

## Soaring demand from student-led start-ups for university incubator programme in Pakistan

by Andrew Thompson

The Oxford English Dictionary defines ‘incubator’ as being an “apparatus for hatching birds, rearing children born prematurely, or developing bacteria.”. The word has also acquired a different and specific meaning in the business world, where it describes an organisation that helps new and start-up companies to develop, by providing services such as management training or office space. The Harvard Business Review has estimated that there are around 7,500 business incubators around the world. Not all of them prosper, but some incredibly successful companies – including home-letting app Airbnb have emerged from incubators to stretch their wings and fly.

The government of Pakistan has been eager to support incubators. In February 2020 Prime Minister Imran Khan said a network of government funded National Incubation Centres would be set up in a range of cities across the country to help transform Pakistan into a knowledge-based economy, and to spur economic growth through innovation and entrepreneurship.



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Supported through a grant from the British Council DICE Fund, two organisations had already spent a large part of 2019 setting up new incubator programmes. One of them is the Pakistan-based [Centre for Global Innovators](#) (CGI). Co-founder and chief executive Imran Jattala explains that CGI is an innovation consultancy, pulling together a design-thinking mindset, business capabilities and entrepreneurship. The other organisation is one of Europe’s top business schools,



the UK-based [Cranfield School of Management](#). Dr Imran Zawwar, lecturer in strategic management strategy at Cranfield, says it has been through a wholly owned subsidiary of Cranfield, the Bettany Centre for Entrepreneurship, that it has been able to contribute consultancy and research for the Pakistan project.

The original purpose of the collaboration was to set up incubator programmes at two public universities, the National University of Modern Languages (NUML) in Islamabad, and the Lahore College for Women University. These universities have about 15,000 students each. The target was to incubate around 40 start-up companies across the two campuses, in two six-month cohorts. At least half of them were to be led by women. Reflecting strong interest in the programme among students, the number of start-ups taking part has actually more than doubled compared to the plan, reaching up to around 100. At the same time, replicating their approach, CGI and Cranfield have opened a new and separately funded incubator programme at Lahore Garrison University. They see the addition of this third university as a validation of the approach they are taking. The rough division of labour is that CGI has managed the project in Pakistan, with Cranfield providing curriculum content, support and academic review.

The start-ups were recruited through social media and university campus awareness raising events, followed by a competitive ideas-pitching session. Roughly 90 per cent of the start-ups are led by university students, with the remaining ten per cent led by alumni who are already working in different industries. Within each six-month incubation cohort, the start-ups have a 16-week curriculum programme delivered through two-hour workshops held twice a week. The curriculum, developed and adapted by Cranfield, includes modules on innovation, design thinking, and on customer-centric development of products and services, as well as on sales, marketing, investment, and finance. The content is adapted and tailored for the Pakistani market from an advanced Cranfield course known as the Business Growth Programme (BGP). The range of business ideas submitted to the incubators was impressive. They include a lot of technology start-ups, and many focusing on food, tourism, education and e-commerce.

As with all big projects, there were some problems along the way. Imran Jattala says he was surprised to find at a rather late stage that Lahore College for Women University had no incubator infrastructure or legal entity to run the project. “We helped them set up a legal structure, known as the Office of Research, Incubation and Commercialisation – ORIC - and put an incubation policy in place, with the entity legally authorised by the University through their board of directors,” he says. This created the right framework for the project to go ahead. From Cranfield’s perspective, Imran Zawwar says the overall project went well and was based on very close and productive collaboration with CGI; however, he felt one learning point was that the two organisations could have been more pro-active in keeping other stakeholders such as the British Council up to date with developments.

Both Cranfield and CGI say the short-term success of the venture will depend on whether the initiatives they put in place through the DICE Fund become self-sustaining as planned and continue beyond the first year. Longer term success would be measured by some of the start-ups prospering and moving on to the accelerator and capital funding phases. In November 2019 Airlift, a Pakistani start-up which operates a smart bus service in various cities, announced it had successfully raised an initial Series A capital investment of US\$12m (one of the investors was Uber, the US ride-hailing giant). Imran Jattala would “dearly love” some of the start-ups incubated as part of the Cranfield – CGI collaboration to end up raising millions from venture capital funds to scale up and put their business ideas into practice.



Asked if the Pakistani entrepreneurial eco-system is 50 per cent or 75 per cent as developed as it could be, he responded quickly: “My assessment is that the Pakistani eco-system is not even at 25 per cent of what it can be. This is a US\$300bn economy and the government is really focusing on innovation and entrepreneurship. The security situation has improved, and things are picking up”. For those not familiar with the entrepreneurial jargon, a unicorn is a start-up that has grown rapidly to have assets of US\$1bn or more. Some of the best-known unicorns include Uber, Airbnb, and Space X from the United States along with rapidly expanding Chinese companies like Toutiao and Didi Chuxing. The founder of CGI is convinced that “there is a huge potential for I would say 10 unicorns to grow in Pakistan; so far we haven’t had one.”

