

Start Up's

“Empowering the Future: A Startup Journey to Success”

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Abstract

The development of a startup provides useful insights for business executives, entrepreneurs, and anybody else eager to start their own firm. This chapter shows the unyielding spirit of invention and entrepreneurship that fuels the expansion of the startup ecosystem through its compelling tale and insightful insights.

Introduction

Startups are young businesses. They often receive funding from the founders (which can range from a couple of people to a single investor) and offer a product that is either unavailable on the market, in little supply, or only available in a subpar way, according to the inventor or inventors.

Because companies often generate very little money in their early years, costs usually outpace income. Because of this, getting finance frequently involves taking out bank loans or credit union loans. Startups also have the option of receiving investment via incubators, which may provide both finance and coaching, as well as funding that is sponsored by the government. Start-ups may think about requesting loans from friends or family if they are in a tight spot. For businesses that can demonstrate their promise, venture funding is an alternative. With venture capitalists, money is traded for a portion of a firm.

The government of India launched the flagship program Start-up India with the goal of creating a robust ecosystem for fostering innovation and start-ups in the nation, which will foster long-term economic growth and provide significant job possibilities. The government of India is launching this action plan that targets every area of the start-up ecosystem in order to accomplish the objectives of the program, which is aimed at empowering start-ups to develop via innovation and design. The government wants to hasten the growth of the startup movement with this action plan.

From the digital/technology sector to a variety of industries, such as agriculture, manufacturing, the social sector, healthcare, education, etc., as well as from tier 1 cities to tier 2 and tier 3 cities, which include semi-urban and rural areas.

Start-up businesses can take on a variety of shapes and sizes. Building a co-founding team to gather essential or complementary talents, knowledge, financial resources, and other components to produce the product for the target market is one of the crucial jobs.

Meaning of Startups

A start-up is a company in its early days yet to make much progress, which is founded by one or several entrepreneurs to make some products or provide services. A start-up can be making and selling a small pin selling flight and ship parts, from providing services like carpenter, etc. to providing services in the IT sector, from retailer shops to restaurants. Any business that has the capacity to be profitable can be termed a start-up. Basically, the start-up is a business in its initial stage.

A startup is a newly established business that aims to bring innovative products, services, or solutions to the market. These ventures are typically characterized by their innovative ideas, fast-paced growth, and the potential for high returns.

Key features of startups:

1. **Innovation:** Startups often revolve around innovative ideas, disruptive technologies, or unique approaches to solving problems. They aim to offer something new and different that distinguishes them from already existing companies.
2. **Growth:** Startups are designed to grow rapidly and scale their operations quickly. The focus is on expanding their customer base, entering new markets, and increasing revenue as rapidly as possible.
3. **Risk and Uncertainty:** Startups face significant risks and uncertainties, particularly in their early stages. Several new businesses fail because of things like market competition, financial constraints, or a lack of product-market fit.

4. **Entrepreneurship:** Startups are driven by entrepreneurship. Entrepreneurs are those who take the initiative to start and grow these enterprises, frequently with the goal of changing the world for the better.
5. **Funding:** Startups usually require external funding to fuel their growth. Entrepreneurs seek venture capitalists' financial assistance, angel investors, or crowdfunding platforms to invest in their ideas and scale the business.
6. **Lean Approach:** Many startups adopt a lean approach, which involves testing hypotheses, iterating quickly, and adapting to market feedback. This agile methodology allows them to make data-driven decisions and optimize their products or services.
7. **Disruption:** Some startups aim to disrupt traditional industries by introducing new technologies or business models that challenge the status.
8. **Flexibility and Adaptability:** Startups need to be flexible and adaptable to respond to changing market conditions, customer preferences, and emerging trends.

Starting a startup can be an exhilarating and challenging journey. While some succeed and become unicorns (startups with a valuation of over \$1 billion), others may encounter obstacles that caused failure. However, failures often deliver insightful insights that can entrepreneurs refine their ideas and strategies for future endeavours'.

Remember, every successful startup began as a small idea, and with the right vision, determination, and execution, you too can embark on a rewarding startup journey.

Start-up over the job.

