

# Start-Up Ecosystem in India

<sup>1</sup>Dr. K. Anusha, <sup>2</sup>P. Krishna Priya

<sup>1,2</sup>Asst. Prof., Dept. of Business Administration, PVPSIT, Vijayawada, India.

<sup>1</sup>kanagalanusha@gmail.com, <sup>2</sup>krishnapriyaghanta@gmail.com

**Abstract** - India with a growth rate of 7% is one of the fastest growing economies in the world. A lot of factors are responsible for this growth. Entrepreneurship is one key factor for India's development. It is important to focus on promoting local resources within the country to emerge and grow as a top consumer market. The paper examines the entrepreneurship system gaining ground in India. The importance of start up ecosystem for entrepreneurship development and organisations promoting start up's are also discussed.

**Keywords:** Entrepreneurship, Entrepreneurship ecosystem, Start-up ecosystem.

## I. INTRODUCTION

Entrepreneurship ecosystem refers to the social and economic environment affecting the local/regional entrepreneurship. The entrepreneurship ecosystem has eight domains that are the key to promote entrepreneurship.

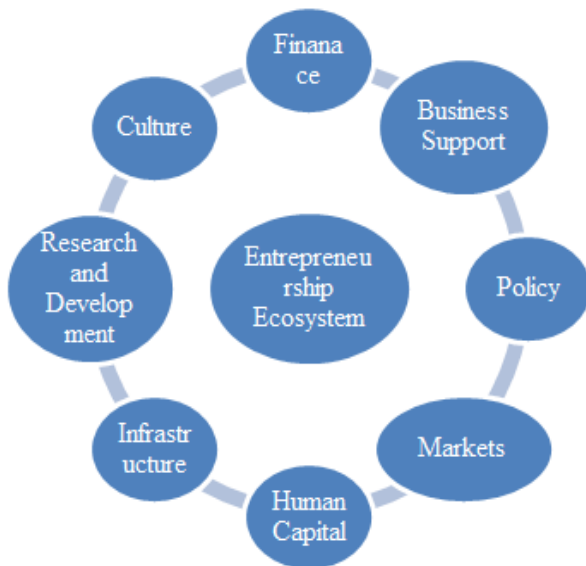


Fig 1: Entrepreneurship Ecosystem

Each entrepreneurship ecosystem is unique. It can be described under eight domains. Though the importance given to the domains may differ from country to country the major domains are:

- **Finance:** The major sources of financing entrepreneurs include access to venture capital, debt, angels, grants, bank loans. Development finance institutions, microfinance institutions, public capital markets, government finance are also playing a major role in financing entrepreneurs.
- **Business Support:** Includes business incubators, industry networks, business mentors and technical

advisers, start up accelerators, credit rating agencies and legal/accounting services.

- **Policy:** Includes tax rates; various tax incentives to strengthen the linkages between stakeholders and provide necessary funds to so start a business.
- **Markets:** Domestic and international corporations; consumers; distribution and retail networks; marketing networks are included.
- **Human Capital:** High schools; technical training institutes; community colleges and universities provide the necessary human capital.
- **Infrastructure:** Includes transport providers; electricity providers; communications (mobile & internet) and other utility providers (gas & water)
- **Research & Development:** Includes public and private research centres and laboratories.
- **Culture:** Includes government, schools, professional associations, media, social organizations that support a culture of entrepreneurship.

## II. START-UP ECOSYSTEM IN INDIA

India is a Changed world today. Products are being developed here for the Indian market because it has a big consumer base. According to NASSCOM Start-up report India has the third largest start-up ecosystem in the world. Indian ecosystem has the innovative ideas. The need is the channel and guidance in terms of acceleration, scaling up and funding.

Launching incubators and R& D centres can help the start ups to be incubated. Technology is fast changing. It is important to comprehend the new forms of technology by the manpower who can work.

The Government of India has undertaken several initiatives and instituted policy measures to foster entrepreneurial culture in the country. To nurture

innovation, Government of India integrated a number of sectors that include academia, industry, investors, entrepreneurs and non-governmental organizations.



Fig2: Elements of Start-up Ecosystem

A start-up ecosystem constitutes people, start-ups in their various stages and various types of organizations to scale new start-up companies. The elements of start up's includes-

#### ***Ideas, research***

The ideas for any start up are initiated either through in house R&D, or from the external sources. For start up's to evolve, the number of patents registered in the country matter. India today had thousand tech start up's for 2017. The country has plentiful of ideas which are getting patented. But what is required is a right path of execution to a start up.

