

## A DESCRIPTIVE STUDY ON START-UP INDIA – PROGRESS TOWARDS DEVELOPMENT AND HARNESSING INNOVATION

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## ABSTRACT

A startup is created company, partnership, or venture that aims to quickly expand an innovative business concept. A startup is a young, up-and-coming firm that takes a proactive towards creating a lucrative business model. An MVP (Minimum Viable Product) is a prototype used by startups to test and refine their fresh ideas and approaches to doing business. In addition, the company's founders engage in extensive studies and surveys to learn more about emerging ideas, technology, industry trends, and commercial opportunities. To affirm ownership, dedication and contributions of founders and investors, a shareholder's agreement needed to be agreed upon early on. The main aim of the research was to understand the start-ups and their significance and to measure the awareness level among young people about towards the Startup India – Progress towards Development and Harnessing Innovation highlights and to study the performance of startups as well as the role of various stakeholders. The research, which was undertaken in the month of October 2022. It is descriptive in character nature. Convenient sampling technique is used for the study with 150 participants as the sample size. People between the ages of 25 and 45 who express an interest in starting their own businesses are given preferential treatment. Google forms were used for the collection of the information from them.

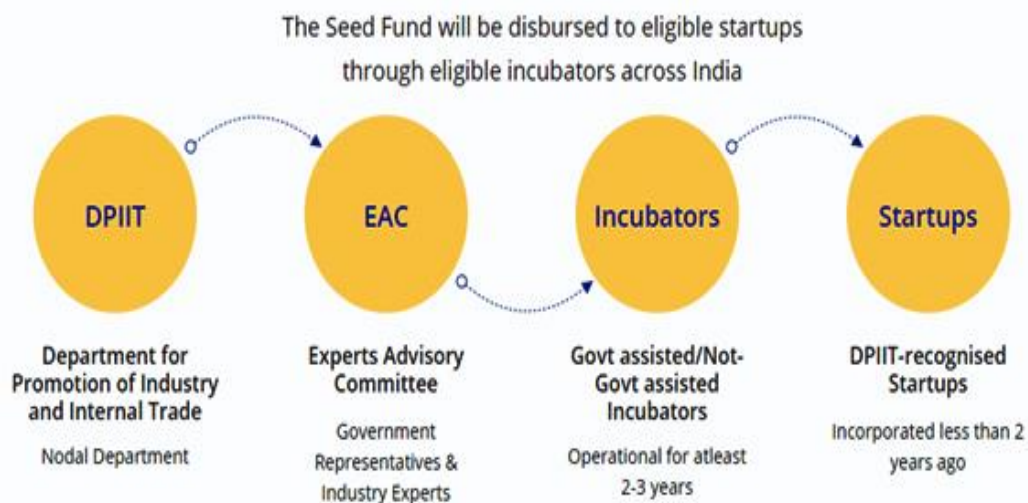
**Key words:** - Start ups, Innovation, Invention, Startup capital, Entrepreneurial traits, and Entrepreneurship development.

## INTRODUCTION -Theoretical Background

Modern technology has enabled consumers to have many more choices than ever before. As new technologies emerge, they cause a change in how consumers allocate their budgets. These technology advancements make it easier for customers to engage with businesses. Technological entrepreneurship is a vital force in the commercialization of technical advances and also provides people with unique potential for change, which they may educate and promote. In recent decades, technology has developed into a sizable and important tool, and this has been widely used to aggressively expand the market throughout the globe. The newest crop of business owners, many of whom are millennials, have one goal in mind: to be as successful as possible. The study's goal is to establish whether and to what extent business owners might benefit from technology support in guiding their own companies to success. The development of new small businesses has played a significant role in economic growth and the country's ongoing entry into the industrial age. The efforts of small enterprises have made it possible to meet the needs of consumers in both local and international marketplaces. *Moran et al. (2004) [15]* This is now possible because to the growth of small firms in international trade. Small businesses may compete in today's fast-paced and highly competitive business climate is by using information technology (IT) to reach their goals and get an advantage over the competition. A small business

may benefit from using a data processing computer system, data preparation appliances, and the many software programmes now accessible thanks to IT. Small firms that use information systems may find it easier to manage their portfolios, which include things like operating finances, inventory, and supply chains. Despite the many potential advantages of information technology, just a tiny percentage of organizations have adopted it. New difficulties appear often in the corporate world, and this trend is expected to continue.. Technology in the form of information may be a potent tool in combating this issue. India's massive and growing client base has made it the third largest startup environment worldwide. However, an astonishing percentage of Indian entrepreneurs fail. *Murray et al. (2009)*. To add insult to injury, somewhere in the neighbourhood of 90% of Indian businesses fail and finally close their doors owing to a wide range of causes. Advances in digital technology have completely reshaped the business world, making way for the emergence of innovative new enterprises. Startups throughout this decade have attracted the public's interest because of the unique products and services they have provided. Consumers benefit from this kind of technology since it simplifies and enriches their daily lives.