At a job, there is always a boss who gets to govern you all the time, who tells you to get the work done; there are always deadlines and so many burdens. You never get the respect that is due but, in a start-up, you are the boss, you get to govern people, and there are no deadlines for you. Job provides you with a definite salary and it's not likely you are getting a raise soon. The start-up provides you to earn as much as your potential, your idea and business Plan determine your budget. will make but if one does it right, it will be better than any salary; although a salary is definite. But there are constantly present. with start-ups.

Every business that is successful today was once a start-up with an entrepreneur wondering if he can get it successful. Every start-up which was based on hard work and an amazing idea is successful today.

The process to start a start-up

1) The first and foremost step is to have a business idea

One should always come up with an intriguing and unique business idea as it tends to get more success but that's not always necessary, even if you are doing a business everybody else has, that's not going to decrease your chances of being successful. For Example, restaurants like KFC, and MC'D are everywhere and people love to dine out. One day, an entrepreneur gets the idea of opening a new MC'D in his locality, the business will be successful but if there is already another one in the area, it will just bring the market down of both. So, try to make your idea unique, and do something out of the box.

2) Make a business plan

The second stage is to make a business plan for your start-up. Plan everything required to start, from where the resources will come, what audience to target, which market to target, where the set-up will be, and where the manufacturing will start. From scratch to every last ounce of the idea needs to be planned out. Without proper planning, it is most likely the start-up will fail.

3) Secure the funding required

In relation to the most important steps. One needs to have enough funding to start the Start-up and have it going for some time even if it is not earning anything. There are various ways of getting funding; taking loans from a bank, saving your own money, having some family members invest in your idea, find a shark (a person who earns by investing in start-ups) that is willing to invest.

4) Find a location

For a business to be successful, one always needs a proper location to start with. Different kinds of start-ups need different kinds of locations. For a start-up that is based on selling a product, the location should be around the market, so that transportation can be negotiated.

5) Become a marketing expert

Someone who owns a start-up has to become an expert in marketing their product. They should learn the market trends, how their product will attract an audience, how will they sell the product, and everything.

6) Popularize your start-up

In this internet era, the top quality a start-up needs are popularity. Making a website and selling anything online is quite easy nowadays. When you are providing a service, give an online discount that buyers can never ignore. It is very easy and necessary to popularize your product/service to boost sales.

7) Always keep an eye out for competitors

Every day, there are competitors in every field even if your idea is unique, someone will be there to steal and try to give you competition. Maintain your vision alert at all times. to competition. Try to provide the best to the customers at reasonable rates.

8) Grow your start-up towards a successful business.

When your start-up starts to provide you with enough gains. Just don't get stuck at it, try to gain more and expand. Try new markets, and grow your business.

The reason for failure of start-ups:

There are various reasons why start-ups fail. The most commons are: - funding, wrong marketing strategy, losing focus on the core of the start-up, etc.

Funding/money-related issues come on top of the list of why most start-ups fail, after a while, most of the start-ups run out of money or the investors don't see potential in the idea anymore and stop the funding which results in a shutdown. The problem is very common, among all the failed start-ups, 40% are shut down due to money-related problems.

Next is the marketing strategy, many start-ups have a product that has the potential but still fail because the marketing strategy comes out wrong, and the wrong audience is targeted. One can never sell a kitchen item in a men's market. Sometimes the entrepreneurs lose the sole focus of their start-up and tend to make more profit which results in failure after a while.

Special Considerations while starting the start-up:

There are a number of different factors that entrepreneurs must think of as they try to get their startups off the ground and begin operations. We've listed some of the most common ones below.

1. Location

Any firm is susceptible to locational factors. And for someone just starting out in a company, it's frequently one of the most crucial factors to take into account. Startups must choose whether their business will be handled online, at a physical location, or both. The venue is determined by the goods or services being provided.

For instance, a technological start-up selling gear for virtual reality could require a physical shop to let clients see the intricate aspects of the product firsthand.

2. Legal Structure

Startups should think about what type of legal structure best suits their business. For a founder who simultaneously serves as the company's most important employee, single ownership makes sense. Businesses with many owners who share ownership can be legally organized as partnerships, and they're also fairly straightforward to establish. Personal liability can be reduced by registering a startup as a Limited Liability Company (LLC).

3. Funding

Startups frequently use venture capitalists or their personal networks to raise money. This is a group of experienced investors who focus on supporting startups. Many people now find crowdfunding to be a feasible option for getting the capital they require to advance their businesses. The business owner creates a crowdfunding website online where supporters may contribute money.