#### ***Entrepreneurship education***

One of the influential forces that can determine the health of the economy is entrepreneurship education. For a start up to tailor its services it should encompass a multi disciplinary approach considering the core management subjects such as marketing, finance and entrepreneurship which provide an opportunity to develop unique solutions to satisfy customer needs.

#### ***Entrepreneurs***

An entrepreneur should have an attitude and approach that can actively seek out change and the mindset that embraces critical questioning, innovation, service and continuous improvement which imparts entrepreneurial spirit which is important for an entrepreneur to feel empowered and motivated for taking up challenges.

#### ***Angel Investors***

An angel investor is one who invests his/her own money in a start up company. Angel investors are of two categories. They are those who know about a start up and those who don't know. In India, currently the investors like

professionals and managers are coming up for funding up the start up's.

#### ***Start up team***

The start up is all about building a company. What the system needs is solid team rowing in a same direction envisioning the big picture to inspire and adopt a management approach that can dictate a game from a different set of plays.

#### ***Start up events***

Start up's need to attend as many events as possible. But not all the events can be compared to each other in their scope and efficiency. India is also hosting start up events to promote entrepreneurship.

### **III. ORGANIZATIONS PROMOTING START UPS**

To lead entrepreneurs, to learn and grow the organisations play an important role.

#### ***Universities***

The young entrepreneurs lack experience, business education and the knowledge of the changes happening globally. They have become too theoretical. In order to improve entrepreneurial education universities established mentoring pools, entrepreneurship development cells and incubators at various institutions like engineering colleges and management schools.

#### ***Advisory and mentoring organizations***

There are many organisations that support the ongoing growth of entrepreneurs. The advisory organisations can lead to new relationships and connections, partnerships, business ideas and even new clients and new customers.

#### ***Start up incubators***

Start up incubators act as a tool for the development of entrepreneurs. The support the government extends to foster incubation and eco system development by commercialising the technologies, developing their products and getting early seed funding is appreciable.

#### ***Start up accelerators***

A start up accelerator accelerates the venture from ideation to growth via mentorship that creates new opportunities in the market and mitigates start up risk.

#### ***Service providers (Consulting, Accounting, Legal etc.)***

The entrepreneurs' access to legal, accounting and other expertise is important to help the start up to grow as rapidly and efficiently as possible. Referrals are the best way to get a new professional service provider.

#### ***Start-up competitions***

Start-up competitions are focussed in creating a rewarding platform for entrepreneurs to connect with and present their

plans to the leading investors and industry experts in the Indian eco system.

#### **Venture Capital Companies**

A venture capital firm is essential for a start up to reach to its growth stage which is undoubtedly the important requirement to scale up. The momentum of funding the start ups in technology - powered and consumer service businesses is notable.

#### **IV. SCHEMES FOR PROMOTING WOMEN ENTREPRENEURSHIP AND INNOVATION**

- Stree Shakti Package
- Annapurna Scheme
- Dena Shakti Scheme
- Mahila Udyam Nidhi Scheme
- Orient Mahila Vikas Yojana
- Udyogini Scheme
- Bharatiya Mahila Bank Business Loan
- Cent Kalyani Scheme
- Mudra Yojana Scheme for Women

#### **India's efforts at promoting entrepreneurship and innovation are:**

- Startup India
- Make in India
- Atal Innovation Mission (AIM)
- Support to Training and Employment Programme for Women (STEP)
- Jan Dhan- Aadhaar- Mobile (JAM)
- Digital India
- Biotechnology Industry Research Assistance Council (BIRAC)
- Department of Science and Technology (DST)
- Stand-Up India
- Trade related Entrepreneurship Assistance and Development (TREAD)
- Pradhan Mantri Kaushal Vikas Yojana (PMKVY):
- National Skill Development Mission
- Science for Equity Empowerment and Development (SEED)

#### **V. CONCLUSION**

Start ups cannot operate in a vacuum. They need a supporting eco-system to nurture them. India is the land of rising entrepreneurship. U.S. boasts 23 million small businesses while India with 48 million has more than twice as many, but securing financing is still an issue. Growing entrepreneurship culture, a supportive new proactive government, growing availability of financing, India, the world's largest democracy is poised for robust economic times. Overcoming all the barriers and with the constant support extended by the government and various institutions hope India would overcome China in a very short period of time

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