

Incubating Social Enterprises: ISEED IRMA's experience¹

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Abstract: The dynamism and vibrancy of the Indian entrepreneurial ecosystem today is often celebrated through recent achievements such as India becoming third in the number of incubators or the high value Walmart-Flipkart deal that is seen as a validation of India's start-up story. Beyond these high profile achievements though are the silences on how inclusive is the start-up India story? This paper explores one such dimension on the insufficient focus on rural and social enterprises by incubators in India. There is a need to go beyond the dominant narrative that reduces entrepreneurship to only start-ups, incubation with technologies alone and the 'rural' as a sink for bottom of the pyramid markets. Entrepreneurship in India today needs a more inclusive turn beyond the metros and state capitals to nurture, mentor and build an ecosystem that provides opportunities and hope for India's excluded millions. This might need changing the narrative on incubation processes, rethinking enterprises in rural areas and strengthening and investing in processes for co-incubation, collaboration and co-creation. The experiences of a new incubator, ISEED (Incubator for Social Enterprises and Entrepreneurs for Development) at IRMA is presented as one of the ways to reframe the entrepreneurial discourse to enable conversations beyond grand challenges, start up summits and B plan competitions. The enthusiasm for start-ups, we suggest, needs to be tempered with going back to some of the basics of incubation that include experimentation, learning from failures and a more realistic assessment of what it takes

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to make a difference in people's lives through 'doing good and doing well'. There are, we suggest, unfortunately no blueprints for success in rural and social enterprises and the laborious process of building ecosystems needs a continual reframing of conversations, collectively and collaboratively through dialogue, experimentation, reflection and engagement. Academic institutions need to create new knowledge commons and this needs innovative processes and innovation spaces for entrepreneurship. Social incubators would be better advised to follow the learning process approach and co-create new knowledge rather than seeking to be the new kids off the blocks in a vibrant, but untested model for scaling up entrepreneurship.

Keywords: Social entrepreneurial ecosystem, co-incubation, innovation spaces, experiments, learning process, incubator.

INTRODUCTION

Incubation, innovation and entrepreneurship are seen as inextricably linked in the new economy of the twenty-first century. Entrepreneurship is everywhere and today exceeds the interest in strategic management. Entrepreneurship programs, both curricular and noncurricular, are the fastest-growing programs on college campuses. Managing entrepreneurship, collaboration and understanding and accelerating the entrepreneurial ecosystem are seen as key issues in entrepreneurship today (Hornsby, Messersmith, Rutherford, & Simmons, 2018). The questions and research challenges have expanded from the earlier exclusive interest on technology based incubation. In exploring incubators as a tool for entrepreneurship in developing countries Akçomak (2009) points out that successful incubators world-wide have been profit-oriented, provide a wide range of services, focus more on intangible business services, and employ qualified managers and support staff. Equally, the main weaknesses of incubators in developing countries are their focus on tangible rather than intangible services, lack of management and qualified personnel and lack of incubator planning and creativeness in solving problems. These insights on ‘intangible’ services runs slightly counter to the increasing trend of Technology Business Incubators (TBIs) that are premised on the evolution of science parks, technology incubation, innovation centres and accelerators over the last few decades (Mian, Lamine, & Fayolle, 2016).

There has been a spurt of incubators, especially from academic institutions, in India in recent times. However, there have been few detailed Indian case studies on processes that can lead to greater entrepreneurship. We know little about incubation outside the technology or deep-technology space of the IITs². Indian work on incubators has tended to focus more on technology (Bulsara, Gandhi, & Porey, 2009). There are few studies that say compares IITM’s incubator and its processes with an IIM A or IIMB that have had incubators for reasonable lengths of time. An interesting exception in academic literature that raises broader questions on innovation policy and provides a comparative perspective on incubators is by Basant and Cooper (2016) that looks

² See for instance Chakraborty, S. 2018. IIT-Madras: Indian Institute of Innovation. Forbes India. 11 May, 2018. <http://www.forbesindia.com/article/innovation-nation/iitmadras-indian-institute-of-innovation/50111/1> that described IIT Madras’s incubator for deep tech start-ups and corporate R&D. IITM incubation cell has been successful (with some exits) largely due to the quality of mentors (alumni of IITM and local industrialists) working very closely with the incubated companies.

at IIM Ahmedabad's CIIE (Centre for Innovation Incubation and Entrepreneurship)³ and Edinburgh University's incubator. This paper seeks to fill some of this research gap by providing an account of a recent incubator at the Institute of Rural Management that has an exclusive focus on rural and social enterprises. Despite the large rural population in India and a rich history of civil society initiatives on social innovation (Prasad, 2005, 2016) incubators rarely speak of rural and social innovation. In the first part of this paper, we explore this missing dimension in India's entrepreneurial ecosystem. We explore the national picture and then zoom down to the state or federal level with many states now having Start-up policies and suggest that an excessive focus on mature entrepreneurial ecosystems based from metros and Southern and Western India is likely to exacerbate regional inequalities.

In part II of the paper we recount the journey of IRMA's incubator. We show the challenges faced by a 'latecomer' focused on the hinterland in seeking to establish a social entrepreneurial ecosystem. We highlight the importance of experimentation and innovation before incubation, the challenges of building a pipeline of 'incubatees' and the need to explore newer processes through partnerships and co-incubation. We follow this up with experiences in creating an ecosystem with rather than in competition with other incubators and explore the idea of co-incubation. We conclude with a few learning from ISEED in its short but eventful journey and reemphasise the need for incubators to follow a "learning process" approach rather than a 'blueprint' (Korten, 1980). We suggest an excessive emphasis on scale and untested metrics and reducing all entrepreneurship and innovation to start-ups is unlikely to bring about a true entrepreneurial revolution in rural India.

1. The missing Social and Rural in the Vibrant Entrepreneurial Ecosystem in India

Recent sector reports on India's emerging entrepreneurial ecosystem celebrate not just the evolution but the transformation of entrepreneurship in India. There is indeed much to cheer. Investors are pouring big money into India providing a validation of India's start-up story. The numbers of unicorns are increasing or likely to increase; there is a spread of co-working spaces as well as a spread of start-ups beyond Bengaluru – the Indian Silicon Valley. As reported by

³ CIIE was established in 2002 as an academic centre initially and in 2007 with support from DST and the Govt. of Gujarat was set up as a national centre for excellence in promoting entrepreneurship. CIIE initiatives was set up in 2008 as a not-for-profit company. <http://ciie.co/history>

Yourstory (2018), “With 40,000 start-ups in the country – this is not a sector that you can ignore”.

