through broader ecosystem interventions. While our report focuses on incubation, it touches on issues relating to other functions of the social enterprise ecosystem that DfID and its peers could consider addressing. Around the world, local and regional governments are likely to need to play a more active role in incubation in weaker entrepreneurial ecosystems. Bilateral funders and NGOs can work with local and national governments to help them exploit the full range of ways they could support social entrepreneurship - far beyond the supply of capital - including regulation, taxation and demand-side interventions to grow public markets for social enterprise. These include:

- **Improving the diversity of funding opportunities that are appropriate to scale**. There remain significant funding gaps between incubation and impact investment. One way to address this could be to help incubators/incubator networks to set up follow-on funds to be invested in promising enterprises as grants or smaller, patient investments (e.g. soft loans). In the UK, for example, one incubator has created a follow-on investment fund, using some government funding, to help ventures finishing its accelerator programme to manage immediate cashflow shortages and to encourage investment from other external sources. The UK National Lottery has also supported the Big Venture Challenge, a programme that incentivises social venture growth by providing matched repayable grants when ventures are able to attract external investment. This model has been reproduced in India (with philanthropic funding) by the Artha Platform.

- **Generating more visible, active government support for social entrepreneurship at a local level**. This could help to break down cultural barriers to enterprise and encourage more people to get involved in entrepreneurship. Highly localised support initiatives have been successful in the UK - for example the Plymouth fund for social enterprise.

- **Spotting, evaluating and scaling–up successful local and state-level policy experiments** - for example the incentive scheme for students to participate in entrepreneurship in Keralan universities (see case study on Startup Village for further detail).

- **Creating specific legal forms for social enterprise**. The UK, for example, has legislated to create Community Interest Companies, which create an 'asset lock' that ensures the company will always serve the communities it was set up to help. While this study did not specifically explore the need for new legal forms in India, the problems of finding the right legal structures for hybrid business models have been highlighted in other studies.[57]

- **Creating, or improving the design of tax incentives to encourage more social investment by angels**, following examples such as the UK Government's Social Investment Tax Relief scheme.

- **Developing platforms and procurement schemes** that allow small companies and social enterprises to compete for contracts on equal terms with larger firms.

- **Supporting campaigns and marketing activities to promote social enterprise** - an example is the 'Buy Social' campaign, led by Social Enterprise UK, which aims to raise awareness of social enterprise among UK consumers.

- **Ensuring that India's new CSR law** (which mandates that 2 per cent of companies' net profits should be spent on corporate social responsibility initiatives) **leads to sustainable and productive incubation and acceleration programmes**. This could mean supporting companies to use best-practice design and to develop the national network, supply chain and market for social enterprises.
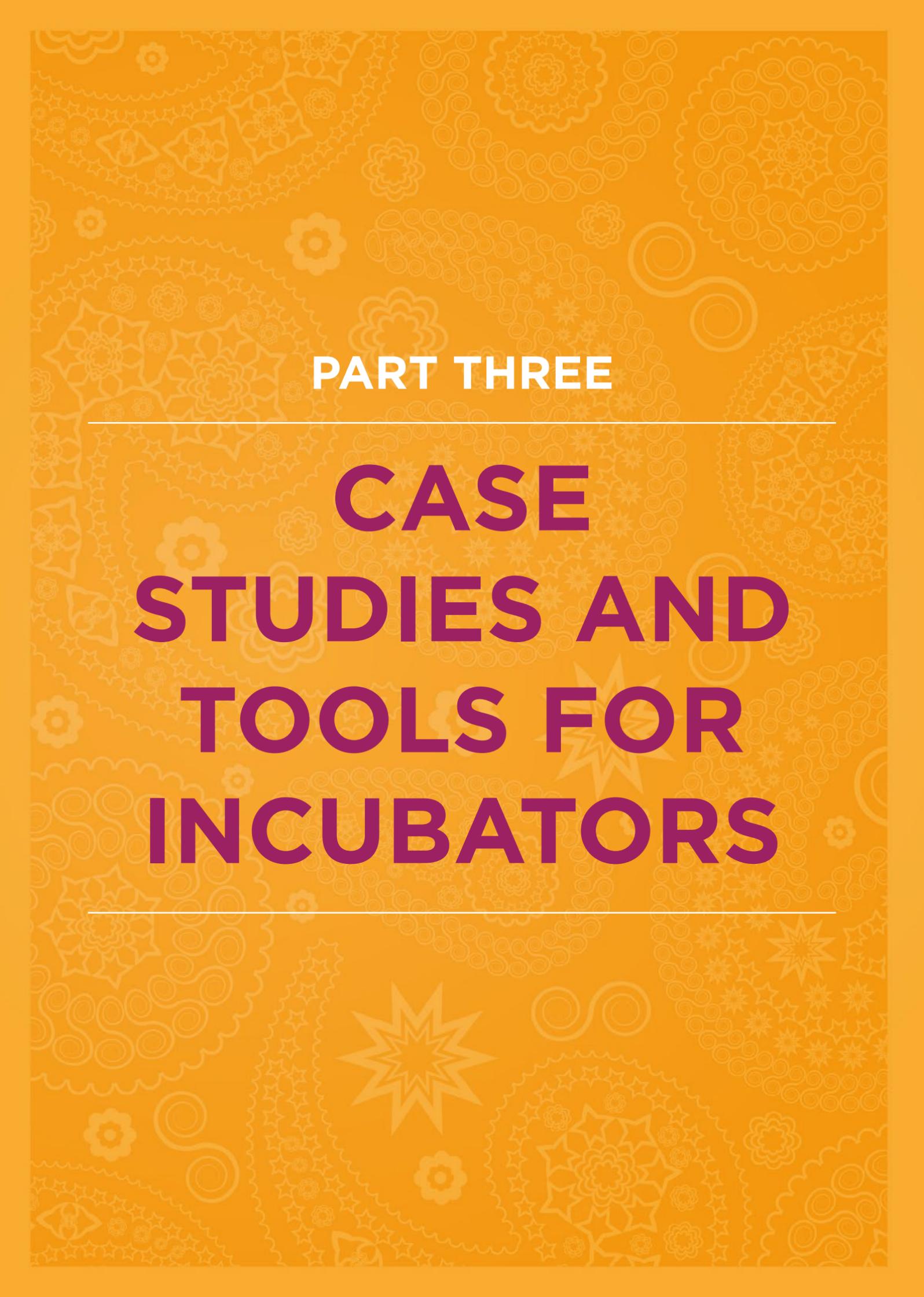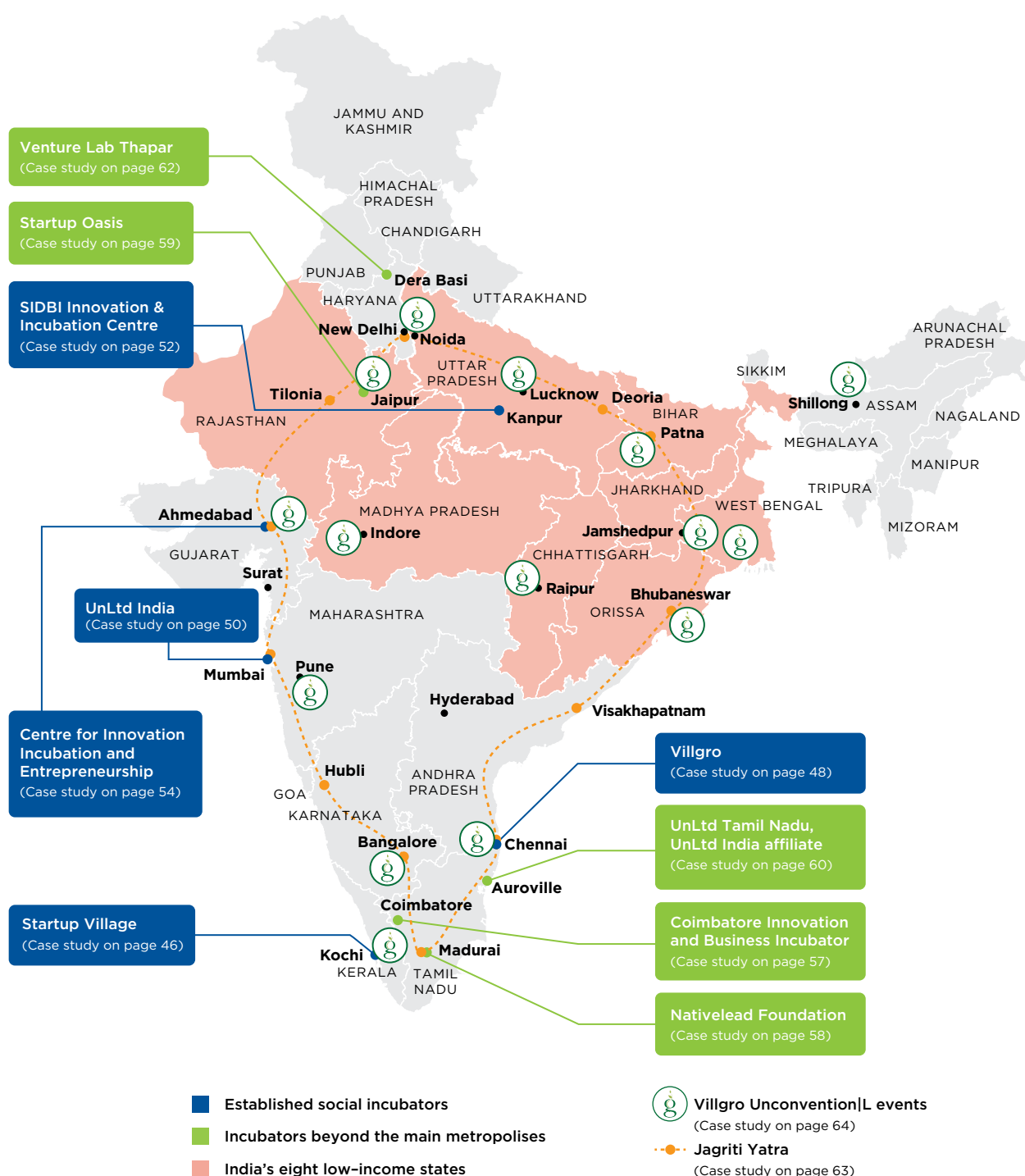
CASE STUDIES AND TOOLS FOR INCUBATORS

