

A REVIEW PAPER ON INDIAN STARTUPS - ISSUES, CHALLENGES AND OPPORTUNITIES

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Abstract:

The destinations of a startup are to work for oneself and to make work to others which warrants parcel of continuance and penance. Enormous populace with high level of center salary gathering, taught youth with specialized foundation, IT mastery, high web and versatile entrance are a portion of the drivers that have hurled open doors for spreading startup transformation in India. The 'Make-in-India' activities and other government plans have additionally given a lift to new businesses with numerous people entering the brawl. Beginning an endeavor is a very much arranged and trained exercise with due thought of both inner and outside elements that may affect the manageability of the endeavor. The thought behind the endeavor, showcase size, income and benefit targets are a portion of the significant variables that should be obviously characterized before setting out on the voyage. Time, collaboration and persistence are significant components which decide enterprising success. Infrastructure, government guidelines and accessibility of money at different phases of development could be a portion of the difficulties for new businesses. Truth be told, history is packed with instances of new companies which started with large exhibit yet finished as soggy squibs inside a limited capacity to focus time because of different reasons. The paper talks about not many issues and difficulties that an Indian startup needs to confront and the open doors that the nation can give in the present biological system. Watchwords: Entrepreneur, Employment, Finance, 'Make-in-India', Startup.

Keywords:

Indian Startups, Startups Innovations, Challenges and Issues, Digital Marketing, Social Media Marketing

1. Introduction:

A startup venture could be described as a brand new commercial enterprise that is in the preliminary stages of operation, beginning to develop and is normally financed with the

aid of an character or small group of individuals. It is a younger entrepreneurial, scalable enterprise version built on technology and innovation in which the founders increase a service or product for which they foresee demand through disruption of existing or via growing entirely new markets. Startups are not anything but an idea that manifests into a commercial mission.

Grant Thornton (2016) outline startup business as an corporation that's

- a) Incorporated for three years or much less
- b) At a investment level of Series B or much less (B Series manner 2nd round of investment)
- c) An entrepreneurial undertaking/a partnership or a temporary business organization.
- d) Engages in development, manufacturing or distribution of new products/offerings or tactics
- e) Revenue of up to INR 25 cr.
- f) Not shaped through splitting or restructuring
- g) Employing 50 humans or less

Department of Industrial Policy and Promotion (DIPP)define a startup as an entity incorporated or registered in India with following parameters: Established no longer prior to seven years, (for Biotechnology Startups no longer prior to ten years) With annual turnover no longer exceeding INR 25Cr in any preceding financial yr, and Working in the direction of innovation, development or development of merchandise or tactics or offerings, It is a scalable commercial enterprise model with a excessive capacity of employment era or wealth creation

It is to be mentioned that such entity is not fashioned by splitting up, or reconstruction, of a commercial enterprise already in existence. Also, an entity shall give up to be a startup if its turnover for the previous financial years has exceeded INR 25cr or it has completed 7 years (biotechnology startups 10 years) from the date of incorporation/ registration('Startup India', 2017)

Stages of the Startup Lifecycle

1. **Pre-startup:** Disclosure by distinguishing a potential versatile item/administration thought for a large enough objective market and approval of the administration or item found hits the market, searching for the principal customers prepared to pay for it.

2. **Startup:** Support by boosting advantages and confronting issues got from the worldwide measurement that the business has accomplished. Deal or restoration is the choice to offer the startup to a mammoth or secure immense assets that the brand should keep developing.
 3. **Growth:** Productivity of the startup is the point at which the business person starts to characterize the plan of action and searches for approaches to expand client base. Scale arrange is pushing the development of the business forcefully while expanding its ability to develop in a reasonable way
- Startup Financing Life Cycle
1. Subsidizing by Angel Investors/Seed Funds: Early stage Startups depend on blessed messenger speculators and seed financing. Put exclusively into the business visionary with a thought. Doesn't hinder the business person with any corporate administration customs
 2. Funding: Used to scale the organization's plan of action. Originates from bigger institutional assets. Concentrate is on building the business power and setting up a worldwide nearness.
 3. Open Markets: Late stage Startups can want to grow all the more forcefully or effectively enhance the items. Private value subsidizes together with open markets give a lot of liquidity to late stage Startups.

