

New Opportunities and Challenges Faced by Indian Entrepreneurs

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Abstract: *Start-up businesses are freshly established businesses or entrepreneurial endeavors that are in the early stages of development. Startups are the ones attempting to commercialize innovative products or services and innovate. This research study examines the entrepreneurship environment by concentrating on startups and innovation in particular. It will attempt to look into the major difficulties faced by startups and business owners.*

Keywords: Entrepreneur, Start-up, Opportunities, Challenges

I. INTRODUCTION

Start-up businesses are freshly established businesses or entrepreneurial endeavours that are in the early stages of development. They are most frequently linked to high-tech initiatives, the creation and manufacture of new goods and services, as well as their dissemination. Startups are the ones pursuing technologically driven invention, development, and commercialization of new products, processes, or services. Start-ups may be a fresh endeavour within the type of company that offers scalable commercial opportunities. They are produced during the new product and process development process.

By founding their own start-ups, many young people have most effectively demonstrated their entrepreneurial skills. Any business idea must possess entrepreneurial skills to recognise business possibilities and to carefully plan and implement them after gathering the necessary resources. In addition to these, one should also take the chosen company idea's hurdles and unpredictability into account.

Start-up The business is built on a scalable business strategy for cutting-edge products and procedures. They come in a variety of shapes and sizes. The biggest obstacle to beginning a start-up business is finding money for an innovative technique or product that will change the way we live. Start-up businesses frequently struggle to persuade investors to back their concept since they concentrate on a novel product or procedure. Investors frequently consider the start-up company's prospective rate of return over a shorter period of time. They are drawn to start-up businesses because of their scalability and risk/reward profile. Startup businesses concentrate on coming up with an original idea to stand out in a crowded market. Any individual who wishes to launch a start-up should be aware of the various ways to raise capital. Without sufficient funding, a start-up is unable to operate. It is not always possible for the entrepreneur's initial capital contribution to cover all needs. A businessperson must consequently search for additional sources where the requirement for finances might be satisfied. Running a start-up requires a thorough understanding of the financial requirements and recognising of multiple sources of funding. When an entrepreneur decides to launch a startup, there is a need for funding. For the acquisition of the equipment, furnishings, and other fixed assets, some money is required right once.

II. LITERATURE SURVEY

Among the challenges faced by HR IT startups, according to Madhvapaty & Rajesh (2018), is the inability to establish the basis for employee adoption. Finding the ideal product-market fit is the main problem, despite the market being filled with a variety of items and technologies.

According to Nipun Mehrotra (2018), the Indian start-up community, which is third in the world for the number of start-ups, has been generating new job possibilities and drawing in funding. In order to address the difficulties that India and the rest of the globe confront, we think start-ups should concentrate on societal issues including healthcare, sanitation,

education, transportation, alternative energy management, and others. These need investments in cutting-edge technology and products that are designed for global scalability.

"Before the recent hysteria of Startups, India was primarily known as an IT outsourcing final destination that provided cheap and easy labour to the global companies for carrying out various back-end jobs," write UrubaAndaleeb and Dr. S. D. Singh in their research paper titled "A study of The financing Sources for New Companies in India" (2016). Indian technology firms have been around for almost three decades. The dotcom era, the advent of product startups, the rise of the startup ecosystem, and the compilation of the industry's important landmarks led Microsoft Accelerator in India to identify four separate stages of development and maturity that have thus far been crossed.

"A startup has to deal with a variety of issues that need must be resolved in order for it to develop into a successful organisation," argues Nishith Desai Associates (NDA) in 2016. The startup must consider its regulatory surroundings, various legal challenges, and theregulations of the country where it plans to establish itself in addition to developing the best marketing plan for the enterprise. The startup will additionally require information on the legal and tax structures in the regions where it aims to conduct business.

