

Startups, Barriers and its Opportunities in India

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Abstract

“Uttam Kheti Madhyam Baan, Nikhad Chakri Bheekh Saman” That is, best farming (agriculture work) was the best work in our society, Madhyam Baan (trade) - Business had been called medium level work. Chakri means job had been said to be a bad job, our elders had considered it like a dog's tail. But today all this has changed and has become a completely reverse definition. Today we give priority to all jobs; the job is purchasing our skills and providing food for us two times in a day. Today our mindset has changed so much that we are afraid of taking any risk in life and this fear keeps us from working new Innovations/Startups.

We need startups to improve the country's economic system; we can improve the economic economy of the country only through startups. The jobber can only improve himself and his family's living standard, but a businessman can improve the family economy as well as the country economy also. 35 years ago, China gave priority to startups and today Chinese products available over the world which strengthens China's economy. In today's conditions, India will have to do less import and in India it will have to prepare raw materials and finished goods itself. For this it is necessary to create new startups in India and the government should help grow the startups.

Key Words: - Job, Startups, Import, Economy,

Introduction

Most of the people in India know about the innovation and they also know how to innovate the things but they are known here as jugaad and such jugaad which is capable of improving the economic system of any country. Jugaad was given a name, “Startups” from the Red Fort in August 2015 by Prime Minister Narendra Modi. It was formally launched in 2016 and a lot of features also introduced. But still the startups are neither growing nor succeeding at such a rapid pace because even today, there are many flaws in the system, due to this, starting a startup is a very big challenge. Those who can play a good role in startup are also forced to do the job. There is no risk in the job, so today's youth is the place of startup, makes the job a priority.

Covid-19 Pandemic has caused a lot of damage to the economy of the country. The best solution to overcome this damage is just startup. Through startups, we can make a complete change in the economy of the country. For this, we have to do only two tasks, one will have to reduce our Import, second we have to bring new schemes for startups and remove the shortcomings between startup and Banker. A private organization will have also to be built to remove those flaws. There are many opportunities for startups in India, by taking advantage of which anyone can contribute to improve the economy of the country, along with his or her family.

Importance of Startups

The growth of startups will lead to new innovations and the development of innovations will develop new products, new services and new systems, which will make our life better and easier. New products made in new startups will open the way for economic development of the country. At the same time, our country will be successful in establishing itself in the global market.

1. **Technology Enhancement:** - Startups are focused on implement of new technology rather than improvement of old technology. Due to technology enhancement startups are able to take quick decisions and have faster communication system, that why they are more able to make products or services according to the customer. Startups required financial support to do more technological innovations.
2. **Opportunities for New Market:** - New opportunities are created through new technologies and they also expand their scope through new products and services in the market. Which will also increase the market size and there is also economic growth.
3. **Build Entrepreneur:** - Startups create job provider not job seeker. Most of the jobs create by startups now existing businesses, the ration of employment generation is higher in startups in compare of existing businesses. Startups can be a big player to decrease unemployment for any country.
4. **Proactive approach for Society:** - Startups are changing the values of society; every startup that starts today is started keeping in view the need of the society. In startups, it is also seen that it is useful for every

category. Society of India is very large market research in itself which is very easy and difficult to understand. Those who found the problems of society those entrepreneurs become successful and those who do not do research on the Society problem never succeed.

5. **Promote self-reliant India:** - All startups are promoting self-reliant India because all startups in India started only to remove the problem of India. Startups have a very important role to play in strengthening the economy of India, keeping in mind the user and world-class quality level of India made in India. We must also support all startups to make self-reliant India a success. Today, 70% of the material in our house is manufactured from China, which is increasing the unemployment in our country as well as weakening the economy of our country. If India wants to strengthen the economy of the country, then we will have to develop manufacturing zones in our country, start new startups and leave jobs and become entrepreneurs. Only when our country becomes self-dependent, no human being in our country will sleep hungry.
6. **Availability of unique products and services:** - Startups not only develop entrepreneurship but also provide new products and services. New products that make our lives easy and useful. Today, startups have transformed our lives from traditional life to technology driving. Today, sitting at home, we can take all the goods and services for which we had to stand in line for hours or spend time in the market. Today, our lifestyle is such that we need goods and services that are useful during work hours and can make our life easier. Startups are bringing us products and services that we cannot imagine that today you have to buy food, order medicines, buy clothes, buy electronic goods, kitchenware and many more goods and services. We had to go out and the time spent in the family was reduced, today it is the gift of all the Goods and Services startups that come in our house.

