

Kerala Creating an Eco System For Startups....???

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ABSTRACT

Business incubation is a business support process that accelerates the successful development of start-up and fledgling companies by providing them with an array of targeted resources and services. Business Incubation is provided by an organization. This organization or center is known as business incubator. The business incubator provides shared office space, management support services and management advice to entrepreneurs. Startup Incubators in Kerala are proving to be a boon to the startup ecosystem. As the Government pushing all the right buttons towards fostering an ecosystem that boosts entrepreneurial growth, the organizations meant to support startups, called startup incubators occupy a central space in today's digital economy. They regenerate public confidence in entrepreneurship and help create an entrepreneurial environment. Kerala provides a favorable ecosystem for the startups through its Business Incubators. Business Incubators provide an environment equipped with all facilities for the startups. As a result, the number of startups having sustained growth and clear business model tends to be around thousand in Kerala.

Key words: Business Incubation centers, Startup Incubators, Startup eco system

INTRODUCTION

Unemployment is a growing global phenomenon and virtually every country in the world is struggling to cope with it. In India, it has reached serious proportions and there is an urgent need to address this problem effectively. The small-scale sector has been a major contributor of employment generation in India. Entrepreneurship, self-employment and enterprise development can thus provide a solution to the crisis of both unemployment and poor economic growth. far as a new business is concerned, it is difficult to survive. In the initial stage of a business, the entrepreneur has to bear many risks. During the start up stage, new

businesses in general and small businesses in particular are most vulnerable. The problems experienced by the entrepreneurs can be partially solved through a process called “Business Incubation”. Thus, for many startup companies’ business incubation is an ideal initial location. The idea is to help the new ventures during their first 2 or 3 years or so, until they have grown enough to stand on their own legs and join the normal business world.

OBJECTIVES

The main objectives of this paper is

- To identify the assistance and benefits provided by business incubation centers to startups in Kerala
- To identify the growth of startups with the assistance of business incubation centers in Kerala
- To identify the important areas of operation of startups in Kerala.

SIGNIFICANCE OF THE STUDY

All the available information indicates that educated unemployment in Kerala has assumed alarming proportions in recent years. Even if they started an enterprise of their own, these entrepreneurs face numerous challenges and new ventures have a very high failure rate. An effective framework to identify the problems of startup firms and provide solution to these problems with a view to successfully nurture them is “business incubation”. It is against this background, here is an attempt to highlight the importance of business incubation centers for promoting entrepreneurship. The scope of this study is to explore the role of business incubation centers in facilitating the process of entrepreneurship in Kerala. The study is based on the secondary data related to business incubation centers.

METHODOLOGY

Secondary data from various published sources and websites are used for this study.

REVIEW OF LITERATURE

Allen and Rahman (1985) asserted that management problems, under capitalization and lack of business skills hamper survival rates among new ventures and this is where the incubator facility plays a key role by providing the assistance that fills the knowledge gaps, reduces early-stage operational costs such as rent and service fees, and establishes entrepreneurs in a local enterprise support network.

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