

A PRACTITIONER'S GUIDE

Business Incubation Playbook

Building and Running
Academic Technology
Business Incubators

AUTHORS

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DEPARTMENT OF
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KNOWLEDGE AND
RESOURCE CENTRE



Confederation of Indian Industry

Business Incubation Playbook

A Practitioner's Guide: Building and Running Academic Technology Business Incubators

Authors

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For those who build the places where ideas become ventures...



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Secretary
Government of India
Ministry of Science and Technology
Department of Science and Technology

29th September, 2026

Foreword



India's startup ecosystem has grown from a nascent stage into one of the world's largest and most vibrant entrepreneurial landscapes, and Technology Business Incubators (TBIs) have been at the heart of this transformation. The Department of Science and Technology (DST) has, over the past two decades, pioneered the establishment of TBIs across the country, nurturing more than 200 such institutions that have supported thousands of innovators and startups. These incubators have served as critical bridges between knowledge generation in our academic and research institutions and the translation of that knowledge into enterprises that create value, generate employment, and address societal needs.

As the ambitions of India's innovation economy continue to expand, the need for well-designed incubators, particularly within academic and research institutions, is growing. Establishing a successful incubator, however, requires institutional commitment, robust governance, an understanding of the incubation lifecycle, and lessons from proven experience.

Recognizing this need, DST partnered with the Indian STEPs and Business Incubators Association (ISBA) to translate the collective experience of the incubation ecosystem into this practical Playbook for Technology Business Incubators. It provides host institutions with an actionable framework covering conceptualization, institutional support, governance, operations, and long-term sustainability.

We appreciate the dedicated efforts of experts, whose domain knowledge and ground-level experience have shaped this Playbook. This collaboration reflects the strong partnership between the government and the incubation community in advancing India's innovation ecosystem.

We are hopeful that the Playbook will serve as a valuable guide for academic and research institutions seeking to establish incubators and contribute to strengthening India's startup ecosystem.

(Umesh V. Waghmare)

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Foreword



Confederation of Indian Industry



India stands at a defining moment in its innovation journey. The emergence of a vibrant startup ecosystem, driven by the aspirations and ingenuity of our youth has created unprecedented opportunities for economic growth, employment generation and societal transformation. Yet, the journey from an idea to a successful enterprise remains fraught with challenges. It is in this context that business incubators play a pivotal role, serving as catalysts that nurture entrepreneurial talent, reduce venture risks and create pathways for innovation led development.

This Playbook on Academic Incubators and Accelerators is a timely and much needed resource for institutions, incubation leaders, policymakers and ecosystem stakeholders committed to fostering entrepreneurship. Drawing upon the collective wisdom and practical experience of seasoned incubation practitioners, the playbook presents a comprehensive roadmap for establishing, managing and sustaining academic technology business incubators. From cultivating the right incubation mindset to designing impactful programs, building strong mentoring networks, ensuring financial sustainability and measuring long term impact, it addresses the critical dimensions that define successful incubation ecosystems.

This playbook reminds us that successful incubators are not merely providers of infrastructure or funding, but enablers of entrepreneurial journeys. Their true value lies in helping founders navigate uncertainty, learn through experimentation, access mentors and networks and transform innovative ideas into sustainable ventures which resonates strongly with the evolving needs of India's entrepreneurial ecosystem.

I congratulate the authors, Dr K Suresh Kumar, Dr Balachandran A, Ms Poyini Bhatt and Dr Puran Singh, for bringing together their rich experience and insights into this valuable contribution to the incubation community. Their work reflects a deep commitment to strengthening India's entrepreneurship ecosystem and empowering the next generation of innovators. My sincere thanks and appreciation to the authors for working tirelessly for the past two years for making this playbook a reality.

I am confident that this playbook will serve as a practical guide and trusted reference for all those engaged in building entrepreneurial ecosystems. May it inspire institutions to create environments where innovation flourishes, entrepreneurs succeed and ideas are transformed into solutions that contribute meaningfully to national development.

Sriram Subramanya

Chairman – CIISR Taskforce on Innovation & Startup Eco-System 2025-26 &
Founder, Managing Director & CEO, Integra Software Services Pvt Ltd

Foreword



On behalf of the Indian STEPs and Business Incubators Association (ISBA), it is my privilege to introduce this Business Incubation Playbook. India's incubation ecosystem has grown considerably over the past decade, yet the practical, day-to-day knowledge of running an incubator – on mentoring, funding, governance, and measuring impact – has rarely been brought together in one place. This playbook does exactly that.

My thanks go first to the authors, Dr. K. Suresh Kumar, Dr. Balachandran A, Ms. Poyini Bhatt and Dr. Puran Singh, for distilling years of incubation experience into a resource that is both rigorous and usable. Their work as Advisors to the ISBA Knowledge and Resource Centre gives this playbook its practical grounding.

This publication has also benefited greatly from the guidance of the NIDHI Secretariat at the Department of Science and Technology, Government of India, whose scientists reviewed the manuscript and offered valuable insights and inputs at every stage..

ISBA is equally grateful to the Confederation of Indian Industry (CII) for partnering in this publication. In particular, I would like to record our sincere appreciation for Mr. Sriram Subramanya, Chairman – CII SR Taskforce on Innovation & Startup Eco-System, for his continuous and generous support throughout the making of this playbook.

