



7.6. STAKEHOLDER ENGAGEMENT

7.6. Stakeholder Engagement

The State's Startup ecosystem will grow organically by engaging and empowering its key players such as the Incubators, Mentors, Investors, Academic and Research Institutions, Government Departments, Industry Forums and other Startup enthusiasts.

7.6.1. Incubators & Accelerators

Tamil Nadu has one of the largest Incubation ecosystems in the country. Spread across sectors and regions, the role of Incubators in supporting early stage Startups is very important. The Government will support the incubation ecosystem in the following measures:

7.6.1.1. Scaleup Incubator

A Certified Incubation Management Training program branded as 'Scaleup Incubator' for Incubation Centres' CEOs and Managers covering modules that will enhance the operational strategy of the organisation will be provided by the State Government. This program will bring all the Incubation personnel under one roof for cross learning and provide an opportunity for networking with Incubation experts. A Scaleup grant based on a clear deployment plan for capacity building will also be provided to potential incubators at the end of the training program.

Realising the need to handhold potential incubators / accelerators / venture studios, StartupTN will create a Support Desk at its headquarters. A handbook for establishing and running Incubation Centres will be published by StartupTN. Incubators / Accelerators will be encouraged to form a networking forum under the StartupTN umbrella to share best practices and continuous learning through a dedicated web portal that will host Blogs and Videos of such Incubators.

7.6.1.2. Sandbox Incubators

More than 30% of the Tier II and III Cities still lack a formal structure for the Incubation Centre. To address this gap, Institutional Startup Circles (ISCs) as mentioned in the para 7.2.3 of this Policy will be established every year. Based on their annual performance, selected ISCs will be provided with an establishment cost of INR 50 lakh to set up Incubation Centres. These Incubation Centres will be called 'Sandbox Incubators'. These Centres will be established with facilities to provide knowledge, validation, basic technology

and business model curation, collaboration and other basic support systems. These Centres will be supported further to receive follow-up funding.

7.6.1.3. TNIMM

Tamil Nadu Incubator Maturity Model (TNIMM) is a first of its kind initiative in the country to launch a self-assessment tool for the Startup Incubators established in the State. Tamil Nadu has got one of the robust Incubator ecosystems in the Country. Adding to the value provided by these incubators, the Maturity Model will help in identifying the best practices and create a self-awareness tool for the incubators to transform into process driven sustainable service models. Incubators will be assessed and categorised into five different bands based on their operational efficiency and year of establishment. The top performing Incubators will be recognized and provided an opportunity to become project implementation partners of StartupTN.

7.6.1.4. Centralised Incubation Facility

Considering the need for a State owned Incubation facility to offer services at a subsidised cost, the Government of Tamil Nadu will establish an Incubation Centre in Chennai, with a dedicated team. The facility will house Startups by providing Co-working space and a state-of-the-art Innovation Centre. Apart from the Co-working space, the State owned Incubation Centre will facilitate the following:

7.6.1.4.1. Technology Transfer Office (TTO)

The new Incubation Centre will host a Technology Transfer Office. The TTO will aid in spin-off companies based on technology developed by R&D institutions. This facility will indirectly promote and monetise the IP generated. The State R&D Policy facilitates support of conducting Capacity Building programs for R&D Professionals to establish TTOs and its procedures.

7.6.1.4.2. Industry Round Table

With the prime objective of creating synergy in the ecosystem, this unit will have representatives of major players/associations in the Startup ecosystem at the State, National and International levels. The Round Table will help to roll out the common initiatives of these stakeholders with better reach, access and help to scale up the Startups.

7.6.1.4.3. NextLeap Initiative

Under this initiative, the Government of Tamil Nadu will partner with leading B-Schools for the formulation of subsidised, short-term courses on 'New-Age Management Practices'. StartupTN through this partnership will run multiple courses in different domains and at different stages. It will be delivered through an interactive classroom for Startups that have attained a certain level of traction. These Startups will be connected one-on-one with mature mentors to take their ventures forward through the MentorTN platform.