There has been a significant policy push by the Government of India to encourage Startups in recent times (Subrahmanya 2015). The Start-up India Action Plan, launched with significant fanfare in January 2016, seeks to build a strong eco-system for nurturing innovation and Startups in the country that would drive sustainable economic growth and generate large scale employment opportunities. The policy push has yielded results in terms of the number of startups and incubators created. A recent estimate by NASSCOM (2017) indicates that India has emerged as the 3rd largest country in terms of number of incubators to promote start-ups with over 140 incubators and accelerators in the country. Following the Government of India’s own Startup Policy in January 2016, 17 Indian states have formulated their own start-up policies with a competition brewing with states competing to become and set up India’s largest start-up Hub. Uttar Pradesh, Rajasthan, West Bengal and Odisha compete with Telengana and Karnataka in seeking to attract start-ups akin to the earlier and continued thrust on FDIs and Industrial summits.

Incubators in India have been supported by the Department of Science and Technology (DST) through its various schemes and after a few cases of promoting incubators in academic institutions, DST supported the creation of Technology Based Incubators or TBIs that would be separate entities that would nurture and invest even in promising ideas that could become commercial successes. By 2013 there were 54 TBIs across India. The real thrust came following the Startup India policy in 2016. NASSCOM (2017) reports over 30 new academic incubators in 2016 and the budget for DST’s division looking at incubators increased several fold. While startups today are placed within the Department of Commerce and Industry with provision of possible tax-breaks for start-ups and a renewed thrust on promoting incubators through various means. The latest list of incubators in the Start-up India Hub indicates that there are 125 incubators across the country and 121 TBIs with significant commonality in the list.

Interestingly, IRMA or TISS’s incubators that have been operational for quite some time now are not on these lists due to definitional categories that we shall attend to later. Table 1 summarises the Indian entrepreneurial ecosystem that is undoubtedly looking vibrant.

Table 1: India’s Startup Ecosystem

Startup	17538
Mentor	271
Incubator	127
Investor	46
Accelerator	44
Government Body	24

Source: Collated from Startup India Hub, <https://up.startupindia.gov.in/content/sih/en/search.html?page=0> , Sep 23, 2018

The latest Startup India Status Report (January 2018) indicates that of the overall estimates of Startups, 40,000 by Yourstory and 12612 by Startup India Hub (registered online), 6096 have been recognized as Start-ups by DIPP. These Startups can avail income tax exemption for 3 years in a block of 7 years, if incorporated after 1st April 2016. A 'fund of funds' of INR 10,000 Cr is being managed by SIDBI. To date INR 605.7 Cr has been committed to 17 Alternative Investment Funds (AIFs) which, in turn, will invest in Startups. 75 Startups have been funded to date. Some observers feel that beyond the hype there have been serious implementation issues that need closer attention.⁴ One of the issues has been on how the Government views ‘innovation’ with the onus being very high on start-ups to prove their innovative potential before they get recognised. Many start-ups have realized that the promises

⁴ Raghav Bahl suggests that the Government’s disbursement has been only 90.62 crores of the 10000 crores that were announced. 33,000 startups reported having gained nothing or very little from this initiative.

<https://www.thequint.com/videos/news-videos/raghav-bahl-start-up-india-opinion-budget-speech>

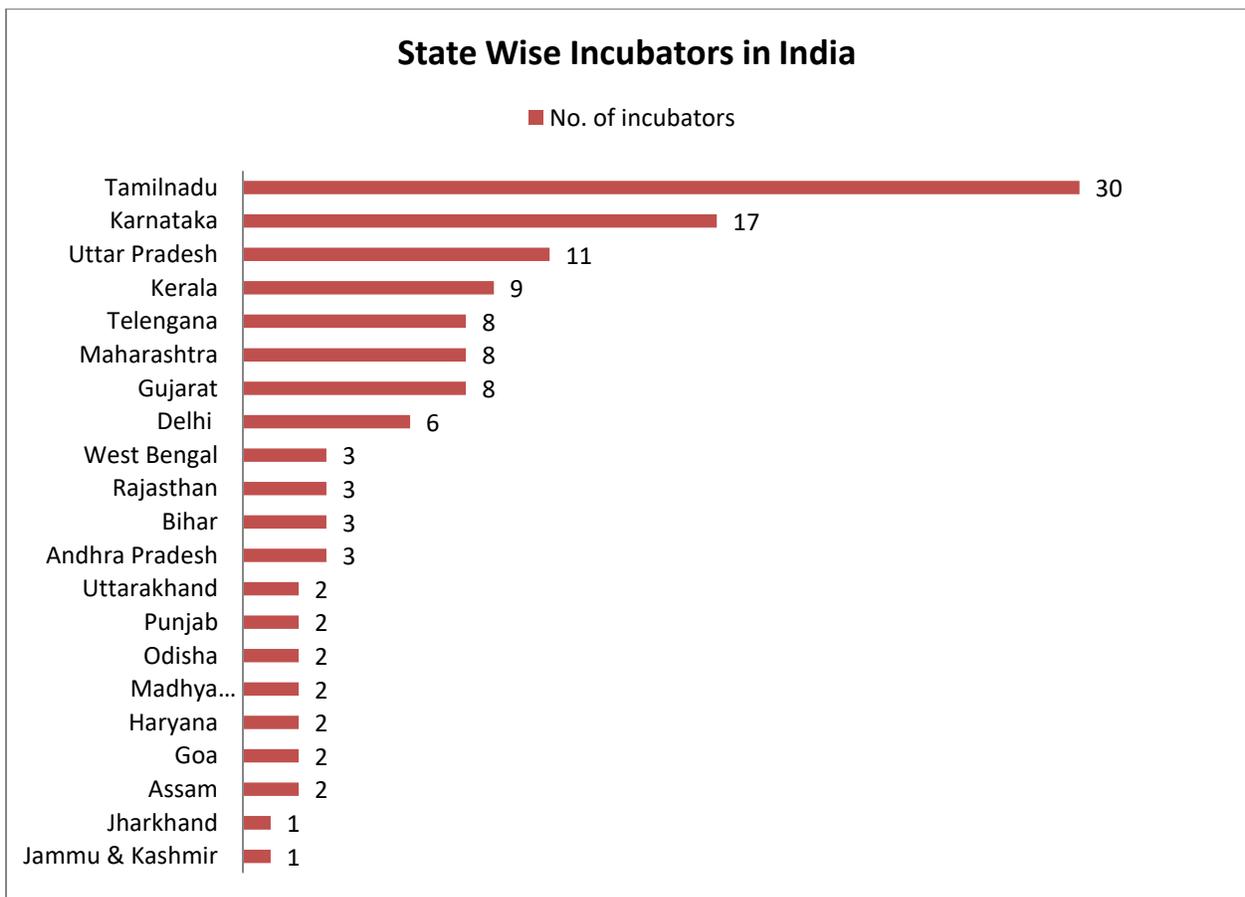
Harish and Chaugule in an article in The Mint indicated that very few startups have benefited from the schemes to date. <https://www.livemint.com/Opinion/dsoVRGzssN5LKBOqWlj74K/Startup-India-action-plan-falling-short.html> . Also See for instance “Startups flaws are beginning to tell”

