

Can we “Plug and Play” in India?

In India entrepreneurship is a necessity for survival, but for higher scale growth and innovations to instigate entrepreneurship, it is time that we have Plug and Play kind of centres in each metro to start with, and we have enough big corporations to provide such facilities

They call themselves “Silicon Valley in a Box”. They define themselves as an “accelerator”. They are located in a building with a space of 170,000 sq.ft. There are hundreds of people working in the building. They have 250 companies stationed within the building, along with 70 data centres. They have 170-plus investors and venture capital companies among their partners. They have an in-house support system for accounting, book keeping, legal support, recruitment, talent acquisition, banking and technology services and support.

Their ecosystem includes government, universities, corporations and investors. They have country pavilions in the centre from a slew of European, Asian and Latin American countries and are opening similar centres in Egypt, Malaysia, Singapore and Canada. They have diverse partnerships with 100 business associations and corporations from several countries who visit their centre annually. If you go into their building, you will find slogans like “United Nations of Innovative Companies”. In five years, they have incubated 600-plus companies. And you will find in the centre flags of scores of countries, like one sees in UN buildings.

They call themselves Plug and Play Tech Center, based in Silicon Valley, California. They are like a mall of start-up companies. “We are like an accelerator company, giving oxygen to ideas to flourish, walk and run on their own,” says Saeed Amidi, founder and chief executive. Amidi is a born-entrepreneur who does not follow the books. He says candidly that he is glad he never read any model or incubation methodology, or he may not have started Plug and Play.

“I started the centre because I am a great fan of ideas, its basis of research, its formation, its journey to growth, and here we can do each and every part of an idea to make it grow rather than be instrumental in only a few parts of the true incubation ecosystem,” he adds, while speaking to us 18 entrepreneurs from 18 countries who visited him recently. “Our business model is based on various branches of the centre and all of them are profitable on their own. For example, the real estate has to be profitable on its own. The IT (information technology) division has to be responsible for its profitability. Similarly, data centre also has to be on its own, and so on.”

The soul of the business model of Plug and Play, however, is that all its services are an integral part of each other and support each other’s existence and needs. Besides, the Tech Center organises regular job fairs, educational seminars, conferences and training programs under their event portfolio and that enriches the entire ecosystem. Organising the custom-based needs of each company, like meetings with investors, venture capitalists and IT solutions services, are other services available to the companies stationed at the centre.

Some of the first tenants of Plug and Play in 1996 were Google, Logitech, PayPal and Danger, and Saeed took equity positions in all of them in the beginning itself. Saeed does not invest in all the stationed companies—he has invested in about 100 such companies in their early stages.

Even in 2011, when economic growth is slow and investments are vanishing, Saeed and his Plug and Play Center invest in one company a month. “And I pray a lot for the success of these companies,” he says.

Considering all 600 companies that have been accelerated at Plug and Play, a total of \$750 million has been raised by its start-ups in venture funding since 1996. The size of these companies ranges from the smallest with just one person to the largest company with not more than 50 employees, after which they typically move out to a new place.

We have nothing like Plug and Play in India, and I guess for nurturing true entrepreneurship in the country, it is important to give opportunities for ideas to flourish. And for that, above all we need an ecosystem where your adrenalin is always pumped up through the peer culture of entrepreneurship. I know that in India entrepreneurship is a necessity for survival, but for higher scale growth and innovations to instigate entrepreneurship, it is time that we have Plug and Play kind of centres in each metro to start with, and we have enough big corporations to provide such facilities.

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