PART THREE

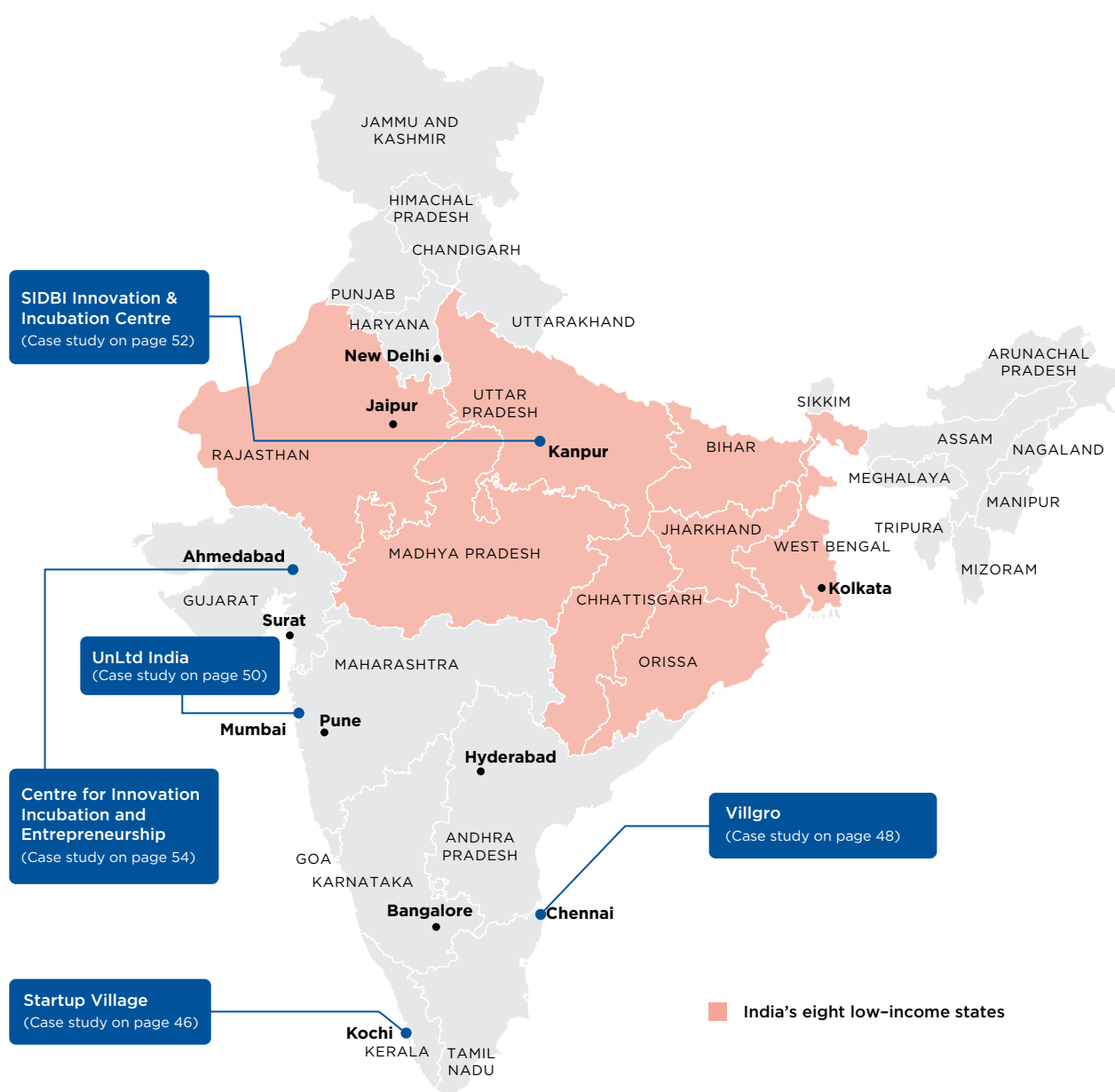# 7. Case studies

Figure 8: **Case studies map**

Venture Lab Thapar
(Case study on page 62)

Startup Oasis
(Case study on page 59)

**SIDBI Innovation &
Incubation Centre**
(Case study on page 52)

UnLtd India
(Case study on page 50)

**Centre for Innovation
Incubation and
Entrepreneurship**
(Case study on page 54)

Startup Village
(Case study on page 46)

Villgro
(Case study on page 48)

**UnLtd Tamil Nadu,
UnLtd India affiliate**
(Case study on page 60)

**Coimbatore Innovation
and Business Incubator**
(Case study on page 57)

Nativelead Foundation
(Case study on page 58)

JAMMU AND KASHMIR
HIMACHAL PRADESH
CHANDIGARH
PUNJAB
Dera Basi
HARYANA
UTTARAKHAND
New Delhi
Noida
UTTAR PRADESH
Tilonia
Jaipur
Lucknow
Deoria
RAJASTHAN
Kanpur
BIHAR
Patna
SIKKIM
ARUNACHAL PRADESH
Shillong
ASSAM
NAGALAND
MEGHALAYA
MANIPUR
TRIPURA
MIZORAM
JHARKHAND
WEST BENGAL
Ahmedabad
MADHYA PRADESH
Indore
Jamshedpur
GUJARAT
Surat
CHHATTISGARH
Raipur
Bhubaneswar
MAHARASHTRA
ORISSA
Mumbai
Pune
Hyderabad
Visakhapatnam
Hubli
ANDHRA PRADESH
GOA
KARNATAKA
Bangalore
Chennai
Auroville
Coimbatore
Kochi
Madurai
KERALA
TAMIL NADU

■ Established social incubators

■ Incubators beyond the main metropolises

■ India's eight low-income states

Ⓖ Villgro Unconvention|L events
(Case study on page 64)

•-•- Jagriti Yatra
(Case study on page 63)

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ESTABLISHED INCUBATORS

Figure 9: **Established social incubators - Case studies map**

SIDBI Innovation &
Incubation Centre
(Case study on page 52)

UnLtd India
(Case study on page 50)

Centre for Innovation
Incubation and
Entrepreneurship
(Case study on page 54)

Startup Village
(Case study on page 46)

Villgro
(Case study on page 48)

India's eight low–income states

Startup Village

Building sustainable partnerships between government and industry, and providing flexible support for startups at scale

Founded	2012
Location	HQ in Kochi, Kerala; works with startups across India..
Operating model	Public-private partnership, with funding and support from the Government of India, Technopark Trivandrum (Government of Kerala) and MobME Wireless.
Services offered	Milestone-based self-learning curriculum, mentoring, access to business services and providers, access to space and network of industry partners.
Selection criteria and portfolio	All startups applying can receive some form of informal or formal support. Currently incubating **61** startups.
Incubatee success story	Founded and incubated in 2012 at Startup Village, Profoundis is a startup turned multinational, building products and delivering services in data analytics and optimisation. Profoundis was selected in 2013 for 'Blackbox Connect', a business immersion programme in the Silicon Valley, for the second batch of the Bangalore Microsoft Accelerator 'Windows Azure' programme and for the Chilean government's 'Start-Up Chile' programme.
Impact to date	Since its creation, Startup Village has: • Supported **900+** startups. • Raised ₹**49 million** (£490,000) in private investment. Its portfolio incubatees have:[58] • Been valued at ₹**2.92 billion** (£29.2 million). • Raised in average ₹**4** for every ₹**1** invested by the central government (£0.04 for £0.01). • Raised ₹**270 million** (£2.7 million) in investment. • Created more than **2,880** jobs.

Mission

Startup Village wants to launch 1,000 start-ups over the next ten years and start the search for the next billion-dollar Indian company. Startup Village aims to create an ecosystem promoting innovation and providing a platform for young aspiring entrepreneurs to create cutting-edge technology. Startup Village focuses on student startups and telecom innovation.