The Indian Startups Journey

Indian beginning up industry is on the up-swing since most recent couple of years, with various worldwide speculators peering toward the India fire up space; it is scheduled to become bigger than previously. Anyway the way to progress isn't as smooth as it gives off an impression of being. The bigger issues tormenting the organizations, for example, the chaotic and divided Indian market, absence of clear and straightforward approach activities, absence of framework, absence of information and introduction. As indicated by a report by Grant Thornton and ASSOCHAM (2016), the vast majority imagine that having a space name, setting up a site, moving to internet based life are mind boggling, exorbitant and tedious. Be that as it may, Indian markets are to a great extent sloppy and divided that make a barrier for a startup to succeed. Buyer conduct of Indian shopper changes in each 30-50km that makes it extremely hard for a startup to make business or market technique for their items or administrations. Most Startups by and large stall out in staleness and step by step shut down. There are different financing choices accessible for Startup in beginning periods, however later no appropriate direction or backing is accommodated the promoting of their items. For their administrations or items, the Startups, which are normally new and little must choose the option to depend basically on

new financial specialists and clients. No one but clients can keep the ball abounding as far as producing the assets required for running of the business. Subsequently it's imperative to embrace promoting systems to obtain clients for the equivalent. Advertising is imperative to endurance of these organizations (Thornton & Assocham, 2016). Indian telecom industry is developing quick, versatile availability has made advances in the rustic and urban populace. Legislature of India's advanced push will improve availability and information to the following level. The race to least expensive information has begun and interruption is sure. The modest information has causes everybody to get their hands on it, new companies will have a simpler time to take advantage of business sectors, domains and even conventional organizations. In spite of all these previously mentioned endeavors by government, still Startup organizations are confronting market issues and are fizzling. As per Skok (2016), among the different reasons of disappointments of Startups the major is that, they step by step run into the issue of their being almost no market for the administration or item that they made. There isn't sufficient promoting done to pull in the potential clients and afterward towards real buy. Now and again the market timing isn't right. It is to be noticed that consistently in excess of 800 innovation new businesses are being set up in India. By 2020, it is evaluated that around 11,500 tech-new companies will be set up with work capability of around 250,000 specialized individuals (NASSCOM, 2015). It is outstanding to take note of that India is among the best five nations on the planet as far as new companies with 10,000+ led by US with 83,000+ involving 43% tech-based firms with 9% oversight by ladies business visionaries. The quantity of hatcheries likewise has crossed 100 out of 2014-15 to offer lift to the startup adventure (Grant Thornton, 2015). Sector shrewd, the dispersion of Indian organizations is: the advantages of the arrangement have not been totally conveyed as guaranteed because of bottlenecks because of defilement and inadequacy. The state of mind has additionally moved its energy and has eased back a piece. Business visionaries and speculators are recognizing the way that after the January 16 occasion a year ago, the emphasis on enterprise has unquestionably significantly moved. In the course of the most recent year there was part of out of the box thinking and an ability to know east from west was found in the up and coming business people of India.

Technology Based	Non-Technology Based
E-Commerce - 33%	Engineering- 17%
B2B - 24%	Construction-13%
Internet - 12%	Agri- products- 11%
Mobile apps - 10%	Textile - 8%

Technology Based	Non-Technology Based
SaaS - 8% Other – 13%	Printing & packaging – 8% Transport & logistics- 6% Outsourcing & support -5% Others-32%

