

# **Muthoot Institute of Technology and Science-NATIONAL INNOVATION AND STARTUP POLICY**

## **VISION**

This policy is a guiding framework to envision an educational system oriented towards startups and entrepreneurship opportunities for students and faculties.

The guidelines provide ways to institutions for developing entrepreneurial agenda, managing Intellectual Property Rights (IPR) ownership, technology licensing and equity sharing in Startups or enterprises established by faculty and students.

In order to achieve the cultural and attitudinal shift and to ensure that 'Innovation and Startup' culture is the primary fulcrum of our higher education system a policy framework and guidelines is created.

These guidelines will enable institutions to actively support their faculty, staff and students to participate in innovation and entrepreneurship (I&E) related activities, thus encouraging students and faculty to consider startups and entrepreneurship as a career option.

## **MISSION**

To train all faculties of MITS on the startup policy based on NISP.

To Train all students on the startup policy based on NISP.

To conduct Invited talks on Entrepreneurship at institute level.

To set up a very well planned incubation facility.

## 1. Strategies and Governance

### **Objectives and associated performance indicators**

#### a) Involvement of all Departments in Entrepreneurship Teaching and learning

-Performance indicator - 1 activity based on entrepreneurship done by each department per year

#### b) Conduct entrepreneurship related invited talks

-Performance indicator - Conduct 2 invited talk on entrepreneurship per year at institute level

#### c) Provide a very good pre incubation and incubation facility

-Performance indicator - Space in square feet, equipments

#### d) Set up an IPR cell and provide IPR support

-Performance indicator - No. of Patents supported- 2 Patents per year

Minimum 1% fund of the total annual budget of the institution will be allocated for funding and supporting innovation and startups related activities through creation of separate 'Innovation fund.

We will try to bring in external funding through government (state and central) such as DST, DBT, MHRD, AICTE, TDB, TIFAC, DSIR, CSIR, BIRAC, NSTEDB, NRDC, Startup India, Invest India, MeitY, MSDE, MSME, etc. and non-government sources should be encouraged. This is encouraged by incentivising faculties for the same.

Importance of innovation and entrepreneurial agenda will promoted and highlighted at institutional programs workshops

### **Short-term goals**

Training to all faculties on NISP Policy

Training to all students about NISP Policy

Invited talks on Entrepreneurship at institute level

Setup a very well planned incubation facility

## **Long-term goals**

5 startups established

All faculties made aware about entrepreneurship

Provide state of art incubation facility

Product to market strategy for startups should be developed by the institute on a case to case basis.

Institute will give opportunity for regional startups, provision to extend facilities for outsiders and active involvement of the institute in defining strategic direction for local development.

Strategic international partnerships should be developed using bilateral and multilateral channels with international innovation clusters and other relevant organizations. Moreover, international exchange programs, internships, engaging the international faculties in teaching and research should also be promoted.

### 2. Startups Enabling Institutional Infrastructure

Creation of pre-incubation and incubation facilities for nurturing innovations and startups in HEIs institutions.

IEDC and IIC are set up.

### 3. Nurturing Innovations and Startups

Will allow licensing of IPR from institute to start up.

Will allow setting up a startup and working part-time for the startups while studying / working: will allow the students / staff to work on their innovative projects and setting up startups (including Social Startups) or work as intern/part-time in startups (incubated in any recognized HEIs/Incubators) while studying / working.

Students who are under incubation, but are pursuing some entrepreneurial ventures while studying shall be allowed to use their address in the Institute to register their company with due permission from the Head of the Institution. A request letter shall be forwarded to the Head of the Institution by the HoD of the department through the IIC. The Students will be given special permission to do works related to incubation. However, Students will be given permission to

attend the examination only if they have above 65% attendance. Faculty members will also be allowed to indulge in start-up activities without affecting the works related to their academics.

On merit basis, student entrepreneurs shall be allowed to sit for the examination, even if their attendance is less than the minimum permissible percentage, with due permission from the Head of the Institution.

Allow the students to take a semester/year break (or even more depending upon the decision of the review committee constituted by the institute) to work on their start ups and re-join academics to complete the course.

Allow faculty and staff to take off for a semester / year (or even more depending upon the decision of the review committee constituted by the institute) as sabbatical/ unpaid leave/ casual leave/ earned leave for working on startups and come back.

Short-term/ six-month/ one-year part-time entrepreneurship training to staff / students.

In return of the services and facilities, institute may take 2% to 9.5% equity/ stake in the startup/company, based on brand used, faculty contribution, support provided and use of the institute's IPR (a limit of 9.5% is suggested so that institute has no legal liability arising out of the startup. The institute should normally take a much lower equity share, unless its full-time faculty/ staff have substantial shares). Other factors for consideration should be space, infrastructure, mentorship support, seed-funds, support for accounts, legal, patents.

For staff and faculty, the institute can take no-more than 20% of shares that staff / faculty takes while drawing full salary from the institution; however, this share will be within the 9.5% cap of company shares, listed above.

No restriction on shares that faculty / staff can take, as long as they do not spend more than 20% of office time on the startup in an advisory or consultative role and do not compromise with their existing academic and administrative work / duties. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, then they will go on sabbatical/ leave without pay/ earned leave.

In case of a compulsory equity model, startups may be given a cooling period of 3 months to use incubation services on rental basis to make a final decision based on satisfaction of services offered by the institute/incubator. In that case, during the cooling period, the institute cannot force the startup to issue equity on the first day of granting incubation support.