<http://www.livemint.com/Opinion/O0pYk8coMMU5AWMkS76bbK/Startup-Indias-flaws-are-beginning-to-tell.html>

have really not translated in the field and several innovative ideas that are not tech-based have gone out of the radar. We shall later comment on the need to look at innovation more broadly.

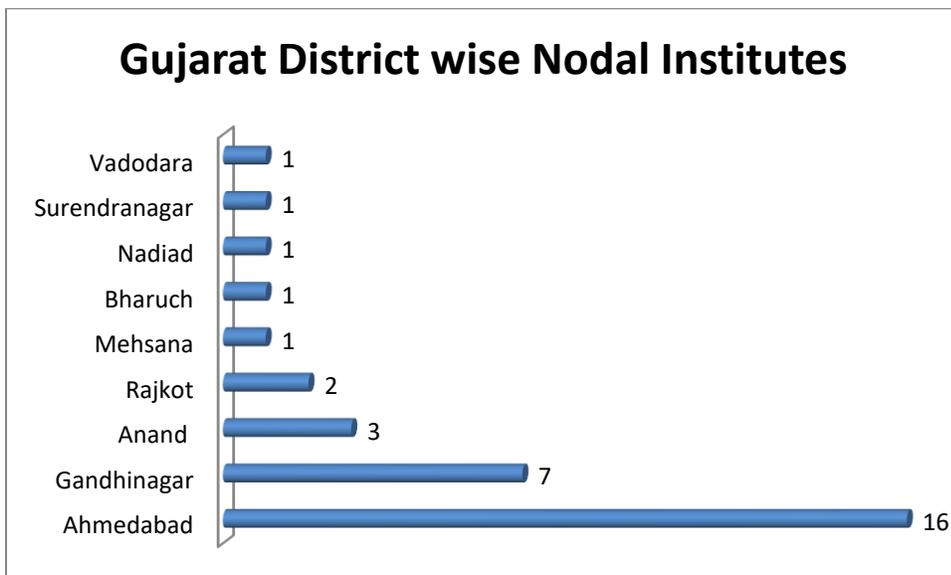
While these teething problems are within the Startup Industry and has a lot to do with norms and regulations we need to also ask larger questions on how is entrepreneurship being seen, by whom and for whom? Are there any regional biases? What is the presence of absence of rural and social innovation?

Figure 1 shows the spatial distribution of incubators in India.



Source: Collated from Startup India website, August 13, 2018

It is clear that an overwhelming number of incubators are from Southern India (67), followed by North and Western India. The rest of India (central, eastern and north east) has only 13 incubators. While this is not to discount the possibility of existing incubators reaching out to the hinterland, so to speak, there are obviously limitations for an entrepreneur in Eastern or Central India. This trend can be further seen if we look at the reach within a state. The Gujarat Government as part of its startup policy has created a pro-active enrolment of Nodal Institutes (NIs) that could lead to Start-up Gujarat. There are a total of 33 such institutes, largely academic, that have been earmarked to promote startups as part of the Government's new industrial policy. However, there is a proliferation of these Institutes in Ahmedabad and Gandhinagar, with 23 of the 33 belonging to these districts. As an incubator that is not at the centre and an incubator focused on rural and social enterprises there are it seems very few models to follow.



This absence of the rural and social can be seen in most of the reports. The otherwise comprehensive Start up India report (2018) has just a paragraph on incubators for social enterprises with no academic incubator mentioned in that. The rural is almost missing in these

reports and only in reference to low internet penetration, disproportionately large proportion of Indians residing (hence an untapped but unreached market) or that 30 Indians move to urban areas every minute. One could of course extend this argument to the tribal regions of India too with the ‘tribal’ being completely excluded from any entrepreneurial initiatives. The Agha Khan Rural Support Programme (AKRSP) India has an exclusive focus on tribal youth initiatives due to this gap.⁵ There are thus dimensions of exclusion even within prosperous states like Gujarat if we are to add the tribal, rural or women filter. Suffice it is to state that unfortunately the current discussions on entrepreneurship has reduced the discourse to startups alone. Even within that those startups that are technology focused are privileged over the others. While there is nothing wrong per se in providing an ecosystem support for technology based start-ups in which India might have an advantage, what the current policy and ecosystem seems to ignore is the need for a different focus on the rural or social side of entrepreneurship. Not only is this not sufficiently understood but also this is an area where there seems to be very little written about. Not all discussion on entrepreneurship is about technology and this might be even more so in the case of rural and social enterprises.

We suggest that we do need to go back to some of the basics and reflect more on entrepreneurship and innovation. A search within Startup India hub reveals the following definition of an incubator for instance. “A business incubator is often defined in terms of the services it provides to potential entrepreneurs. It is a multi-tenant facility which provides entrepreneurs with: (1) flexible leases on small amounts of inexpensive space; (2) a pool of shared support services (business, legal, financial, etc.) to reduce overhead costs; (3) some form of professional and managerial assistance; and (4) access to or assistance in acquiring seed

⁵ Visit http://tribalyouths.com/home_homepage for more details.

capital.” This definition from IIM Bangalore is heavily focused on physical space and actually has very little information on mentoring and networking services or incubators visiting field locations of entrepreneurs and providing in-situ support. The current rules for registering a TBI follows rather strict regulations on the need to be a section 8 company and also have significant square feet (in excess of 8,000, up from the earlier 3000). The space conditions end up favouring engineering colleges and thus it is little wonder that most incubators are from Tamil Nadu. Again while there is a rationale for supporting for-profit enterprises and allowing for equity investments by incubators, it is little recognized that few incubators themselves have a business model with fewer ‘exits’ and revenue from startups. The situation is compounded when we look at the rural and social enterprises. Many ventures in the social space are deliberately registered as not-for-profits or have a hybrid model that includes not-for-profits. The role of much maligned grant capital is underestimated in the entrepreneurial ecosystem.

