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FOUNDATION FOR INNOVATORS IN SCIENCE AND TECHNOLOGY

NIDHI-TBI funded by DST, Govt. of India

INDIAN INSTITUTE OF TECHNOLOGY PATNA

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‘Call for Business Plan for 8th Batch of Startups’

Foundation for Innovators in Science and Technology (FIST), a NIDHI-TBI at IIT Patna is inviting business proposals from Research Scholars/students/faculty members/innovators/startups/entrepreneurs.

Category: Agriculture, Energy, Manufacturing, Water Harvesting, Tech for Agri/Food processing, Data analytics, AI/ML/DL, Blockchain applications in Agritech, etc.

Last Date of Application: Monday, 29th 2023

Application process: Send duly filled business plans in the prescribed format to info_tbi@iitp.ac.in

Selection: Shortlisted business plans/ideas will be intimated for their presence during the presentation-cum-interaction meetings before an expert panel for evaluation.

Support offered: Innovators/Companies selected for incubation will receive mentoring, infrastructure support, fully furnished office and communication facility, PCs, domain expert, access to ecosystem, Technology lab access, business support connect, access to FIST labs, and consumable/ contingency support upto Rs. 3 lakhs, angel/VC investor's meet. Seed funds of up to INR 10 lakhs will be arranged from funding

agencies subject to terms and conditions.

Who can apply:

Any Indian citizen who has an innovative idea can make a working product ready. Students, faculty, other innovators, and start-ups/entrepreneurs can apply for incubation.

How to apply:

The applicants should submit a [business plan](#) (*in the prescribed format only*) in order to be considered for incubation.

The business plan submitted should be about 10 pages covering the required aspects in as much detail as possible.

Please send the business plans to **info_tbi@iitp.ac.in** with the following details:

- Value proposition (highlighting the innovation)
- Profile of management team; and advisory board (if any)
- Planned products and services portfolio
- Product development milestones and timelines
- Approach and infrastructure requirements for technical implementation
- Market potential analysis and Competition analysis
- Funding requirements
- Capital structure
- Go-to-market plan
- Risk analysis and projected financials

Selection Process:

1. Preliminary scrutiny
2. Offline presentation-cum-Interaction Meeting

Admission Process:

A Project Evaluation Team, comprising eminent personalities from Industry, academia, government, and the investment community, will evaluate the business plans. Shortlisted applicants will be called for online/offline presentations before an expert panel. Based on the recommendation from the panel, the

applicant will be offered admission to the incubation program based on the schedule made for evaluation and admissions from time to time.

Admission now opens to the 8th batch of incubation. Business plans received up to 29th May 2023 will be considered for admission in this batch.

Incubation Programme Overview:

The two-year (initially offer will be made for one year which may be extended to another year based on requirement/performance) Incubation program at the FIST, IITP is designed to support start-ups for idea validation, product development, building, and testing prototypes and early-stage scaling of innovations. The start-ups will have access to the following services during the term of the program.

- Fully furnished office space, communication facilities, and state-of-the-art, laboratory facilities for R&D and product development
- Guidance by mentors from Angel Investors, Industry, IITP faculty, and FIST management on business, technology, IPR, and other aspects
- Investor Connect, which will help in getting seed funding or securing loans from various sources
- Training and Development: Access to specially designed training material on relevant issues like accounts, taxation for start-ups, understanding Intellectual Property, etc.
- Assistance to develop strategic relationships with key collaborators in related industries in order to increase market penetration, shorten the sales cycle, or develop other strategic arrangements.