Approach

Startup Village's initial three-year targets were to incubate 48 startups and offer at least 10,000 square feet in coworking space. But when it launched, Startup Village realised demand was much higher than anticipated and that it would need to quickly scale its offer. In response, it developed a flexible approach that recognises startups' differing needs: some just need the credibility of being associated with the incubator, while others would benefit from colocation and other types of non-financial support. Startup Village therefore offers both physical and virtual incubation, and also engages with startups on an informal basis.

Startup Village tries never to say no to an idea: it believes the market should be judge. It sees incubation as a five-stage, self-learning journey, that startups can travel through as many times as necessary to grow from an idea into a sustainable business. Startup Village is developing a 'playbook' to guide startups through the journey, as well as an online platform on which incubatees can record the milestones they achieve as they work through the journey. To date, Startup Village has incubated 533 startups, collaborates with over 20 industry partners, has raised ₹49 million (£490,000) in private capital, and provides access to 15,000 square feet of workspace.

Startup Village's support is not highly structured or formalised. It may include mentorship and connections to investors or PR services. MobME Wireless, itself a successful tech company previously incubated at Technopark Trivandrum, provides many of the mentors. Startup Village also provides seed funding for the most promising ideas. It encourages later-stage entrepreneurs who have reached later stages of growth to try to invest small amounts in the range of ₹500,000 to ₹1,000,000 (£5000 to £10,000) into earlier stage incubatees.

Startup Village has a close relationship with the Keralan and national governments, both of which are represented on its board, and has helped to influence the Keralite policy framework for entrepreneurship. In 2014, Kerala initiated India's first student entrepreneurship policy, providing for 20 per cent attendance relaxation and 4 per cent grace marks in academic courses for students who engage in innovation and entrepreneurship during the course of their degree. In 2015, Kerala will be allocating ₹1.50 billion out of its budget specifically for entrepreneurship support.

One of Startup Village's other main focuses is on student entrepreneurs. It currently partners with 500 engineering colleges to develop student-led entrepreneurship societies, where aspiring entrepreneurs can work on ideas and prototypes to bring to Startup Village upon graduation. Startup Village has supported more than 240 student startups. It is also in the process of expanding this work to 15,000 secondary schools, to support teacher-led sensitisation to tech skills and startup activities.

Business model

Startup Village is currently funded by the Government of India's Department of Science and Technology and private donations. Technopark Trivandrum provides access to infrastructure and MobME Wireless provides operational support. It is exploring options for a sustainable funding model that aligns the incubator's success with that of its incubatees - for example by requesting a proportion of founders' bonus if their team is acqui-hired as a result of Startup Village's support. Startup Village is already planning to scale its model to Visakhapatnam (Andhra Pradesh) and Ahmedabad (Gujarat).

Villgro

Providing intensive support for high–potential social enterprises, while growing the pool and diversity of future prospects

Founded	2001
Location	HQ in Chennai, Tamil Nadu; incubatees recruited nationwide.
Operating model	Private non-profit, funded by grants from international and multilateral donors and private foundations in addition to the Government of India.
Services offered	Funding, mentoring, access to talent (fellowships), networks (service providers, downstream investors, etc.), knowledge (research).
Selection criteria and portfolio	For-profit, social enterprises in energy, healthcare, education and agribusiness that are scalable and have viable plans for long-term sustainability. Current portfolio of **16** businesses.
Incubatee success story	In May 2015 Villgro invested around ₹**6.4 million** (£64,000) in Pune-based biomedical device startup Nayam Innovations. The company, founded by IIT-Bombay engineers in 2012, aims to use its patented technology to provide quality cataract treatment at one-tenth of the present cost.
Impact to date[59]	Since 2001, Villgro has: • Invested in **109** innovators (mainly grants). • Provided ₹**76 million** (£760,000) seed funding. Its portfolio incubatees have: • Raised ₹**1,124** million (£11.2 million) in investment. • Created more than **4,000** jobs. • Impacted over **15 million** lives.

Mission

Villgro aims to inspire, mentor, fund and incubate early-stage, innovation-based social enterprises with high impact potential for people at the base of the pyramid.

Approach

Villgro's incubation offer includes milestone-based funding (mostly grants), ranging from ₹650,000 (£6,500) to ₹6.5 million (£65,000); mentoring (four to eight hours per month, from business leaders with at least 15 to 25 years' experience); access to talent (through the Villgro Fellowship); occasional group workshops, training or peer networking sessions; and access to Villgro's network of service providers and investment partners. Incubatees are also paired with an investment manager from Villgro, who helps monitor progress against a tailored incubation plan, established at the start of their journey. Villgro does not generally provide workspace to incubatees, as most are at a stage of development where relocation would be unhelpful, but some use Villgro's offices in Bangalore and Chennai. Incubation generally lasts 18 to 36 months and aims to help entrepreneurs grow from product development to commercialisation and scale. Villgro estimates that about 30 per cent of ventures move on to raise external funding.

In addition Villgro has developed a range of offers to reach out to a wider ecosystem, strengthening entrepreneurial pipelines and scouting for future talents. These include events, fellowships and innovation competitions. Examples include:

- The Villgro Fellowship, which aims to create a talent pool of professionals with the commitment, leadership and operational skills to contribute to social entrepreneurship in India by filling in the talent gap in Villgro's portfolio companies. Villgro Fellows are placed for a year in a social enterprise to support the entrepreneur in key functions.

- Unconvention|Local, a series of events across India to inspire, discover and nurture entrepreneurs with high impact potential, through idea pitching–sessions and business plan–competitions (for more detail on Unconvention|Local, see separate case study on page 64).
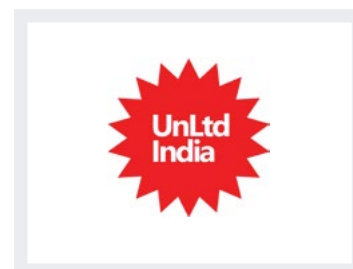
Villgro has also experimented with accelerator and entrepreneur-in-residence programmes, but has now integrated these programmes into its main incubation offer, focusing on making its offer more coherent and comprehensive across its focus sectors.

Business model

Villgro is recognised as a Technology Business Incubator by the Government of India's Department of Science and Technology. Most of its income comes from grants or third-party contributions from national and international donor organisations, including the Lemelson Foundation, the Rockefeller Foundation, Canada's International Development Research Centre, RSF Social Finance and the Citi Foundation (among others). In 2014, Villgro received approximately ₹104 million (£1.04 million) in donor funding.[60] Villgro is in the process of setting up an equity fund, as a step towards a more sustainable incubation business model. It has also recently started replicating its model in other countries, launching new incubators in Kenya and Vietnam. In the longer term, Villgro aims to set up 100 incubators around the world, which could, in future, provide an additional income stream.

UnLtd India

Supporting individuals who want to solve social problems to get their entrepreneurial ideas off the ground

Founded	2007
Location	HQ in Mumbai, UnLtd India now has 'Affiliates' in three further locations – Tamil Nadu, Hyderabad and New Delhi.
Operating model	Private non-profit, funded by grants from Indian and international donors as well as philanthropists and private foundations.
Services offered	Funding (grants for prototyping, validation and scale, access to quasi-equity for scale), coaching, access to sector experts, peer learning workshops, leadership development and access to funders and investors.
Selection criteria and portfolio	Early-stage social entrepreneurs with an idea or an organisation registered for less than five years, and the motivation to make a positive change. Currently supporting **50** entrepreneurs per year.
Incubatee success story	Winner of the 2011 Hult Prize and of the 2013 India Rising Star Award, m.Paani develops mobile-based loyalty programmes through which base of the pyramid communities can earn points that can be monetised for basic products and services (water, energy, health). m.Paani received level 1 support from UnLtd India in 2012 and 2013, and level 2 in 2014.
Impact to date	Since 2007, UnLtd India has:[61] • Supported **180+** entrepreneurs. • Distributed ₹**15.9 million** (£159,000) in seed funding. Its portfolio incubatees have: • Raised in average ₹**14.5** for every ₹**1** invested by UnLtd India (£0.14 for £0.01). • Raised ₹400.7 million (£4 million) in external funding and investment. • Created more than 12,000 jobs. • Reached more than 1.18 million end beneficiaries.

Mission

UnLtd India is a 'launchpad for social entrepreneurs' and aims to support individuals with ideas to solve large scale social problems in India. Its focus is as much on the development of the entrepreneur as a leader as it is on the development of the enterprise.

Approach

Drawing inspiration from a UK model, UnLtd India offers support at three different levels. Level 1 includes a grant of up to ₹120,000 (£1,200) and is designed to help aspiring social entrepreneurs start or pilot a new initiative. Level 2 includes a grant of up to ₹300,000 (£3,000) and is aimed at entrepreneurs who have already got their idea off the ground, and who are working towards greater impact and sustainability. The funding is intended to help entrepreneurs move towards working full-time on their venture. Meanwhile, the Growth Challenge offers access to quasi-equity investments of up to ₹2 million (£20,000) to social enterprises and grants to non-profit ventures to help them expand their teams.

