

# Chapter: 06

## UNVEILING OPPORTUNITIES AND GOVERNMENT INITIATIVES IN THE STARTUP LANDSCAPE

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
## **ABSTRACT**

*Startup is an idea from a business that needs money to get off the ground. The first and most important task for any new business is to show that it has real potential so that lenders and/or investors will back it. But startups are always seen as riskier places to invest, and possible lenders/investors have different ways to figure out what their returns will be. The main goal of this piece is to shed some light on the problems start-up entrepreneurs face and the opportunities they can take advantage of, as well as the steps the Indian government is taking to help. Start-ups are the kind of businesses that use new ways of developing, analyzing, evaluating, and researching for their target market. In this paper, we will talk about different government policies, plans, schemes, the startup life cycle, and financial and operating strategies for new businesses. Startup is one of the most popular topics of conversation right now. This effort is focused on making it easier for banks to lend money to new businesses. This will encourage people to start their own businesses and create skilled jobs, which will help the economy as a whole.*

**Keywords:** Start-ups, Entrepreneurs, Strategies

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## **1. INTRODUCTION**

Start-ups have to do with a new product or process for the whole market or a small part of it. Start-ups are not the same as small businesses. The biggest difference is that start-ups try to do something new. The government of India just started a program called "Start up India" to help and support people who want to start businesses in India. The results are very good, and the country as a whole has welcomed the idea with open arms. Several state governments have also started similar projects. India is at a very important crossroads. It was ranked third in the world for technology-driven start-ups, behind the United States and the United Kingdom. Start-ups in India are built on technology, which is fueled by young IIT graduates. As the patterns of start-ups in India also show, they are done in very unusual fields, such as medicine, etc.

Grant Thornton (2016) defines a startup business as an organization that is an entrepreneurial venture, a partnership, or a temporary business that develops, makes, or sells new goods, services, or processes. Nipun Mehrotra (2018) "The Indian start-up community, which has the third most start-ups in the world, has been making new jobs and bringing in cash investment. We think that start-ups should focus on social problems like healthcare, sanitation, schooling, transportation, managing alternative energy sources, and other things like that. This would help India and the rest of the world deal with problems. To do these things, you need to put money into deep technology and products that are made to grow widely.

In the vibrant landscape of India's economic evolution, a new wave of transformation is sweeping across the nation, driven by the dynamic force of startups. This era marks the dawn of unparalleled innovation and entrepreneurial spirit, as a multitude of visionaries embark on a journey to redefine industries and challenge conventional norms. India, a land renowned for its rich cultural tapestry and historical significance, has now become a hotbed for burgeoning startups that are rapidly reshaping the business ecosystem. The entrepreneurial climate in the country is experiencing an unprecedented surge, with a myriad of factors contributing to this remarkable phenomenon.

One of the key catalysts fueling this startup revolution is the government's proactive initiatives and policies aimed at fostering a conducive environment for entrepreneurial growth. Programs such as 'Startup India' have played a pivotal role in simplifying regulatory frameworks, providing financial support, and fostering an ecosystem that nurtures and supports innovation. The technology boom, coupled with a burgeoning youth population, has created a fertile ground for startups to flourish. From fintech and healthtech to edtech and sustainable solutions, entrepreneurs are leveraging cutting-edge technologies to address pressing challenges and tap into unexplored markets. Investors, both domestic and international, are increasingly recognizing the potential of the Indian startup ecosystem. This influx of capital is not only providing financial backing but also serving as a testament to the confidence in the innovative ideas and solutions emerging from India. In this dynamic landscape, startups are not merely businesses; they are agents of change, pushing the boundaries of what is possible. They are disrupting traditional industries, driving economic growth, and, more importantly, creating job opportunities that are crucial for the nation's burgeoning workforce.

## **2. OBJECTIVES OF THE STUDY**

1. To look at the different issues and problems that companies face.
2. To find out about the different government programmes that help companies grow.
3. To look at how startups grow and what possibilities they have

## **3. STARTUP INDIA SCHEME**

This is a project of the Indian government. Our Prime Minister started it on January 16, 2016, at Vigyan Bhavan in New Delhi.

**The scheme's strategy is focused on the following areas:**

1. Helping out and making things easier
2. Getting Help and Offering Incentives
3. Incubation and Business-University Relations

This programme gives entrepreneurs from low-income homes microfinance loans with low interest rates. Pradhan Mantri Mudra Yojana is another plan that the MUDRA BANK has put in place.

