

AN EXPLORATORY STUDY OF GOVERNMENT AIDED BUSINESS INCUBATORS COMMITTED TO DEVELOP ENTREPRENEURSHIP AMONGST MILITARY VETERANS, IN PUNE REGION

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Abstract

Every Nation looks forward to wealth creation and prosperity through Enterprise and thereby also increasing employment. India has a high level of Unemployment and needs more Entrepreneurs establishing new Enterprises. Military Veterans carry special traits, experience, technical expertise, and management and administration skills which can be suitably channelized for Entrepreneurship. Many developed nations, have implemented a policies for committed efforts to germinate the idea of Entrepreneurship in the minds of 'Military Veterans', to mould these special traits towards training them towards Entrepreneurship. This policy has been largely successful. The initial problems of the Military Veterans into Entrepreneurship can be eased out by making available incubation facilities catering for their special requirements. This study is an exploratory study of the Incubation facilities which are organised or aided by the Government. The study also aims to find the availability of facilities and programmes which support such transformation of Military Veterans into successful Entrepreneurs. The study is carried out in Pune industrial region.

KEYWORDS :Military Veterans, Entrepreneurship, Business Incubators.

1. Introduction

"...the Eight principles of our Military training are the same principles that are essential for being a successful Entrepreneur ..."

Kiyosaki, Robert T.(2015), *8 Lessons in Military Leadership for Entrepreneurs*(p.2)1

1.1. The Indian Soldier.

Indian military, is one of the largest in standing military in the world. It employs its soldiers and officers at a very young age. After undergoing the basic military training, the soldiers are further trained for respective trades useful in the Army, Navy and Air Force. Training remains the backbone of their military service. A soldier continues to get trained for higher trade skills, for latest technology acquired and towards other aspects.

The Military also retires or releases this trained force at a relatively younger age. A soldier, who has joined at a young age of 17, can retire after a colour service of 17 years. The Standing Committee of Defence, in its report on "*Rehabilitation of Soldier*" has observed that the military retires nearly 60000 soldiers per year consisting of all ranks, in the average age bracket of 35-45. Thus the majority of soldiers retire at an age when their peers in the other vocations are in their 'Mid-Career' stage.

The Military Veteran, brings with him specific military traits, a huge experience, management and administrative skills, and technical knowledge. He has various options to rehabilitate and explores the best 'Second Career'.

1.2. Indian Economy .

The economy of the country has been flourishing during the past years and the GDP has shown a continuous growth. This implies a growth in the industrial activity and employment. However, one of the major problems in the country is the rise in unemployment. The ILOSTAT database, of the International Labour Organisation, retrieved in Sep 2018 as published by The World Bank claims the unemployment in India to have touched 3.523% in the year 2017³. Though it has reduced from the year 2005 where the unemployment was 4.4%. Vyas, Mahesh in his article “*Sharp increase in Unemployment Rate*” published on the website of Centre of Monitoring Indian Economy (CMIE) on 27 Feb 2018 claims that nearly 31 million Indians are currently unemployed⁴.

Such unemployment and underemployment is a universal problem with the only solution being creation of additional jobs through Entrepreneurship.

1.3. How developed Countries Create additional enterprise.

The need for more Enterprise was also perceived in the developed countries. More Enterprises are essential for creation of more jobs, more wealth and prospering the economy. In these countries, Entrepreneurship is thus taken as a virtue, probably next to patriotism. The developed countries view their Military Veterans as a resource towards starting new Enterprise. The special military traits, administrative and management skills, and the technical knowledge which the Military Veterans gain during their service are taken as assets and are studiously transformed into business acumen. Israel, USA, UK, Singapore, etc and many other nations have successfully adopted this policy. These countries germinate the idea of Entrepreneurship in their Military Veterans through many Incubators including Business Management courses run in Colleges, Universities and even the Training Academies. They prospective entrepreneurs are offered incubation facilities to overcome initial problems which most of the entrepreneurs face. This policy adopted by the developed countries has certainly been successful. In the USA alone, 45% of the veterans are likely to be self-employed. In 2014, the US Veterans were estimated to own more than 2.4 million small businesses providing 8,15,000 jobs to fellow Americans and earning US\$ 1.14 Trillion in Annual Revenue⁵.