Break-up of Indian Startup Businesses

2. Literature Review

Different examinations which address the issues of Startup organizations in India are considered for the survey of writing. According to Chokhani (2017) on the Challenges Faced by Startup Companies Skilled ability is reluctant to join new businesses, as they have seen in the past mass terminating and scaling back. Raising the capital has been a since quite a while ago drawn test for new companies. In new businesses work is questionable because of organizations arriving at scale and afterward cutting back for better efficiencies, the industry is soaked with such models. Holy messenger speculation and seed venture is simpler to discover, as the sums are littler, it has gotten a lot harder to go for later stage adjusts, as organizations copy excessively quick and don't take a gander at unit financial matters. Thorough review of the writing was accomplished for studies and research papers on Challenges and issues of Startups in India. These are displayed as underneath: Goel (2018) referred to certain Challenges and Issues, for example, culture and mindfulness, Social issues, Technology foundation, Financial Issues, Sustainability Issues, Regulatory Issues. Madhvapaty& Rajesh (2018) tended to the Challenges of HR Tech Startups, for example, inability to lay foundation for appropriation by workers. While there are assorted items and innovations in the market, the center test is to locate the correct item showcase fit. Shukla, Chauhan and Saumya, (2018) in their investigation introduced an officially organized portrayal of the issues looked by female business visionaries in a way which is fundamentally unrelated and by and large comprehensive. With regards to rising economies in quick creating countries, for example, India. Singh (2018) recognized the Challenges for Indian Startups as, Sustain development, be productive, make genuine organizations. Kamaldeep (2017) exhibited some Startup business difficulties and open doors for Startups. In India, the open doors for the new businesses are monstrous, however so are the difficulties. Chokhani (2017) expressed that, it will take consolidated endeavors from the legislature and the new companies to beat these difficulties Sunanda (2017) contended about dealing with the Startups to keep away from disappointments through contextual investigation on zomato and redbus.

Thoroton (2016) clarified the difficulties like Culture and Awareness, Social, Technology foundation, Financial, Sustainability, Regulatory Issues, Multi window clearances. Jain (2016) expressed Problems in Indian markets are that they are sloppy and divided. There is an absence of unambiguous and straightforward arrangement intentions, absence of correspondences sources, absence of information and presentation. Sarangi (2015) gave Reasons of for what reason do most Indian Startups fizzle? To make Indian Startups really work, it is important to add more limitations to the cash supply. An unbridled stockpile of cash isn't actually the most ideal approach forward. Ravi (2015) clarified that a mix of expanding populace, developing web use and portable entrance, developing economy, being a significant versatile market and exponentially expanding internet retailing set up for India to be one of the greatest Startup goals. Sharifi and Hossain (2015) expressed the different monetary difficulties looked by the Startups in India. Additionally portrays the troubles looked by the Startups at the underlying stage. The significant discoveries are significant jump in innovation have driven speculators to increase current standards Keeping as a main priority the significance of the subject and the examination holes in that, we have attempted this investigation with the primary plan to address the significant issue of understanding the difficulties and issues looked by Startup organizations in India.

3. Research Methodology and Design

Universe of the Study: The Startups in India which are enlisted with service of corporate issues and are operational in India are considered for the investigation. Originators/Owners of the Startups structure the universe of the investigation.

Sampling Frame: The rundown of Startups was taken from the official site (startupindia.gov.in) which filled in as the inspecting outline with the end goal of the examination.

Sampling Technique and Sample Size: Accommodation testing technique was utilized for gathering the information. Absolute number of respondents speaking to the new businesses was 57.

Tools and Techniques of Data Collection: The examination depends on essential information. To gather the information from respondents a self-planned pre-tried survey and individual meeting strategy was utilized, to meet the goals of the examination.

4. Challenges and Issues faced by the Indian startups:

Notwithstanding having all of the advantages and workplaces for building up their associations, Indian new organizations still face a huge amount of challenges and issues.

Entrepreneurship and Economic Development of India

A part of the essential issues similarly as troubles looked by the Indian new organizations are being analyzed underneath:

