



START-UP INDIA CHALLENGES AND OPPORTUNITIES

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ABSTRACT: With the increasing competition brought about by globalization and technological advancements, there has been a growing awareness of self-employment among college students. Moreover, India being the second most populous country, there is a pressing need to foster entrepreneurial skills among its people. In response to this, the government has launched the Start-up India Plan to support aspiring young entrepreneurs. This research paper aims to examine the challenges and opportunities faced by start-ups in India. Through a literature-based analysis, it seeks to identify the major difficulties encountered by start-ups in the country and explore the various opportunities available to them.

Keywords: Startups, Entrepreneurship, regulatory clearances, culture.

1. INTRODUCTION

With the increase in globalization and advancements in technology, competition is growing day by day. As a result, there has been a recent rise in the awareness of self-employment among undergraduate students. These students are less likely to rely on their parents or schools, or wait for opportunities. Instead, they take the initiative to search for new possibilities for themselves. India, being the seventh-largest country by area and the second-most populous country with over 1.2 billion people, faces a significant workforce burden due to its large population. Therefore, it is crucial for us to develop entrepreneurial skills among individuals so that they are not solely dependent on jobs and can start their own businesses. The Indian government has launched Startup India to support aspiring entrepreneurs [1]. Several factors, including globalization and the rise of the IT industry in the 90s, have played a significant role in the growth of entrepreneurship in India. Currently, the Indian economy is undergoing a remarkable transformation with new strategies entering the market, emphasizing the role and contribution of startups [2]. To foster an entrepreneurial environment and promote networking, it is essential to focus on creating infrastructure for mentoring startups. Various stakeholders, such as the government, businesses, educational institutions, and others, should collaborate to build a better ecosystem for young entrepreneurs.

A new business or startup is a youthful organization that is just beginning to develop. Startups are usually small and initially funded and operated by a few founders or one individual. These companies offer a product or service that is not currently available elsewhere in the market, or that the founders believe is being offered in a subpar way [1]. According to the Indian government notice, a startup will be recognized if a) it has been in operation for up to five years from the date of registration, b) its turnover does not exceed 25 crores in the last five financial years, and c) it is working towards modernization, innovation, deployment, and commercialization of new products, processes, or services driven by technology or intellectual property [2]. In the early stages, startups often spend more than they earn as they focus on developing, testing, and marketing their idea. Therefore, they often require financing. Startups can be supported by traditional small business loans from banks or credit unions, Small Business Administration loans from local banks, or grants from nonprofit organizations and state governments [1]. Startups have traditionally been local ventures run by small business entrepreneurs. However, with the global reach of the Internet, entrepreneurs can now tap into networks and establish startups all across the world. Startups are emerging in areas beyond the typical breeding grounds of Silicon Valley, Boston, New York, Washington D.C., and Dallas, thanks to global IT development teams and other types of human capital. An increase in technological innovation and startup activity is now also being observed in cities such as Bangalore, Helsinki, London, Shanghai, Singapore, Sydney, Tel Aviv, Toronto, and Zurich. India, in particular, has the fourth largest ecosystem for startups in the world, following the US, The United Kingdom and Israel have rapidly advancing environments, fueled by a highly young, diverse, and inclusive entrepreneurial scene. India is one of the top five countries in the world when it comes to startups. The United States holds the number one position on the list with over 83,000 startups. It is expected that if the current trend continues, India will reach the second spot after the US within 1-2 years and become one of the leading startup ecosystems in Asia, alongside China and Southeast Asian countries. According to the NASSCOM India Start-up Story 2014, around 11,500 startups will emerge in the country by 2020, creating over 250,000 jobs compared to the current 75,000 jobs. A report by I Spirit

reveals that the top 30 software product startups in India are currently valued at USD 10.25 billion, marking a 20% increase since October 2014. These startups employ 21,200 individuals, with 80% of their customer base located overseas. According to ASSOCHAM, India's startups are expected to produce at least a dozen billionaires and many more millionaires in the next five years, with e-commerce, financial services, and technology-driven fields generating the most interest.

The Startup Ecosystem

The Start ecosystem is made up of individuals, startups in their various stages, and various regional associations (both physical and virtual) that work together to establish startups. Since the startup system is mainly characterized by a communication system between individuals, associations and their space, they can take many forms, but they are also usually referred to as startup environments by certain urban communities or online groups. Launch environments are driven by both external and internal elements. External elements such as the financial climate, major market disruptions and massive organizational movements control the overall structure of a biological community and how things work within it. Activating biosystems are disruptive elements - they are constantly initially in an order phase and, once established, are prone to periodic flare-ups (like pockets of money), which then move into a process of recovery from a previous disruptive effect. Startup ecosystems in similar environments but located in different parts of the world may end up performing differently simply because they have different entrepreneurial cultures and resources. The introduction of foreign knowledge and skills can also. Internal components control both the ecosystem and those controlled by them, and are often subject to input chains. While some sources of information are largely driven by external processes, such as the financial climate and market disturbances, the availability of assets in a biological system is driven by internal variables, such as the ability of individuals and communities to contribute to the environment. Other internal components include the progression of new venture achievements and disappointments according to different individuals and attainable abilities. Despite the fact that individuals exist and work in biological systems, their overall influence is large enough to influence external components, such as the financial atmosphere [4]. With more than \$5 billion in interest in 2015 and three to four new businesses developing every day, India has refined its approach to secure the third highest number of new businesses on the planet (4,200 and more), a 40 percent development over 2015. the end of the year. The latest report by industry association NASSCOM and Zinnov analyzes the current situation and development models based on various descriptive metrics of India's ecosystem and gauges India's position as a global startup hub, which is clearly becoming attractive. for financial experts, startups and companies. According to measures in the report, the number of dynamic financial experts who work in the environment increased from 220 in 2014 to 490 in 2015, a 2.3-fold development. Help, eight out of 10 venture capital or private equity firms operating in India are peripheral, and global interest in Indian startups is driving FDI expansion.

