



Guideline for Operation and Management of Startup Center - 2018

*Department of Cottage and Small Industry
Ministry of Economic Affairs*

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1. BACKGROUND

In accordance with the 11 FYP and Economic Development Policy 2010, the Startup Center are established to help new and startup businesses to develop particularly cottage and small industry through the provision of affordable infrastructure facilities, common services and other business development services. This guideline shall apply to all Startup Centers in the country.

This shall be called Guideline for Operation and Management of Startup Center – 2018 and shall be effective from January 2018.

2. OBJECTIVES:

The objectives of this Guideline are to:

- Ensure effective and efficient management of the Center
- Ensure transparent allotment of space to the incubatees

3. ELIGIBILITY CRITERIA FOR INCUBATEES

The following criteria shall be applied but not limited to:

- New cottage and small industries (CSIs) in the production and manufacturing sector
- New IT and IT enabled CSIs
- Preference may be given to women and youth applicants

4. STARTUP CENTER (SC) MANAGEMENT

The management of SC shall be under the direct supervision of the Department of Cottage and Small Industry (DCSI). The Department shall provide strategic directions to carry out the following roles and responsibilities:

- Maintain physical infrastructure
- Provision of common facilities
- Provide business development services
- Lease and execute Contract Agreement
- Collect monthly rent and deposit in Government revenue account
- Conduct screening and intake of incubatees
- Review and monitoring of incubatees
- Maintain files and records of incubatees and any related correspondence

- Track and report performance of the incubatees to the Department

5. SERVICES PROVIDED

The SC Management shall provide the following services:

5.1 Physical Space

A physical space with power and water facility will be provided for installation of the necessary equipment. Common facilities such as resource room with internet and secretarial services (photocopying, telephone, scanning and fax etc.) will also be provided at a nominal rate.

5.2 Business Development Services (BDS)

The following BDS will be provided:

- Training in business plan preparation, marketing, basic costing and pricing, basic bookkeeping, salesmanship, etc.
- Create awareness on general rules and regulations related to CSIs
- Coaching and mentoring services
- Assist market research and development of network with other businesses
- Conduct seminars and workshops on business management
- Recommend and link with Financial Institutions

6. APPLICATION PROCEDURE

The following procedure shall be followed to select the incubatees;

- a) The call for application shall be announced in media. A period of one month shall be provided for submission of application
- b) Applicants shall submit the duly completed Application Form (Annexure I) either to the DCSI/SC Management or through Regional Trade & Industry Offices (RTIOs)/Dzongkhag Trade & Industry Offices (DTIOs)
- c) The Selection Committee shall verify, shortlist, evaluate and submit the shortlisted applications
- d) The shortlisted applicants shall be presented to Departmental Incubation Committee (DIC) for approval within 10 working days

- e) The approved applicants shall be issued a Letter of Acceptance within five (05) working days from the date of DIC meeting. The non-approved applicants shall be issued a regret letter citing the reasons thereof
- f) The Contract Agreement (Annexure II) shall be signed between the Management and incubatees within 30 working days from the issuance of Letter of Acceptance.
- g) The physical space shall be handed over upon signing of the Contract Agreement along with the physical stock inventory
- h) The incubation program shall commence as specified in the Contract Agreement\

7. INCUBATION TENURE

The incubation tenure shall be for a maximum of two years; however it may be extended by a year upon approval by DIC

8. RENT

The existing Government rental rate for the Changzamtok Service Center shall be applied. The rent may be revised from time to time as per the existing laws.

9. MONITORING AND EVALUATION

- The Management shall update progresses to the DIC on monthly basis;
- The incubatees shall present quarterly progress report to the Management;
- The Management shall compile and submit comprehensive progress report to DIC on a half yearly basis

10. TERMINATION OF CONTRACT

In case of violation of terms and conditions of the Contract Agreement, the Management shall notify the incubatees in writing and forward the issue to DIC for necessary action.

11. DEPARTMENTAL INCUBATION COMMITTEE (DIC)

The Committee shall comprise of the following members:

- Chairman, Head of Department
- Members:
 - Chief Industries Officer, Small Business Promotion Division, DCSI
 - Chief Industries Officer, Enterprise Development Division, DCSI

- Chief Industries Officer, Programming Division, DCSI
- Member Secretary, Head of Startup Center

11.1 2/3 of member including the Chairman shall constitute a quorum.

11.2 Decision shall be taken on the basis of consensus of the members present.

11.3 Roles of the DIC is to:

- Approve the shortlisted applicants for the incubation program
- Resolve issues which is beyond the capacity of the SC Management
- Review and update the application criteria as and when deemed necessary
- Approve time extension for incubation tenure, if necessary
- Revise this Guideline from time to time as deemed necessary