The skewed nature of the discourse on start-ups has implications for the emerging social entrepreneurial ecosystem. Even as there were discussions on India’s innovation ecosystem highlighting its uneven or non-inclusive nature (Bound et. al. 2007, Dutz, 2007, Krishnan, 2013) recent trends seem to indicate that existing inequalities in the social entrepreneurial ecosystem have actually strengthened in recent times. Some recent initiatives to broad base innovation in underserved regions is welcome (Gabriel et. al. 2016); however overall there is much to be done in terms of rooting social innovation and its traditions in India.

2. Incubating Rural and Social Enterprises: Reflections of a Latecomer

When we formally launched IRMA’s incubator two years back on August 22, 2016 we did not realise that beyond the good wishes and support from several well-wishers or IRMA running an incubator would be challenging. For one we were a latecomer in this space that was

soon becoming quite crowded. CIIE, IIM Ahmedabad's incubator that began in 2002 and ran separately in 2007 had offered training support in 2014-2015. IRMA had a course on social entrepreneurship and had set up five centres of excellence that were shaped as multi-disciplinary centres. The Centre for Social Enterprises and Entrepreneurship (CSEE) was one of them. The then Director Prof Jeemol Unni had indicated interest in promoting social entrepreneurship when she took over in 2011.⁶ This direction was important because IRMA was traditionally known for its work on collective enterprises and cooperatives and moving towards individual entrepreneurship though with a focus on the social sector and rural areas was not seen as the core competence of the Institute.

2.1 Social Incubators in Academic Institutions need Experimentation before Incubation

While social entrepreneurship as a field was growing and there were several forums it was more often the alumni of IRMA who were leading social enterprises or nurturing them who would be present. CSEE was initially focused on research on entrepreneurship with faculty working on women entrepreneurship, agricultural entrepreneurship etc. CSEE was doing interesting work but had shaped itself like most academic centres with a greater focus on research publications and training. Incubation was a new domain.

Academic incubators often face a challenge in shifting from their traditional reward systems of publications and research towards specialised and customized training for entrepreneurship. They often need to have space to learn about opportunities in the external world before they launch their own programmes. An established incubator like CIIE was willing to nurture IRMA and the then coordinator of CSEE and IRMA's Business Development Manager, Baljeet Singh (who was earlier with Anand Agricultural University's incubator under a World Bank project) visited IIMA and underwent some training. IRMA's students, especially of the batch PRM 33 (2012-2014) has shown tremendous initiative in setting up ISEC- IRMA's Social Entrepreneurship Cell. A few of them, Swapnil Agarwal and Sunandan Madan, had begun to see interesting opportunities during their internships in the rural areas. IRMA, unlike other management schools has a significant part of their learning outside the class-room through three

⁶ <http://www.dnaindia.com/india/report-irma-director-keen-to-promote-social-entrepreneurship-1585127> . "Setting up an incubation centre at IRMA for social entrepreneurship is another dream. This would encourage and help students to think and act in the direction of rural entrepreneurship,"

staggered internships that involved working with organisations in the field. It was during these visits that Swapnil and Sunandan, who did their engineering at Ahmedabad, came up with the idea of providing simple ICT based solutions in rural areas. They later went ahead and set up Dhvani Rural Information Systems⁷ and became ambassadors for incubation at IRMA.

Simultaneously, some IRMAans who worked with the rural livelihood missions were beginning to see the need for entrepreneurial interventions in rural areas. Ravi Dhanuka, PRM 29 (2008-10) had become a PM Rural Development Fellow in Bihar following a stint at Basix after his management degree. Ravi, found fellow-travellers in PMRDF and they founded I-saksham⁸ an education initiative for naxal affected districts in Munger. Soumen Biswas, with UNDP, and an IRMAan was their mentor and Ravi began conversations with his alma mater for support.

I joined IRMA in 2015 and a few months after took over coordinatorship of CSEE. I was new to IRMA but not new to social enterprises or even incubation. I had some experience of encouraging and mentoring a few rural management students towards entrepreneurship and we even had launched Manji, XIMB's incubator. Manji connected with a few social enterprises like Grassroutes, Earth 360, Milk Mantra, ONergy etc. and I had seen the potential of an incubator. Incubators are cost-centres and cannot generate revenue easily in the short run. Manji has some support from Villgro for a year and that helped recruit an incubation manager but additional funds beyond that were not forthcoming. Academic incubators I had realised need strong back-up support in terms of an incubation manager with some entrepreneurial experience. They could otherwise easily lose out due to regular teaching and research commitments. Thus many B schools do offer courses on entrepreneurship but find it difficult to take the leap in running incubation centres that require considerable faculty time and investment.

The atmosphere at IRMA for incubation was ripe. A Centre was already in existence and demand was being created by its social enterprises like Dhvani and I-saksham. Fortuitously, the British Council had come up with a programme for social entrepreneurship in 2015. This involved encouraging Indian academia to work jointly with academic institutions in UK for a year. While at XIMB I had already made some connects and when the call for proposals came I thought it would be easy to link with the few academics from UK who were present at the workshop in

⁷ <http://dhwaniris.webflow.io/>

⁸ <http://www.i-saksham.org/>

2014. Unfortunately for us they were already paired with others including XIMB and we had a tough time finding a partner. Through UnLtd UK we finally got connected to Nottingham Trent University. The one year proposal was to end with a workshop that would launch IRMA's incubator.

