

Leading B-schools now not only offer courses on entrepreneurship, but also help nurture and incubate startups of budding enterprisers

By Ashish Sinha

# CREATING ENTREPRENEURS

**A** RECENT REPORT BY the IBM Institute for Business Value and Oxford Economics says 90 per cent of Indian startups fail within the first five years of operation for want of innovation and funds. The report is among a host of others that paint a bleak picture of entrepreneurial ventures of budding enterprisers. Another report suggests that over 1,500 startups shut shop in 2015 and nearly half that number did so in 2016. Most Venture Capitalists (VCs) who fund startups, opine that startups usually do not have unique business models. In India startups have mostly gone belly up in three sectors, namely e-commerce, food technology and logistics.

A ray of hope shines forth in academia, where leading business schools are setting up their own incubation centres to create an overall entrepreneurial ecosystem across business categories. The Centre for Innovation, Incubation and Entrepreneurship (CIIE) at IIM Ahmedabad, for instance, has been conducting accelerator programmes and contests. The IIM Kozhikode's Laboratory for Innovation, Venturing and Entrepreneurship (LIVE) was set up with the support of the Department of Science and Technology. The LIVE aims to be a collaborative platform to help transform

**'IIM Bangalore has initiated a core course on entrepreneurship for all MBA students'**

**S. BHAGAVATULA,**  
Chair, NSRCEL and  
member of IIMB faculty





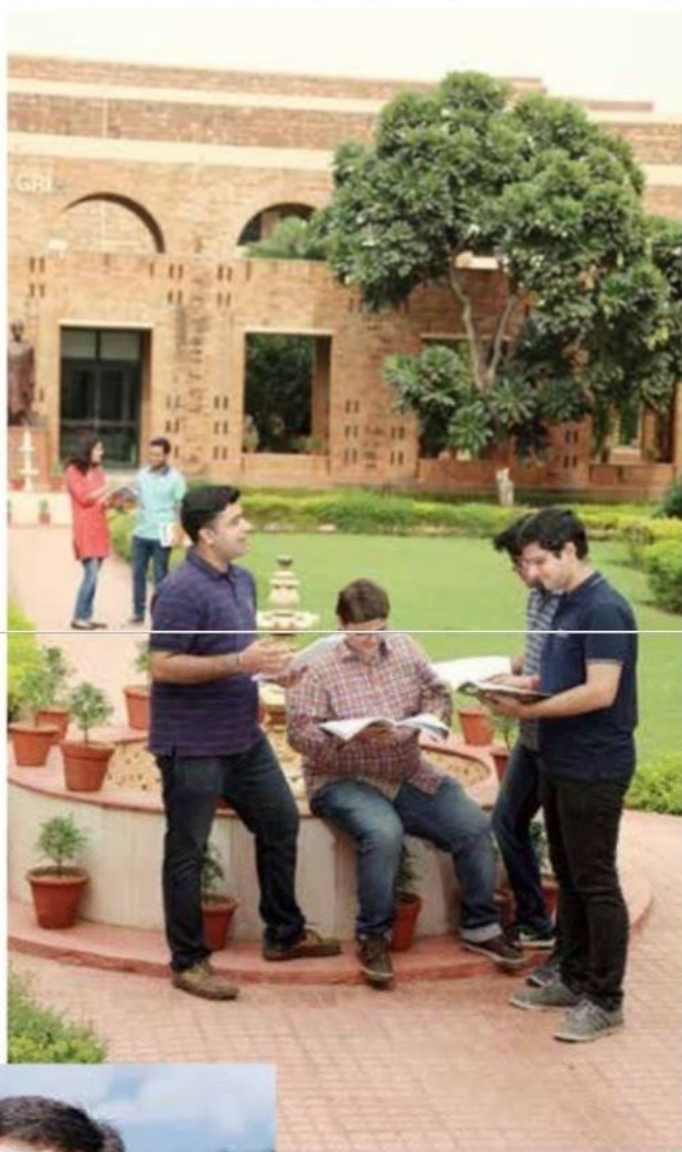
ideas into business ventures with economic and social impact. The IIM Bangalore startup hub, NSRCEL, has recently ramped up its incubation initiatives too. It has already incubated over 225 startups and the increased scale will help it launch three to five new programmes, mentor 4,000 entrepreneurs and incubate 200 new ventures.

According to Dr Bala V. Balachandran, Founder, Dean and Chairman, Great Lakes Institute of Management, B-schools have incentivised more than a thousand startups over the last ten years in India alone. "According to a report, premier B-schools have led to the establishment of 400 startups in the past five years – challenging the long-held belief that only technology institutions can give birth to and support startups. A study by the *Financial Times* suggests that 'MBA' and other certification courses offered by B-schools improve the success rate of starting a business by 18 per cent, and 84 per cent of startups of MBA graduates survive three years into operation," he says.