**4. CHARACTERISTICS OF STARTUPS**

- i. **Innovation/Disruptive:** The most important thing about start-ups is that they are the most creative in how they serve people and the market. Start-ups are the most open to new ideas than any other type of business, which can cause disruption.
- ii. **Size of the company/entity/enterprise:** Most start-ups are small, with no more than 30-50 employees. Their businesses are also very small, but that could change based on what they need and other things.
- iii. **Organisational structure:** One of the most important things about a start-up is that it has a flat structure without a leadership. Where the founders work closely with their teams and see them as part of the innovation, not as employees, employees work to their fullest ability when the roles are switched.
- iv. **Unusual ways to get money:** Start-ups are more likely to get money from sources that aren't banks or other financial institutions because that's how they work. Most of their money comes from private investors, venture capitalists, startup investors, and business funding agencies like Softbank.
- v. **Initially focused on a single product or service:** New businesses focus on a single product or service for their target market at first (or forever). In contrast to a business, they are very focused on the products they sell. They only sell one product or service, but after a long time, they may add more options.
- vi. **Resources available:** Contrary to what most people think, start-ups don't have a lot of resources. They often have a hard time getting resources and often fail to do so. Only when their goods or presence is noticed do they get the resources they need. Companies and other business organisations.

## **5. RECENT WAVE OF START-UPS IN INDIA**

India is becoming a centre for new businesses not just in Asia but all over the world. India is number three when it comes to the number of new businesses that are set up and going well. All of these things are adding to the growth of start-ups in India right now. Start-ups have an effect on every part of life. Both tech-based and hyperlocal start-ups have made life easier and less stressful, and they have saved people money. OYO rooms is the most important and creative example that has come up in India in the past few years. Which is an aggregator of hotel rooms, is currently number 14 in the world and number 1 in India in its market niche. By 2020, OYO wants to be the best company in the world. OYO has made the whole process of finding a place to stay easy by giving users a world-class user interface that lets them book rooms and get special deals. In a way, OYO as a whole shows what Startups are all about and how they make money. At its core, it is a great example of an Indian start-up that helps solve a problem that has been around for a long time: how to find a good place to stay. Another new business that helped its main users, women, in a lot of ways. The idea is to keep women from having to buy their pants, which can be embarrassing. Zivame was started by Ms. Richa Kar, who was young, enthusiastic, and bold. She started the one-of-a-kind start-ups business in 2011 after seeing the problems Indian women face on the ground.

## **6. OPPORTUNITIES FOR STARTUPS**

- i. India has a big number of people** - India's people are one of its biggest strengths. By 2020, the number of people who can work is expected to be higher than the number of people who can't work. This special demographic advantage will give any new business a great chance to grow.
- ii. Change of Heart Group of people who work** - Indian company space will replace the old ways of getting a job. Talented people would work for companies if they had challenging jobs and good pay.
- iii. Startups are getting a lot of money** - A lot of money is being put into Indian startups by both foreign and Indian investors.

## **7. PROBLEMS AND CHALLENGES OF START UP IN INDIA**

- i. Financial means** - Startups need money, but it's hard to get enough of it. As the business grows, the need starts to get bigger.
- ii. Revenue generation** - As the business grows, many startups fail because they don't make enough money. As operations grow, costs go up, but income stays the

same. This forces startups to focus on funding, which takes their attention away from the basics of business. So, making money is very important. The problem is not just to make enough money, but also to grow and keep that growth going.

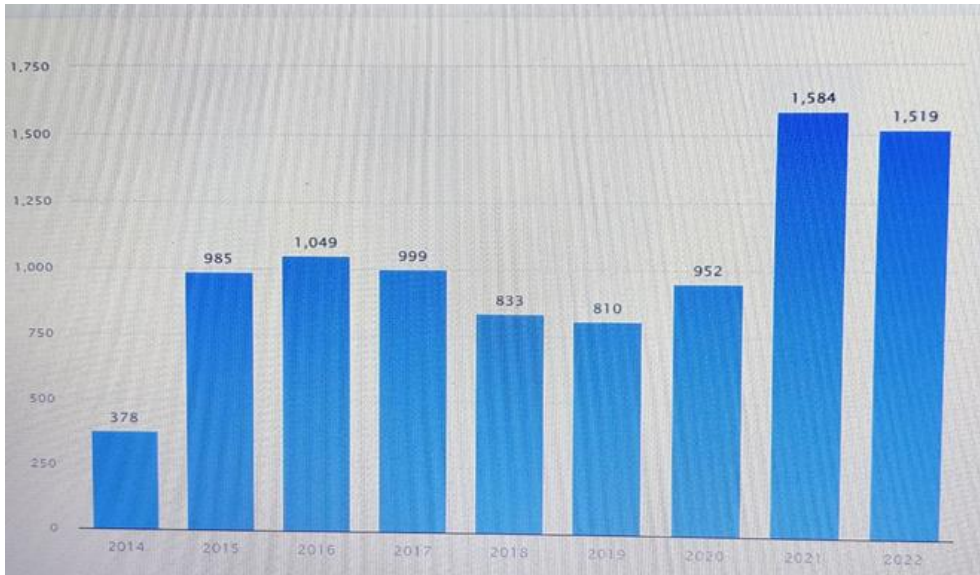
- iii. **Supporting infrastructure** - There are a number of ways to help startups, such as schools, science and technology parks, business development centres, etc., that play a big role in their lifecycle. If you don't have access to these kinds of help, you are more likely to fail.