7.6.1.5. Corporate Incubators

StartupTN will establish partnerships with existing Corporate incubators / accelerators and also promote the Corporate incubation concept to large MNCs and encourage them to establish the same. This facility will help Startups to collaborate with Corporates. The Open Innovation Portal will develop a pipeline for Corporate Incubators. These facilities will be established through the CSR funding of Corporates and Large Industries. Corporates will be encouraged to set up Incubators in Co-Creational models with academic institutions in under-represented Tier II & III Cities of the State.

7.6.1.6. Accelerator program

Both early stage and scaling Startups require dedicated handholding support. Accelerator programs which typically last for three to six months will provide domain specific mentorship and shared resources with possible financial backing at the end of the program. During the Financial year 2022-23, the Government of Tamil Nadu supported 100+ Startups through the Accelerator program. Gathering feedback and effective implementation of the program coupled with Startups commitment, the Accelerator programs will be linked with the TANSEED funding process. StartupTN will design thematic Accelerator programs in association with Industry experts and link them with its funding initiatives. Exclusive accelerator programs will be conducted for Women-led, and Green Tech Startups. Every year a minimum of 100 Startups will be part of this initiative.

7.6.1.7. FPO Business Model Innovation Accelerator Program

This first of its kind initiative aims at improving the capabilities and profitability of Farmer Producer Organizations (FPOs) in Tamil Nadu through exclusive accelerator program for them. The program will be built on a capability

maturity model that assesses the strengths and weaknesses of FPOs across different levels. Selected FPOs will receive training and support in areas such as mentorship, financial management, governance, and marketing, as well as business intelligence tools to aid them. The program also focuses on the adoption of new technologies and encourages innovation in the sector. The involvement of Startups in the FPO Accelerator program is the key component of the initiative. Startups will be selected based on their expertise in areas such as agricultural technology, supply chain management, marketing, and financial management among others. They will work closely with FPOs over a period of two years to provide mentorship, training, and hands-on support. This partnership will help FPOs to adopt new technologies and business models, improve marketing and branding, and increase their transactions with buyers and suppliers. The Startups' involvement will bring new perspectives, skills, and resources to the FPOs.

7.6.1.8. Cross Border Accelerator Program

The State Government in collaboration with Amercian Tamil Entrepreneurs Association (ATEA) has set-up a Digital Accelerator Program under 'Yaadhum Oorae' program. The aim of this accelerator program is to attract Startups in the U.S and India to either relocate or expand their business operations in Tamil Nadu. Apart from mentoring services, the program will facilitate funding through Seed Investors and VCs for Startups. This initiative will primarily support emerging technologies like AI, Industry 4.0, Block Chain, Cybersecurity, Smart mobility, EV, Advanced Manufacturing, FinTech and other deep tech Innovations from Biotechnology, Healthcare, Chemicals, Textiles, Electronics and IT/ITeS. The first cohort was successfully implemented by Guidance Tamil Nadu in which INR 2.5 crore has been disbursed to 4 Startups. This program will be carried out to attract more Startups to create value in Tamil Nadu.

7.6.2. Sectoral Forums

The Government of Tamil Nadu will be working on initiatives concentrating on Sectoral Startups. For this purpose, 30 sectors and additional sub-sectors have been identified. A dedicated team will be formed for sectoral initiatives. It is aware of the need for niche platforms for every sector to share knowledge and to mutually offer technical and business mentoring support. Each forum will have a battery of stakeholders - Startups, R&D centres, academia, incubators, industry players, mentors, investors, policy makers and Government Departments. Each

forum will create a sector specific data repository that includes finer details of support services along with beneficiaries and support providers. This repository will be made public on a need basis for the benefit of the Startup community.

The functions of the forums will be governed by a core member group. This core member group will be renewed annually. The sectoral Startups through this forum will be supported from a larger perspective and will also include the following:

-  Assistance in identifying market opportunities and supporting new entrants in the sector.
-  Enhance peer learning through networking and other engagements and activities.
-  Global partnerships and collaborations for market and fund access.
-  Offer input and suggest necessary interventions for policymakers for the benefit of the Startup ecosystem.
-  Create a dedicated mentor pool and create strategic partnerships with sector specific interventions.
-  Stay updated on sector specific technologies and explore cross domain opportunities.
-  Leveraging the benefits announced by existing State's policies such as Industrial Policy, 2021, FinTech Policy, 2021, R&D Policy, 2021, Aerospace and Defence Policy, 2022 Life Sciences Policy, 2022, Electric Vehicle Policy, 2023, etc.