Credit may be used by startups to start up their business. The startup may be able to use a line of credit as capital if it has impeccable credit. The riskiest choice is this one, especially if the startup fails. Other businesses decide on small business loans to support expansion. A microloan is a brief, low-interest product designed specifically for startups. Banks normally

offer a variety of specialized choices accessible to small firms. A comprehensive business plan is frequently necessary in order to qualify.

Governments around the world often recognize the importance of startups as drivers of economic growth, job creation, and innovation. To support and encourage startup initiatives, many governments have introduced various schemes, programs, and incentives.

Here are some typical examples of government schemes for startups:

- **Financial Support:** Governments may offer financial assistance in the form of grants, subsidies, or low-interest loans to startups. These funds can be used to develop and commercialize innovative products or services.
- **Tax Incentives:** Tax breaks and incentives can help startups reduce their tax burden during their early stages when they may not be generating significant profits. These incentives can include tax holidays, deductions, or exemptions.
- **Incubators and Accelerators:** Governments often support startup incubators and accelerators, which provide mentoring, networking opportunities, and access to resources like office space and infrastructure. These programs help startups grow and succeed.
- **Research and Development (R&D) Support:** Startups heavily involved in research and development may receive government support through funding or R&D tax credits, which help offset the costs of innovation.
- **Skill Development Programs:** Governments may invest in skill development programs to enhance the entrepreneurial and technical skills of startup founders and their teams.
- **Public Procurement Opportunities:** Some governments set aside a portion of their procurement budgets for startups, giving them opportunities to provide products or services to public agencies.
- **Intellectual Property Protection:** Support for intellectual property registration, patents, and copyrights can help startups protect their innovative ideas and technologies.
- **Regulatory and Policy Reforms:** Governments may review and reform regulations to create a more conducive environment for startups. Simplified

business registration processes and reduced bureaucratic hurdles are examples of such reforms.

- **Co-investment Funds:** Some governments partner with private investors to create co-investment funds, where the government matches the funding provided by private investors for startups.
- **Startup Festivals and Events:** Governments often organize startup festivals, conferences, and events that bring together investors, industry experts, and startups, fostering networking and collaboration opportunities.
- **International Expansion Support:** Governments may offer support and resources for startups looking to expand their business internationally, such as market research and trade missions.

It's important to note that government startup schemes and policies can vary significantly from country to country and even from region to region. Aspiring entrepreneurs should research and explore the specific schemes available in their country or local area to take advantage of the support available to them. Many countries have dedicated government departments or agencies responsible for overseeing and implementing startup support programs.

Funding schemes for Start-ups by Government:

1. Venture Capital Assistance Scheme
2. Support for International patent protection in electronics and Information technology (SIP-EIT)
3. Stand-up India for financing SC/ST and/or women entrepreneurs
4. Single point registration scheme
5. Extramural research or Core Research Grant
6. High-risk high reward research
7. IREDA NCEF refinance scheme

8. Dairy Entrepreneurship Development Scheme
9. Revamped Scheme of fund for registration of traditional Industries (SFURTI)
10. Assistance to professional bodies & seminars/symposia
11. Multiplier Grants Scheme
12. Scheme to support IPR awareness workshops/seminars in E&IT sector
13. Biotechnology Ignition Grant (BIG)
14. Small Business Innovation Research Initiative (SBIRI)
15. Biotechnology Industry Partnership Programme (BIPP)
16. Pradana Mantri Mudra Yojana
17. 4E (End-to-End Energy Efficiency)
18. Sustainable finance scheme
19. SIDBI Make in India Soft Loan Fund for Micro Small & Medium Enterprises (SMILE)
20. Promoting Innovations in Individuals, Start-ups and MSMEs (PRISM)
21. Aspire a scheme for promotion of innovation, rural industries and entrepreneurship.
22. Self-employment leading schemes- credit line 2- term loan scheme.
23. Self-employment leading schemes – credit loan 1 – term loan scheme.
24. Self-employment leading schemes – credit loan 1 – Microfinancing scheme

25. Self-employment leading schemes – credit loan 1 – Mahila smarudhi yojana

26. self-employment leading schemes – credit loan 2 – Microfinancing

Apart from the schemes listed above government of India has also taken the initiative to support seed funding

STARTUP INDIA- SEED FUNDING SCHEME

For entrepreneurs in the early phases of an enterprise's growth, easy access to cash is crucial.

