

Courtesy this Village, Kerala's startup dream

Startup Village, the startup incubator launched in April 2012 in Kochi, has come a long way with nearly 5,000 eager entrepreneurs waiting for space to launch startups. SV receives more than 150 applications every month

Rajesh Ravi

FOUR years after Kerala started its incubator Start-up Village (SV) to promote IT startups, things have definitely taken a positive change in the state known more for its strong arm tactics against investors and entrepreneurs. While the state's proactive role in promoting startups with innovative ideas like Student Entrepreneurship Policy (SEP) has managed to build a momentum for an entrepreneurial culture in the state, the real challenge is to sustain this momentum, scale-up and become financially self-sustaining.

"Over the last five years, Kerala has seen a dramatic change in mindset

towards entrepreneurship. Today, doing a startup is an established concept with active support of government and opposition to create employment, knowledge and wealth for development in society development," Sanjay Vijayakumar, co-founder and CEO MobME Wireless and chairman of SV told *FE*.

The telecom startup incubator launched in April 2012 in Kochi has come a long way with nearly 5,000 eager entrepreneurs waiting for space to launch startups. SV receives more than 150 applications every month, which is

a far cry from the status before 2012. The state had only 20 startups in the period 2006-09. The most interesting part is that majority of new ventures are student startups. Many entrepreneurs confirm that amidst a backdrop infamous for red tape and trade unionism, the emerging scenario is encouraging.

Jayasankar Prasad C, chief executive officer of the Kerala Start up Mission feels that the startup ecosystem in Kerala has evolved much and is much more mature. "The ecosystem elements are in place and their interactions are improving. The system has moved

OUT OF THE 53 STARTUPS CURRENTLY OPERATING IN VILLAGE, 30 COMPANIES HAVE SECURED THE SECOND ROUND OF FUNDING AND ARE POSITIONED FOR THE NEXT STAGE. SV HAS ALSO STARTED A CENTRE IN SILICON VALLEY TO ACT AS A LANDING PAD FOR INDIAN STARTUPS LOOKING TO ENTER THE US MARKET



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along the hype curve and now is in the plateau of stabilisation. Yes, there is a paradigm shift in the mindset of youth to pursue entrepreneurship as a career as against a stereotype job. More important is the change in mind set of the society, especially the influencer groups, like parents, teachers etc," he added.

Jyosthis, CEO of Cognicor defers and says that Kerala is not yet ready to accept the startup culture. "Many first-level-success startups have moved out from Kerala for better growth and acceleration. Second level of funding and client acquisition is a

major hurdle faced by Kerala based companies," he added.

Sindhu Joseph, CEO & co-founder of CogniCor Technologies feels that an investor ecosystem is almost non-existent in the state and the risk appetite of investor community is very low. "At least for angel and seed investments, the entrepreneur needs to be supported by the eco system from either corporate VCs or individual investors. In terms of customer acquisition and sales, the problem faced by Kerala product startups especially in B2B area is the cost of selling to decision makers of large enterprises who are often located outside Kerala. As sales are what drive any startup to success, any help in showcasing or networking with such companies would benefit a lot," she added.

"I wouldn't want to make a comparison with Kerala with other states as the idea of startups' do not confine to geographical boundaries. We have all the necessary elements of the ecosystem in terms of policy, intellectual capital, infrastructure, funding etc, but still we are behind a Bangalore or a NCR in terms of maturity of the system. Having said that we are definitely counted as the rising state and our cities, especially Kochi and Trivandrum, are among the fastest growing startup hubs among the tier 2 cities or non metro cities," Jayasankar said.

"The ecosystem in Kerala though very early compared to other states is on right track with government funding to build the startup ecosystem higher than combined budget for Technopark, Inforpark and Cyber Park. Over 10,000 students from eighth standard are being trained annually to give early exposure to technology startups. Kerala Technological University has also rolled out a comprehensive University startup policy. This roadmap is anchored with a plan for 500,000 sq ft of incubation infrastructure at Technology Innovation Zone at Kalamassery, which now houses many incubators including SV," Sanjay added.

SV officials add that out of the 53 startups currently operating in the village, 30 companies have secured the second round of funding and are poised for the next stage. SV has also started a centre in Silicon Valley to act as a landing pad for Indian startups looking to enter the US market.