India has the fastest growing number of startups in the world and the third largest number of innovative new companies, after the US and the UK separately. The booming biotech startup community has created an estimated 80,000 to 85,000 jobs, the report says. More than 65% of new businesses are located in NCR, Mumbai and Bangalore. According to Ecosystem Demographics, 72% of organizers are under the age of 35, making India home to the youngest entrepreneurs on earth, with a gender split of 91% male and 9% female. Most of the 1,200 new companies are B2C companies and are presented mainly in three sections, especially e-commerce, buyer management and aggregators, managed by hyperlocal, wellness technology, educational technology and research

Challenges of startup companies

Today, the start-up organization in India has really taken off and made its mark - driven by elements like huge grants, combination exercises, innovative promotion and local market expansion, but it has a long approach with various hurdles. Launching on the grounds that many driving forces drive it into shape spoils all the fun. The development of business is very dependent on government guidelines because the government takes a real interest in building a merchant in the country, although the young mobile merchant believes that it is very difficult to cooperate in India and the World Bank because of the prolonged methodology. and practices. a report fully validates their sentiments considering the fact that as this report shows, India ranks 130th out of 189 economies, 133rd in ease of exchange and 157th in ease of payment of fees. to rank 155 when the company is incorporated. Visionaries of growing companies must make various trips to government agencies to register and apply for permission. The critical need to waive various administrative permissions, so the first major attempt is to bring money and money-related changes so that cooperation and youth mobile business visionary seek their imagination clearly fruitful merchants. The second biggest test that an Indian business visionary face is that typically Indian organizations have to make 33 installments per year and spend about 243 hours preparing and paying fees per year, while China only requires nine installments per year. while the United States does not bother its citizens more than 11 times a year by paying customs duties. Payments like octroi, VAT, often create problems for traders when starting a business. NASSCOM has removed both direct and transit assessment for all new companies in India. The tax assessment limits the ownership of innovations and proves to be a major obstacle for potential entrepreneurs.

The tax assessment limits the ownership of innovations and proves to be a major obstacle for potential entrepreneurs. With the tax base gone, new businesses have the ability to stop the money draining, so the government needs to start the critical change in nations determines the structure so that individuals do not feel taxed. Third, most failed startup writers believe that a major cause of their frustration is a legitimate lack of training and mentoring. Individuals everywhere are lacking in how they can increase financial development, create jobs and increase social development, so they need proper guidance to help them answer most of the common questions, so that everyone can finally become a clear business visionary, such as) What to do with the a problem that is identified when one makes a business idea, finds a business opportunity or a dream b) Why is it necessary to manage issues identified through rewarding/motivating effort studies, risk assessment or other benefits c) How to operate: questions about legality and needs, e.g. reports, licenses and tags are required. Asset availability issues, including finance, innovation and labor supply. Moreover, Indians are aware of the risks and rewards, so they give more importance to government employment as it gives stability to the employer. The subsequent higher salary levels and great benefits offered by individual private sectors or international organizations provide development gaps, so the biggest challenge is to change the way of thinking of people and encourage them to leave the business where private individuals have to start by starting and organizing assets. Their Disappointment is triggered gradually when people start

their business and Indian culture has adapted people to despise disappointment. Because of disappointments, emotions stop from time to time to console.

