

# SFIMAR Entrepreneurship and Business Incubation Centre (SFIMAR**ebiz**)

## **Introduction:**

SFIMAR Entrepreneurship and Business Incubation Zone (“SFIMAR**ebiz**”) was formally inaugurated on 9<sup>th</sup> October, 2015. Our city has many entrepreneurs who have the idea and skills, but need financial and logistics support till their operations break-even and turn profitable, others have the financial resources and work experience but cannot reach their full potential within the constraints of a defined organizational hierarchy and so they are driven to leave their employer and set up their own venture. In order for an entrepreneur to pursue an idea, they need to give it a legal form by starting the business quickly and inexpensively with limited liability, they need to invest in office space, furniture, fixtures, hire people, set up basic in-house communications and data systems, have the assurance of power supply and adequate back –up / business continuity systems. We realize that too many entrepreneurs are working out of isolated and sub-standard facilities. They find that owning commercial space or paying high rentals is beyond their means; many of them don’t have time and resources to handle office administration; they may also lack management skills.

## **Objectives:**

This led us to set up the SFIMAR**ebiz** with the following objectives:

- To foster entrepreneurial spirit and empower aspiring minds on how to pivot concepts and ideas into great money-spinners.

- To assist incubates by way of specialized services e.g. patenting, "Copyright", arrangement of venture capital and angel funding, etc.

- To provide access to office facilities, lower the cost of operation and let the company focus on its mission.

- To reach out to them, provide training, mentorship and networking opportunities.

To help in creating value added jobs and services for young incubates.

To assist in the incubation of great ideas and their commercialization?

With the above objectives, SFIMAR inaugurated the SFIMARebiz on the 6<sup>th</sup> Floor of the Hostel Building with a provision for initially accommodating 6-8 start-ups and a seminar hall for their learning and training activities.



(Left to Right: Mr. Augustine Kurias, Member of the Governing Council; Dr. S S Mohanty, Director of SFIMAR; Mr. Akhil Shahani, Chief Guest and Director of Shahani Group and Thadomal Shahani Centre For Entrepreneurs; Bro. Alphonse Nesamony, Chairman of SFIMAR, Mr. Albert D'Souza, Entrepreneur of the Day and Promoter of Aldel Educational Trust)

The SFIMAR**ebiz** will facilitate entrepreneurship and creativity among individuals, provide an enabling atmosphere for people to realize their full potential, improve living standards, and contribute to shared growth and prosperity. It will provide consulting and training services as well, for those who need it. Its goal is to re-vitalize our city and community through entrepreneurship, enable talented individuals to create opportunities for themselves and others, reduce unemployment, restore the culture of achievement to include value-creation, risk and reward, and the common good. With this broader Vision, eventually the Director Dr. S S Mohanty has been entrusted with preparing a Master for the SFIMAR Entrepreneurship & Business Incubation Zone in the 2.5 acres land set aside at Vasai Road by the Society of the Congregation of Franciscan Brothers.



### **Proposed Services provided by the Incubation Centre for Start-up Businesses**

#### **Infrastructure/Facility-Based Services**

Office Space, Internet/ WAN of Alumni Members, Lab Facilities, Training/ Teleconference room, Conference/ Exhibition space, Telephone, Security, Library, Computer, Electricity.

#### **Secretarial Service**

Secretary or Assistant, Courier /Mail/Business address, Photocopying, Clerical/Filing/ Faxing, Telephone answering, Word Processing.

## **Business Services**

Business Idea Feasibility Analysis, Development Assistance, Technology , Commercialization Assistance, Marketing Assistance, Pre-incubation services, IP Protection and Licensing Assistance, Customer Relations, General Legal Assistance, Logistics & Procurement, Assistance in developing business culture & etiquette.

## **Financing and Access to Finance**

Accounting and Financial Management services, Seed Investment Capital, Providing Information (on grant facilities, Business Plan, competitions, sources for funding credits), Pitching Sessions, Provision of small salary and Crowd funding services.