2. Literature Study

A large literature is available on Business Incubators through books, publications, Research work etc. A fair amount of literature is also available on Business Incubators touching specific professions or regions. However very less literature is available on Indian Business Incubators supporting Military Veterans.

2.1. History of Business Incubators. The first Business incubator was established in Batavia, N.Y., in 1959 named ‘BATAVIA INDUSTRIAL ESTATE’. It is believed that since one of its tenants was a poultry producer involved in incubating chickens, it brought the name ‘Incubator’. The Business Incubators started gaining popularity in 1980s. The fragility of the start-ups during the initial years made the concept of Business Incubators more popular.

2.2. Definitions. The NATIONAL BUSINESS INCUBATION ASSOCIATION defines a Business Incubator as ‘A catalyst tool for either regional or national economic development.’

The CAMBRIDGE DICTIONARY defines Business Incubators as ‘An organisation that helps people to start new companies, especially ones involved with advanced technology’.

2.3. Role of Business Incubators and Assistance they provide. The Role of a Business Incubator is to provide budding Entrepreneurs with controlled and protective environment and help them gain strength during their initial years.

Generally, a Business Incubator was considered to be a workplace created to offer start-ups and new ventures access to the resources needed, all under one roof. In addition to the working desk or office, they provide access to Expert Advisors, Mentors, administrative support, office equipment, training and /or potential investors.

However the role given to the Business Incubators kept expanding as Entrepreneurship kept expanding and more enterprises got created.

2.4. Expansion of the Role. Allen David N. and Syedur Rahman(1985)⁶, further opined that the Business Incubators should assist in filling knowledge gaps. Birley, Sue, (1985)⁷ substantiated their opinion and also advocated that the Business Incubators should provide support for finance, advice, information and reassurance.

Smilor, Raymond W., (1987)⁸ listed that the contributory factors to Business Incubator management are as follows:

- a. Entrepreneurial Education
- b. Concise Program with clear policies and procedures
- c. Tie-up with an University
- d. Entrepreneurial network
- e. On-Site Business Expertise
- f. Access to Financing and Capitalisation
- g. In-kind Financial support
- h. Community Support

All these contributory factors to an incubator indicate that it also has a role to play in educating the budding Entrepreneur while ensuring that the idea is protected, nurtured further and expanded despite the initial turbulence the start-up faces.

2.5. Classification and types of Business Incubators. Grimaldi , R. and Grandi (2005)⁸ classify the Business Incubators in these following categories :

- a. Business Innovation Centres
- b. University Business Incubators
- c. Corporate Private Incubators
- d. Independent Private Incubators

Thus the type of Business Incubators depending on the facilities and support offered to the new Entrepreneurs would be :

- a. Entrepreneurship Development Incubators
- b. Technology Business Incubators (TBI)
- c. Finance Incubators
- d. Space Incubators

3. Study

Many developed countries have successfully re-trained and re-furbished their Military Veterans to become Entrepreneurs through providing them supportive facilities through Incubators. These Veterans play a major role in the economy of these countries. The model adopted by developed countries has been found to be highly successful. The replication of such model in India can reduce the existing unemployment and further flourish the economy.

The Indian Military Veterans can also be moulded and nurtured so that the skills imbibed during their military service can be modified and re-shaped to handle Entrepreneurship. This exploratory study of the existing government aided Business Incubators in the Pune region was conducted to highlight such Veteran-specific transformational activity.

3.1. Scope And Limitation

3.1.1. Scope. This is an exploratory study where the authors intend to find the contributory government aided Business Incubators endeavouring to build entrepreneurship in Military veterans studying the germination, nurturing and initial support activities . This study could help the

Government agencies in formulation of their policies and by Military Veterans too can make use of the existing facilities and exploring such facilities in their regions. The information about the facilities and their assistance was collected through studying the information, visiting Government run/supported Incubation Centres, and meeting the officials. The findings are thus limited to the survey of needs fulfilled by the existing Business Incubators.