## **8. PATTERNS OF INDIAN STARTUPS AND THEIR FOUNDERS**

Entrepreneur should know a lot about his or her field so that they can use the right tactics to beat the competition. Because new tools are coming out, it is important to come up with something better than what has already been done. One thing hasn't been done yet figuring out the trend of founders and entrepreneurs. Let's try to figure out what sets start-ups and their founders in India apart from other businesspeople and what trends they follow.

- i. Most of India's start-ups are built on IT and the internet. There aren't many new businesses that don't rely on IT to run.
- ii. Most of the new businesses that have started up in India lately are in the fields of e-commerce, travel, and lodging.
- iii. In India, all new businesses are started by people who are young, energetic, and highly driven. Who had worked for many different organizations before starting their own business.
- iv. Other than coming up with new ideas, Indian start-ups have focused on making changes. They don't believe in keeping things the same. Instead, they want to change things for the better and for good.
- v. Indian start-ups aren't afraid to put themselves on the market. For example, the e-commerce company Askme.com, which was a personal guide, shut down in 2016 after realizing they had reached their limits. On the other hand, this story isn't all bad. Ritesh Agrawal, who started OYO, also closed down one of his other businesses. But that didn't keep him from becoming India's youngest millionaire

## 9. DATA ON TRENDS OF STARTUP INDIA



**Source: Department for Promotion of Industry and Internal trade**

The Indian government says that a startup is a business that is less than ten years old, has a headquarters in India, and makes less than one billion Indian rupees in sales each year. With help from the government, access to capital, skilled workers, and a business-friendly atmosphere, the country has become one of the best places in the world to start a business. The Startup India plan helped build a good and useful business environment in the country, which made business ideas come true. After the central government's effort, states and union territories all over the country created policies for startups. These policies included tax breaks, funding, and help for incubators and accelerators. India's rank in terms of how easy it is to do business kept going up until 2019.

As per the graph x axis represent years and y axis shows amount of investment in start up India. Therefore it is shown that from 2014 -2022 there is growth in start up culture of India with some little amount of fluctuations in 2018, 2019. By this trend it can be forecasted that start up future can be more progressive in India and new incubators will lead to more economics development of India.

- i. **Technology and Innovation:** Technology-driven startups, especially in areas like artificial intelligence, blockchain, health tech, and renewable energy, were gaining traction. Continued innovation in these fields is likely to shape the future.

- ii. **Government Initiatives:** The Indian government has been supportive of the startup ecosystem through initiatives such as "Startup India." Policies and incentives aimed at fostering entrepreneurship are likely to play a crucial role in the future.
- iii. **Funding Landscape:** Access to funding is crucial for startup growth. India has seen an increase in venture capital and private equity investments. The future will depend on the availability of funding and the confidence of investors in the market.
- iv. **E-commerce and Digital Transformation:** E-commerce and digital platforms have witnessed significant growth. The trend towards digitalization is expected to continue, with startups leveraging technology to disrupt traditional industries.
- v. **Healthcare and Biotech:** The COVID-19 pandemic highlighted the importance of healthcare, leading to increased interest and investment in health tech and biotech startups. This trend is likely to continue as health remains a priority.
- vi. **Sustainability and Green Tech:** With a global focus on sustainability, startups in green tech, renewable energy, and sustainable practices are expected to gain prominence in India.
- vii. **Collaboration and Ecosystem Building:** Collaboration between startups, established companies, and educational institutions is crucial for fostering innovation. An evolving ecosystem that supports collaboration can contribute to the success of startups.

## **10. SUGGESTIONS**

1. Having a "idea" is good, but you also need a plan.
2. Find a mentor or expert who can walk you through setting up and running a startup step by step.
3. It's important to make sure that resources and intellectual property are managed well.
4. Be competitive with your current and future competitors.
5. Let the processes get better.
6. Founders should always learn about the latest market trends and business management techniques.



7. Someone who knows how to handle money and control it should be in charge.
8. Founders must do proper, time-consuming market study on their products and services to learn about current and future trends in the market and how people buy things.

## **11. CONCLUSION**

India's economy is in the process of growing right now. With "Make in India," "Startup India government is becoming more and more interested in boosting GDP growth from the bottom up. "Make in India" is a great chance for new businesses in India. If the government did everything it could to help creators, it could stop the brain drain and make it easier for local talent to be hired by new businesses.

There are a lot of difficulties in the startup world, from money to people to getting the business off the ground and keeping it growing. As a country with a lot of people, there are a lot of possibilities for startups that solve everyday problems and can be sold at reasonable prices. Some of these startups could grow into "unicorns" and become well-known Companies around the World.

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