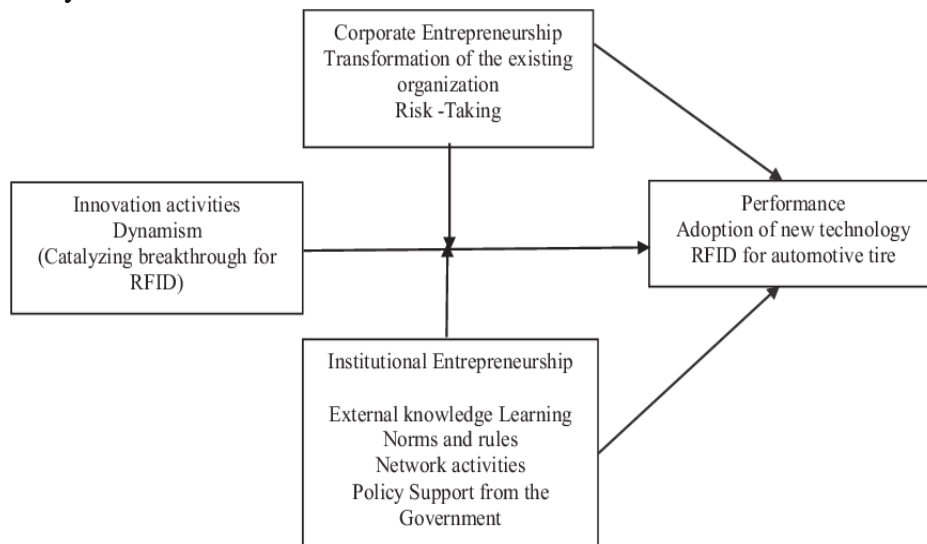
### How Startup India Seed Fund Will Operate



### Perspectives on Technology Entrepreneurship

In the context of technological entrepreneurship, diffusion may be used to recognize the factor that contributes to the widespread adoption of innovative technologies. This theory offers an explanation for the rapidity with which new ideas and technology spread and why they do so. As used above, "information technology" refers to a company's use of computers, networks, and the internet to collect, organize, store, retrieve, transmit, and alter data and information. One of the primary reasons for the expansion of the global economy, the IT industry is also directly

responsible for the dramatic improvements in the standard of living enjoyed by people everywhere.



**Entrepreneurs:** An entrepreneur is a person who takes the reins of a new venture and runs it with their own two hands. The vast majority of new firms had humble beginnings. The most effective company leaders are flexible, know how to steer their enterprises in the right direction via thorough planning, and have a firm grasp of their own strengths and weaknesses. The archetypal entrepreneur is seen as a business visionary who introduces ground-breaking new methods and ideas.

**Use of Information Technology:** Countless SMBs are using IT to boost operations, output, and competitiveness. On the other hand, increased global connectivity is being facilitated by modern advancements in mobile phone technology. Due to variables including increased demand for information services, increasing infrastructure, and decreasing costs, more and more individuals all over the world are able to join the information society. The rising usage of information technology is closely correlated with the rise of small enterprises. The growth of micro-businesses relies heavily on the use of ICT. The benefits of IT to small firms include a competitive edge, more productivity, enhanced advertising and distribution, streamlined operations, satisfied customers, and higher profits. The small business's chances of survival are greatly diminished as a result. Even though some smaller organizations may struggle to integrate new technology due to limited financial means, the importance of information systems cannot be overstated. Entrepreneurs' adoption of IT is hampered by a number of external issues. These include a deficiency in IT infrastructure or government support, incompetent personnel, ignorance, and the maximum of costs.

### Startups and Area of Operations

To thrive in today's India business climate, new ventures may be best to focus on niche or regional markets, where they have a better chance of attracting early customers and making money. Concentrating on a small geographical area and catering to the needs of those customers with the right product or service might lead to a high rate of success and the chance for expansion. The people at the bottom of the economic pyramid are a potential market for food, clothing, water, and hygiene items. Product decisions would be guided by the entrepreneur's prior expertise and the needs of the market.

Table 1: List of Current Startups and Area of Operations

Area of Operation	Startup Firm Name
Online food delivery	Fresh menu, swiggy
Online fish, meat delivery	Fresh to home
Big data analytics for trade	Peel works
Online pharmacy	Myra
Platform to get local businesses online	Now floats
Logistics management software	Fareye
Lifestyle tracking platform	Healthi Fyme
Payments solutions for credit/debit cards	Pine labs
AI-driven solutions for retailers	Staqu
Packaged ready-to-cook idli /dosa batter	Id foods
Peer-to-peer lending	Fair cent

*Source: 17 Startups to Watch, TOI, 2018*

### Need for NIDHI (*National Initiative for Development and Harnessing Innovations*)

The Indian startup ecosystem has been on the upswing as of late, with more new companies being founded, more investment deals being signed, and more money being invested overall. Despite this favorable environment, the challenge that young student inventors have is raising seed capital. The startup "entry fee" might be conceptualized. Now that the inventor has finished the technical demonstration and has a working prototype, to develop a business plan, test the viability of the product, and launch a firm. The development and verification of a viable product is now his or her biggest challenge. Startup costs, product development costs, and product validation costs all need financial backing from a young innovator. Friends, relatives, and angel investors as well as high net worth individuals (HNI) that are prepared to invest in a startup business often provide the first funding needed at this stage. When the underlying technology has not been tested and the market circumstances are unclear, conventional investors, such as venture capitalists, are unwilling to join in an endeavour because it entails an unacceptable amount of risk. NIDHI was created to connect and enhance every step along the

innovation chain, from discovery to upkeep to security to scalability to presentation. This is due to the fact that the size of a chain is limited by its weakest link.