Requirements of Startups

Just like seeds need water, air, light and fertilizer to become a tree, in the same way, the country needs startups to get on top. Startups required some essential things to grow themselves which are given below

1. **Creative and Feasible Idea:** - In today's era, many ideas come into everyone's mind, but there is a need for such an idea that can be landed on the ground and can also be expandable. No startup idea is feasible as long as it is one that has not only useful to the customer, rather also benefits the investor and he can also generate revenue. There is lot of examples in Indian market i.e. to do cashless transaction-Paytm, to order food anytime-Zomato, to travel anywhere in India-Make my Trip and to order medicines anytime at your home-1mg.
2. **Market Research related to your Product/Service:** - Startups always start due to a lack of products and services and the need of society. We should launch our product and service in the market only on the basis of the authentic information received by the market survey. Before start working on a startup idea, we should do a market survey related to the product or service of that startup idea and information should be obtained that whether the need of this product or service is in the market or not. If the demand for a product or service is not in the market, then we need to rethink our startup idea.
3. **Target Consumer:** - For successful marketing and advertising planning, we have to know our target consumers. When we consider any startup idea, the first thing that comes to our mind is that our product or service which we want to deliver to the consumer this product and service is for which type of consumer. The consumer is categorized according to age, geographical, language, economic, educational, and gender. There is some examples i.e. Vedantu- Target Consumers school going students, Glow and Lovely – Target Consumers females and Ola & Uber – Target Consumers from urban areas.
4. **You are in the Middle of Right Peoples:** - By the association of inferior people, their own intelligence is also inferior, by staying with the same people; they remain the same and become distinguished by the association of specific people. We should sit in the middle of the right people with our startup idea so that you get the right information about our startup. By doing this we will get to know the pros and cons of our startup. The right person always suggests us the right business approach. They also share their entrepreneurial experience.
5. **Select your Business Name:** - When we are ready to start our business then we need the name of the startup, which will be a brand in the future. Therefore, before choosing the name of the startup, we have to keep the future in mind because the name of your business will generate revenue for us in the future. Our business name should be unique and easily rememberable. The name of the business also matches the nature of the business.
6. **Business Place Location:** - Choose a business location is a big task because it impacts your business. When we choose a location then we consider our customers, clients, and employees also. A business

location should be easily approachable to transportation and If we do a material purchase, then those materials can reach us easily without any hurdle. Employees are able to come to the office, whether they come from public transport or from personal transport. Before thinking about the business location, we must keep the competitors in mind; our location must be close to the location of the competitors because we can take advantage of their customer overflow.

7. **Business Legal Structure Type:** - In today's context, a lot of business is done in proprietorships business but we cannot register startups from proprietorships. To register in startups, any entity must either register as a private limited, partnership, or LLP. All three entities required minimum two people as a director or partner. To register in any one required KYC documents of both persons i.e. pan card, aadhar card, bank account, DL/Passport both person email id, phone number, company name and company business object.
8. **Get License and Permissions:** - When we register himself in private limited, partnership or LLP than we need to register himself in Startup India and need approval from DIPP to take tax benefits. After company incorporation we need GST registration. GST registration required pan card, aadhar card, company name, email id, phone number and place of business which can be rented or owned. If we deal with FMCG goods than we required Food Safety and Standards Authority of India (FSSAI) which is an organization that monitors and governs the food business in India. FSSAI registration required some documents like address proof, list of food category and products, layout plan of the proposed location, NOC from municipality, incorporation certificate, list of directors/partners, MOA and AOA and water test report. Import Export Code (IEC) mandatory requirement for import and export goods and services. IEC required Pan copy of firm/company, voter id or aadhar card or passport copy, cancel cheque copy of bank account and rent agreement or electricity bill copy.
9. **Open Bank Account:** - To do a smart business we need to open a current account with the firm/company name. Current account meaning a bank account from which we paid any expense payment related to our business and all receipt related to our business should be fall in that account. In shot we can say all finance related transaction held in the business only with current account. To open a current account we need photo of directors/partners, Passport copy/Pan copy of director/partner, and voter id card/driving license of director/partner, company registration document and GST registration certificate.
10. **List our Employees Category:** - When we work on a business idea, we also need manpower and a list of which type of manpower is needed for our business should be prepared before starting. The list should be made in ascending order, in which to first place the type of employee who needs it the most, and place the least useful employee at the end of the list. After this we have to keep in mind that for which work we are going to need an employee like Housekeeping staff, Delivery staff, Marketing staff, Procurement staff, Account staff and others. We have to be free ourselves to expand our planning and business so that we can focus on the implementation and observation of the plans. In order to reduce the financial burden, employees should not be hired at fixed salaries for work that does not require regular manpower; we can get that job through job work or through any contracting agency.