I hope this playbook serves incubation leaders, mentors and policymakers as a practical companion – one that shortens the learning curve for new incubators and strengthens the ones already at work across the country.

Prasad Menon

President, Indian STEPs and Business Incubators Association (ISBA)
CEO, Centre for Incubation and Business Acceleration (CIBA)

Preface

Why this playbook?

India has emerged as the third largest start up ecosystem in the world with around 2,25,000 start-ups. Startups, owing to their exploratory nature, are susceptible to failure – over 90% fail within a couple of years. Reasons for failure include lack of business viability, technological gaps, funding constraints, team constraints, and legal or regulatory hurdles.

3rd largest start up ecosystem in the world	2,25,000 start-ups (around)	90%+ fail within a couple of years	3,000+ business incubators and accelerators in the USA	2016 launch of the Startup India initiative
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Business incubators mitigate these risks by providing holistic service offerings such as infrastructure, R&D equipment, funding, mentoring, team building, and market access support. Most business incubators in India are housed within academic institutions and receive support from various government agencies.

With the launch of the Startup India initiative in 2016, and through concerted efforts by various Ministries and Departments, including DST, AIM, BIRAC, MeitY, ICAR, and others, India's startup and incubation ecosystem witnessed rapid growth and accelerated development. The number of incubators and their rate of growth in India still remains low compared to developed economies – the USA has over 3,000 business incubators and accelerators, and China leads in sheer numbers, size, and scale. As youth interest in entrepreneurship grows, the country needs more incubators, and existing incubators face their own challenges. Incubator performance depends on location, promoter vision, application quality, infrastructure, mentor availability, funding options, talent availability, local industrial climate, and entrepreneurial culture.

REMEMBER

- ✓ For institutions planning to establish incubation or pre-incubation centres, this playbook provides fundamental inputs for planning, establishing, and operationalizing a business incubator.
- ✓ For those building an incubator with a long-term vision, it serves as a starting point with practical insights to get off the ground.

How to read this playbook?

The playbook presents business incubation as a progression from developing the right mindset, to building institutional foundations, enabling founder success, ensuring organizational sustainability, and ultimately creating measurable entrepreneurial impact. These ideas are presented sequentially in the six chapters that follow.



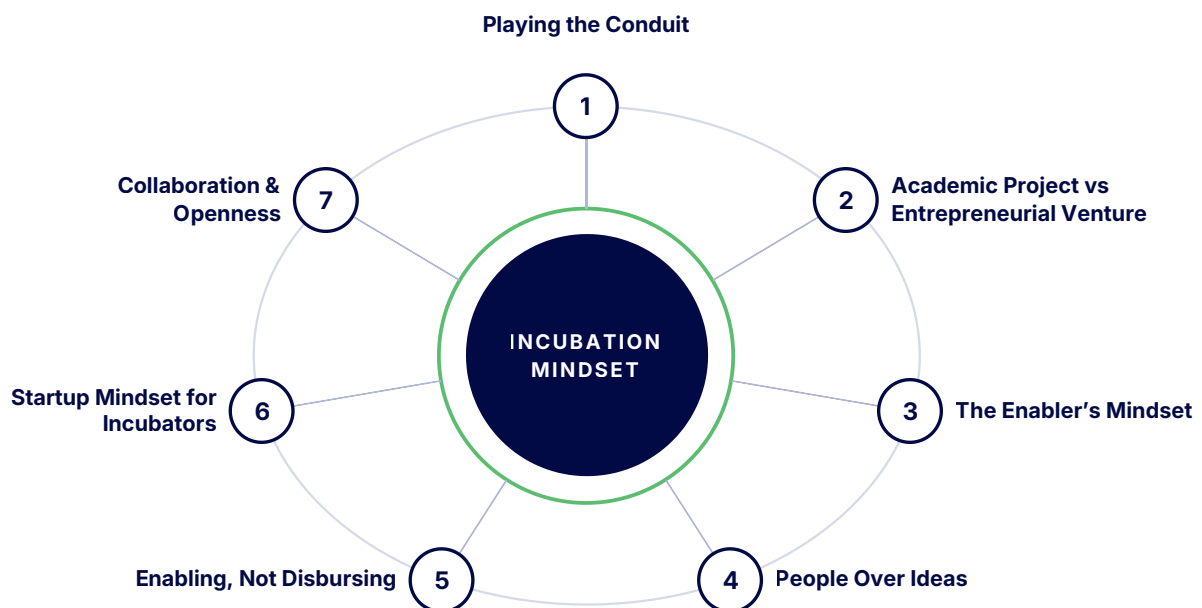
01

The Incubation Mindset

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Incubation is not an administrative function – it is a mindset of seeing founders, ideas, and ecosystems. Before systems and programs, the incubation centre team must first cultivate the right mental models. These mental models shape culture, program design, mentoring philosophy, start up selection, and the overall conversational tone of the team.

FIGURE 1.1**The Seven Mindsets of an Incubation Leader**

1.1

Playing the Conduit

An incubation centre has multiple stakeholders – host institutions, government, corporate firms, mentors, and start-ups. The head of the incubation centre must keep everyone informed, interested, and engaged, acting as a conduit between the host institution and the incubation centre. This requires a blend of stakeholder management, people skills, business acumen, and appreciation for technology.