Startups can only receive funding from angel investors and venture capital companies if a proof of concept has been shown. Similarly, banks only lend money to applicants who can vouch for their assets. To enable firms with creative ideas to undergo proof of concept tests, early capital is crucial.

The seed and "Proof of Concept" development stages of the Indian startup ecosystem lack sufficient finance. For companies with solid business concepts, the needed funding may make or destroy their firm.

Due to the lack of this crucial funding at an early stage needed for proof of concept, prototype development, product testing, market entrance, and commercialization, many creative company concepts fail to take off.

Offering a seed fund to such promising situations might have a multiplier effect, validating the business plans of numerous firms and creating jobs.

Categories of Startups

Startups can be categorized based on various criteria, including the industry they operate in, their business model, their stage of development, and their target market.

- **Technology Startups:**

These startups are centred around developing and offering innovative technologies or digital solutions. They often focus on areas such as software development, artificial intelligence, cybersecurity, fintech, health tech, and more.

- **E-commerce Startups:**

E-commerce startups operate online platforms to sell directly to customers of goods or services. They can specialize in various niches, such as fashion, electronics, home goods, and more.

- **Healthcare Startups:**

Startups in the healthcare industry aim to improve medical services, and healthcare delivery, or develop new medical technologies and treatments.

- **Biotech and Life Sciences Startups:**

These startups focus on biotechnology, genetic research, pharmaceuticals, and life sciences to develop new drugs, therapies, or medical advancements.

- **Social Impact Startups:**

Social impact startups have a primary goal of creating positive social or environmental change. They may address issues such as poverty, education, sustainability, and access to clean energy.

- **Fintech Startups:**

Fintech startups combine finance and technology to provide innovative financial services, such as mobile payment solutions, peer-to-peer lending platforms, and blockchain-based services.

- **Food and Beverage Startups:**

These startups operate in the food and beverage industry, introducing new products, sustainable farming practices, or innovative food technologies.

- **Hardware and IoT Startups:**

Hardware startups develop physical products or Internet of Things (IoT) devices that connect to the internet to provide smart and interconnected solutions.

- **Gaming and Entertainment Startups:**

Startups in this category focus on developing video games, entertainment platforms, streaming services, or virtual reality experiences.

- **SaaS (Software as a Service) Startups:**

SaaS startups offer software applications hosted on the cloud, providing subscription-based access to users for a variety of functions, including managing customer relationships (MCR), handling projects, and more.

- **Artificial Intelligence (AI) Startups:**

These startups leverage AI and machine learning technologies to provide solutions in diverse areas like NLP, computer vision, data analytics, and automation.

- **Green and Clean Tech Startups:**

Green startups aim to promote environmentally friendly and sustainable solutions in areas like renewable energy, waste management, and conservation.

- **Gig Economy Startups:**

These startups create platforms or apps that facilitate freelancing, connecting individuals or businesses seeking specific services with independent workers.

- **EdTech Startups:**

EdTech startups focus on revolutionizing education and learning through technology, offering online courses, interactive learning platforms, and educational apps.

- **Transportation and Mobility Startups:**

These startups work on innovative transportation solutions, including ride-sharing platforms, electric vehicles, and autonomous vehicles.

Government Portal for Startup

The Government of India's flagship program, Startup India, aims to encourage the startup culture and create an effective, inclusive ecosystem for entrepreneurship and innovation in India. In order to encourage entrepreneurs and make India a nation of job creators rather than job seekers, Startup India has launched a number of programs since the initiative's debut on January 16, 2016.

The extensive range of Startup India's programs is described in the Action Plan below. A dedicated Startup India Team, which answers to the Department for Industrial Policy and Promotion (DPIIT), oversees their administration.

The 19-Point Action Plan envisions, among other things, the following types of support for startups:

- Improvements to infrastructure, such as incubation facilities.
- Easier IPR facilitation, including simpler patent filing - A better regulatory environment with tax advantages, simpler compliance, easier company formation, and quicker exit methods, among other things
- A 10,000 crore INR Fund of Funds, administered by SIDBI, to stimulate the economy by expanding funding options.

The Startup India Portal provides a variety of helpful information and a sizable networking database for business owners and other participants in the startup ecosystem.

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