Investees at each level also receive a year's non-financial support, including one-to-one coaching from UnLtd India team members, peer learning, and support in developing leadership skills. UnLtd India does not offer incubation space, but some investees use the co-working facilities at Bombay Connect, which UnLtd India's co-founder also set up and spun out as a separate company. Investees who make progress can apply for further support, up to a maximum of three consecutive investments.

In its first year of operations, UnLtd India supported ten investees. This increased to 16 in the second year, after which it started holding two selection rounds a year. UnLtd India now supports 50 people each year. UnLtd India's broad components of support have remained the same since it started, but techniques and methods have become more refined. For example, the team has found that the peer learning elements were particularly important, so it is now compulsory for all investees to attend a kick-off residential weekend and residential retreat. An experts' programme has also been built, bringing in mentors from large corporates in Mumbai. As well as providing mentoring, the experts sit on selection panels and often become board members for the entrepreneurs they support.

UnLtd India works in close partnership and links up many other efforts to support social enterprise, building a pipeline for organisations like Villgro, Dasra and Ashoka. For example, it nominates and pre-screens early-stage candidates for Ashoka. UnLtd India also recently set up an 'affiliate network' - a type of franchising model where entrepreneurs set up local UnLtds in other parts of the country. Each new location has to follow UnLtd India's core principles, but can adapt the model to meet local needs. UnLtd India has already set up affiliates in Tamil Nadu, Hyderabad and New Delhi. Now that the affiliate model is up and running effectively, UnLtd India is looking at rolling it out to other areas, including low-income states.

Business model

UnLtd India relies on fundraising and private donations to sustain its operations. Going ahead, it will experiment with offering services to other players in the sector to achieve sustainability. Over the years, it has partnered with organisations such as the Edmond de Rothschild Foundation, the Erach & Roshi Sadri Foundation, the Social Entrepreneurs Trust and GIZ. Partnering with large organisations and foundations also allows UnLtd India to tap into a pool of talented mentors and resources for the incubator's investees on the ground. UnLtd India also accepts private donations.

SIDBI Innovation and Incubation Centre (SIIC)

Turning an underused university incubation space into a busy service hub for entrepreneurs

Founded	2000
Location	HQ in the Indian Institute of Technology (IIT) in Kanpur, operates in Uttar Pradesh.
Operating model	Grant-funded academic incubator, collaboration between IIT-K, the government of Uttar Pradesh and the Small Industries Development Bank of India (SIDBI).
Services offered	Mentoring, access to prototyping labs and facilities, business and IP support.
Selection criteria and portfolio	For-profit companies in technology-related fields (digital technology, biotech, electronics, energy). Current portfolio of **32** companies.
Incubatee success story	Gurgaon-based Curadev Pharma Private Limited is a small-molecule drug discovery group. It was founded in 2010 by a group of IIT-K alumni and a team of professionals from the pharmaceutical and biotech sectors, and incubated both at SIIC and the University of Greenwich in the UK. In April 2015, Curadev announced it was entering a £16 million research collaboration and exclusive license agreement with Roche (a large UK pharmaceutical group) for the development of new drugs. Within that partnership, Curadev will also be eligible to receive up to £340 million in milestone payments, based on the achievement of predetermined events and sale levels.
Impact to date	Since 2000, SIIC has: • Incubated **62** companies. • Provided ₹**80** million (£800,000) seed funding. Its portfolio incubatees have: • Been valued at up to ₹**1 billion** (£10 million). • Created more than **2,000** jobs.

Mission

SIIC aims to provide a platform for aspiring entrepreneurs and early-stage startups, and supports them in converting innovative ideas into commercially viable products and valuable intellectual property in a range of technology-related domains.

Approach

After a long gestation period, SIIC was set up to 'test the water' and find out what entrepreneurial ideas existed on the IIT-K campus and in Uttar Pradesh. Because the pipeline of ventures was close to non-existent, its early years were spent working with students to generate interest in entrepreneurship, allowing the centre to really take off in 2006.

SIIC supports startups at different stages of development, with an average incubation period of two to three years. All SIIC incubatees are given access to mentoring and advisory services (one mandatory faculty mentor and an optional industry mentor, about 15 to 20 hours a month), as well as to sector experts, office space and shared facilities (internet, computers, printers), and IIT-K labs and infrastructure. SIIC does not systematically provide seed funding to its incubatees but startups may apply for funding through established schemes. Liability–free equity of three per cent is assigned to IIT-K in exchange for incubation facilities and infrastructure services. Most SIIC graduates do not access funding through 'traditional' channels, such as venture capital or angel investment funds (which usually look for bigger deal sizes), but through strategic partnerships with large industry bodies or corporations like Tata, ICICI Bank or Infosys.

The centre is also an umbrella for several sector or stage-specific incubation programmes, such as:

- IIT-K's E-Cell - working with students to build an entrepreneurial culture and promote entrepreneurship as a desirable career choice, through workshops, networking sessions and internships in local startups.

- Tinkering Labs and Motwani Ideation Acceleration - initiatives to help entrepreneurs formulate and develop ideas, giving access to high-level and expensive software, hardware and equipment.

- Sector-focused initiatives to support startups with business development and commercialisation, like the Bio-Incubator for biotech startups, and the MoLE Incubation Centre for ventures in the energy field.

- Acting as a Technology Transfer Office for IIT-K, providing access to professional IP consultants for students and incubatees.

SIIC is planning to build additional facilities in New Delhi, for incubatees and graduates to work on commercialisation, and an Innovation and Entrepreneurship Park next to Lucknow Airport, where it will also roll out new capacity–building and training programmes for startups and SMEs. This fits into SIIC's strategy to establish itself as an 'innovation ecosystem' or 'cluster', supporting entrepreneurs throughout their development, expanding to other localities and linking up with other support actors.[62]

Business model

SIIC was established with an endowment from the State of Uttar Pradesh and SIDBI, as well as a commitment from IIT-K. SIIC also benefited from a four-year operations grant from various departments of the Government of India (including, among others, the Department for Science and Technology, the Department for Science and Industrial Research or the Ministry of Labour and Employment) to set advanced prototyping and testing facilities. These facilities are the incubator's foundation, providing a steady pipeline of entrepreneurs and additional revenue streams for the centre, as well as access to low-cost, high-tech prototyping and testing facilities for existing entrepreneurs. Revenues accruing from incubation fees and successful incubatee exits have been added to the initial endowment, supporting SIIC in quickly rolling out new ideas to generate extra income. As of 2015, SIIC is financially stable, relying on the endowment, interest earnings, rental fees for facilities, long-term equity invested in their incubatees and revenue from licensing and patenting. However, with new initiatives in the pipeline, SIIC is increasingly looking for additional sources of funding. An interesting lead so far has been to approach large corporations, trying to tap into new funding opportunities resulting from recent corporate social responsibility legislation.

Centre for Innovation Incubation and Entrepreneurship (CIIE)

Identifying underserved high-potential sectors and designing tailored incubation services to fill those gaps

Founded	2002
Location	HQ in the Indian Institute of Management (IIM) in Ahmedabad, operates India-wide.
Operating model	Autonomous not-for-profit entity under the aegis of IIM-A.
Services offered	Sector-focused acceleration including mentoring, workshops, access to technical facilities and funding (mainly equity).
Selection criteria and portfolio	Sector-focused startups selected to form part of cohorts of **six to ten** startups per acceleration programme. Selection criteria vary according to acceleration programmes.
Incubatee success story	Ecolibrium Energy, started in 2010, is an Ahmedabad-based smart grid and energy management company. Infuse Ventures (CIIE's equity fund) invested about ₹**33 million** (£300,000) in the company in 2013.

Mission

CIIE provides sector-specific acceleration programmes and investment, as well as a co-working space for startups. It works largely in high-impact potential sectors for the base of the pyramid, including cleantech, water, agriculture and energy. CIIE is now working in partnership with GIZ to build the capacity of incubator managers across India.

Approach

CIIE's approach is to identify gaps and market failures in India's entrepreneurial ecosystems, and to develop initiatives to bridge them. An example is the Food and Agri–business accelerator, set up in partnership with the National Academy of Agricultural Research Management (NAARM) in Hyderabad. It is a three-month programme designed to support and invest in promising innovative early-stage startups. The programme offers mentorship, capacity-building workshops and access to technical facilities (for prototyping and testing) and to a large network of sectoral experts. The three months conclude with a demo day, enabling the cohort to showcase their business models and prototypes to a group of external

investors. Two startups per cohort also receive a ₹3 million (£30,000) seed investment, and other startups have the opportunity to be evaluated by Infuse Ventures, CIIE's investment fund. CIIE always works in partnership to deliver its incubation initiatives. For example, it has just launched a water sector accelerator in Rajasthan. There, CIIE is working in partnership with Startup Oasis, another of its initiatives, as a local base and host. Most of CIIE's programmes recruit entrepreneurs from across India, although some (like Startup Oasis and a new tech incubator in Gujarat) have a regional focus.