1.2

Academic Project versus an Entrepreneurial Venture

Because most incubation centres are based in academic institutions and led by faculty, they are often mistaken for research projects. Unlike research, which focuses on innovation through scientific R&D, incubation centres exist to enable founders who serve new market needs through innovative products. To support founders well, the incubation centre must run like a start-up itself.

1.3 The Enabler's Mindset

Empathy is central to working with young founders, whose ideas and plans are often rough, imperfect, and unrealistic, and whose journeys are filled with insecurity and experimentation. The incubator must not judge or dismiss early ideas, but enable founders to think clearly and iterate quickly – learning through iteration is the most powerful way to train entrepreneurs.

1.4 Startup Selection Mindset: People over Ideas

Ideas evolve. The team executing an idea should have a learning orientation, be coachable, and have the skills to execute. Assessing founders' potential, commitment, and resilience in the face of difficulty are therefore the more important parameters when selecting start-ups for an incubation program.

1.5 Funding Mindset: Enabling, Not Disbursing

In recent years, incubators have disbursed large amounts of government funding. Fund disbursement requires additional expertise and capacity that consumes the operational bandwidth of a typically small team. While funding access is valuable, it must not overshadow the importance of mentorship, networks, and strategic guidance.

1.6 Startup Mindset for Incubators

Incubators must exhibit the very qualities they expect from founders. Like start-ups, incubation centres have small teams, juggle multiple stakeholders, have limited resources, and struggle for financial sustenance. The team must continuously innovate, design new programs, and find new ways to support founders.

1.7 Collaboration and Openness Mindset

Needs of startups change at every stage and range across technology support, market connections, mentorship, and investor linkages – expertise rarely available within a single incubation centre. Collaboration between incubation centres is therefore key to supporting start-ups well.

REMEMBER:

- ✓ Business incubation is a service to nation building, not a fund-rich sector for enrichment of promoters and mentors.
- ✓ It is where youth find direction, handholding, a coach, and a friend through difficulties.
- ✓ Incubation mindset requires a posture of service with humility – program design, mentoring, and systems should radiate from this central purpose.

02

Building Blocks of a Business Incubator

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An incubator begins long before the first startup is admitted. It begins with deliberate institutional choices that shape its purpose, governance, capabilities, and long-term direction. This chapter presents the key building blocks and strategic choices involved in establishing a business incubator.

2.1

Basic Governance / Structure

2.1.1 Need for a Legal Structure (Section 8 vs Society) – Applicable only for INDIA

A Trust governs most academic institutions; however, a formal legal structure is essential for the incubation centre itself, since most government programs and schemes related to business incubation warrant a Section 8 company or a Registered Society.

TABLE 2.1 Legal Structure for Incubators

STRUCTURE	GOVERNING ACT
Section 8 Company	Companies Act, 2013
Registered Society	Societies Registration Act, 1860

A “Company” has a structured compliance regime that is more disclosure and procedure intensive, applies uniformly across the country and its various states, and is governed by the Companies Act, 2013. Whereas a “Society” is governed by the Central Societies Registration Act, 1860, and is adapted/amended by individual states, or by state-specific legislations. Thus, the compliance regime of a “Society” differs in each state. Further, the Governance of a “Company” is determined by the Companies Act, 2013, while the governance of a “Society” is substantially determined by its bye-laws.



Many funding agencies in India prefer Section 8 Company structure while considering funding approvals for incubators.

2.1.2 Functional / Financial Autonomy

Effective implementation requires that the incubator be given considerable autonomy over its operations and finances. Without an autonomous structure, the incubator risks being subsumed as a department of the larger institution, losing its focus. Host institution leadership must preserve and champion this independence.

2.1.3 Board / Advisory Committee

An incubator typically functions as an independent non-profit entity (Section 8 Company or Society) with its own governing structure and an executive team headed by a CEO or equivalent, empowered with financial and operational authority, functioning under the strategic direction of a governing board separate from the host institute.