7.6.3. Creativity Hubs for Startup Engagements

Various Industrial clusters have been propelling conventional business models. Creativity Hubs will enhance innovation in young minds by associating with Industrial clusters and intervening with the latest technologies. A minimum of five industrial clusters in the State will be identified to establish such Hubs in related Academic institutions where Start STEPs and Startups will be engaged to develop transformative innovations / business models that can be commercialised through Industrial clusters.

7.6.4. MentorTN

Mentorship plays an important role across all stages of a Startup's progress. Therefore the Government has launched a program named MentorTN in December, 2022. MentorTN is a portal that brings together Startups and experienced professionals in diverse sectors who are willing to share their experiences. So far more than 200 experts have been onboarded as Mentors. StartupTN will expand the number of Mentors and will strive to increase the number of Startup-Mentor interactions during the policy period. This will function as a hybrid model with a strong inbuilt feedback mechanism.

7.6.5. Centres of Innovation

Sector specific Centres of Innovation will be established to encourage innovation and obtain industry endorsement through pilot projects. The Sectors on focus for establishing Cols are RuralTech, ClimateTech, AgriTech and MarineTech to start with. Private institutions will be encouraged to establish these Cols and the Government will bear up to 40% of the project cost. In addition to the above, as outlined in the State's Industrial Policy, 2021 and R&D Policy, 2022 a Research and Technology Fund of INR 100 crore has been proposed to support R&D and Technology adoption in sunrise sectors and INR 150 crore to fund R&D activities in the private sector respectively.

7.6.6. Native Economic Forum

Realistically understanding the production and consumption patterns of each district and channelling the local resources into this value chain will strengthen the local economy. Startups often migrate to explore new fortunes failing to identify local opportunities. To identify and make the localites understand the business opportunities present, Native Economic Forums will be formed to encourage regionally established businesses and industrial associations. These forums will create an emotional connection between the young generation and established businesses. StartupTN Regional Hubs will spur this initiative among the localites and connect them with National / Global opportunities towards the goal of establishing a well built Startup ecosystem.



Sectoral Forums



7.7. EQUITABLE GROWTH

7.7. Equitable Growth

To facilitate inclusive and equitable progress amidst the rapid digitalisation and globalisation in Tamil Nadu, the government has taken various measures to support risk-taking and maintain social-economic protection. The state is committed to implement schemes across the geography to provide resources and workspaces while ensuring inclusion in business. The core values of equitable progress are at the heart of the Government of Tamil Nadu's initiatives. The government is particularly keen on promoting women entrepreneurs and providing them with opportunities to showcase their entrepreneurial spirit. In addition, the state is taking first-of-its-kind initiatives to promote cohesion among founders from marginalised communities such as SC/ST, differently-abled individuals, and trans people. By promoting inclusivity and diversity, the government aims to position Tamil Nadu as a model state in the country.

7.7.1. Regional Hubs

To establish a thriving and inclusive Startup ecosystem across the State and to ensure easy accessibility of its services to the stakeholders, the Government of Tamil Nadu penetrated its reach to Tier II and III Cities by establishing Regional Hubs. StartupTN established the Regional Hubs in Madurai, Erode and Tirunelveli. These hubs hosted student programmes, pitch events, hackathons and other flagship programmes of StartupTN at the regional level. The events feature the brightest minds of the local Startup ecosystem. Startup ecosystem stakeholders associate themselves with the Regional Hubs to spread the spirit of entrepreneurship in their respective regions and also help existing Startups to script their success stories. With the aim of expanding this initiative, additional Regional Hubs will be established in the State, supported by the regional stakeholders. Further, the Government has identified a need to promote technological innovations in Agriculture in Tamil Nadu, as agriculture contributes 13% to the state's GSDP and employs 40% of the total workforce. In this regard, StartupTN will establish an exclusive Regional Hub in the delta region that will focus on agri-tech.