Barriers for Startups

1. **Idea but not viable:** - Every idea that comes to our mind is not a business idea; similarly every business idea that comes to anyone's mind can take the form of a successful business it is not possible it completely depends on the situation, place, and products. The visibility of any business idea depends on a variety of factors such that a business idea is suitable for running in one market but it is not compulsory that this idea suitable for another market also. Similarly, for any business idea, availability of location, weather, transportation, target consumers, and manpower can be a viability factor also.
2. **Seed Funding:** - Money is a big hurdle for our startup, the first money we need to make any idea into a business is called seed funding which can help to start or grow to business. More than half of the startups of the world are unable to start due to seed funding and those that start, also stop at the initial stage due to lack of money.
3. **Limited Resources:** - By limited resources, we mean that for any business we need many types of resources like office space, manufacturing space and stockyard, transportation, hiring of employees, working capital, and so on. It is not possible for any startup to get all this mobilization and has to work in limited resources only.
4. **Nature of Business:** - What kind of business we are going to do, it is necessary to be completely clear in our mind. Sometimes there is such a problem that if we start a manufacturing business and due to lack of

resources, we can turn that business into a manufacturing we are not able to run like that and we start trading it so that our business idea and business nature are changed.

5. **Location of your Business:** - Location is also a very big hurdle for any startup; if we do not do any business as per it in a location and start a different type of business, then its failure is fixed for example if we start a coffee shop in a village or open compost-seed shop in urban area both are not fit according to their business locations.
6. **Target Market:** - Many startups fail to approach their target market as they are indistinguishable from the target market and they invest all their power and money to approach the wrong market. By not approving the kind of consumer that was to be reached for that particular product, we are approaching another type of consumer for a product that he does not need.
7. **Essential Business Skills:** - Most of the entrepreneurs start their startup without basic business skills. While any business needs some essential business skills to run, such as leadership, social networking, basic financial management skills, and problem-solving nature are required for an entrepreneur. If these skills are not with the entrepreneur, then he needs an employee who has these skills, but this increases the financial burden on the business and dependency on the employee which is not a good sign for any business to run.
8. **Transportation:** - If we are thinking of starting a business in which our dependency is on transportation, then we should also have kept our business at a location where proper transport facilities are available. For this reason, our freight will increase and labor costs will also increase, along with this, time will also be increased. These three losses are not good signs for any new startup.
9. **Government Rules and Policies:** - Government rules and policies are major barrier to startups because government policies related to startup funding or facilities are not clear or transparent. Due to this most of the startup not getting government policy support. Government announced so many funding policies for startup but bank have a monopoly to release funds or give proper direction to startup to get monetary support. There is also no direction from the government that if the bank does not give you a loan or you have any difficulty, then you can contact us and our team will help you.

How to Break Barriers

1. **Proper Homework before Start:** - We should first write our startup idea on some paper and we will source as much as we can from it. Along with this, it should also be written that which work can be completed in which way, this will give the strength to face the difficulties in the future. Japanese never fail in their business because they start a business only after completing their homework. There is a theory in Japan called PDCA which means P-Planning, D-Do, C-Check and A-Action. Here they devote 60% time in planning how it will be done and how they defeat the barrier 20% on Do how we can do this business they try each and every step to perform the business, 15% on Check they check their product and services on each level of testing and 5% on Action after doing three phases they applied fourth level which is not a big task.
2. **How are you unique in the Market:** - For any new startup business to be established in the market, it is very important to know what is unique in your product? Because only the USP of your product can beat your competitor. The experience of your life also makes you unique in the market because a lot of things you learn in life like customer dealing, time management, observation skills, and soft talk skills. Your customer interaction should be such that once the customer has come to us, and then it does not go empty-handed. If this happens, then we also make a personal touch with the customer, so that the customer is not called other than you. Comprehensive branding also makes you unique in the market, so we should also emphasize on our branding.
3. **Appropriate Marketing:** - We should do marketing according to the target customer so that by applying less hard work and less money, we can deliver the information that our target customer wants. We should keep our marketing 5P in mind, those focusing on every aspect of the business which is product, price, promotion, place, and peoples. Appropriate marketing says that before investing any money in marketing, we must be to understand that what is our product, what kind of customer we have, and the place where we want to deliver it.
4. **Updates with Government Schemes:** - The Startup Scheme was launched in 2005 and since then a lot of changes have been made in Startups, which we should also keep in mind. The government of India has given many schemes for startups like Startup India Seed Fund, Startup India Initiative, Mudra Bank, Atal Innovation Mission, Ministry of Skills Development and Entrepreneurship, etc. We should start a startup

keeping in mind the changes from time to time so that we can get as much help from the government as possible in the future.

5. **Good Relationship Techniques:** - Every startup has one or the other barrier, but they are also resolved. Good relationship techniques are a tool through which we can overcome all kinds of problems. If we do any business, if we have the techniques to build a relationship, then no problem will come in front of us. Even if there is any problem, then we can come out using that technique. A good relationship is a capital that gives us a lifetime of interest.