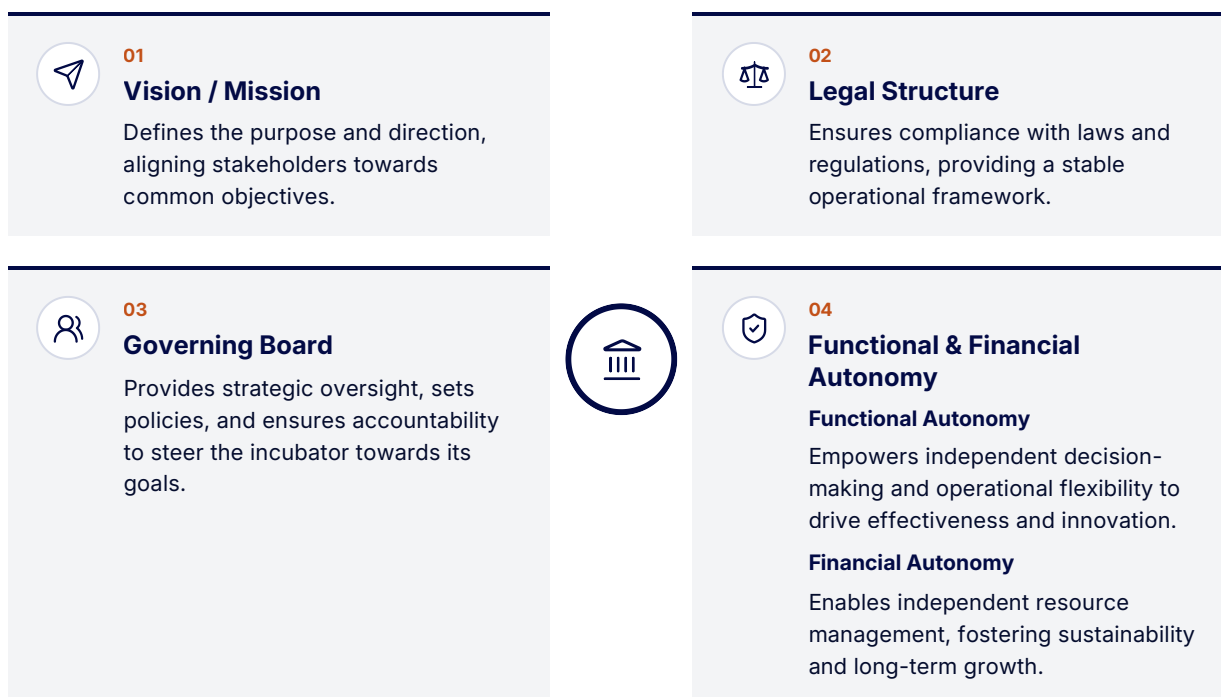
The governing board should combine host-institute representatives with external practitioners – investors, entrepreneurs, and industry experts – with adequate external representation. A sponsoring government agency, if any, may be included as an additional member, and the CEO can hold an ex-officio position on the governing body. A vibrant board sets expectations right and acts as a guiding force and sounding board for the incubator team.

2.1.4 Vision / Mission / Goals

A vision statement conveys the organization's long-term intent and core purpose and values. The mission statement captures action items oriented toward sustaining the vision. Goals translate these into achievable short-term milestones and measurable deliverables. Promoters and founders must provide the vision, which the incubator team translates into mission and goals with board guidance.

FIGURE 2.1 Typical Governance Structure of an Academic Incubator

FOUNDATIONS OF INCUBATOR GOVERNANCE



Strong governance builds trust, ensures accountability, and drives sustainable impact.

2.2

Policy Framework

The incubation policy, with built-in work instructions, should clearly depict all important activities of the incubator, including:

- Focus / thrust sectors
- Eligibility criteria for incubation support
- Application steps and selection criteria / process
- Contractual obligations and tenure of incubation
- Scope of incubation support and the fee / equity structure
- Graduation / exit criteria
- Grievance redressal / escalation aspects

2.3

Campus Ecosystem

A host institute's role is to shape enabling mechanisms and processes, build a conducive culture and local ecosystem, and create an autonomous organizational structure with functional and financial autonomy. All academic institutions are mandated to set up Institute Innovation Councils (IICs), backed by formal policies for:

- IP and licensing for start-ups
- Faculty participation in start-ups
- Access to laboratory and testing facilities by start-ups
- Startups founded by pursuing students

Formal approaches – R&D centre exposure, industry-academia collaboration, and entrepreneurship courses – combine with informal ones such as e-cells, tinkers' labs, hackathons, and startup competitions to convert interest into action. Talk series and workshops bring mature thinking to potential entrepreneurs, and alumni – especially successful entrepreneurs – often function as role models, mentors, investors, and advisors. Institutions without a strong entrepreneurial history can engage local communities to build support mechanisms and provide initial customers for ideas that solve local problems.

2.4

Mapping Resources for Starting a Venture

Before pursuing grants, it is important to consolidate available internal resources and sensitize stakeholders to the long-term commitment needed to build a formidable incubation ecosystem. A project management team with diverse expertise should prepare a business plan that includes a SWOT analysis, identifies relevant thrust sectors, maps local expertise, and could prescribe a pre-incubation pilot.

An initial corpus can be created to commence incubator activities, aligned with pre-existing innovation / incubation programs on campus – many institutions already have maker spaces or innovation labs from AICTE / NIRF / NBA processes. The project team should undergo training in innovation and incubation management, IPR management, and technology commercialization, and map avenues for external resources, including grants from DST, BIRAC, MeitY, AIM, DPIIT, and relevant state agencies, as well as potential industry and development-agency support.

2.5 Basic Resources Required

TABLE 2.2 Resource requirement for Incubators

FACILITY STAGE	INDICATIVE SPACE	CORE AMENITIES
Pre-incubation facility	3,000 – 5,000 sq. ft.	Co-working space, discussion rooms, basic benches
Full-fledged incubation facility	15,000 – 20,000 sq. ft. (min.)	Cubicles, wet-lab / clean-room space, meeting & training rooms, pantry, lockers

Depending on thrust areas, specialized product-development and testing facilities not easily accessible in the vicinity should be considered, with flexible, modular space suited to growth-stage start-ups. The project team should benchmark against multiple incubation-centre facilities before finalizing its own.