CIIE sees itself as a 'first mover', intervening to stimulate markets and pave the way for other incubators. For example, in 2008, CIIE launched iAccelerator, India's first accelerator for B2B startups developing tech products. After incubating five cohorts of entrepreneurs, this initiative is currently on hold, as there are now many such accelerators, for example in areas like Bangalore.

Across its incubation initiatives, CIIE has experimented with a breadth of different configurations, from remote acceleration with no workspace provided but frequent meetups with the cohort, to residential programmes like iAccelerator and PowerStart in Bangalore. It has found that they can be equally effective in supporting ventures, as long as sector-specific needs to access the market are fulfilled by the approach: digital tech ventures for example can work from anywhere, while ventures in sectors like agriculture need to be plugged into their target market.

CIIE is testing a range of support models across its initiatives. For example, while some programmes provide upfront funding to all ventures selected (iAccelerator provided upfront funding of up to ₹500,000 (£5,000) to all the participating startups), others offer investment to a few startups at the end of a programme based on their demo-day performance (e.g. the Rajasthan water accelerator will provide up to ₹1,5 million (£15,000) in seed funding to the winning venture on Demo Day). In addition, Infuse Ventures, CIIE's investment fund for cleantech startups, makes investments ranging from ₹10 to ₹100 million (£100,000 to £1 million), as well as hands-on support and access to networks.

Business model

CIIE was originally set up as an academic centre, researching innovation and entrepreneurship in India. With support from the Government of India and the Government of Gujarat, a new physical incubation space was launched on the IIM-A's campus in 2007. By 2008, CIIE Initiatives was set up as a not-for-profit entity under the aegis of IIM-A. The institute's director is a member of CIIE's board. As an additional source of income, CIIE usually takes around 5 per cent equity in its ventures, although it may vary according to the amount invested. Finally, the centre offers co-working space for startups to rent in the IIM-A premises.

INCUBATION BEYOND THE MAIN METROS

Figure 10: **Incubators beyond the main metropolises - Case studies map**
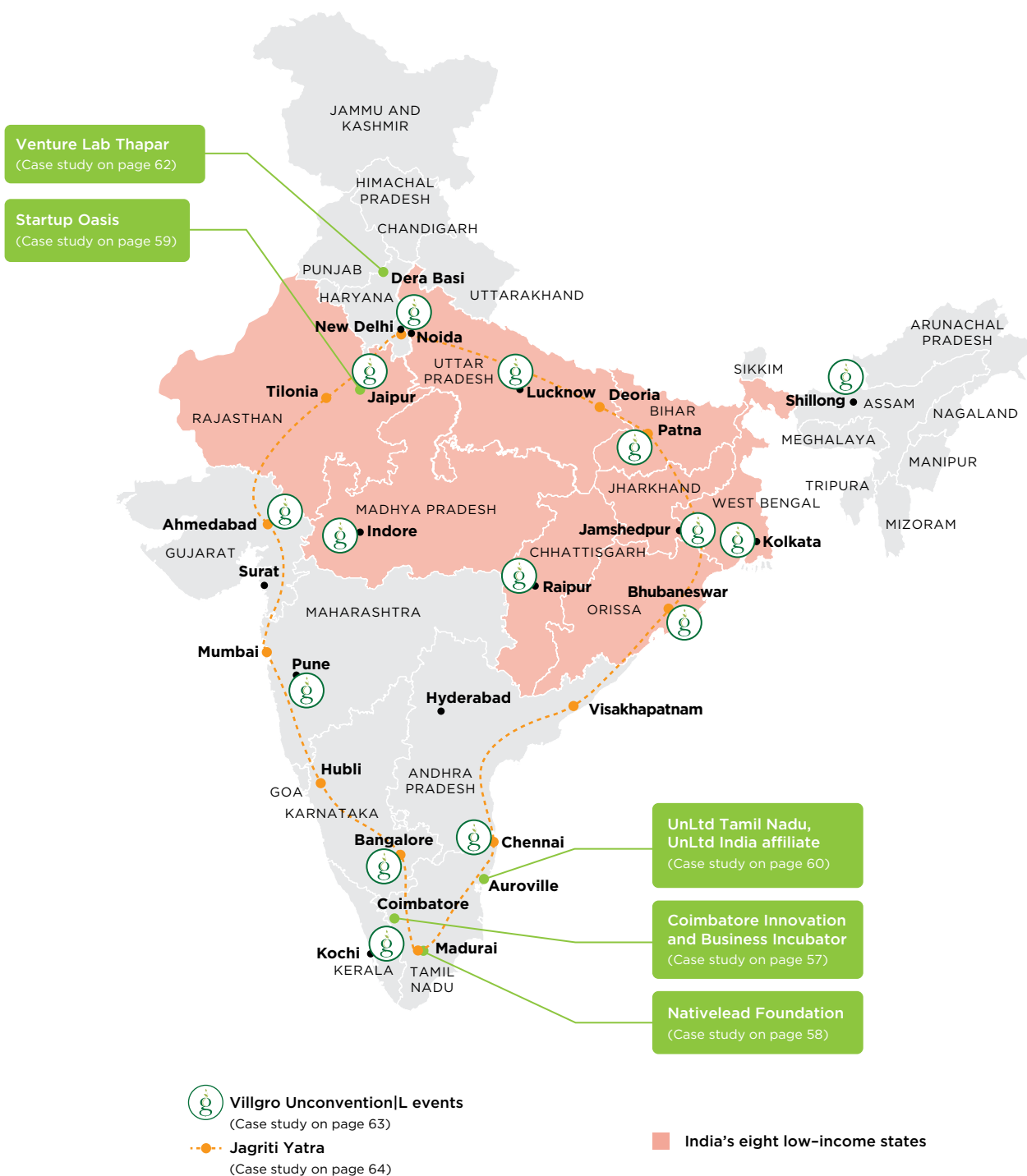
Coimbatore Innovation and Business Incubator (CIBI)

Working with investors and industry partners to launch tech acceleration, business acceleration and co-working under the FORGE brand

Founded	2014
Location	Coimbatore, Tamil Nadu.
Operating model	Technology Business Incubator, public-private partnership between the Government of India's Department of Science and Technology and the Sakthi Group, hosted at the Kumaraguru College of Technology.
Services offered	Currently offering business mentoring, co-working space and access to investor networks, while launching tech acceleration and business acceleration programmes in the 'connected devices' (hardware) and 'business tech' (software) domains.

Context

Coimbatore is located around 225 miles south-east of Bangalore. With around 1.1 million people,[63] it is the second largest city in Tamil Nadu (after Chennai). Coimbatore is a famous centre for textiles and manufacturing.

Mission

Under its new brand, FORGE the Innovation Accelerator, CIBI aims to 'accelerate the business viability and market success of innovative hardware or software products, and of innovative business ideas in traditional service sectors'.

Approach

In its new 35-seat coworking space, the 'FORGE.FACTORY', CIBI has launched startup bootcamps, followed by a four to six–week pre-accelerator programme aimed at getting early-stage startups to raise their first seed investment from select investor partners. Under 'FORGE.FAST', its business accelerator programme, CIBI will help entrepreneurs get their businesses investment ready, partnering with CIIE and Unitus Seed Fund. In doing so, CIBI aims to create value, both for entrepreneurs and for investors.

Meanwhile, 'FORGE.FIRST', CIBI's tech accelerator, will help tech entrepreneurs get hardware and software innovations ready for manufacture, while simultaneously helping them build their business model and strategy. Initially, the tech accelerator will focus on connected devices (internet of things), and within this, CIBI is working with industry partners to develop sector-specific offers, including Bosch in energy and Luminous Group in consumer devices. Again, these aim to create value for partners as well as entrepreneurs. The partnership with Bosch, for example, aims to bring forward devices that adapt Bosch's technology for the Indian market, something the company would find difficult to do through internal innovation processes.

Both the tech and business accelerators will follow a three-stage structure. The business accelerator starts with a three-day bootcamp, which CIBI has recently piloted with three teams referred from Unitus Seed Fund. At the end of the bootcamp, some teams will be ready to pitch to investors, while others might need more support. For the latter, CIBI will offer four

to six weeks of 'pre-acceleration' assistance tailored to teams' needs, including mentoring, business diagnostics, access to co-working space, connections with potential customers and links to investors. Teams that are successful in securing seed funding at this stage may then be offered a three-to-six month acceleration programme to get them ready for follow-on angel or VC funding.

The tech accelerator will start with a 'make-a-thon', which, like the bootcamp, is designed to give CIBI a chance to get to know entrepreneurs and diagnose their needs, potential and commitment, to see if they are a good fit for pre-acceleration or acceleration. As well as mentoring, diagnostics and co-working, teams taking part in tech acceleration will have access to machinery and equipment (which CIBI is currently commissioning) to help them get their innovations ready for manufacture. Industry partners will provide sector-specific advice and mentoring, as well as access to markets. CIBI will also link entrepreneurs with potential suppliers and manufacturers.