Sharma (2013) conducted research on Indian women business owners. She came to the conclusion that social impediments, legal issues, a lack of education, lack of family support, and other issues affect women entrepreneurs. She also discussed the many push and pull variables that influence entrepreneurship. She claims that women are capable of starting businesses and being strong in the face of adversity.

In their research work, Goyal, Prakash (2011) came to the conclusion that being an entrepreneur today is better than it was in the past. Economic systems are making attempts to foster and improve entrepreneurship. The government is raising awareness, and citizens are acting accordingly. Startups need to be properly set up with the business knowledge to deal with the most recent trends and environmental changes, as well as strong enough to compete for dominance in the entrepreneurial coliseum.

1.1 Objective:

1. To understand the numerous problems and difficulties the start-up company is facing.
2. To evaluate the potential for the new business.

II. RESEARCH METHODOLOGY:

The difficulties the start-up faces are the main subject of this study article. This study is based on secondary data that was gathered from books, online websites, newspapers, research papers, and other sources. The researcher developed his or her own analysis and elaborated on many significant issues faced by Start-up Companies after consulting various case studies and watching current start-up management practices.

2.1 Scope of the Study

Start-ups have played and continue to play important roles in the expansion, modernization, and industrialisation of numerous economies around the world. The government of India's flagship programme, Startup, aims to create a robust environment for fostering innovation. Startup will propel a sustainable economic process, create numerous prospects for employment, and reduce unemployment.

CHANCES FOR START-UPS

Despite the difficulties and obstacles that startups confront, the Indian marketplaces provide a wide range of chances to look for solutions designed to solve them. A list of a few of the options that are discussed for entrepreneurs to investigate is perhaps provided below.

1. Working class mindset transformation: Traditional job paths will be grateful for the Indian startup scene. Several status executives have been observed leaving their positions to launch their own businesses or work for startups. The number of students joining startups and e-commerce businesses has increased significantly over the past year, according to a survey by the Economic Times, which supports the current trend.
2. Knowledge Acquisition and Training: Given the importance of knowledge and the government's growing emphasis on promoting it, there is an honest need for learning as well as internet tutoring services in the

nation. Creative instructional techniques combined with need-based educational programmes have the potential to significantly contribute to the growth and prosperity of the nation's education sector.

3. **Innovate India:** With the formation of nine centres of technical excellence, the government of India has championed for the use of digital technology through programmes like the National AI Programme.
4. **Media:** There are a tonne of potential for young entrepreneurs in the media sector. Due to this market's rapid growth, any company operating in this space will benefit entrepreneurs greatly. There has been a recent business boom in television, advertising, print, and digital media, and this trend is likely to continue.
5. **Infrastructure and Resources:** By 2020, there will likely be 300 startup incubators nationwide, most of which will be housed in academic institutions. This means that there will be a startup incubator in each state, city, as well as city within the nation, allowing business owners to access assets and solve local issues. Next, there are co-working spaces, which are expanding exponentially and are frequently likely to result in business owners having access to offices in their neighbourhood.
6. **Mindset shifts:** Nowadays, the majority of individuals have abandoned the conventional belief that the only way to make money is through employment. With the aid of cutting-edge technology and inventions, many adolescents have begun expressing interest in launching their very own businesses. As a result, numerous startup businesses are expanding throughout the nation.

DIFFICULTIES FOR START-UPS:

It takes work to make a start-up a success. When beginning a replacement startup, many considerations need to be taken into account. An entrepreneur may experience the problems listed below if they are working on a business idea for the first time. Prior studies on the difficulties faced by startups cover a wide range of issues that affect many firms. Despite the fact that most difficulties are particular, there are those that are universal, and their impact on startups varies accordingly.