2.2 Experimentation and Innovation before Incubation: Seeding ISEED

Small grants can often lead to carrying out innovative experiments that can finally add-up. The British Council gave us that space for innovation and experimentation. A key challenge for us at CSEE was to attract people to Anand and its potential incubator. Networks were important. Earlier work at XIMB had helped me connect with enterprises that were in rural areas and explicitly social in their enterprises. The project gave me a chance to reconnect with them. IRMA's innovative curriculum of the summer internship being exclusively focused on Development provided a further boost. We spent a lot of time encouraging social enterprises to be part of the menu of 'designated organisations' of IRMA for internship. These were usually NGOs and cooperatives but increasingly with placement pressures moving towards rural marketing FMCG firms too. Social enterprises were there too but not targeted. We offered internships through 10 social enterprises at different stages of their journey. Not all got selected though and we had to have a combination of some that could pay stipend and for some that CSEE would support.

We followed up the selection with visits to the field locations to see these enterprises, mentor the students and also think ahead. The DIS in 2016 was preceded by an MTS in 2015 and CSEE was a bridge between students and social enterprises. This was a great learning experiences for both who otherwise had little opportunity to meet. B plan competitions that are increasingly popular provide little opportunity for such interactions especially in the social sector. Some of the enterprises were chaotic as they had just started their operations but the students reported high learning. The British Council project allowed a few more experiments. Not all worked. A few are listed below

1. Cross learning among social enterprises: We facilitated cross-visits of social enterprises by getting them rather than academia to do case studies. A few visits across sectors happened but cases never got written.
2. Creating a community of peers: We brought social enterprises together and facilitated a Design Thinking workshop by Tinkerlabs. This helped many enterprises to think through their ideas and also created a space for mature enterprises (in operation for over four years) to share their learning with newer enterprises. This also created non-competitive spaces for learning and idea generation and execution.
3. Thinking from entrepreneurs' perspective: This was a challenging thing for academia. Rather than we write a Business plan for the incubator we worked with one of the social enterprises that had significant knowledge of the ecosystem to visit our potential partners and create a road map for IRMA's incubator. This enabled significant fresh thinking.
4. Mentoring initiatives: The BC project enabled cross-visits and my own visit to NTU opened up new learning. NTU demystified incubation and created a strong connect with the local economy. I had an opportunity to meet a mentor and an enterprise together and it only confirmed that mentoring is a very serious and engaging initiative. Incubators seek to do it through online systems today in India and it does not allow for any significant value-add to enterprises.
5. Networks are important: Having dissimilar members in a group can help incubators. NTU was clear that incubators could do well only if there were people with business or entrepreneurial orientation that typical academics may not possess even if they teach courses on entrepreneurship. Academics and students working with them can enhance opportunities and bring different networks together that can include local government officials etc. Events should be designed to maximize these potential rather than waste them in inaugural and other rituals that is quite common in India. An incubator is often as good as its network.

These experiments were important for several reasons. First, an incubator needs to be innovative and entrepreneurial and a social incubator even more so. The increased excitement about start-ups and entrepreneurship can have the unintended impact of increasing expectations and setting up wrong metrics or standards for success. For example incubation is all about start-ups. Often

we do not ask more fundamental questions on who is the incubator for? How are we different? Do we want to be different or do we want to become the next CIIE or RTBI⁹?

The British Council project helped us clarify these for us. It provided space for experimentation and fast learning; it reiterated that IRMA's mission was much bigger than the few students it trains every year whose profiles too were fast changing with aspirations seeking to mimic more successful B schools (whatever that might mean?). The need and demand for a social incubator can often be quite far away from the Institute. The edict "Go Out of the Building" in entrepreneurship applies as much to the faculty as the students. The social capital of IRMA was larger than what one could find at Anand. Bringing that to campus was a challenge and the incubator could also become a vehicle for re-envisioning IRMA's mission.

In January 2016 we were more confident of putting in a proposal for support to DST. We managed to do so in time for DST's ISTED (Innovative Science and Technology for Entrepreneurship Development) with a proposal ambitiously titled "Creating a Social Entrepreneurial Ecosystem through an Incubator". The incubator was a means and not an end, startups were incidental and not the goal, a more vibrant social entrepreneurial ecosystem was the goal. I got an opportunity to defend the proposal in April and found that we were one of the few academic institutes applying for this. Most were NGOs. Much maligned institutions nowadays but actually the right partners to nurture social enterprises. The proposal went through with a recommendation that IRMA focuses more on agriculture and allied enterprises (we had proposed three verticals that included sanitation and habitats and serving or servicing rural India).

IRMA is often invited for national gatherings. DST through another division (SEED – Science for Equity Empowerment and Development) wanted its core support groups working on S&T for rural India to get their technologies into business models and rightly chose to invite IIMA's CIIE and IRMA as part of its expert advisory group. I had an opportunity to work with SEED division earlier due to my interest in rural innovation and this provided a lovely opportunity to look at incubation differently. DST's long-term support through both SEED and ISTED are one of the

⁹ IIT Madras's Rural Technology Business Incubator (RTBI) is perhaps the earliest formal rural focused incubator that was set up in 2006. In over 10 years it has incubated 46 companies, 16 of which have graduated.
<http://www.rtbi.in>

understated incubation supports for entrepreneurship that indicates good value for money. DST had its Group Monitoring Workshop in Pune in May 2016 at BAIF's campus and DST core support group partners had a lovely display of their technologies. Converting these to business models was a challenge that many were working on. To me and us at IRMA this was an opportunity for value-add to the ecosystem.

3. ISEED and its journey

The DST grant could not have come to IRMA at a better time. The British Council project was ending and had given us enough learning to launch our incubator and they were happy to have the Govt. of India through DST to take the initiative further. We planned the launch of our incubator in August 2016 and used the opportunity to put together a curriculum handbook on social entrepreneurship. This handbook was an attempt to put together the myriad ways by which the subject was being taught not just in management schools but in universities. We managed to put together curriculum of 14 different schools and the idea was to release it during the incubator launch. We invited some of them teaching SE to share their experiences and frustrations too. At IRMA we had our own. SE was a final term core course and that also half a credit which did not allow for significant follow up and learning by students who were either busy with placement offers or were ready to leave the institute.

The logo of ISEED was designed through a student contest IRMA provided a separate space and office for ISEED's work that got inaugurated in August 2016. One of our partners Earth 360 organised a millets dinner at the hostel and organising the event was exhausting but satisfying. We brought out a brochure of CSEE (with entrepreneurship spelt wrong and we discovered after printing and students helped us out at the last minute) and had conversations not just on social entrepreneurship but also on collective enterprises and FPO (Farmer Producer Organisation) s. The incubator we realised needs to have conversations across domains that have got separated. Our research on FPOs had indicated that the start-up ecosystem had not only excluded the social and rural but also ignored collective enterprises from its ambit. FPOs were actually newer startups in agriculture and probably required similar kinds of support structures rather than subsidies.