- **Lack of finance:** Most of the new organizations in India come up short on cash while beginning their associations. Notwithstanding the way that there are various decisions for finding a good pace simultaneously there is reliably lack of money while beginning a startup. This is in light of the fact that close by the dynamic improvement of business, there is more prominent essential of record. It is significant for the new organizations to have sufficient record for gaining ground as time goes on.
- **Lack of revenue:** Various new organizations in India witness frustration in India considering less time of pay. With the diminishing in pay, the expenses realized by the business create at a dreadful rate. Hence, the new organizations need to concentrate on their issues related to financing thus conveying incident to their business.
- **Lack of skilled people:** One of the most widely recognized difficulties looked by Indian new companies is the absence of talented individuals to coordinate their necessities. It is hard to locate the correct sort of skilled individuals to be contracted for filling in as a productive group. The inability to establish a group of particular gifts would prompt the disappointment of the whole startup.
- **Lack of infrastructure:** The absence of infrastructural systems is another test which is looked by the Indian new companies. There is a lack of different systems like business improvement focuses, innovation parks, and so forth in India. This eventually prompts the disappointment of numerous new businesses.
- **Lack of awareness:** Many of the business people or businesspeople are uninformed of the data identified with the business sectors. Subsequently, they have little information about the confinements pervasive in the business sectors. That is the reason numerous new companies need to cause misfortunes during their underlying stage at the business sectors.
- **Lack of strategic planning:** Numerous agents or business visionaries come up short on the capability of having key mentalities for taking care of their business. They neglect to execute a decent arranging methodology so as to develop and build up their business further. Accordingly, numerous startup adventures need to confront disappointment and ruin.
- **Regulations of the Government:** The Indian new businesses at first need to enroll themselves as an organization for which they need to confront numerous

difficulties. This is on the grounds that a specific organization needs to take various consents from the Government so as to start its business.

5. Opportunities for the Indian startups:

- In spite of different sorts of obstacles, Indian new companies can in any case access an assortment of chances for building up their organizations. A portion of the critical open doors accessible for Indian new businesses are being talked about underneath:
- **The population of the country:** This is a well established actuality that India has an extremely enormous populace which is developing step by step. In addition, the greater part of the Indians have a place with the classification of working class salary gatherings. Subsequently, an enormous customer base gets shaped in the nation. This opens up the open doors for the startup adventures which can concentrate on pulling in gigantic number of buyers in India.
- **Investments by foreign and domestic investors:** In the previous scarcely any years, there has been an expansion in both household and remote speculations on innovative endeavors. India is viewed as one of the significant attractions for speculation by the outside speculators. This is an immense open door for different new companies in India for developing their business further.
- **Changing of mindsets:** These days, the vast majority of the individuals have surrendered the customary attitude of winning just through occupations. Numerous youngsters have begun indicating enthusiasm for going into business with the assistance of most recent innovation and developments. This has brought about the improvement of various startup adventures in the nation.
- **Increasing initiatives by the Government:** The Government of India has received different measures and approaches for empowering and building up the new businesses in the nation. For example, the Government has presented the MUDRA Yojna, E – Biz Portal, SETU finance and numerous others for helping startup adventures.

6. Limitations of the Study and Future Scope

The investigation was done for 57 new businesses working in the different areas. The example size is less in this way the investigation ought to be done for a higher example size. By and by it very well may be considered as a base for the further research. The division point of view was not considered and it was completed for every one of the areas. To address the area explicit issues the investigation ought to be done for the

specific division, for example, Education, Automotive, or Agri Tech. It will help in arriving at significant inductions and settling the difficulties of the particular segments.

7. Conclusion:

Start-up India was propelled to give a promising future to the business people of the country. The activities acquainted were in extraordinary support with make new companies effective. A portion of these activities like easier and quicker enlistment, self-accreditation, zero review for initial scarcely any years were an extraordinary guide to the individuals who needed to seek after a business through this medium. This paper endeavored to investigate the advantages and difficulties of the arrangement. As per there search done, we can reason that the activity of the administration brought a profound and last yearning constructive soul in the nation for all individuals youthful and old who needed to seek after their fantasies about having their own fruitful new businesses. This can be seen by the enormous number of utilizations got by the legislature. In any case, countless the media reports revealed that on request they've gotten that the advantages of the approach have not been totally conveyed as guaranteed because of bottlenecks because of defilement and inadequacy. The mind-set has likewise moved its energy and has eased back a piece. Business people and financial specialists are recognizing the way that after the January 16 occasion a year ago, the attention on enterprise has unquestionably drastically moved. Throughout the most recent year there was parcel of out of the box thinking and an ability to know east from west was found in the up and coming business people of India.

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