### Nurturing enterprisers

Business schools are nurturing the spirit of entrepreneurship of B-School graduates in various ways. "IIMA offers a placement holiday for two years to students aiming to start up on their own. CIIE supports them with mentoring and financial support. In the last four years, we have seen 40 students (across our three programmes - PGP, PGP-FABM and PGPX) take this opportunity," says Professor Amit Karna, Chairperson, Placement, at IIM Ahmedabad (IIMA). IIM Bangalore offers fellowships that include space and an honorarium for living expenses, to students willing to start their ventures. "Students opting out of placements and interested in entrepreneurship are provided with a fellowship of Rs 30,000 per month or a waiver of interest on study loans. Some of the IIMB alumni have expressed interest in providing more fellowships for those wanting to step out of placements to pursue their ventures," says Professor Suresh Bhagavatula, Chair, NSRCEL and faculty, Entrepreneurship programme at IIMB.

Many big business groups are coming together to support students and those trying to expand their business ventures under micro, small and medium enterprises (MSMEs). The Union government has already created ini-



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tiatives under its Atal Innovation Mission (AIM). Recently a Statement of Intent (SoI) was signed during Prime Minister Narendra Modi's visit to Singapore between AIM, NITI Aayog and four Singaporean organisations, The Indus Entrepreneurs (TiE) Singapore, IIT Alumni Association Singapore (IITAA), Pan IIM Alumni (PIIMA) and The Indian School of Business Alumni Association –



Singapore Chapter (ISBAAS). The AIM supports the government's Atal Incubation Centre (AIC) initiative by providing a grant-in-aid of up to Rs 10 crore, which covers the capital and operational expenditure needed to set up the AIC. This year over 72 AICs are being considered for the grant. The AIM also provides financial support to scale up established incubation centres.

Entrepreneurship received wholehearted patronage of the Central

Incubators are safety nets that handhold startups by offering them support in the way of affordable working spaces, communication services, mentoring and advisory services. Tech-based startups get a leg up from technology incubators, who offer them access to laboratories, equipment, libraries, advanced knowhow and so on.

China has 2,400 incubators and accelerators and the United States has more than 1,500 of them. A

IIMB offer various courses for students on entrepreneurship. Karna tells us that the IIMA courses include Entrepreneurship and New Venture Planning, Managing New and Small Firms, Entry and Exit Negotiations and experiencing live action of business, among others. The courses enable students to work on their idea and earn academic credits, as the projects are closely supervised by faculty members.

The IIMB also offers a PhD on Entrepreneurship, along with and Family Businesses, a Management Programme for Women Entrepreneurs, a Women's Start-Up Programme etc. The IIMB is now working with foundations like RPji Garg Foundation to support an initiative called E-Fellowship.

The Great Lakes Institute of Management's 'Global MBA' in partnership with the Illinois Institute of Technology - Stuart School of Business, Chicago, offers entrepreneurs and working professionals a unique 'Techno-preneurship', a blend of business fundamentals and AIMLA (Artificial Intelligence, Machine Learning and Analytics) that exposes students to concepts like the 'lean startup', 'effectuation', 'design thinking' etc. through guided application. The Techno-preneurship course is beginning to make a difference toward overturning that formidable failure ratio of 9/10 startups. Says Balachandran, "We are also instituting an exclusive familial entrepreneurship programme from the next academic year by bringing the optimal mix of risk, reward, time and local condition ..."



**'We are also instituting an exclusive familial entrepreneurship programme from next year'**

**BALA V. BALACHANDRAN**  
 Founder, Dean and  
 Chairman, Great Lakes  
 Institute of Management

government early in 2016 with the launch of the Startup India action plan. A three-year tax break for startups was announced in the Budget. The initiatives have paid off, elevating India's rank to third, among nations with the largest number of 'incubators' and 'accelerators'.

Nasscom report says India has 140 incubators and accelerators. The Startup Intellectual Property Protection Scheme of the Central Government entitles startups to 80 per cent rebate in patent filing fees and 50 per cent rebate on trade mark filing fees. Startups are also eligible for free facilitation and fast-track examination of patent applications. Commerce and Industry Ministry data suggests that SIDBI has committed Rs 1,136 crores to 25 VC Funds, who in turn have invested Rs 569 crores in 120 startups. These startups have generated 6,515 jobs.

**Entrepreneurship Programmes**  
 Meanwhile, B-Schools like IIMA and

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