The scope of the study is limited to the Government run/supported Business Incubation facilities in Pune region for conduct of study. Pune is a unique region. This region boasts of many Military Installations and has a large population of Military personnel. Pune is also an important Industrial and Business centre. Large MNC and Indian Engineering, Auto and Auto components manufacturing companies, food processing, IT and ITES companies are present in the Industrial belt. Pune is also an educational hub of the country. To cater to these needs, there are many Business Incubators which have come up in this industrial region. Pune region is also an important industrial and business centre. It has a developed infrastructure and has Industry friendly atmosphere. It is thus popular a popular destination amongst all types of Entrepreneurs. It has a high density of Enterprises – large, medium and small, and the number is rising everyday.

Pune is also popular amongst the Military Veterans. Pune and its neighbouring cities house a large number of Military installations where a large number of Service personnel are posted. Pune region fulfils all requisites of the study and was hence considered.

3.1.2. Limitation. Considering the imbalanced geographical growth, such facilities may not be available throughout the country. Growth of a large number of industries and businesses has also given rise to opening of many Incubators in the region. The study restricts itself to the Government aided Business Incubators only.

3.2. Methodology. The authors, conducted the study after understanding the requirement of such facilities from the Literature review. The authors interacted with a large number of Military Veterans. They understood the requirement of their rehabilitation and also their aspirations to run their own enterprise. Since they had also interacted with some Military Veterans turned Entrepreneurs, they had glimpses of the start-up problems and explored what the government aided Incubation facilities could offer. Pune region is a stated popular choice amongst Entrepreneurs. This has also given rise to development of a large number Business Incubators. Governments - both State and the Central have put a major emphasis on establishing Business Incubators in this region. Private players as well as 'Not-for-profit' organisations have also established their Business Incubators in and around Pune, which ensures existence of all types of Business Incubators in the region. The initial survey was carried out after review of information published by such enterprises on the internet. It was supported by a study of e-publications, consultation with Academicians and Veteran Entrepreneurs. The members visited these Business Incubators and explored the facilities thereof.

4. Findings

4.1. Industrial Activity. Maharashtra is a leading Industrial State with high quantum of large, medium and small Enterprises. In terms of Pune region, it is a popular destination for individuals wanting to start or establish their Enterprise.

4.2. Choice of Military Veterans. Pune is a strategic military station from historical days. Many military establishments including military training centres are located in Pune and nearby cities and regions including Lonavala, Mumbai, Ahmednagar, Aurangabad, Nashik, Kolhapur etc. Thus it has a large number of serving military personnel. Many of these soldiers settle down in Pune after retirement. The military personnel who have stayed in Pune during their career also get exposed to the region's Business facet. Many choose it to be their destination for their 'Second Career' plans.

4.3. Business Incubators. A large number of Business Incubators have developed in this region. These Business Incubators support a spectrum of Entrepreneurship needs but chiefly focus on Technology development (TBI), financing and space. They are run either by the Government, or by Private or by 'Not-for-Profit' organisations.

The study group interacted with different incubator facilities. The findings are listed in the successive paragraphs:

4.3.1. Entrepreneurship Development Incubators. It has been brought out earlier that the developed countries studiedly transform the special traits of Military Veterans into entrepreneurial acumen. The germination of such an idea and transformation into Entrepreneurship and its further nurturing assumes importance so that the Military Veterans take it as a second-career option. Some disabled soldiers with whom the study group interacted expressed that their disability was a limitation in getting any job and for them, Entrepreneurship was the only option.

4.3.2. Diploma in Industrial Administration and Services. The Diploma course is conducted in the premises of Queen Mary's Technical Institute(QMTI) in Khadki, Pune. The diploma course is one of its kind and is conducted by the Savitribai Phule Pune University alongwith QMTI, Khadki and is especially constructed towards the soldiers disabled during their military lives. It has been an initiative of Prof (Capt) (Dr) Chandrashekhar M. Chitale, (Former, HOD, Department of Management Studies (PUMBA), Pune University and Dean Management Faculty, Pune University), and is being undertaken as a CSR activity of the University. This course specifically trains Ex-Servicemen. It is designed after keeping into consideration the special traits and requirements of the Ex-Servicemen and germinates and nurtures the spirit of Entrepreneurship. The Diploma in Industrial Administration and Services Management is awarded to the students on successful completion of the course by the Savitribai Phule Pune University.