3.1 Building a Pipeline: Hits and Misses

Getting enterprises for conferences and working with them on a sustained basis can be very different things. The DST project provided space to implement some of the ideas and our initial year was full of different kinds of experiences. The first was to build a team and have an incubation manager. The second was to design programmes to deliver and build a pipeline. Third was to take up activities where technologies could be demonstrated and innovations prototyped for scale. Fourth was to have roadshows to announce our presence to attract more incubatees whom we could mentor and connect. The list was increasing. Meeting people we found that yes some incubators had kind of cracked it. They could announce Huddles, Grand Challenges, and Hackathons and given their reputation and location in metros there were many. As a latecomer and based at Anand getting people was going to be a challenge. Further, we had to do many things simultaneously rather than in a happy sequential manner. We had to go through a process of newer and more intensive learning to be effective in this space.

We hired a rural management graduate but soon realised that he needed significant exposure to the entrepreneurial ecosystem and incubation. This could take in excess of 6-8 months. The exposure brought newer challenges. There would be excitement about building something grand but we needed to start from the basics. We were lucky to have a few advisors who were outside IRMA and who knew the social entrepreneurial ecosystem. They volunteered to listen to our ideas and think along. Our first offering to the external world was a customized Entrepreneurship Development Programme (EDP) on Building and Managing Social Enterprises (BMSE). This 3 day programme was meant to build our pipeline even as it would train entrepreneurs in this space. We soon realised that while we can design good programmes social enterprises are often starved of resources to pay for them. We have since had three such offerings. Annexure 1 has a timeline of activities since 2016. We present this not to suggest that this was the best way to incubate social enterprises or that we have got it right. Rather this is only to reiterate the role of diverse experimentation and innovation that an incubator should be involved with.

3.2 Conversations, Partnerships and Field Visits

We also realised that we could convert our handicaps into opportunities. As an incubator we cannot fund enterprises directly and most enterprises need funding. Some left us to go to other incubators and in many cases we helped other incubators connect with good enterprises that they were keen to fund. Our (informal) mentors who were trainers in our EDPs helped enterprises like I-saksham, ONganic, Contree link with other incubators like NSRCEL, IIM Calcutta or Startup Oasis. We also realised that funding can shape conversations in one way; lack of it can shape it differently. We found that incubators need to work with and through partners. Soon we found ourselves finding it difficult to call our enterprises incubatees and renamed the relation as social enterprise partners.

A conversation with Yunus Social Business's new accelerator led to a programme and workshop on water and nutrition that we were happy to host. We partnered with Grassroutes to have a training programme for forest officers on livelihoods in forest fringe villages. Access Livelihoods Consulting, led by IRMAN alumni, worked with us on a curriculum development workshop that led to a MoU for a certificate course on social enterprises. Designing this took considerable time with ISEED playing the role of a bouncing board for ideas of our partners. Creating these spaces for innovation and often through activities and work was challenging but engaging.

With an incubation manager in place it was easier to give shape to processes. A key element of this was field visits to partner locations. Our partners were located in different parts of the country from remote Bihar to rural Andhra Pradesh, West Bengal and even Ladakh. With Dhvani and Tallbird moving to Delhi we soon found that our connect with Gujarat was decreasing rapidly. Servicing distant enterprises was challenging as we believed that an incubator should understand the entrepreneur's context. When we were asked by the District Collector of Ladakh to suggest if a social enterprise would be better than a cooperative for their new initiative Looms of Ladakh we suggested that this could not be designed by us sitting at Anand and we would need to visit and talk to the women and appreciate their production contexts. Looms of Ladakh had sent a few of their women for training to our EDPs and the visit to Ladakh by us had led to a few strategic inputs on production planning over marketing and an encouragement to have a cooperative than a social enterprise as the organisational form. Later students visited Ladakh and deepened the relations through their intensive work.

3.3 Co-incubation, Networks and Partnerships as Important for a Social Incubator

At ISEED we believe that incubation of social enterprises needs to work in a manner that can strengthen the entrepreneurial ecosystem. This cannot be done through a single incubator, often remotely located and processes need to be curated in such a manner that the incubator can add value to the enterprise. Value, as we have realised, is not often only a tangible asset in terms of funding. These can achieve different forms. We work with early stage enterprises and even those who have been in operation for several years are not always keen on venture capital funding. With early stage ventures we connect them to entrepreneurial opportunities like competitions by others that could help them with funding. Of the thirteen enterprises we worked with four of them have benefited from our support in pitching their ideas better and have got connected to other incubators such as Startup Oasis, IIM Calcutta, NSRCEL etc with funding from a few lakhs to about 10-25 lakhs. Some enterprises continue to engage with us in an informal advisory role that we are happy to provide. We have found that formal MoUs do not work as it is very difficult for enterprises to visualise their needs in advance in a fast changing entrepreneurial environment. Access to empathetic advisors and networks has often helped the enterprises well.

Annexure 1 has a selected list of activities that ISEED has engaged with in the last 18 months. In our initial phase we did realise that offering space and training alone is insufficient. Social enterprises are often starved of funds even to participate in regular training programmes and need support. We therefore kept ourselves open to working with other partners. We thus came out with a grid of events that included our own events such as the regular Building and Managing Social Enterprises (BMSE) that we run twice a year as well as an ecosystem building national event once a year. In February 2018 the theme was on incubating rural and social enterprises and we had twenty-five organisations represented who were social enterprises, ecosystem partners, incubators and donors. The themes discussed were agricultural entrepreneurship that is a focus of ISEED, tribal entrepreneurship that our partners have been encouraging us to be actively involved with in Gujarat, fellowship programmes that ISEED has realised is critical for addressing the acute talent crunch in the sector that regular academic courses are unable to fulfil and co-incubation, a theme that we feel that the ecosystem needs. ISEED sees itself as working broadly on six themes: mentoring and networking social enterprises, building the ecosystem, training and capacity building, action research on

entrepreneurship with partners, supporting innovations through technological interventions and prototypes and creating an entrepreneurial IRMA.¹⁰

These look quite broad and we often ask ourselves how we could add value either to the enterprise or the ecosystem. If others are doing it better than us or more suited to do so we direct the enterprise or entrepreneur to them and we would like to work on those areas where we think not much work is being done. Tribal entrepreneurship in a developed state like Gujarat is one of these. It began with conversations and studies with our NGO partners the Shroff Foundation Trust (SFT) and AKRSP who were already working with tribals in the region. Following field visits we saw the opportunities for value addition through agro-processing and supported innovations like a solar dryer in Chita Udepur district and are working towards creating more grassroots entrepreneurs in the Dangs. NGO partners we realise are more stable than individual entrepreneurs and they have a significant social capital and presence. We hope to work with them to enhance their entrepreneurial impact.