2.6 Managing the Conflict of Interest

For long-term sustainability and effective operations of the incubator, potential conflicts of interest involving faculty members, researchers, students, innovators, startups and the incubator's operational team should be appropriately identified and managed. A structured Conflict of Interest mechanism should be established by the incubator and the host institution to safeguard the interests of innovators and startups and ensure fair, transparent and non-discriminatory access to institutional technologies, infrastructure, facilities, expertise and other resources. The mechanism should provide for timely disclosure of actual, potential or perceived conflicts and define appropriate measures for their mitigation and resolution. This will help protect the interests of innovators and startups while ensuring responsible and equitable utilisation of institutional capabilities and resources.



For guidelines you can refer : <https://www.sineitb.org/resource-guidelines/>
Please visit the website of the organisation whose documents are referenced here to access the current/updated information.

03

Designing and Delivering Incubation Programs

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Running an incubation program is the core operation of an incubation centre – it brings the vision and mission to life through systems and a team that shapes start-ups' journeys from idea to market.

3.1 Strategic Choices for Your Incubator

TABLE 3.1 Strategic choices for Incubators

DIMENSION	CHOICES
Program format	Physical (suited to hardware start-ups) · Virtual (software / services) · Hybrid (both)
Stage focus	Idea generation → prototype → product development → market access → growth
Technology / sector focus	Thematic or sectoral programs based on institutional capability and positioning

3.2 Crafting Your Incubator's Offering

Like any startup, an incubation centre must determine what it wants to be known for. A SWOT analysis – strengths, weaknesses, opportunities, and threats of the host institution – should guide an offering built on existing strengths and emergent opportunities, while neutralizing weaknesses and threats. A unique offering arises from the combination of infrastructure, shared services, and soft support.

3.3 Incubation Process

The founder's journey with an incubation centre spans four stages – from discovery of the centre to exit from the program:

FIGURE 3.1 The Startup Founder's Journey

1 SELECTION	2 STARTING	3 NETWORKING	4 GROWTH / EXIT
Scouting	Onboarding & cohort orientation	Mentoring (group & 1:1)	Graduation on outcomes
Application & screening	Diagnostic meeting	Workshops & reviews	Or exit via withdrawal / failure
Pitch / panel selection	Support plan	Investor / customer connects	Transition to next phase

1. Startup Selection

- **Scouting:** call for applications aligned with focus areas, competitions, hackathons, and pitch events.
- **Application process:** online portal with an initial hygiene screening, followed by pitching or interviews.
- **Selection procedure:** a well-rounded panel evaluating technology, business feasibility, financial viability, and legal aspects.

2. Program Delivery

- **Onboarding:** orientation as a cohort, followed by a diagnostic meeting mapping the startup's position, goals, and support plan.
- **Engagement:** mentoring, group workshops, pilots, investor / customer connections, and regular review meetings, typically over programs of three to twelve months or a full year.
- A structured feedback channel and grievance-redressal mechanism should run throughout.

3. Program Exit / Graduation

Graduation follows completion of the program duration with the desired outcomes achieved, moving the startup into its next phase of support. Exits can also occur through failure, withdrawal, or technical conditions in the incubation agreement – for instance, when a startup's team or scale outgrows what incubation is designed to support.

3.4 Common Mistakes

01

Treating all startups equally:

One size does not fit all. Every startup has unique needs, capabilities, and growth trajectories. Tailor support to the founder and the venture.

02

Becoming event-driven:

Incubation happens through sustained mentoring, experimentation, and venture development-not through a calendar full of networking events.

03

Copying without context:

What works for one incubator may not work for another. Learn from best practices, but adapt them to your institution, ecosystem, and founders.

04

Measuring activity instead of impact:

A busy incubator is not necessarily an effective one. Focus on outcomes such as venture progress, founder development, and ecosystem value.

REMEMBER

- ✓ An effective incubation program is built around the founder's journey, with structured processes for startup selection, mentoring, engagement, and graduation.
- ✓ Strategic choices regarding focus, program design, and service offerings enable an incubator to create distinctive value for startups while leveraging the strengths of the host institution.

04

The Startup Mentoring Models for Incubators

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Mentoring is the mechanism through which raw ideas evolve, founders mature, and ventures gain direction. The enabling function of an incubator rests on well-meaning mentors and a well-designed mentoring model.

4.1 Mentoring Philosophy

Founders should be treated as responsible professionals – this is the number one principle for mentoring programs. Even with young or inexperienced founders, lowering expectations weakens accountability. Basic professional behaviours – preparing before meetings, sharing agendas in advance, respecting others' time, and documenting meetings – must become the founders' first nature.

4.2 Categories of Mentors

Founders need different kinds of support at different stages, often concurrently, from three broad categories of mentors:

FIGURE 4.1 Categories of Mentors



4.3 What Makes a Good Mentor?

Incubators look for a mix of professional and interpersonal qualities that encourage open conversation:

- Credible reputation and deep expertise – balanced with a strong human element
- The ability to listen deeply before offering advice or guidance
- Availability and responsiveness, since founders need timely support
- Networks that can unlock introductions, pilots, or partnerships
- Intrinsic motivation and adaptability to diverse types of founders