CIBI is building up the FORGE innovation acceleration offers bit-by-bit, starting with the business acceleration bootcamps. CIBI's intention is eventually to run these every two weeks with around five teams each time. By the end of 2015, CIBI expects that around five teams will have accessed seed funding and that the co-working space at FORGE.FACTORY will be filled to capacity. During 2016, CIBI aims to help 10-12 teams access investment. To meet these targets, CIBI will initially work with teams that are more advanced and closer to investment readiness. As it learns more about teams' needs, CIBI will iterate and improve the FORGE acceleration offer and start targeting earlier stage startups.

Nativelead Foundation

Creating networks of local entrepreneurs, business people and angels to support startups in Madurai

Founded	2012
Location	Madurai, Tamil Nadu.
Operating model	Private, not-for-profit foundation, funded through corporate social responsibility funding and earned income from membership fees of its angel network.
Services offered	Mentoring and investment for entrepreneurs as well as structured workshops for students.

Context

Madurai, with one million people,[64] is the third largest city in Tamil Nadu. Its economic strengths include agriculture, textiles, tourism and its well regarded educational institutions. Although promoted as an IT centre, the city faces talent loss to Chennai and Bangalore.

Mission

Founded by local entrepreneurs who wanted to do something for the area, Nativelead's philosophy is to mobilise 'natives' of Madurai to support 'native' entrepreneurs, aiming to 'build and sustain a co-creation based ecosystem for innovative startups'.

Approach

Nativelead has set out a four phase model - Enabling, Nurturing, Incubating, Investing - to cover the startup lifecycle from pre-incubation to investment. Its 'enabling' work focuses on students. Working with around 40 colleges, Nativelead has developed a structured programme of workshops that look at ideation, problem identification and solving, business modeling and pitching. Some students go on to build their idea outside college with mentorship from Nativelead. Corporate social responsibility funding from SAP India pays for this work. The 'nurturing' phase focuses on identifying startups, validating ideas and firming up propositions with the support of mentors. Nativelead has built a network of around 40 mentors, who are each asked to commit to at least one hour per week. Nativelead doesn't yet have a physical incubator, but it is hoping in future to be able to access government funding to launch one. At present, it refers startups to other incubators, like IIT-Chennai and CIIE.

Nativelead has set up its own angel network to support the 'investing' phase. Since it started in October 2014, the Native Angel Network has engaged with 41 investors and made three investments (two at ₹1 million (£10,000), and one at ₹5 million (£50,000). Its members are local, well established business people, although not necessarily established investors, so Nativelead is working with Indian Angel Network as a knowledge partner to help 'educate' members in venture capital and angel investing. Angels are asked to invest ₹500,000 (£5,000) over three years and membership fees from the angel network cover Nativelead's operating expenses.

Startup Oasis

Turning an under-used IT incubator into an entrepreneur hub and working with partners to boost the startup ecosystem in Jaipur

Founded	2013
Location	Jaipur, Rajasthan.
Operating model	Partnership between Ahmedabad-based incubator CIIE and Rajasthan State Industrial Development and Investment Corporation (RIICO).
Services offered	Business advice, connections to mentors and investors, co-working space.

Context

Jaipur is a city of 3.1 million people,[65] and capital of 'desert state' Rajasthan. A popular tourist destination, it is famous for crafts and home to internationally known social enterprise, Jaipur Rugs. Located less than 200 miles from Delhi, a startup culture is beginning to emerge, supported by investment from the State Government.

Mission

Startup Oasis aims to "develop an ecosystem in Rajasthan to inspire and support students, aspiring entrepreneurs and startups to solve persistent problems, develop breakthrough innovations and create world class enterprises".

Approach

In 2003-4, RIICO (the Rajasthan State Industrial Development and Investment Corporation) opened an IT park on the outskirts of Jaipur. But with small companies tending to prefer a city centre base, it remained under-occupied. So in 2013, RIICO partnered with CIIE to open Startup Oasis, giving over use of the building as an incubation centre and with three years of funding to cover operational costs.

Startup Oasis provides business advice, connections to mentors and investors, and group workshops and events. Incubatees are also offered free desk space, which around 30-40 per cent take up. Entrepreneurs join when they need support, rather than as a cohort. Incubation usually lasts for three months, and can be extended for up to three more. By May 2015, Startup Oasis had incubated 35 companies.

The context in Jaipur and Rajasthan has influenced Startup Oasis' approach in several ways. For instance, some of the ventures that Startup Oasis incubate tend to have potential to be sustainable, medium-growth enterprises, and might not be highly scaleable or investable. So rather than taking an equity stake, it usually sets up revenue share agreements.

The context has also encouraged Startup Oasis to be outward-looking. Rajasthan has relatively limited startup activity, so Startup Oasis has worked actively with organisations such as TiE, Rajasthan Angel Investor Network and National Entrepreneurship Network (NEN) to join up support and build the local startup ecosystem. Startup Oasis organised Jaipur's first 'Startup Weekend' in May 2015. The incubator also works with colleges and has piloted a semester-long university incubation programme. It has now begun to look at building expertise in sectors where Rajasthan is particularly strong - working with a local craft institute to set up an entrepreneurship bootcamp - and areas where there is a particular local need. In July 2015, Startup Oasis and CIIE launched an accelerator for water startups.

UnLtd Tamil Nadu

Adapting UnLtd India's model to meet entrepreneurs' needs in a rural setting

Founded	2012
Location	Auroville, Tamil Nadu.
Operating model	Legally part of the Auroville Foundation; donor funded. Part of the UnLtd India network.
Services offered	Grants alongside 12 months of coaching, peer learning support, training and access to external mentoring. Mentoring and investment for entrepreneurs as well as structured workshops for students.

Context

Auroville is an 'intentional community', set up in 1968. It aims to be an international township that 'belongs to humanity as a whole'. It is currently home to around 2,400 people from 50 nations, and is protected by an act of parliament. It is located in the south of Tamil Nadu, near Puducherry, a city of around 950,000 people. The economy of the wider area is largely based on agriculture, fishing, tourism and manufacturing.

Mission

UnLtd Tamil Nadu's mission is to 'search for, select and support exceptional individuals who are committed to solving some of India's biggest challenges using their passion and entrepreneurial skills'.

Approach

UnLtd Tamil Nadu is UnLtd India's first 'affiliate', an independent organisation that uses UnLtd India's methodology and brand, as well as benefits from coaching and interaction with UnLtd India and other affiliates in the network.

UnLtd Tamil Nadu's support offer is similar to that of its parent organisation. It offers 'Level 1' support for people who want to pilot and launch an idea, and 'Level 2' for those who want to make an existing early-stage venture more sustainable. Support includes grants (up to ₹80,000 (£800) at Level 1 and up to ₹200,000 (£2,000) at Level 2), alongside 12 months of coaching, peer learning support, training and access to external mentoring. UnLtd Tamil Nadu currently has a portfolio of 15 investees.

Nevertheless, UnLtd Tamil Nadu has made several adaptations to its support offer and operating model in response to its local context. Its location - and smaller budget - mean that it's hard for UnLtd Tamil Nadu to recruit full-time staff. So while UnLtd India employs 'associates' to work with its investees, UnLtd Tamil Nadu has split this role in two, using its employee team as coaches and engaging volunteers to be 'buddies'. Buddies commit to volunteering for at least half a day a week over a period of six months and provide hands-on support for up to six investees. The Auroville community also provides pro bono expertise in areas like solar energy, and houses volunteers. Fundraising has been challenging so far, so UnLtd Tamil Nadu is experimenting with offering some entrepreneurs non-financial support only. Meanwhile, since entrepreneurship is still not seen as a desirable career option by many, particularly in rural areas, UnLtd Tamil Nadu has started running Annual Changemaker Days, which give an opportunity for investees to showcase their work to family and friends.

Providing support in the regional language, Tamil, is a key priority since around half of UnLtd Tamil Nadu's investees do not speak English well enough to participate in English-language workshops. Tamil language skills are an important factor when recruiting buddies, and UnLtd Tamil Nadu has started to translate the various tools that UnLtd India has provided. In practice, this means more than literally translating the words; UnLtd Tamil Nadu has found it needs to come up with different metaphors to help some of its entrepreneurs understand concepts that they aren't familiar with, like 'financial modelling'.

Maintaining relationships with investees that are based some distance from Auroville is also challenging, so UnLtd Tamil Nadu is developing e-learning modules (via flash drive or DVD), to enable investees to take part remotely. E-learning will be available in Tamil and English.

Venture Lab Thapar

Incubating startups to solve regional problems and seed a social entrepreneurial culture

Founded	2014
Location	Dera Bassi campus of Thapar University, Punjab.
Operating model	University-based incubator, set up with support from Ahmedabad-based incubator CIIE and University of Twente (Netherlands).
Services offered	'Ankurit' business plan competition offering seed funding, non-financial support and workspace to winners; also supporting other ventures with workspace, workshops, advice and access to external support.