Entrepreneurship is often about letting go and accepting those frustrations and starting over. Individuals must learn to tolerate disappointments and embrace new opportunities. The next startup experiment has to survive the largely unorganized and fragmented Indian market, which makes it a circuitous route for startups to succeed. The most difficult variable is the behavior of Indian customers which changes every 30-50 km, making it really difficult for a startup to do business or marketing operations with its products or management. As a rule, most new companies stop in an inactive state and stop their activities step by step. A compelling problem facing new companies has been identified in their line of business. India is a nation of diverse cultural and taste experiences, and therefore, not every product in every region can be called the same. A proper IT framework has become a requirement for Indian organizations due to the growing number of online shoppers - It is extremely important for new organizations to get their employees to handle basic customer information like Master Card numbers and related information. Most new organizations have a B2B business plan. This is where a digital threat can arise because they are unaware of the imagined threats their new business may face. There is no agreement to continue operating if an accident destroys some of the key equipment in their server fleet. Most of the new businesses are self/family supported and the workforce is limited, making it difficult to maintain both financial and operational information. Capital and access to capital was a never-ending problem for new organizations - public and private budget managers set aside money through hypothetical channels, but they are not open to large-scale business. The biggest concern of such associations was to attract financial experts and gain confidence in their approach. During the operational period, new companies cannot receive support from banks that do not have a unified consumer history. about the company. In addition, the number of FICO score companies for small and medium-sized businesses have been established. Despite much speculation, the new companies are fighting to survive the opposition. It is especially difficult for a startup company to onboard and acquire qualified and talented employees. A startup often cannot coordinate organizations that stretch across the board, and the startup profession is not considered safe. This requires new firms to face extreme supply challenges and sometimes settle for the next best option [6].

Opportunities for Startups

It is a well-known saying that "every coin has two sides" thus, the startup has opened many doors for the young population of India. According to the latest UN statement, India has 356 million young people between the ages of 10 and 24, despite having a smaller population than China. Young people are the main force behind progress and creativity, and the future pioneers of the nation, together with the youth, also lead the planning of the nation's demand and usage. For start-ups, young people make up the workforce it so urgently needs, and young people on the move can be a huge talent pool for new companies, and are best suited for developing countries and #039; difficulties because India has an interesting set of problems which require progress in its welfare, education, establishment and sanitation, which are unique to the people and which cannot be solved by the arrangements of the western world. Each issue gives new companies an interesting opportunity to realize something basic and, in the meantime, create a business around it. Helpers are found in the fact that most of the problems of emerging economies are interrelated in nature, and the appropriate arrangements here can also work in various African countries and elsewhere. This enables new Indian companies to make significantly wider acquisitions and at the same time has a significant impact at scale. Indian population will be a huge resource for the country in the next few years. It is expected that by 2020 the country will face a "statistical payoff" the period when the working-age population would exceed the non-working population. This infallible basis of statistical recommendations offers an exceptional opportunity to any company or association seeking to break a clearly effective and dominant position in the Indian market. In India, it is good to start breaking the conventional professional ways, because a significant part of the talent aspires to work in the Indian startup space [7]. Test contracts, extremely rewarding grants and handsome residuals associated with them make new companies an exceptionally profitable place and an interesting major proposition.

Little by little, a pattern can be observed where some mid-level employees leave the employment relationship with the giant companies, with the aim of working in new companies. In addition, a survey by the Economic Times magazine confirmed that the number of students joining new companies and online business organizations has increased. Probably even to harness the best power on the planet; several startups have made striking strides in offering high-paying packages. Indian and foreign investors are investing heavily in startups. The startup ecosystem receives a lot of support from foreign and Indian speculators who have shown more confidence in the company and provided assets to help these organizations develop a wide margin [6]. The next open doors for new businesses in the country is that there is no need to go abroad, because India, with more than a billion people, offers an important domestic market for any product or management. Super money and the aspirations of a developing working class explained that the demand for brands is high. The large population also encouraged the development of consumerism, which thus supported supply and creation. New companies that hope to control and consider the pain or profit of a huge population in some of the world and#039; the major buyers' markets are still doing well. According to the latest data from the train, the Indian TV penetration reached 76.55 percent and the number of supporters was 95.76 million. Basically, the remote approval base reached 95.76 billion, just short of the 100 million marks. Another open door that encourages entrepreneurs to take risks is that the large portable spread in urban and rural India has shaped the country's economy and the promotion of goods and businesses. This increased efficiency and profitability. This has made it clear that organizations benefit from faster core management, better coordination and, for example, above all accounting. Greater multilateral infiltration also led to the expansion of monetary inclusion and the flow of loans to banking institutions. The development of wearable intrusions is changing the way organizations and buyers communicate and work. Information-rich mobile phones have changed the way new businesses and organizations operate. For example, new companies creating mobile apps now have an ever-expanding industry to contend with. India is at a crossroads where it now has to address the yearnings of a billion people. India is at a crossroads where it now has to consider the aspirations of a billion people. The current framework may eventually fail and there is an unprecedented need to influence billions of identities and become whole. New firms and entrepreneurship are the most ideal way to evolve into a learning superpower [7]

II.CONCLUSION

New startups and innovations have grown in India in recent years. India's startup ecosystem has evolved, driven by factors such as growth in finance/angels, emerging technology, proliferation of smart phones and social media, growth of incubators and accelerators, younger population, etc. Recent government initiatives like Start up India, stand up India is just gaining momentum in this space [1] but as it is well known that "every coin has two sides", there are few obstacles in the way of Startup India as it calls for. Time and effort. And energy. Funding is a big concern for startups and small businesses. When the economy failed, it was difficult to convince both financial experts and banks to give up the money that is essential to start a business. Moreover, the learning level of business consultants on natural problems, multi-window studies and tax evaluation framework is the best test to achieve Startup India, so the government must work hard for this title [8].

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