4.4 Mentoring Models

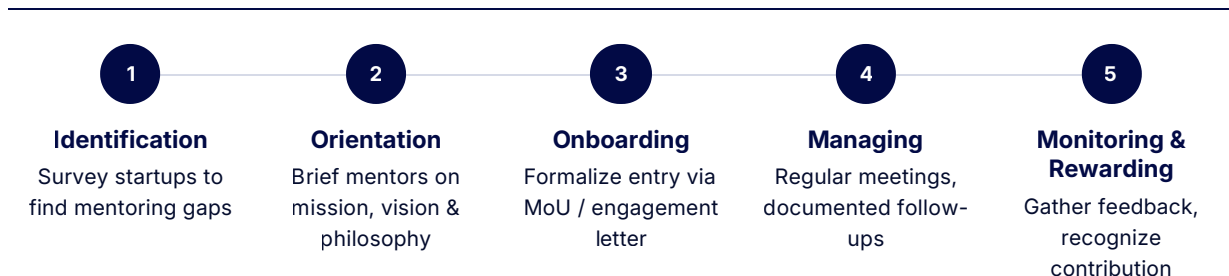
TABLE 4.1 Mentoring Models for Incubators

MODEL	HOW IT WORKS
One-to-many mentoring	A classroom-style setup where a mentor addresses a specific aspect of venture creation
Ad-hoc mentoring	Startups are matched to mentors for an emergent need – e.g. pricing decisions or a customer pitch
Sustained mentoring	Startups and mentors stay engaged over a long duration, meeting periodically

Mentoring needs are stage-specific – tech-based start-ups often need technology mentoring early on, and financial discipline, strategy, or organizational-transformation mentoring in later stages.

4.5 Stages of Mentor Engagement

FIGURE 4.2 The Five Stages of Mentor Engagement



The incubator gathers feedback from both founders and mentors to assess engagement effectiveness, and recognizes mentor contribution through recognition more than financial compensation – most mentors are motivated by service to the ecosystem rather than earning a reward.

REMEMBER

- ✓ Mentoring is a human skill combined with domain expertise that helps others find answers through sustained, periodic conversation.
- ✓ Effective mentoring opens founders' minds to possibilities and is central to the incubation experience.

05

Ensuring Financial Sustainability

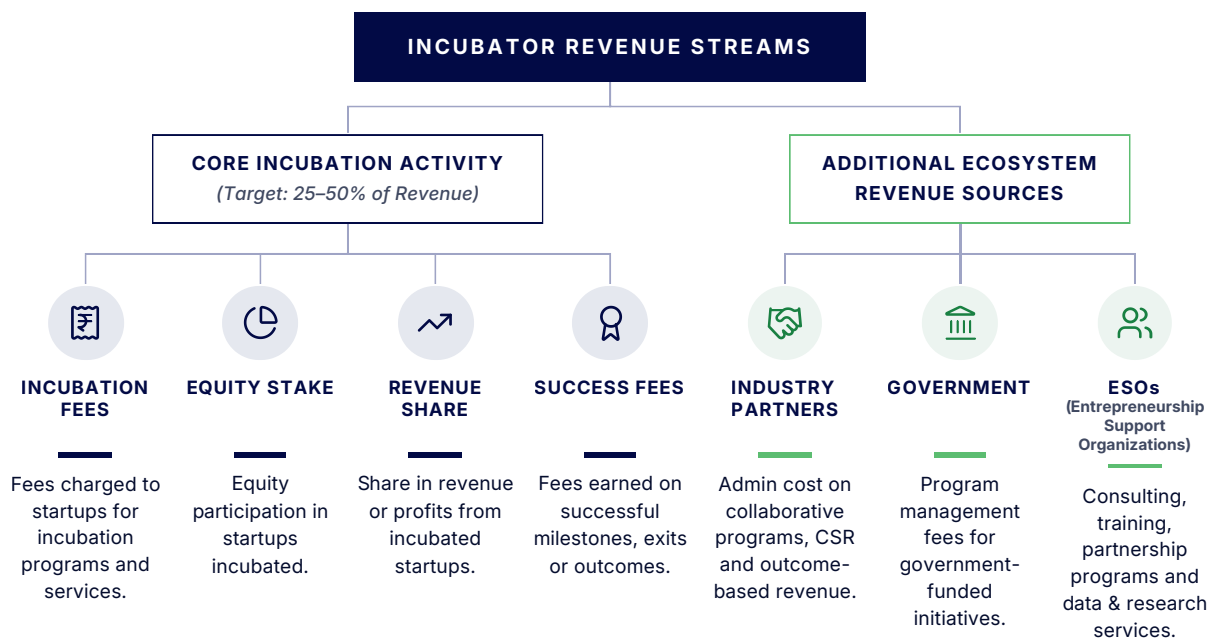
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Incubators are a key component of India's entrepreneurship and innovation ecosystem, and must become financially sustainable within a reasonable period. Incubators receiving initial government grants should run operations with an entrepreneurial mindset so they are sustained even after grants taper off – challenges should be foreseen and addressed from the initial days, not after funding stops.

Financial sustainability should draw on multiple revenue streams rather than relying on grants alone. Incubators typically face difficulty meeting sustainability objectives in their initial years (3 to 5 years), making a diversified revenue strategy essential from inception.