Context

Dera Bassi is a city of 26,000 people located just outside Chandigarh, the state capital of Punjab, about 240km (150 miles) north of Delhi. Punjab is a highly fertile region and major agricultural producer, although it faces problems around water supply and pollution of land. While Chandigarh is one of India's wealthiest cities, its recent rapid growth has generated problems with slums and squatter settlements.[66] Punjab overall is relatively prosperous, but nevertheless faces some major challenges, such as high levels of drug and alcohol addiction.

Mission

The School of Management at LM Thapar University (LMTSM) wants to be the most entrepreneurial in India. Venture Lab Thapar aims to support startups that create social and commercial value, as well as acting as an 'evangelist', seeding a social entrepreneurial culture amongst students, faculty and staff, and building the wider ecosystem of enterprise support.

Approach

As a new incubator, Venture Lab Thapar is still developing its incubation model. In 2015, the Venture Lab launched 'Ankurit', a business plan competition for early-stage startups. Entrants first provided summaries of their business plans, from which 30 were shortlisted to take part in a half-day workshop run in association with CIIE. Fifteen of these teams were then selected to take part in a pitching competition, with six winners selected to receive seed funding of between ₹50,000 (£500) and ₹150,000 (£1,500). One of the winners was from the university and five from the wider region. Venture Lab Thapar is also supporting a further five ventures that have not received seed funding. In total, four ventures have taken up co-working space in the Venture Lab. The incubator is also organising a series of workshops on topics like opportunity identification and business model creation, and offers support with areas like marketing and branding, as well as access to external coaches and mentors.

LMTSM sees a clear role for itself in strengthening the startup culture in Punjab and bringing a stronger focus on sustainability and inclusion as a way of solving regional problems. Early in 2015, it organised a 'network expansion workshop' (with CIIE and German development agency GIZ) to bring together organisations that could play a role in supporting local social entrepreneurs. It is now putting together a directory of support organisations for

entrepreneurs to use. This ethos also strongly influences the university's curriculum and activities. It has introduced a core course on social and commercial entrepreneurship that favours a 'learning by doing' approach (for example, it supported two students to plant and sell vegetables, giving them an opportunity to better understand the challenges and economics of agri–business). The university is exploring the possibility of launching a brand of organic produce in future.

Jagriti Yatra

Inspiring young entrepreneurs in India's smaller towns and villages and drawing on a growing alumni network to develop outreach and incubation services

Founded	2008
Location	HQ in Mumbai, with train journey visiting 12 cities around India and incubation offer in Deoria, Uttar Pradesh.
Operating model	Initiative of a not-for-profit charitable organisation, Jagriti Sewa Sansthan (Jagriti Yatra's 'parent' organisation); donor-funded from trusts, foundations and corporates.
Services offered	Jagriti Yatra is a two-week train journey for aspiring entrepreneurs. Jagriti is now piloting support to enterprises through the Jagriti Enterprise Network and aims in future to set up physical incubation centres.

Context

Jagriti Yatra estimates that there are 200 million young people of average wealth in India's smaller towns and villages who are literate, but lack a sense of purpose.

Mission

Jagriti Yatra's mission is 'to build India through enterprise', focusing on unlocking the entrepreneurial potential of young people from India's smaller towns and villages.

Approach

Jagriti Yatra takes aspiring entrepreneurs on a two-week, 8,000 km (5,000 mile) train journey around India. Participants are aged between 20 and 27 years old, and Jagriti Yatra aims to promote gender parity (currently, around 40 per cent of participants are female). The programme revolves around peer learning and experience sharing. During the journey, the 450 participants ('Yatris') work in teams and groups on assigned projects, presentations and debates, and are able to access light-touch informal mentoring from the group of 75 facilitators on board. They also meet 15 to 20 inspiring 'role models' - people like Joe Madiath, founder of Gram Vikas, which works in Odisha to empower some of the most marginalised tribal groups. The trip runs annually, and by early 2015 over 3,000 people had taken part.

Jagriti has set up an outreach programme, Jagriti Ambassadors for District Entrepreneurs (JADE), to help recruit for the train journey. Former Yatris spend six months in low-income and rural districts to spot talent and promote Jagriti Yatra. In 2014, the 50 ambassadors successfully recruited 100 participants for the Yatra.

Building on the success of the train journey, Jagriti has now started to develop new initiatives to foster entrepreneurship in smaller towns and villages. Starting in Deoria, where Jagriti Sewa Sansthan (Jagriti Yatra's 'parent' organisation) is headquartered, Jagriti is currently developing an incubation offer, Jagriti Enterprise Network (JEN). Like JADE, this also draws on the Yatri network as a resource. The approach was piloted in 2014-15, when two Yatris worked alongside five rural entrepreneurs, aiming to support them while learning more about their needs and the local context.

Based on the pilot, a more structured offer is being developed. The programme will select local entrepreneurs, whose ventures are up and running, but still at an early stage, and assign them 'facilitators' – former Yatris who will commit to living in Deoria for two years and work closely with the entrepreneurs, along the lines of a fellowship. Support will include a three to four–month course, combining theory and practice, to teach the basics of setting up a business. The aim is that once the course is complete, entrepreneurs will be able to access a bundle of business support services, such as connections to markets, investors and professional services (e.g. legal, accounting), as well as access to a co-working space. In the longer term, Jagriti plans to set up physical incubators, 'Jagriti Enterprise Institutes'.

Villgro Unconvention|Local

Reaching and inspiring social entrepreneurs across India - with a focus on traditional hubs as well as low-income states - while building a pipeline for incubation

Founded	2012
Location	Cities visited in 2014-15: Indore, Kochi, Kolkata, Jamshedpur, Raipur, Pune, Lucknow, Noida, Bhubaneswar, Chennai, Bangalore, Jaipur, Patna, Shillong, Ahmedabad.
Services offered	Events and business plan competition with prizes including grants, mentoring and access to Sankalp Summit.

Context

In 2008, Villgro launched Unconvention as a strategy to help build an ecosystem for social enterprises in India, as well as to help find and inspire potential social entrepreneurs to connect them to support. Unconvention was an annual two-day summit, including a business plan competition and investor forum. But after running Unconvention in this format for three years, Villgro decided a slightly different approach was needed, extending the movement to smaller towns and cities in India where there was interest in entrepreneurship, but not enough support.

Mission

Unconvention went local through the Unconvention|L events, aiming to reach beyond main metropolitan areas, find potential entrepreneurs, inspire them, and help build regional social enterprise ecosystems, 'moving the point of gravity away from the hubs, into the smaller towns and cities'.

Approach

Unconvention|L ran in six cities during its first year, and 15 cities in the next two, nine of which were in low-income states. The early events were half–day sessions, with established social entrepreneurs as speakers, and workshops to help entrepreneurs develop their ideas using the 'business model canvas' tool. Although these were well–received, Villgro found that entrepreneurs were also asking for pitch contests where they could work on the practicalities of building their ideas or businesses with experts. So in the third year, it introduced a business plan competition. Entrepreneurs apply for the competition online and through partners. Villgro then shortlists six to eight teams per area for the pitching session. Pitching panels are made up of members of the Villgro team, local partners and social entrepreneurs. Winning teams receive grants varying between ₹50,000 (£500) and ₹100,000 (£1,000). The prize also includes a mentoring call with Villgro's senior team and an opportunity to attend the Sankalp Summit (with registration fees and travel covered), where they attend workshops and pitch to investors.

In some cities, there was demand for more regular meetings. So Villgro is now partnering with local organisations in four cities to run the 'Speaker Series' - more focused and need-based monthly sessions for budding and established entrepreneurs, helping them develop their ideas and businesses.

Villgro

PART THREE

8. Resources and tools

Guides for incubators

Accelerator practice guide (Nesta)

www.nesta.org.uk/publications/startup-accelerator-programmes-practice-guide

The report explores what accelerator programmes are and how they work, describing the common characteristics and different roles of accelerator programmes. This practice guide provides its readers with a solid rationale for the use of accelerators as an incubation method and the appropriate tools to think about programme design.

InfoDev incubator toolkit

www.infodev.org/business-incubation-toolkit

The infoDev toolkit is a know-how repository on business incubation. It is designed as a step-by-step guide for incubator managers, to be used throughout the processes of setting up and running an incubator. It is built around modules like securing funding, building a team and finding reliable partners, attracting entrepreneurs and successfully supporting them.

CIIE white paper on incubation

(forthcoming)

Step-by-step guide to setting up an incubator, with tools to support incubator managers in developing their incubation strategy.

ISIS: How to set up a successful university startup incubator

isis-innovation.com/wp-content/uploads/2014/11/HOW-TO-SET-UP-A-SUCCESSFUL-UNIVERSITY-START-UP-INCUBATOR-RK2.pdf

A very short guide compiling a few top tips on building a university startup incubator. Tips revolve around themes like defining objectives, identifying customers, and thinking about finances and income sources.

US Economic Development Administration 'Practitioner Toolkit'

toolkit.incutrack.net/index.cfm?ques=1

The EDA's practitioner toolkit takes the form of a questionnaire designed for incubation managers and incubation programme managers. The 23 questions are intended to help incubator managers think about challenges like marketing, financial planning, setting goals and objectives. Each question links to tips and examples from best practice in business incubation in the United States, as well as to additional resources on operational know-how.