The institute will also provide services based on a mixture of equity, fee-based and/ or zero payment model. So, a startup may choose to avail only the support, not seed funding, by the institute on rental basis.

Participation in start-up related activities needs to be considered as a legitimate activity of faculty in addition to teaching, R&D projects, industrial consultancy and management duties and will be considered while evaluating the annual performance of the faculty.

#### 4. Product Ownership Rights for Technologies Developed at Institute

When institute facilities / funds are used substantially or when IPR is developed as a part of curriculum/ academic activity, IPR is to be jointly owned by inventors and the institute.

Inventors and institutes could together license the product / IPR to any commercial organisation, with inventors having the primary say.

If one or more of the inventors wish to incubate a company and license the product to this company, the royalties would be no more than 4% of sale price, preferably 1 to 2%, unless it is a pure software product. If it is shares in the company, shares will again be 1% to 4%. For a pure software product licensing, there may be a revenue sharing to be mutually decided between the institute and the incubated company. On the other hand, if product/ IPR is developed by innovators not using any institute facilities, outside office hours (for staff and faculty) or not as a part of curriculum by students, then product/ IPR will be entirely owned by inventors in proportion to the contributions made by them. In this case, inventors can decide to license the technology to third parties or use the technology the way they deem fit.

If there is a dispute in ownership, a minimum five membered committee consisting of two faculty members (having developed sufficient IPR and translated to commercialisation), two of the institute's alumni/ industry experts (having experience in technology commercialisation) and one legal advisor with experience in IPR, will examine the issue after meeting the inventors and help them settle this, hopefully to everybody's satisfaction.

#### 5. Organizational Capacity, Human Resources and Incentives

Institute will recruit staff that have a strong innovation and entrepreneurial/ industrial experience, behaviour and attitude. This will help in fostering the I&E culture.

Faculty and staff will be encouraged to do courses on innovation, entrepreneurship management and venture development.

In order to attract and retain the right people, the institute has incentives and reward mechanisms for all staff and stakeholders that actively contribute and support entrepreneurship agenda and activities.

#### 6. Creating Innovation Pipeline and Pathways for Entrepreneurs at Institute Level

Spreading awareness among students, faculty and staff about the value of entrepreneurship and

its role in career development or employability is a part of the institutional entrepreneurial agenda.

Students/ staff should be taught that innovation (technology, process or business innovation) is a mechanism to solve the problems of society and consumers.

Students will be exposed to training in cognitive skills (e.g. design thinking, critical thinking, etc.), by inviting first generation local entrepreneurs or experts to address young minds.

The institute has established the Institution's Innovation Councils (IICs) as per the guidelines of MHRD's Innovation Cell and will allocate appropriate budget for its activities. IIC will guide the institution in conducting various activities related to innovation, startup and entrepreneurship development. Collective and concentrated efforts should be undertaken to identify, scout, acknowledge, support and reward proven student ideas and innovations and to further facilitate their entrepreneurial journey

#### 7. Norms for Faculty Startups

a. Only those technologies should be taken for faculty startups which originate from within the same institute.

i. Role of faculty may vary from being an owner/ direct promoter, mentor, consultant or as on-board member of the startup.

ii. Institutes will work on developing a policy on 'conflict of interests' to ensure that the regular duties of the faculty don't suffer owing to his/her involvement in the startup activities.

iii. Faculty startup may consist of faculty members alone or with students or with faculty of other institutes or with alumni or with other entrepreneurs.

b. In case the faculty/ staff holds the executive or managerial position for more than three months in a startup, they will go on sabbatical/ leave without pay/ utilize existing leave.

c. Faculty must clearly separate and distinguish on-going research at the institute from the work conducted at the startup/ company.

d. In case of selection of a faculty start up by an outside national or international accelerator, a maximum leave (as sabbatical/ existing leave/ unpaid leave/ casual leave/ earned leave) of one semester/ year (or even more depending upon the decision of review committee constituted by the institute) may be permitted to the faculty.

e. Faculty must not accept gifts from the startup.

f. Faculty must not involve research staff or other staff of the institute in activities at the startup

and vice-versa.

g. Human subject related research in startup should get clearance from the ethics committee of the institution.

#### 8. Pedagogy and Learning Interventions for Entrepreneurship Development

Annual 'INNOVATION & ENTREPRENEURSHIP AWARD' to recognize outstanding ideas, successful enterprises and contributors for promoting innovation and enterprises ecosystem within the institute.

Innovation champions will be nominated from within the students/ faculty/ staff for each department/ stream of study.

In the beginning of every academic session, the institute will conduct an induction program about the importance of I&E so that freshly inducted students are made aware about the entrepreneurial agenda of the institute and available support systems.

#### 9. Collaboration, Co-creation, Business Relationships and Knowledge Exchange

Institute will organize events for better engagement of collaborators and will open up the opportunities for staff, faculty and students to allow constant flow of ideas and knowledge through meetings, workshops, space for collaboration, lectures, etc.

Through formal and informal mechanisms such as internships, teaching and research, clubs, faculty, staff and students of the institutes will be given the opportunities to connect with their external environment.

#### 10. Entrepreneurial Impact Assessment

Monitoring and evaluation of knowledge exchange initiatives, engagement of all departments and faculty in entrepreneurial teaching and learning will be assessed.

Number of startups created will be recorded and used for impact assessment.

Impact will also be measured for the support system provided by the institute to the student entrepreneurs, faculty and staff for pre-incubation, incubation, IPR protection.