4.3.3 Entrepreneurship Development Programme at Bombay Engineering Group Centre, Khadki. A large number of servicemen report to Bombay Engineering Group Centre , Khadki every month for completion of their retirement formalities. These are generally technically qualified in construction engineering and civil services .The technical acumen of these personnel in Military Technology can be easily channelized to the requirements of the civil world. Many of these individuals have an agrarian background and aspire towards Rural based Agro based businesses. A programme is conducted for such individuals every month to channelize their military education and skills other aspirations towards using their skills for building an Enterprise. The programme is developed to train them in various aspects of Entrepreneurship including Finance, Human Resource, Labour Laws etc and to germinate the idea of Entrepreneurship, offer guidance in their field of interest and advise them about various stages of Business. The participants also visit industries and agro based industries in towns around Pune.

4.3.4. Directorate of Industrial Training. Directorate of Industrial training is located in Mahatma Phule Agriculture College premises in Shivajinagar, Pune. It is one of the oldest Government Incubators offering courses in Entrepreneurial development. It conducts such course for 6 weeks duration regularly wherein selected participants are trained towards adopting entrepreneurship. It also conducts course in Educational Institutions for outgoing students. However, it does not conduct any courses specific to the defence personnel.

4.4. Technology Business incubators (TBI). Pune has experienced a large growth of Technology Business Incubators (TBI). These are run either by the Government or Private agencies or by 'Not-for-Profit' institutions. The Private, and 'Not-for-Profit' agencies mainly emphasise on training for Software and Mechanical Industries ,while some of the Government agencies are emphasising on providing training for other industries including non-traditional/ conventional Industries.

The Military Veterans having technical acumen may also opt to acquire knowledge through on-job experiences.

4.4.1. Venture Centre, National Chemical Laboratory, Pune. Venture Centre is supported by CSIR-NCR of the Government of India and specialises in providing Technical business incubation to mainly Chemical Industries. It supports the budding Entrepreneurs by expanding the business ideas through giving them advises, providing and supporting their technological knowhow, search financiers and provide them Business space. However there are no specific programs for Military Veterans and no veteran had made use of this facility.

4.4.2. Science And Technology Park, Savitribai Phule Pune University Premises. An attempt to bring the Academia and the budding Entrepreneurs together has led to establishing the Science and Technology Park in the Savitribai Phule Pune University premises. It is supported by NSTEDB, Department of Science and Technology, Government of India. It imparts training in Newly Emerging Technologies, including Renewable Energy and Clean Technology, Pharmaceuticals and Biotechnology, Agriculture and Food Processing etc. Many of the ventures can be successfully executed at Rural levels. The programmes run by the institution are qualification specific and even conducted in other educational institutions having special facilities. However, these have not found popularity with the defence personnel.

There are many privately run incubators imparting technical training and knowhow for Entrepreneurship in the fields of Computing, Information Technology (IT) and IT enabled services, Mobiles and Mobile Computing etc.

4.5. Financial Incubators.

Government Schemes and their Implementations. The Government announces many schemes and finances it through the Ministry of Finance controlled Financial Institutions, National Banks and Co-operative Banks. A study of literature towards such schemes on their websites and various e-articles and publicity material reveals that there are no major schemes specific to the defence personnel. However some schemes were available through Khadi and Village Industries Commission (KVIC) and National Bank for Agriculture and Rural Development (NABARD) for cottage and agricultural Entrepreneurship, which is routed through Director General of Resettlement. The authors carried out telephonic/ Personal interviews with Officials of SIDBI, Public and Co-operative Banks in the Manufacturing Hubs and Mercantile Hubs. The officials revealed that though the rehabilitation of Veterans was a noble activity, there were no special schemes for the Military Veterans' for entrepreneurship by the Ministry of Finance and the loan requirements would meet the same treatment as any other entrepreneur.

A military veterans' cooperative bank was approached. The Chairman expressed that the veterans are guided for business proposal through schemes undertaken by Ministry of Ex-Servicemen Welfare. The financial institution would preferentially sanction the loan proposals for Military Veterans.