## **People Connectivity and Networking**

Mentoring and Access to network of Mentors ,Coaching , Linkages to Strategic Partners ,Capital and Financing Network (Business angels, venture capital), Network of external providers, intern networks, fellow entrepreneur , Management Team identification and loaned executive, Advisory Boards, Crowdsourcing , Virtual Communities (experts, mentors, investors, etc.), Organizing competitions, Facilitating exchange of knowledge and idea.

## **Education Access to Knowledge**

Comprehensive Business Training Programmes, E-Learning , Access to business school programs in management and entrepreneurship, Links to higher education institution and its resources, Group Training, Workshops, Business Topics Seminars, Presentations, Regular Matchmaking Events, Resource Library, Access to Knowledge databases (Scopus etc), Business Etiquette Training , Commercialization/ Licensing Seminars, Hot Topics Seminars.

## **Management of the Programme**

Conduct a feasibility study before starting a program, Develop a consensus driven mission statement, Establish clients entry & exit criteria, Budgeting, Collect outcome data, Showcases Clients, Establish effective tools to deliver support services, Offer Pre/post incubation services, Provide networking opportunities between client firms.

**Proposed Rules & Regulations of the  
SFIMAR Entrepreneurship and Business Incubation Centre (SFIMARbiz)**

**1. Eligibility:**

Companies are eligible for admission to the SFIMARbiz provided they are from the following categories of persons:

- a. Alumni of SFIMAR
- b. The faculty members of SFIMAR
- c. Individuals partnering with faculty members/ students or alumni of SFIMAR
- d. Any other entrepreneur who has a potential business idea

The start-up needs to be registered with the Registrar of Companies in order to be incubated in the SFIMARbiz. Companies involved in innovative technology-based product, idea or service will be acceptable.

**2. Admission Process:**

The application for admission to the SFIMARbiz is to be made to the Director, SFIMAR. The application will be scrutinized at an appropriate level by the Evaluation Committee and if found suitable the applicants will be asked to submit a formal application with a detailed proposal comprising of the following:

- a. Business Plan/Executive Summary.
- b. Schedule of plan i.e. entry to the SFIMARbiz and projected duration of incubation. The start-ups will be permitted to incubate, for a period of 24 months with a provision to extend the same for another period of maximum 12 months.
- c. Application for Soft Loan Fund (if required).
- d. Details of infrastructure requirements: Number of computers (max. of 5 nos), Internet Connectivity, Telephone, etc., any special laboratory facility or R&D support needed from SFIMAR.
- e. Justification for choosing the SFIMARbiz for incubation.

### **3. Scrutiny:**

The Business Plan will be scrutinized by a team of experts having relevant technical and financial expertise. Once satisfied the start-up will be asked to give a presentation highlighting the critical aspects of the business plan before an Evaluation Committee comprising of representatives from the team of experts, two members of the Executive Council of the SFIMAR, the Director and the Chairman of SFIMAR. The Evaluation Committee's recommendation along with the clarification by the start-up duly endorsed by the Chairman of the Evaluation Committee (Chairman, SFIMAR) would then be allowed to operate.

### **4. Evaluation Criteria:**

Evaluation will be done on the basis of the strength of the technicality involved, the innovative character and business potentials, such as:

- a) Intellectual Property generated and the potential of the idea for IP Creation.
- b) Strength of the core business team.
- c) Financial & Commercial viability.
- d) Requirement of finance & its viability.
- e) Status of the Organization.

### **4. Facilities offered to the start-ups:**

(A) Individual Infrastructure Facilities on chargeable basis. a. Office Space: need based.

b. Personal Computers depending on requirement.

c. Internet Connection.

d. Telephone Connection.

e. Office furniture (2 Tables, 4 Chairs, 1 Cupboard / File cabinet).

f. Accommodation: Subject to availability.

(B) Common Infrastructure:

a. Xerox Machine

- b. Fax Machine
- c. Laser Printer
- d. Scanner
- e. Teleconferencing facility
- f. Moreover the start-ups will have access to departmental/ Institute Infrastructure as per norms of SFIMAR. Also facilities will be available on chargeable basis to get expert opinion on legal & financial matters apart from technical issues as and when required.
- g. The start-ups will have access to the library of SFIMAR for reference.