(Prescribed format)

Format of Business Plan for Incubation at FIST-TBI, IIT Patna

Snapshot

NAME OF THE APPLICANT : *Name of the company or person/ persons applying for incubation*

MOBILE NUMBER : *Ten digit mobile number*

E-MAIL ADDRESS : *Please provide a frequently used valid email address. You will receive further communication at this email address.*

CITY : *Write the city/town from which you are applying for incubation*

DATE OF APPLICATION : *Write the date on which the application is being submitted*

TITLE & ABSTRACT : *Provide a brief description (not more than 250 words) of the idea or innovation.*

SECTOR : *Write the sector that the product or idea is focussing on. Some examples for sectors are Agriculture, energy, water, manufacturing, etc.*

STAGE : *The current stage of maturity of the idea. Some examples are Idea, Prototype, Design, growth stage, etc.*

This table is compulsory in your business plan.

Mandatory sections in the Business plan

1. Value proposition (highlighting the innovation)
2. Profile of management team; and advisory board (if any)
3. Planned products and services portfolio
4. Product development milestones and timelines
5. Approach and infrastructure requirements for technical implementation
6. Market potential analysis and competition analysis
7. Go-to-market plan
8. Funding requirements
9. Capital structure
10. Risk analysis and projected financials

It is recommended to have one page/ slide per section of a business plan. Maximum length of your business plan should be 10 pages/ slides overall. You may allocate pages intelligently to each section to highlight the important aspects. The shorter the document it is more likely that you have put more thought into formulating how to present it. We want you to think about expressing your idea/ business in a very crisp fashion.

This format of business plan is intended to push you to think about prioritising what is important and, hopefully, think about it in an organized fashion. We don't mean to say that is the only format of thinking. This format is meant specifically for Incubating your business into our Incubator.

After going through this document, you might decide not to apply to us at all. If we have ignited a spark within you to think in a particular direction of making your idea/ business better.

Feel free to drop an email (pic_tbi@iitp.ac.in) if you have any inputs on this format itself.

SECTION 1: Value Proposition

- Please mention the need you are trying to address.
 - In other words, you are answering the question, “What problem would continue to exist if you were not working on this idea/ start-up?”
 - In case it still isn’t clear: You are working on disrupting something. What is that? Mention that disruption clearly in a way laymen can understand.
- Mention the value proposition you provide to the end-user/ customer of your business.
 - You are trying to do something faster, better, quicker, more efficiently than before. Or you are doing something to completely revolutionize the way it was being done. Or you are inventing something that didn’t exist before. While the excitement of doing all this is fine, it needs to benefit the end-user/ customer in a certain way. What is that?
 - From a simpler, more commercial angle, the question could be framed as, „Why will someone pay you? Answer that question.
- Highlight the innovation in your value proposition.
 - **There should be differentiation from existing products in the market in a strong technical manner.**
 - This innovation is the foundation stone of your business plan. Please be as clear as you can be about the innovation.

INFORMAL DISCLAIMER: If you are worried about exposing your ‘idea’ to us and that we are going to copy it: We are trying to understand how to nurture these business plans and grow them to achieve their own success. All our actions are focused on the Incubation process and product development. So, we need enough details to incubate you but not to run your business ourselves. So, it is a business call you have to take on how much to reveal and how much not to. This is where FIST-TBI IITP wishes to assure you that maintaining confidentiality of your idea is our highest priority. Please apply without any worries!

SECTION 2: Management and Advisory team

- Please provide brief but significant details about your team members with small-size photos.
 - Brief but significant points of work experience. Quantify wherever possible. For example: Joined a startup as a founding employee and helped scale up to <pick a growth parameter you want to show
 - Please refer to the boxes given below for further detailing of the individual profiles.
- Provide links to their LinkedIn profile and other social media (Facebook, Twitter, etc.)
- If you have an advisor/ advisory team working closely with you or willing to work with you in the future, profile them as well. Put them on a separate slide/ page.



TEAM MEMBER 1

Designation in the company
Educational Qualification

- Cover the significant work experience details.
- Highlight any previous startups done.
- Product development experience will be valued.
- Research areas & Technical publications, if any.
- Patents held, if any.
- Any funds raised in the past?
- If you have any exit, please mention it.