FIGURE 5.1 Incubator Revenue Streams



5.1

Core and Ecosystem Revenue Sources

There are four core ways incubators generate revenue from incubatees – incubation fees, equity stake, revenue share, and success fees. It is recommended that at least 25% to 50% of total revenue come from this core incubation activity. Beyond this, incubators can generate revenue from a wider set of ecosystem stakeholders:

- **Industry partners:** administrative cost on collaborative programs, CSR, or outcome-based revenue
- **Government:** program management fees

- **Entrepreneurship Support Organizations (ESOs):** consulting, training and workshops, partnership programs, resource sharing, incubator-in-residence programs, data and research services, accreditation and certification, and network access

25–50%

Recommended share of total revenue from core incubation activity (incubation fees, equity stake, revenue share and success fees)



A hybrid model combining several sources gives incubators flexibility to address specific needs without a one-size-fits-all approach, while reducing dependency risk on any single income source.

5.2

Revenue Timeframes

TABLE 5.1

Revenue sources for Incubators

TIMEFRAME	TYPICAL SOURCES
 Short-term (monthly / quarterly)	Incubatee fees, specialized infrastructure usage (product development / testing), training programs – varies with Tier 1 vs Tier 2/3 city location
 Medium-term (yearly)	Surplus from project grants, project management fees, consulting revenue, services to other stakeholders
 Long-term	Equity investment exits from investee startups, dependent on investment type and startup growth trajectory

The incubator team must strike a fine balance between financial sustenance and its core incubation objectives. Over-emphasis on revenue maximization can be detrimental to the startups receiving support; conversely, insufficient financial stability limits the incubator's ability to attract and retain talent to run its operations.

REMEMBER

- ✓ Financial sustainability should be planned from the outset through diversified revenue streams, with core incubation activities remaining the primary source of long-term value.
- ✓ A financially sustainable incubator balances revenue generation with its core mission of enabling startups, ensuring that commercial objectives do not compromise founder support.

06

Measuring Performance and Impact

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An incubator's vision and mission define what it seeks to achieve and provide the basis for setting its objectives. These objectives, in turn, determine the metrics used to assess its performance. Accordingly, an incubator's performance should be evaluated by how effectively it translates its vision and mission into measurable results. Through its resources, programs, and interventions, an incubator is expected to create meaningful outcomes that result in longer-term economic, technological, and societal impact.

6.1

What should an incubator measure?

Based on its vision/mission and operating context, the incubator can come up with specific objectives that are to be achieved. For each objective, incubator can choose relevant metrics. Table below provides a range of objectives and metrics that may be used to measure incubator's performance.

TABLE 6.1 Objectives and corresponding metrics to measure incubator performance

OBJECTIVE	INDICATIVE METRICS	
Entrepreneurship Development	■ Individuals exposed to entrepreneurship programs ■ Participants completing pre-incubation/entrepreneurship programs	■ Ideas generated and validated ■ Participants progressing from interest to entrepreneurial action ■ Founder competencies developed
Startup Creation and Growth	■ Startups admitted/incubated ■ New startups incorporated ■ Startups graduating from incubation	■ Startup survival rate ■ Revenue growth of incubated/graduated startups ■ Follow-on funding raised
Innovation and Commercialisation	■ Prototypes/products developed ■ Technologies validated ■ IPR applications filed/granted	■ Products/services commercialised ■ Revenue generated from commercialised technologies
Access to Resources, Funding and Markets	■ Startups using laboratories/infrastructure/shared facilities ■ Mentor/expert engagements ■ Investor connections facilitated ■ Startups receiving grants/investment	■ Total funding facilitated/raised ■ Customer/industry connections created ■ Pilots/PoCs facilitated ■ Market-access partnerships
Employment and Economic Value Creation	■ Direct employment generated by startups ■ Revenue generated by incubated/graduated startups	■ Startup valuation ■ Successful exits/public listings/acquisitions
Ecosystem Development and Societal Impact	■ Industry/academic/government collaborations ■ Mentor, investor and expert network developed ■ Solutions addressing societal/environmental challenges	■ Indigenisation/import substitution achieved ■ Recognition and leadership in the entrepreneurship ecosystem

The relative importance of these objectives may vary according to the incubator's mandate, target beneficiaries, sector, geography, institutional context and stage of development.

6.2

The Input-Output-Outcome-Impact (IOOI) Framework

While the previous section described what an incubator may measure, the Input-Output-Outcome-Impact (IOOI) framework provides a structured way to organize these metrics along the incubator's value-creation journey.

FIGURE 6.1 The IOOI Performance Measurement Framework

INPUT → OUTPUT → OUTCOME → IMPACT (IOOI) FRAMEWORK

1 INPUTS	2 OUTPUTS	3 OUTCOMES	4 IMPACT
Infrastructure	Occupancy	IP filed	Jobs created
Process	Startups onboarded	Follow-on funding	Startups scaled
Resources	Products developed	Revenue	Societal contribution
<i>(space, mentors, funding mechanisms, partnerships)</i>	<i>(immediate, measurable results)</i>	<i>Graduations (medium-term results)</i>	<i>(long-term, sustained ecosystem impact)</i>

I Inputs

- **Infrastructure metrics:** total incubation space, facilities and equipment, maximum admissible start-ups
- **Process metrics:** selection criteria, stage of admission, evaluation process, gestation period from application to admission
- **Resource metrics:** services offered, mentors and domain experts engaged, management-team expertise, funding mechanisms, and partnerships

II Outputs

- Occupancy and utilization of infrastructure and resources
- Startups on boarded annually and their distribution across lifecycle stages
- Products or technologies developed, mentor / expert engagement levels
- Startups receiving funding support; capacity-building programs and events conducted