UNESCO Manual on Technology Business Incubators

unesdoc.unesco.org/images/0014/001442/144276eo.pdf

This manual is a toolkit for setting up and supporting technology business incubators for development. The manual is divided into five sections: definition and concepts around incubation, planning, implementing, operating, and a section on learning from best practice around the world. The manual intends to guide sponsors and management teams in exploring the setting up and establishment of a successful tech business incubation program. Its guidance aims to be flexible and versatile, adapting to different requirements, local conditions and contexts.

Mixed-use Incubator Handbook

www.infodev.org/infodev-files/resource/InfodevDocuments_733.pdf

This infoDev handbook is aimed at incubator developers and managers. It presents the rationale for business incubation as well as some of the challenges entrepreneurs may face in setting up a business. The handbook describes different models of incubation, from a 'germinator' to a pure 'landlord' approach. It provides clues for developers to understand the market they will operate in and advises on how to adapt incubation models to their own context. The handbook concludes with operational, step-by-step directions on business planning, designing space (if applicable), getting finances, forming partnerships or building a schedule.

EU Smart Guide to Innovation-Based Incubators

ebn.be/downloads/innovation_incubator.pdf

This handbook is meant to guide developers through the process of building and running an innovation-based incubator. The guide has a whole section on positioning the incubator and the importance of a preliminary analysis of the environment in which the incubator is to operate. It also emphasises the different types of services an incubator can provide at different stages of the incubation process (pre-incubation, post-incubation, and in the middle). There are also guidelines on performance monitoring and the choice of relevant indicators. The guide finishes on a summary-list of the 12 tips to setting up an innovation-based incubator.

UKBI Best Practice on Business Incubation: The complete best practice handbook

venturepress.dk/wp-content/uploads/2014/08/UKBI-Best-Practice-in-Business-Incubation.pdf

The UK Business Incubation, the UK's former association for the incubation industry, published several good practice guides. These thematic guides have been combined into a single handbook. This comprehensive handbook goes through and details the basics of business incubation, from building foundations and understanding the context and environment, to forming a solid management team, and developing services and programmes to support ventures.

NBIA Incubator Assessment Tool

nbia.wufoo.com/forms/rwqet30m5y5ja

The NBIA has produced an online self-assessment tool, designed to help incubator managers understand how their programmes align with best practice in the field. Through answering a range of questions, incubator or programme managers are encouraged to try to objectively identify their weaknesses and understand which are the right areas to focus on improving.

Measuring your Business Incubator's Economic Impact: A Toolkit

www2.nbia.org/store/impact.php

This NBIA toolkit provides guidance to incubators for the collection, as well as communication and dissemination of economic impact information. The handbook explores the rationale behind impact measurement, before going through a few interesting or important measures and indicators. The guide also comes with additional easy-to-use tools like survey templates for clients and graduates, and a spreadsheet simplifying data collection.

Do More Faster: TechStars lessons to accelerate your startup

www.domorefasterbook.com

Brad Feld and David Cohen, founders of TechStars, a mentorship-driven tech acceleration programme across the US and in London, identify some of the key issues faced by aspiring and first-time entrepreneurs when setting up and scaling a business. The book offers pragmatic advice, real life best-practice and experience from successful entrepreneurs who have graduated from TechStars programmes.

Toolkits to support specific incubation activities

ANDE Ecosystem mapping toolkit

www.aspeninstitute.org/sites/default/files/content/docs/pubs/FINAL%20Ecosystem%20Toolkit%20Draft_print%20version.pdf

The ANDE toolkit puts forward nine evaluation frameworks to support mapping entrepreneurial ecosystems. The guide provides methodological guidance, as well as hands-on practical tools designed to help practitioners analyse the existing communities and elements of the ecosystem/communities, identify stakeholders and existing initiatives, and, ultimately, understand where to add most value in the system. Tools include a list of indicators to assess ecosystems and a comprehensive template to carry out an ecosystem survey.

DfID Tools for Development: A handbook for those engaged in development activity

webarchive.nationalarchives.gov.uk/+/http:/www.dfid.gov.uk/Documents/publications/toolsfordevelopment.pdf

A pick-and-choose guide to learn about tools for development, tackling subjects like stakeholder or problem analysis, formulating a vision and logical frameworks to apply it, participatory methodologies, influencing and negotiating, building partnerships, monitoring and evaluation. The guide aims to help in delivering successful development activities and interventions with the appropriate skills and techniques. It is a useful resource to set the foundations of an organisation and start thinking about communities to engage, setting a mission, and potential risks. In particular, it has detailed guidance on stakeholder analysis and partnership building.

UnLtd: A Guide to Mentoring a Social Entrepreneur

unltd.org.uk/wp-content/uploads/2012/12/UnLtd-Guide-v1.0-Sept-2011-low-res-2.pdf

Based on UnLtd's experience of supporting social entrepreneurs in the UK, this guide explains the roles of mentors and includes practical advice for mentors and mentees on topics such as starting, maintaining and stopping a mentoring relationship and techniques for effective mentoring. Includes several tools such as a framework for mentoring sessions, a troubleshooting checklist, and a suggested agenda for a first mentoring session.

Measuring Value Created by Impact Incubators and Accelerators

www.aspeninstitute.org/sites/default/files/content/docs/resources/ANDE%20I-DEV%20INCUBATOR%20REPORT%2011-21-14%20FINAL%20FOR%20DISTRIBUTION.pdf

This report by I-DEV, ANDE and Agora Partnerships takes a look at the value generated by impact incubators or accelerators for social enterprises and investors. The last section of the report lists a few key lessons and recommendations from the study, aimed at helping to strengthen the value created by impact incubator or accelerator programs, both for companies, and for investing organisations. Recommendations cover themes like tracking

data and standardising the collection methodology, developing strong alumni networks and follow-on channels, or even the need to distinguish incubation from acceleration. The report appendix also includes a proposed framework for data collection and evaluation, with sample baseline questionnaires to be completed by incubated companies and investors at regular intervals.

The Good Investor: A Book of Best Impact Practice

cdn.goodinvestor.co.uk/wp-content/uploads/2013/01/thegoodinvestor.pdf

A guide designed for impact investors themselves as well as for potential investees, helping them to understand what the requirements are to access investment from impact funds. It is structured as the investment process would be, all the way from planning, mapping and screening, through to monitoring, evaluating and reporting. The guide is a compendium, each section summing up key points and questions relevant to that particular stage in the investment process. The guide also provides detailed guidance on how to design an impact plan and an outcomes matrix, for investors and investees to better understand where impact lies.

Impact Measurement: Exploring its Role in Impact Investing

cr.nab.com.au/docs/impact-measurement-exploring-its-role-in-impact-investing_final.pdf

This guide explores how impact measurement works in relation to impact investment, both from an investor and investee point of view. After more general sections on the basics of impact investment (methods, process, etc.) and of impact measurement (rationale, audiences, etc.), the guide identifies the main characteristics of effective social impact measurement frameworks, and explores nine well-recognised approaches to impact measurement.

Value of Infrastructure Programme

www.ncvo.org.uk/practical-support/monitoring-and-evaluation

The Value of Infrastructure Programme develops easy-to-use tools to help organisations better understand and focus on their impact, as well as learn how to effectively demonstrate and communicate it. The programme provides access to a range of different support and training resources, from video training courses, to practical, step-by-step 'how-to' guides on all impact-related issues.

Tools

CIIE Incubator Operation Canvas

(Forthcoming)

Incubator canvas to help build incubator managers' capacity and support them in creating strategic and operational plans for their incubators, mapping ecosystem stakeholders and building a strong vision for their organisation.

New Economics Foundation (NEF) Tool Decider and Tool Comparison Charts, with Tools Booklet

www.proveandimprove.org/tools/documents/Tool_decider_chart.pdf
www.proveandimprove.org/tools/documents/Tool_comparison_chart2.pdf
b.3cdn.net/nefoundation/ee604b9c7787bf1b80_aym6ivqnu.pdf

The Tool Decider and Comparison Charts are designed to help organisations identify the tools best suited to them and their performance management needs. Depending on the size of the organisation, the type of impact expected or to be measured, organisations can make their way through a selection of shortlisted tools, like the Eco-Mapping tool, the Local Multiplier 3

tool, or the Third Sector Performance Dashboard. All the tools and methodologies are listed and detailed in the NEF 'Tools for you' booklet.

Development Impact and You Toolkit
diytoolkit.org/

The DIY Toolkit is a compendium of easy-to-use, hands-on tools for practitioners to trigger and support social innovation. The toolkit gathers tools like a framework for a strengths-weaknesses-opportunities-threats (SWOT) analysis, a map to build effective and strategic partnerships, a tool to identify and understand an organisation's target group(s), or even a map to highlight and pinpoint an organisation's values. All the tools come with clear instructions on how they should be used, the level of involvement they require, their benefits, and concrete examples or case studies from the field.

UnLtd Tamil Nadu

ANNEX: Consultees and contributors

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