One of the probable reason for these Entrepreneurs venturing for the traditional businesses like Security, Hospitality and Transport and not planning to venture into other sectors like manufacturing, technology etc (which requires higher initial investments) may be due to lack of funds and thereafter the Ex-Servicemen not upgrading the scale of enterprise is due to unavailability of Capital.

Venture capitalists and Angel Financers intending to finance Entrepreneur activities for Ex-servicemen could not be ascertained.

4.6. Space Incubators. Various Incubators run under the Government, Private, Non-Profit and Profit Making Space Incubators are offering Business spaces for new Enterprises. A study of the endorsement literature offered on the web pages revealed that most of the spaces run by the Private organisations were catering for IT and IT enabled services or non-polluting Industries. Spaces for

Engineering based businesses are also very popular. The following government incubators were visited:

4.6.1. Growth Lab. Growth Lab Business Space Incubator is the Business Space Incubator under Science and Technology Park, and is located in Bhosari. It is designed to provide Business Space for promising and innovative Entrepreneurs. It offers space for enterprises building Renewable Energy and Clean Technology, Pharma and Biotechnology, Agriculture and Food Processing alongwith IT and IT enabled services, Mobile Computing etc. It is also planning an expansion in Aundh. A visit to the Space Incubator revealed that the facility has not been subscribed by any Military Veteran.

4.6.2. Venture Centre, National Chemical Laboratory, Pune. Venture Centre also provides Infrastructure, Office Address, Plug and Play Office spaces, Lab Space Modules, access to technology support etc. However no Veteran has taken advantage of their programs.

4.6.3. Maha Sainik Industrial Estate. Maharashtra Ex-Servicemen Corporation Ltd (MESCO) is a State Government owned organisation. It has established Maha Sainik Industrial Estate (MSIE) at Bhosari Industrial Area, Pune. This project boasts to be one of its kind in India. The Business Space has been executed only for the Military Veterans offering 100 industrial workshop spaces to veterans, war-widows and their wards who are keen Entrepreneurs with the aim of nurturing the spirit of Entrepreneurship as well as to create re-employment for veterans as well as additional employment opportunities. In addition to the Industrial spaces, the additional central facilities offered are a Skill Development Centre, Centralised Management Consultancy, Common Facility Centre, Cyber Centre, Conference Hall, Exhibition Centre, Bank, Raw Material Storage facility, Canteen, First Aid Centre, Captive Power, Effluent Treatment and Sewage Treatment Plants etc. Availability of these and such facilities can cut down the administrative expenses by 50%. Col VV Jadhav (Retd), the project Director claims that this is the ideal establishment for executing 'Make in India Defence Production' projects. During its survey on Dec 11th, 2018 it was observed that 51 of the 100 industrial plots were occupied and were successfully carrying out production.

5. Conclusion And Recommendations

The Military Veterans retire at younger ages and bring with them myriad of Technical knowledge, Management and Administrative skills in addition to specific military traits. Being young, they also look forward to a 'Second- Career' option.

Developed countries make use of Military Veterans as a resource to studiously transform their knowledge and traits into creating Entrepreneurs after germinating the idea of Entrepreneurship and providing them incubation facilities during the early stages of Enterprise. These Veteran Entrepreneurs contribute more to job creation and a prospering economy.

This process can also be replicated in India for the Military Veterans. The veterans come from a different background but their acumen and skills can be translated Entrepreneurship.

Pune region has always been a forerunner and a leader in the Industrial Activities of the country. Considering the business needs of the region, many Business Incubators have developed in this region and are designed to support the Industrial needs. These Business Incubators are either Government run or sponsored or are run under Private ownership.

The study explored different Business Incubation facilities provided at by government organisations in Pune region and studied whether these Business incubators catered for the specific needs of the aspiring Military Veteran Entrepreneurs. A case wise deliberation of selected Business Incubators has been carried out.

The study revealed that due to the abundance of Industrial activity, and an existence of a considerable number of Business Incubators in the Pune region. It has proved existence of few Incubation facilities which are specific to Military Veterans which germinate, develop and support the entrepreneurial aspirations of Military Veterans. However, the technical and space Incubators which are accessible to

everyone do not cater for any special programs for veterans and thus have not been accessed by Military Veterans, which can be seen as an untapped resource.

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