Startups Opportunities in India

India is a country of opportunities. Here is not only a global market but new innovation and entrepreneurship opportunities due to we are the second-largest populated country in the world, not only the second largest populated country but also number one in the youth population. It is impossible to provide a job for such a large number of people if it is not made an employee and make it entrepreneurs we can use this power for the progress of the country. On one side youth has the power to do anything and on the other side, it has a creative mind to think beyond traditional.

The Government of India is also with the youth in this direction and has also launched a number of schemes to promote startups. In 2016 government was set a corpus fund of 10000 crores for startups. The result of this announcement total 41000 startups in our country of which 44% are officially recognized. The major contribution in startups is by IT Sector which is 5700 startup, the second one is by healthcare sector 3600 startups and third one major contribution are by the agriculture sector which is 1700 startups. According to Nasscom's Indian Startup Ecosystem Report, India has the 3rd largest startup ecosystem in the world, with a 108% growth in funding. Compared to 2017, investments in startups in 2018 were more than double.

Startup India Initiative was launched 5 years ago which resulted in 11 Startup Unicorns and more than 30 startups with more than 100 crores turnover during the covid-19 epidemic when large established businesses were fighting for their survival.

To promote startups government taking following steps:

1. **Easy to register as a startup:** - To promote digitalization government launch a website for everyone who wants to register himself in the startup can easily register through www.startupindia.gov.in. This entire process is completely online. No need to go anywhere all detail related to startup registration available on website.
2. **Low cost on Patent filling:** - The government has also provided a list of Patent and Copyright facilitators online. They will provide high-quality Intellectual Property Rights Services including fast examination of patents at lower fees. The government will bear all facilitator fees and the startup will bear only the statutory fees. They will enjoy 80% reduction in the cost of filing patents
3. **Tax benefits:** - This is good news for every startup. Those startup who are recognized with Department for Promotion of Industry and Internal Trade are fully exempted from Income Tax for 3 year.
4. **Exemption in Tenders:** - Any startup can easily apply for government tenders, all registered startups exempted from prior expenses/turnover which is compulsory for all companies.
5. **Research and Development Parks:** - Seven Research and Development parks open by government of India. 1. Alexandria Knowledge Park, 2. Alexandria Center for Science and Innovation, 3. IKP Knowledge Park, 4. Rajiv Gandhi Infotech Park, 5. InfoPark, Kochi, 6. Technocity, Trivandrum, 7. Technopark, Trivandrum
6. **Easy Exit:** - A startup who willing to exit from the startup needs to file an online exit form and clear all dues of the government and can easily exit within 90 days from the date of winding-up application.
7. **Existing Company also be a Startup:** - All companies which are register with Ministry of Corporate affair, Partnership Firm, or LLP are running from last 10 year can also enter in startup scheme, if the annual turnover up to 100 crore.
8. **Aatma Nirbhar Bharat Abhiyan:** - During the Covid-19 pandemic, Sh Narendra Modi Ji starts this Abhiyan after seen the world situation. Their self-reliance means that we should not depend on any outside country for the things we need in routine life. Let us manufacture all the things that we need in routine life.
9. **Large Population:** - The greater population is not a curse for us, but a boon for us, we only have to work for our people and by this, we can create a very big business.
10. **Digital Reach:** - India has a Great Telecom Industry there is reach nearby 100 crore and data rates are very cheap in India so for a digital startup, it's very easier to reach this huge market.

11. Easy to Raised Fund: - Many investors and banks are also ready to invest in your creative ideas. Just think of an innovative and unique idea that is feasible to approach.

There is a lot of technological and intellectual change in India. Big corporate employees, IIT, and IIM pass out students mindsets changed, now they are work on their innovative ideas. They are ready to startups. Government policies and schemes supporting them as a backbone.

Conclusion

Startups are a group of similar Mindset people where creative work is always done and everything they do gives them and their work a new identity around the world. Starting in 2015, India provided a new direction to Indians and everyone participated in this direction, which resulted in India becoming known as Startup Hub and today India is at number 3rd in the world. It is also a very big identity of India in the startup.

India is a developing country, and it is a growing economy also. In the current scenario, the government is providing a good environment for startups. Still, there are a lot of barriers for the startups that need to be worked on such as towards. Like, lack of technical education, no transparency of government funding scheme. The government will have to open such private intermediary centers which will work under the supervision of the government and they will be rated according to their work. These private intermediary centers will help all those startups who want to take advantage of the government scheme but do not know-how. Therefore, the government should need to lots of taking care of startups so that startups can run at full speed and contribute to the Indian economy.

Remarks

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