- **Idea conception and execution:** Although many believe that finding finance for start-ups is their toughest obstacle, actually putting an idea into action is more crucial. It entails creating a business or startup plan's blueprint.
- **Financial Challenges:** As was already mentioned, financing is a crucial aspect of starting a business. Any start-up would experience financial difficulties for a variety of causes and at various phases. For instance, when bootstrapping, the creator bargains with friends and family to persuade them to support his or her concept. He or she invests in the company, and because the idea is still in its infancy, he or she may need additional funding to grow it. The founder should then look for angel investors during the seed stage and persuade them with fair valuation projections.
- **Human Resources:** A startup typically has one or more founders at the outset. As time passes, the founder will require more specialists to create the prototype, etc. After that, they engage in negotiations with others, form a team, and finally hire staff. The management of human resources is very important for the process to be successful, and if the founder doesn't have adequate expertise, the start-up may fail for management-related reasons.
- **Support systems:** A variety of support systems play a significant part in the lifespan of startups. These support systems include venture capitalists, small business development centres, science and technology parks, angel investors, and others. The risk of failure rises when these support systems are not available.
- **Increasing Market Awareness:** Lack of dedication to market constraints is one reason why startups fail. Due to the uniqueness of the product, the climate for startups is typically more challenging than for established businesses. Because the startup must create everything from scratch, the scenario is more difficult for a replacement product.
- **Lack of Mentorship:** One of the most significant issues facing the Indian startup ecosystem is a lack of appropriate leadership and mentoring. The majority of companies have outstanding concepts and/or products, but they lack the necessary business, market, and industry knowledge to successfully launch their goods. It is evidence that a great idea can succeed if it is carried out right away.

- Lack of a strong branding plan: Another problem preventing companies from thriving more quickly is the absence of a strong branding strategy. The branding is of utmost importance since it establishes an identity and takes up space in customers' imaginations.
- Lacklustre revenue generation: As a result of the company's expansion, many businesses fail. businesses' primary focus on the fundamentals of business is diluted as a result of growing operations, rising expenses, and declining revenues that force businesses to think about finance. Not getting enough money is the problem; the problem is expanding and keeping the expansion going.
- Education: India still lacks a proper startup ecosystem that would enable it to take full advantage of the prospects available right now. Most educational institutions, with the exception of a small number of the nation's best business schools, fall short of providing the necessary resources and support for their students to engage in free-form thinking and pursue entrepreneurship.
- Founders' tenacity: Startup founders must have grit when the going gets rough. Entrepreneurs need to be persistent, persuasive, and tenacious in their pursuit of their goals.
- Funding: Lack of capital is one of the major problems Indian businesses are now facing. Indian entrepreneurs face a significant barrier as a result of the lack of state assistance in the form of policy approvals, bureaucratic red tape, and delaying decisions made by committees.
- Vision: The majority of Indian startups are lacking the long-term vision and leadership necessary for maintaining and expanding their business over the long term. In addition, an excessive amount of emphasis is placed on quick financial returns rather than innovation, which is something that is not remedied by the VCs/angel shareholders for these start-ups.
- Infrastructure: India's infrastructure has a lot to be desired. Poorly designed roads, ineffective logistics, inadequate Internet access, problems with water and energy, among other things, all have a negative impact on the startup ecosystem there today.
- Mentoring: The startup ecosystem in India suffers from a severe lack of top-notch mentoring and a network. There isn't a sizable pool of successful businesspeople in India who are willing to coach the next generation of businesspeople and who have developed great enterprises from nothing. As opposed to money, many entrepreneurs are attempting to locate suitable mentors.

III. CONCLUSION

- Start-up India was established to give the nation's businesspeople a very bright future.
- The initiatives that were put up were strongly in favour of making startups succeed. This essay made an effort to evaluate the advantages and difficulties the start-up experienced. We may infer from the research that the government's programme created a deep and enduring positive atmosphere in the nation for everyone, young and old, who wished to pursue their aspirations of founding their own prosperous start-ups.
- There are frequently many prospects for Indian startups to expand their businesses. Even if they encounter problems and difficulties, they should endeavour to overcome these obstacles in an effective way.

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