#### **5. Agreements:**

The Incubation Company will enter into various agreements at the time of admission into SFIMARebiz as detailed below:

- a. Incubation Agreement with SFIMARebiz.
- b. Transfer of Technology Agreement/Technology Licenses Agreement, with the SFIMARebiz for transfer of Technology in favor of Start-ups Companies.
- c. Loan Agreement: For sanction of Soft Loan to the Start-ups Company.

#### **6. Soft Loan:**

SFIMARebiz may provide soft loan subject to the availability of Funds/Grants/Schemes meant for the purpose. SFIMARebiz will approach Government /Private agencies, PSUs etc. for grants through projects, whenever opportunity arises. The guidelines of the Funding Agency needs to be adhered to before disbursement of loan.

Admission to SFIMARebiz shall not automatically entitle the Companies to Soft loan. The total loan available for each start-up depends on the criteria of the Funding Agency.

### **7. Tenure of Incubation:**

The start-up venture will be permitted to stay in the incubation centre for a period of two years which may be extended by one more year if necessary.

### **8. Charges for infrastructure:**

Against support and services to be provided by SFIMARebiz, the start-ups companies will have to bear the expenses (on subsidized rate) as decided by the Governing Council, after giving due consideration to the costs involved with a nominal margin of profit.

### **9. Exit Policy:**

Start-ups companies are required to leave the SFIMARebiz under the following circumstances:

- a. On completion of two years (Unless extended by the SFIMAR).
- b. Underperformance or unavailability of the Business Venture.
- c. When the annual turnover of the company exceeds Rs.2 crores or when the company's Profit before Tax exceeds Rs. 50 lakhs annually.
- d. When the number of employees of the company exceeds 20.
- e. Disputes among the promoters, affecting the viability of the Company.
- f. Start-ups plans for a public issue.
- g. Change in Promoters/ Founders team without concurrence of the SFIMARebiz.
- h. Violation of any SFIMAR Policy.
- i. Any other reason for which SFIMARebiz finds it necessary for a start-up to leave.

Notwithstanding anything written elsewhere, the SFIMARebiz's decision in connection with the exit of a start-up shall be final and shall not be disputed by any incubate company.

## **10. Intellectual Property Policy:**

Consideration for IP policy will be as per IP policy of SFIMAR. The Policy Guidelines shall be as below:

For transfer/ licensing of/ permission to use IP in favor of the start-ups and for the facilities provided by the SFIMARebiz, the respective entities shall have to consider sharing of revenue (in form of equity). The percentage of equity and revenue sharing will be decided by the SFIMARebiz and is to be given in favor of the SFIMARebiz.

## **11. Consultation:**

SFIMAR's faculty and staff may provide consulting services to the start-ups, as per the consulting norms of SFIMAR. Any consultant needs to be hired from outside SFIMAR directly by the Start-up Company shall have to be paid directly with prior approval of SFIMARebiz.

## **12. Others:**

1.1 At the time of entry 1-3% of the Authorized share capital of the Start-up shall be offered to SFIMARebiz by the Start-ups Company at Face Value.

1.2 In case the Soft Loan is not completely repaid at the time of exit, SFIMARebiz may convert the unpaid amount or 50% of the disbursed amount (whichever is lower) into SFIMARebiz equity share.

1.3 The provision of Sl. No. 1.2 above, shall be restricted to a maximum of 40% of the Authorized Share capital of the Incubating Company at the time of sanction of the Soft Loan.

1.4 The Start-up will have to return the remaining portion of the financial support given to the company along with interest thereon as per policy of the SFIMARebiz after conversion of the portion of the financial support into equity to the SFIMARebiz.

1.5 SFIMARebiz shall retain the right to encash the Equity deemed to be fit by them.

1.6 The above policy (rules and regulation) is subject to periodical review and amendment.