7.7.2. Social Justice Venture Lab

The Tamil Nadu SC/ST Startup Fund as referred in para 7.3.2.1. is a pioneering investment fund aimed at promoting equity investment for Startups founded and led by entrepreneurs from the Scheduled Caste and Scheduled Tribe communities (SC/ST). To provide special attention to such Startups, StartupTN will establish the Social Justice venture Lab, a hybrid platform that assists SC/ST founders in validating their solutions right from the early stage, identifying and



utilising technology, building a team for scaling, receiving mentorship, and obtaining regulatory support. The Venture Lab will also serve as a pipeline for potential beneficiaries of the TN SC/ST Startup Fund. The program will provide tailored workshops and guidance to help entrepreneurs face investors confidently and connect with the market. Additionally, the Venture Lab will offer intensive post-investment support services to the companies that have received funding through the Tamil Nadu SC/ST Startup Fund.

7.7.3. Women Scaleup Centres

During the policy period, the Government of Tamil Nadu aims to make the State the leading destination for women-led Startups. Tamil Nadu is already the top state in the country for women entrepreneurship. In order to address the challenges faced by women entrepreneurs in accessing adequate resources, timely credit and marketing their products, the Government announced the formation of an exclusive Startup Mission for Women, under the Tamil Nadu Women Development Corporation in Budget 2023-24. While building a supportive ecosystem for women entrepreneurs in Tamil Nadu, the proposed mission will focus on providing financial assistance and technical support to Women-led Startups, besides guidance and mentorship. A Women Scaleup Centre will be established as an exclusive scale up support centre for women innovators. A dedicated area will be earmarked in the upcoming StartupTN premises to establish the Centre with a women friendly atmosphere and facilities. The culture and programmes of the centre will be designed with an understanding of the unique problem areas of women who are aspiring to break the barriers to innovate and scale. In addition, the Tamil Nadu Government in its G.O.(Ms.) No. 87 Micro, Small and Medium Enterprises (A) Department, Dated 26.12.2022, has released a special package of assistance for Women-led Startups. The special package includes financial assistance to Women-led Startups under TANSEED with assistance of INR 15 lakh and 25% of the total TANSEED beneficiary is earmarked to Women-led Startups. Additionally, exclusive co-working spaces in state supported incubation centres will be earmarked for Women-led Startups. These facilities will be made available with rent and membership free of cost for the first year, subject to a maximum subsidy of INR 2 lakh. Apart from the financial incentives, mentorship support through Women who had run a business or were earlier in top executive positions in a corporate will be facilitated. An exclusive annual acceleration program will be conducted for Women-led and FemTech Startups.

7.7.4. Trans People-led and Differently Abled-led Startups

With the objective of making the Tamil Nadu Startup Ecosystem democratised in letter and spirit and helping the State go up the ladder in realising Social Inclusion, special attention will be given to promote Startup entrepreneurship by trans people and by the differently abled. Accessibility and inclusivity will be at the heart of all financial and facilitation services offered by StartupTN. The special measures in this regard will include the following for the benefit of trans people and the differently abled:

-  Startups promoted by trans people and the differently abled which have failed to raise funds from mainstream sources will be identified and 10 such Startups will be given a grant-in-aid of INR 5 lakh in addition to giving them special attention in TANSEED program.
-  Special mentorship and free incubation and acceleration programs will be offered.

8. POLICY PERIOD

This Policy is valid for a period of 5 years from the date of its notification or till a new policy is formulated.

9. ADVISORY BOARD

For the successful implementation of this Policy, an Advisory Board will be formed that will guide through the Seven Determinants. The advisory board will be constituted with representation from prospective Startups, Investors, Mentors, Incubation Managers, Domain Experts, Government, Media, Industry Forums, Corporate Establishments, representatives from Women, and SC/ST forums and other eminent Stakeholders in Tamil Nadu. This heterogeneous group will meet biannually to discuss the Policy outcomes and suggest strategies that can be evolved from time to time and will assess the implementation guidelines, considering prevailing socio-economic trends. This will enable the Advisory Board to guide and suggest new initiatives for the new Policy in the upcoming years.



Tamil Nadu Startup and Innovation Mission

Department of Micro, Small and Medium Enterprises

EDII Campus, Hindustan Teleprinters Staff Quarters,

Parthasarathy Koil Street,

SIDCO Industrial Estate, Guindy,

Chennai - 600 032



StartupTN