TEAM MEMBER 2

Designation in the company
Educational Qualification

- Cover the significant work experience details.
- Highlight any previous startups done.
- Product development experience will be valued.
- Research areas & Technical publications, if any.
- Patents held, if any.
- Any funds raised in the past?
- If you have any exit, please mention it.



TEAM MEMBER 3

Designation in the company
Educational Qualification

- Cover the significant work experience details.
- Highlight any previous startups done.
- Product development experience will be valued.
- Research areas & Technical publications, if any.
- Patents held, if any.
- Any funds raised in the past?
- If you have any exit, please mention it.

SECTION 6: Market and competition analysis

- List out the product portfolio you are planning to build.
 - One product companies (at a plan level) rarely generate excitement from a follow-on funding perspective. So, it's always better to have a portfolio of products planned. You might be working on a single product currently. But there needs to be a plan to develop further products.
- If your product needs a service component to ensure users have a better experience with it, kindly detail the service plan as well.
 - Kindly think through the execution of the service side as well. This needs to reflect in your financial projections also.
- The main idea behind applying for FIST-TBI IITP is to get help/ guidance/ accelerate your product development phase. Hence this is, perhaps, the most important section of your business plan. Please write this carefully. Mentors will be working with you to execute this plan. So, kindly ensure you plan this section thoroughly. And mention the main points in detail enough to understand that this plan is good enough for incubation. The details will be necessary for your presentation session and the subsequent two-year programme.

SECTION 6: Market and competition analysis

- Please plan this as per your own product development schedule. Provide estimates of when you plan to accomplish each milestone. Think about the inputs you need at each stage and write them down somewhere. You will need to refer to that for writing a later section.
- In this section, you will define an approach that you will follow to develop your product. It depends on many aspects of your product. You have already defined the various aspects of your product earlier. Now, in this section, you elaborate upon how you go about doing this. You have already shared the milestones and timelines in the previous slide. So, this is all about the “How” of things.
 - Circuit Model (drawings) and Device Model (drawings) of the product, if applicable.
 - Manufacturability of the product and capital requirements
- At the same time, you enumerate the requirements to achieve your technical development/ implementation. You should include in this list a requirement in the following heads:
 - List of equipment required to help you in your approach
 - List and estimated price of the components to build the product
 - Existing gaps in understanding of solving a particular problem en-route the development journey. And hence, define the technical mentoring needs.
 - If you have any specific mentor profile in mind, you are free to let us know. We will try to find a

SECTION 6: Market and competition analysis

mentor for you such that she/ he meets your requirement.

- Also let us know the software pieces you would require to build, design and develop the entire product.
- What is the size of your market? Give an overall size for your market in terms of INR Crores or USD Million. Get deeper as you describe that. This number could be a number you got from a market report.
- Usually, market reports will include a generic market size. If they are specific to what you are trying to do, then great. But then, if it isn't try and carve out through a logical set of assumptions a certain number that could be your relevant market. This is the number you will hit 100% if your business is successful.
- There is another number you can derive. Start from the number of sales calls you can do per day (assume the number of sales personnel you will have). Assume a sales call to sales conversion ratio. Multiply by revenue per sale and estimate the turnover of the company. This is how you arrive at the first-year revenues of your company. This in turn also shows the %age of market share you will garner (this number divided by the relevant market number you arrived at in the previous bullet point).
- If you can use another relevant market in another country or another similar market somewhere else to help people understand the market you are trying to address.
- At the same time, there will be competitors for your product. Please don't say or even think that "there are no competitors". Always remember what happened to Nokia. They did nothing wrong but the ground below them shifted. So, be aware of competitors from every direction.
- The sustainability of your venture/ idea/ business can be easily defined in this one section called "competition analysis". The perspective you have about your competition defines the longevity of your business. This section might not be very critical in your Incubation chances, but it would define the business plan of how your future will turn out very strongly.