Another need that we found was on a space for incubation managers to discuss their challenges together. As incubators increase the people manning these are critical resource and most of them have little experience in entrepreneurship and fewer still in incubating social enterprises. While founders of social enterprises and incubation centre coordinators do have spaces to meet and exchange notes, none exist for these managers. ISEED thus curated a workshop for incubation managers in Delhi with Social Enterprise Academy in November 2017. We believe that the scope for such conversations and joint activities are quite high and need to be carefully nurtured and curated to add value to the ecosystem.

3.4 Innovative projects: The story of the Eccentric Millets Grader

A project that we are proud of is the development of a multi-purpose millets grader with our enterprise partner Earth 360. Earth 360 works across the millet value chain in Anantapur district of Andhra Pradesh supporting rainfed farmers make the transition to growing, processing and marketing and consuming millets as a nutritious food. Earth 360 has been at the forefront of developing a processing line that could deal with nine different millets recognising the need for

¹⁰ For more details visit www.iseedirma.in

critical innovations in agro-processing machines. Most available in the market have been designed for the larger grain size of rice and wheat. In our conversations and field visits to Kadiri where Earth 360 is located we encouraged them to submit a proposal to help them grow their enterprise. This included the development of a multi-purpose millets grader (eccentric refers to the technical specifications). We were encouraged by the involvement of high quality technical minds that were able to mobilize support for design and testing from product design companies like Altair and Big Stamp. Unlike ideas that emerge from engineering colleges that are often quite divorced from the context of application, Earth 360's proposal was rooted in their factory and work with farmers. Our one year support from DST's ISTED project that was less than 7 lakhs helped Earth 360 develop this machine that was ergonomically designed for better use by the women operators who found the machine convenient to clean and grade saving considerable time and labour. Excellent simulation and careful prototyping helped significantly reduce the power consumption too. The machine has since attracted significant interest from farmers having worked consistently in factory, not laboratory conditions. ISEED's training workshop helped Narayan, the engineer, present his ideas better to the Startup Grand Challenge in agriculture for which they were shortlisted for mentorship support.¹¹ Earth 360 is now in the process of setting up another company Millet Machine Tools to take this further and ISEED seeks to incubate this as an innovative start-up. ISEED is also exploring working on development of the huller now. We believe we have played a small part in the growth story of our enterprises we support.

4. Conclusion/ Way forward

Two years is a rather short span to look critically at metrics for an incubator. The journey has been exciting as well as challenging. I would like to conclude this paper by sharing some of our learning and indicating ways forward for a social incubator. For brevity they have been summarised in few points below:

1. Incubation is beyond Technology: We have found that incubators working with rural and social enterprises should not start with a technical problem or only seek technical solutions. Technology is an important but often a very small part of an enterprise's journey. It is more

¹¹ Narayan's pitch on the millets grader is available at <https://www.youtube.com/watch?v=-nY6nlmqRZk> . A video of the multi-purpose millets grader is available at <https://www.youtube.com/watch?v=wPn1s1Q1F1s&t=2s> . A more recent version following testing is at <https://www.youtube.com/watch?v=oXZ5sNI7j5Y>

important to focus on articulating a social problem and creating an ecosystem in which technology can play a role. Incubators have more important roles in helping enterprises thinking through their ideas and enabling their growth by providing them network access to ecosystem players. Some of them can be technical. Technology can help improve lives but is no panacea. Not all incubators need to thus become TBIs and neither need to invest in more physical space.

2. Entrepreneurship is not just about Start-ups: the emphasis on start-ups is welcome but entrepreneurship is much more than a for-profit start-up. Not all start-ups are profitable (in fact very few are) and not all not-for-profit enterprises are without value. There is more to the entrepreneurial process than being and registering an enterprise as a Start-up. Being more open about processes of entrepreneurship and innovation is more important than the form of the enterprise.
3. Value-creation: Incubators need to constantly reflect on the value they are creating for the enterprise and the ecosystem. These keep changing and hence incubators too need to be nimble. Newer thinking on entrepreneurship like the Business Model Canvas and Design Thinking rather than Business Plans is more effective in making enterprises thing about value. Training helps but co-creation is better. Value is often beyond funds and the opportunity for a grassroot entrepreneur from a tribal area to train forest officers in a training programme or working together on a combination of training that is in-situ is often more useful. Academic incubators can help enhance the prestige of enterprises and elaborate MoUs are often hindrances.
4. Entrepreneurial thinking: Incubators need to think and work like a start-up if it wants to encourage other start-ups. This is often quite challenging in an academic environment where routines are well set and structured. Incubators should value experiments, create opportunities for failing fast for its staff. They should be lean but importantly empathetic. Visiting and spending time in the enterprise/ entrepreneur's context is critical for this and there should be time for many field visits both to enterprises but also to other incubators.
5. Learning process versus Blueprints: No two incubators are alike and there are no blueprints for successful incubation of social enterprises. Some incubators are better staffed and importantly some have better learning processes. Good old emphasis on learning processes over blueprints (Korten, 1980) is quite true for incubators too. The first 1-2 years could be

one that encourages incubators (and enterprises) to learn to be effective. Having found what works and what might work better, incubators also need to spend time “learning to be efficient”. Often the mistake incubators can make is to jump towards the third learning stage “learning to expand” without the intermediate or even the first stage. For us at ISEED we are between the first two learning stages.