III Outcomes

- Products or technologies commercialized; utilization of sanctioned funds
- Follow-on funding raised; IPRs filed and granted
- Industry / academia collaborations established
- Revenue generated by the incubator and by incubated start-ups
- Startups successfully graduated

IV Impact

- Startups aligned with national missions and priority sectors
- Startups scaled in market presence, valuation, or public listing
- IPRs commercialized; direct and indirect employment generated
- Funding raised post-graduation; contribution to government exchequer
- Societal challenges addressed; indigenization / import-reduction outcomes
- Awards and recognition; survival rate of graduate start-ups; M&A involving incubated start-ups; regional, national and international collaborations

6.3

Maturity-Based Metric Selection

The relevance and emphasis of performance metrics should evolve as an incubator matures. A newly established incubator can't be expected to demonstrate outcomes and impact similar to an established incubator. The following table provides stage-wise relevant metrics and expected performance focus.

TABLE 6.2 Metrics for Assessing Incubation Impact

STAGE	FOCUS	METRICS THAT MATTER	EXPECTED PERFORMANCE
 Developing Incubator	Inputs to Outputs	Infrastructure and facilities established: incubation team, mentors, expert network, partnerships, funding, startup applications, infrastructure, program design.	In this stage, the incubator is expected to establish systems, processes and startup pipeline required to deliver effective incubation.
 Growing Incubator	Outputs to Outcomes	Number of graduated startups, products commercialised, IPR filed/granted, pilots, startup revenue, funding secured by startups, employment generated.	In this stage, incubator has translated its support into measurable progress for startups.
 Mature Incubator	Outcomes to Impact	Startup survival and sustained growth, wealth creation by startups, successful exits/listings/acquisitions, contribution to regional/national priorities, ecosystem leadership	In this stage, incubator is expected to create enduring economic, technological, entrepreneurial and societal value through incubated startups.

CAUTION

Imposing identical numerical targets on all incubators is not recommended either. Targets should be determined using the incubator's baseline, maturity, mandate, resources, geographical location, sector and ecosystem context.

REMEMBER

- ✓ **Measure what matters:** Performance metrics should flow from the incubator's vision, mission and objectives rather than from a standard checklist of indicators.
- ✓ **Measure the full value-creation journey:** Use the Input-Output-Outcome-Impact (IOOI) framework to move beyond counting activities towards assessing meaningful outcomes and long-term impact.
- ✓ **Measure according to maturity:** The emphasis of performance measurement should evolve as the incubator develops—from inputs and outputs in the early stages towards outcomes and impact as it matures.

Closing Remarks

There is no single blueprint for business incubation. What works for one academic institution may not work for another. This playbook presents the essential building blocks of a successful incubator while leaving room for institutions to creatively design and evolve incubation models that reflect their unique context. Every incubator must respond to its institutional strengths, regional ecosystem, and the evolving needs of the entrepreneurs it serves.

What remains constant across all successful incubators is their purpose: creating the conditions in which entrepreneurs can thrive. Visionary leadership, strong institutional foundations, thoughtfully designed programs, meaningful mentoring, financial sustainability, and a commitment to continuous learning together form the foundation of effective incubation.

Business incubation is itself an entrepreneurial endeavour. As innovation ecosystems continue to evolve, incubators must remain agile, collaborative, and founder-centric. They must embody, in both mindset and practice, the very entrepreneurial principles they seek to instill in the startups they support.

Ultimately, the success of an incubator should not be measured solely by the number of startups it houses or the funding it facilitates, but by the lasting value it creates for entrepreneurs, institutions, and society.

We hope this playbook serves as a valuable companion for incubation leaders, practitioners, policymakers, and academic institutions committed to fostering meaningful innovation, entrepreneurship, and entrepreneurial ecosystems.

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NIDHI Secretariat National Initiative for Developing and Harnessing Innovations (NIDHI) is an umbrella programme conceived and developed by the Technology Translation and Innovation (TTI) Division, Department of Science & Technology, Government of India, for nurturing ideas and innovations (knowledge-based and technology-driven) into successful startups. NIDHI Secretariat is led by: Sh. Praveen Roy, Head, TTI & Scientist 'G' Dr. Rajiv Kumar, Scientist 'F' Dr. Ravinder Gaur, Scientist 'F' Dr. Pramod S., Scientist 'D' Sh. Shardul, Scientist 'C' Dr. C S Yadav, Scientist 'C'



The Confederation of Indian Industry (CII) works to create and sustain an environment conducive to the development of India, partnering Industry, Government and civil society through advisory and consultative processes. For more than 130 years, CII has been engaged in shaping India's development journey and works proactively on transforming Indian Industry's engagement in national development. CII charts change by working closely with the Government on policy issues, interfacing with thought leaders, and enhancing efficiency, competitiveness and business opportunities for industry through a range of specialised services and strategic global linkages. It also provides a platform for consensus-building and networking on key issues.



Registered under the Societies Registration Act, 1860, the Indian STEPs and Business Incubators Association (ISBA) is India's apex network connecting 200+ business incubators and accelerators. Established in 2004, ISBA collaborates closely with central and state agencies tasked with advancing incubation and innovation across their respective departments and regions. Through capacity building, policy advocacy, and cross-institutional synergy, ISBA strengthens the institutional backbone supporting technology commercialization and startup growth nationwide.

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