SECTION 7: Go-to-market plan

- This is all about how the business will reach out to the customer. Which distribution channel will you use? Why? Dig deeper into this aspect. Will you own the channel? Will you franchise it? How many layers are in the distribution channel?
- Get down into more detail about your service layer. If you are selling a hardware device, where will the batteries be available? How will the chargers be available? If the device needs service on a regular basis — who will do it? Will you build a service network yourself? Or will you outsource it to someone?
- Which geography will you go after first? What is going to be the profile of your first few customers? How will you sweep the market? What's the approach here? Define the low- hanging fruit in each geography? How will you find them? What's the market strategy to reach them?
- What about the certification requirements of the markets you are going after?
- Will you have software on the device? How will you update the software/ firmware? Would the customer need to come to you? Or will it be live?
- Will you have any strategic alliances to help you reach out to the customer? Who would be likely partners for you?

SECTION 8: Funding requirements

- So, yes, this section is important here even though you are coming for Incubation. Your priority is to develop your product and get the product to shape. But then, you need to have a parallel track of thought running 24x7 about how you will keep this venture afloat. A hardware company/ start-up always has the required capital for various needs. So, you need to keep your eye on that aspect of building this venture always.
- Estimate your costs for the two-year program first. How much you will need to survive two years in an Incubator. And brainstorm about sources from where that money could come from. Keep that list handy.
- There was a section earlier where you listed down components you need and an estimated price for that. This is the section where you bring it in officially and put it down as a breakup.
- You will have to think about whether you will raise this money through equity or any other means. As an Incubator, we will provide you access to Investors and angels in order to meet your requirements. So, it is essential we understand your future funding requirements at the admission stage.
- Even otherwise, it is useful for you to think in this direction and ensure that the business doesn't dry out of funds.

SECTION 9: Capital structure

- You maybe applying for admission to TBI IITP as individuals. But according to our process, within 4 months of your successful admission into the Incubator you need to form a Private Limited company. So, you need to think about your capital structure. It's just a table. Nothingmajor. The term might sound serious. Here's how it typically looks:

Shareholder	Number of shares held	%age shareholding
Shareholder1	500	50%
Shareholder2	500	50%
TOTAL	1,000	100%

- At a startup level this is all you need to know about capital structure. Being a hardware- focused company, you will have much more complicated structure because you will try and access all forms of available funds in all kinds of complicated structures. Some of these forms of funds will find their way into the capital structure. For example, if you raise money through a VC, they will invest through an instrument called Convertible preference shares which are redeemable at their option which behaves as debt as long as it sits in your company. And at the moment of exit, it converts itself into equity and they make money as equity investors. Well, you didn't understand that, did you? It's okay. Leave it for now. We shall cross that bridge together when we come to that. For now, think about who will hold how much share in the company. That must be easy!

SECTION 10: Risk Analysis and projected financials

- What are the various risks associated with your product/ team/ company/ business model? Analyse them and discuss the top two risks in this section. Sometimes, there could be Government rules and regulations that could be required. Else, there could be distributor reliability. Every option you choose in the process of putting this company together, there will be risks and associated returns. Elucidate the risks. Prioritise the top two risks. And mention them and discuss those risks.
- Financial projections. Do a P&L/ cash flow for the first 12-18 months of your revenue generation phase. For the TBI IITP application, you need not do a very detailed one. But at the same time, it should not be a very brief and worthless exercise. You must have put some thought into how you will be making revenue. And the associated costs should be properly thought through. If you are aiming at raising VC funds sometime in the future, this exercise is quite important to be done right at the beginning itself. The more you understand your company from the numbers perspective, the more you will know which areas to focus on during the operations of the company at various levels of scale of the company.

SECTION 10: Risk Analysis and projected financials

**That's it. If you feel like adding more, please do.
But 10 pages only!**

Please send your business plans to info_tbi@iitp.ac.in

Please submit your business plans based on this format. If you have a better format, please use it.

This may be used as a guideline for writing a business plan.

Only the table in the first slide is compulsory