6. Documentation and metrics: One of the challenges we have had is too many diverse experiments and conversations that increases the complexity of functioning. How do we prioritize, what should we invest in, how effective have we been? Are our assumptions about increased pipeline working? Are we ready to incubate a farmer producer organisation (FPO) or should we continue to work with social enterprises? Should we expand our training portfolio or should we focus more on the region? Should we follow the metrics of other incubators – enterprises incubated, funds raised etc or should we try and create newer ones of our own? How do we account for our time and when should we withdraw? The learning we have had is that the only way to answer these questions and dilemmas is to constantly articulate our purpose and invest in documenting our efforts and working out different kinds of metrics. Some metrics of the donor might help orient ourselves but we could also offer metrics that we could work with ecosystem partners. Documentation is one of the weak areas of many social enterprises. Working with them to tell their own stories we have found can be quite useful and enriching.
7. Learning to say ‘No’: This is often a difficult thing as we grow. Students expect us to fund their B plan competitions or their participation in B plan contests. Entrepreneurs come to us with very raw ideas and excited about patenting a product that they have not even tried out. Governments pressurise us to provide metrics of successful start-ups and plan for mega events that do not add to our pipeline and distract us from our work. Social enterprises push us for getting more for less (read free!). With a small team we find ourselves quite stretched.
8. (Re)Articulating Purpose: We have found that we keep changing every year, social enterprises leave for greener pastures and do not need us, newer opportunities arise that are exciting but need a lot of time. The pressures of success and metrics are high for both social enterprises and incubators. We believe that incubators do need to take the experience of

Uncharted in sharing openly their failures and through the process rearticulate their purpose and how they are different and add value.¹² Being open about failures is one of them.

I would like to end this paper by sharing a failure story. An enthusiastic person approached us with an idea that had received favourable response in a competition. The idea had potential impact and they were promised a bigger grant for scaling and proof of concept if they could get it vetted from an incubator. We spent a lot of time with the team and were convinced that the idea was novel. We said rather than say yes directly let us get more facts on the table. As an incubator we cannot fund you but we can collaborate and work together to support a small field or pilot test that would give us insights in the agricultural season. The enterprise went ahead and sent a proposal. We discussed this and there was some toing and froing. We then sent the proposal to two experts in the domain who raised interesting queries but endorsed our support for the idea. Just as we were to ink the proposal we got a call stating that another incubator in a big city (with no experience in rural India which the proposal was all about) was willing to lend their name and hence they would like to go ahead with them. We did not know that the entrepreneur was doing a parallel processing and were embarrassed by having to apologize to our informal advisors. Incubation involves such failures. I believe that metrics for incubators should be more realistic and also speak about such efforts. Like entrepreneurship not all enterprises work and not all incubators can get it right all the time.

Looking ahead we realise that there is a need for a stronger connect with Civil Society Organisations to enable greater outreach and connect with rural and grassroots entrepreneurs and working with them to change their perspectives on entrepreneurship. Collaboration and partnerships continue to be critical to the incubator's growth even as we seek to increase our presence in the Western region. Apart from newer process of scouting we recognise the importance of working with enterprises to enable their growth challenges and with newer enterprises that are keen on knowledge partnership with ISEED and IRMA.

¹² <https://uncharted.org/our-values/learning/>

ANNEXURE 1: SELECT ISEED EVENTS IN 2017-18

Date	Event & Significance
22-Dec-16	An Entrepreneur Network Meeting to assess needs from partners and work strategy
22-Jan-17	Entrepreneurship meet during Milaap, IRMA's Alumni meet. Showcasing entrepreneurial IRMans and eliciting Alumni interest in incubation centre
6-Feb-17	Participation in ISEED Partner ICCO 's Green Business Challenge B plan competition as judge
22-23 Feb 2017	Assisted and organised National workshop on Farmer Producer Organisation with IRMA's Verghese Kurien Centre. Linking collective enterprises
4-6 Mar 2017	1st EDP on Building and Managing Social Enterprises. Developed customized modules for enterprises, potential to increase ISEED's pipeline
23-24 Mar 2017	Curriculum Development workshop on social enterprises for ISEED partner Access Livelihoods Consulting's Transforming India Fellows. Part of unique certificate course to be launched jointly
19-25 Apr 2017	Week with new social enterprise Looms of Ladakh, initiative of District Collector, organisational mentorship and finalisation of internship
12-May-17	Centre of Excellence in North East for Agribusiness by ICCO Advisory Board meeting
14-May-17	Roadshow on "Building Sustainable Social Businesses" for Janhit Jagran; ISEED partner I-saksham later chosen as one of the Sarokars or change makers in final event
20-May-17	Think social event of INVENT program for Start-up Oasis, ISEED partners Contree benefit through shortlisting and incubation support later
9-Jun-17	SANIM meeting with TISS and Chinar international on Youth entrepreneurship in conflict areas at NIT Srinagar
29 June 2 July	Visit to ISEED partner Earth 360 and finalization of support for technology prototype of grader
16-18 Jun 2017	ISEED co-hosts Sector spotlight workshop on Nutrition and Water for ICAT (India Corporate Action Tank) of Yunus Social Business.
10-14 Jul 2017	MDP on "Livelihood Enhancement Strategies in Forest Fringe Villages" with ISEED partner Grassroutes for forest officers
23-Aug-17	Visit to AIDEA - NAARM's incubator as part of RAC of NAARM
31-Aug-17	ISEED co-hosts Promotional Road Show for National Entrepreneurship Awards 2017 with TISS
14-16 Sep 2017	EDP on "Building and Managing Social Enterprises" - 2, greater participation of NGOs interested in social enterprise space
4-Nov-17	National workshop on Incubation of Social Enterprises: Opportunities and Challenges held at Delhi with ISEED partner Social Enterprise Academy
16-18 Nov 2017	MDP Strategic Management of CSR with ISEED partner Sociocatalyst
4-5 Dec 2017	Sessions on social entrepreneurship for TII fellows of ALC's TII certificate course on social entrepreneurship, Hyderabad
14 -16 Dec 2017	Jabalpur and Raipur Roadshows for ICCO's Green Business Challenge. ISEED as a partner
22-24 Feb 2018	3rd EDP on BMSE. One of the enterprises able to successfully pitch to Startup Grand Challenge on agriculture following the inputs received
26-27 Feb 2018	An ecosystem building National Seminar on Incubating Rural and Social Enterprises attended by 50 participants including social enterprises, incubators with themes on tribal entrepreneurship, Fellowships in the social enterprise space and co-incubation
6-Mar-18	Participation in Green Business Challenge 2017 finals with partner ICCO at Delhi
19-Mar-18	participate in SEA event to select their cohort for leadership training and support
23-30 Mar 2018	Organise week long training on Collectives for the TII Fellows as part of their Certificate course on social enterprise

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