## Review of Literature

The Indian government's main programme to foster entrepreneurship and new ideas is called "Startup India." India's government hopes to encourage entrepreneurship, economic development, and job creation by providing support to new businesses. *Venkateswara Rao and Kankipati Ajay Kumar (2017)[22]* conducted study on the state of the entrepreneurial technology landscape in India. The results of the survey, an entrepreneur's success hinges on his or her level of enthusiasm for operating the business. The goal in each location was, of course, to become richer. Founders, according to the survey, think that technological knowledge and business acumen are equally important for techno entrepreneurs to succeed. The biographies of the business owners put an emphasis on their technical competence and expertise. *MostafaKhazaeli (2017)[16]* analyzed information's impact on rural women business owners and agricultural development. To ascertain the importance of IT in agricultural growth, a survey was conducted. The correlation cluster provides a descriptive framework for this investigation, which serves as an applied research. Evidently, the use of IT has a big (or significant) correlation with rural women's business initiatives. The referred-to initiative is meant to aid the Saudi Vision 2030 and move things in the right path. "Focus on innovation in new technology and entrepreneurship," the Saudi Vision 2030 declares. *Aderemi et al.,(2008),[2]* In order to increase a country's productivity and competitiveness on the global stage, technical entrepreneurs use the latest findings in science and technology to meet market demands. What's more, TE is a process that incorporates innovations in industry, the dissemination of technologies, and the exploitation of novel concepts. *Schumpeter (1975)[21]* Technological entrepreneurship is concerned with the introduction of novel products, processes, organizations, markets, and sources of input. "Creative destruction," which arises from this process, is a kind of innovation in the economic sphere. It can also be used to describe a particular approach to running a company, one that emphasized the pursuit of high-potential, technology-intensive business prospects, the accumulation of resources like people and cash, and the management of rapid development and substantial risk via the application of principled decision-making skills. *(Munkongsujarit, 2016)[17]*. The major strategic focus of governments around the globe for economic growth and development is on facilitating and supporting existing and potential start-ups on multiple fronts, including financial, technical, and promotional aid. As a result, it's important to invest in new sectors, encourage privatization, and support the growth of small and medium-sized businesses (SMEs) to provide enough jobs for locals. To kick off this planned endeavour, we shall first construct a scientific theoretical foundation. The second phase of the project will include developing a scientifically sound implementation of this framework in the form Techno entrepreneurial assistance Model."

In addition, the investigation of the supplemental sources listed in the references column supports our argument that a "Saudi Arabia Start-up Techno Entrepreneurship Support Model" is urgently needed

### Research Problem:

Numerous economies across the globe owe much to the contributions that startups have made to their development, growth, and industrialization, and those contributions continue today. The Indian government has made supporting startups a priority by creating a robust environment for innovation. The startup industry is the key to long-term economic development, massive job creation, and reduced unemployment. As phenomena, the rise of the startup in India is a recent one. *Christensen (2005). [10]*. Today's India is witnessing a sea change, one in which entrepreneurship and innovation are playing a central role in the rise of the middle class and the alleviation of common issues.

### Research Objectives

#### The main aims of the research are

1. To understand the start-ups and their significance.
2. To measure the awareness level among young people about towards the Startup India – Progress towards development and Harnessing Innovation highlights.
3. To study the performance of startups as well as the role of various stakeholders.

### Research Methodology

The research, which was undertaken in the month of October 2022, It is descriptive in nature. Convenient sampling technique is used for the study with 200 participants as the sample size. People between the ages of 25 and 45 who express an interest in starting their own businesses are given preferential treatment. Use of Google forms allowed for the collection of this information from them.

**Table 1**

#### Demographic variables

Nature of the respondents		Number of respondents	Percentage
Gender	Male	30	20.00
	Female	120	80.00
Age	Less than 30	49	32.67
	30 to 45 years	83	55.33
	More than 45	18	12.00

Educational qualification	Under graduation	63	42.00
	Post-graduation	67	44.67
	others	20	13.33
Size of organization	Micro	62	41.33
	Small	52	34.67
	Medium	36	24.00
Total		150	100

The Table 1 shows that 120 respondents are female and 30 respondents are male. 49 (32.67) respondents are aged less than 30 years, 83 (55.33%) respondents are aged between 30 years and 45 years and 18 respondents are more than 45 years old. The educational qualification of the respondents showed that 63 (42%) respondents are under graduates and 67 (44.67%) respondents are post graduates. 20 (13.33%) respondents belong to other category like diploma and professional courses. 62 (41.33%) respondents who use the IT in their business are taken from micro business units, 52 (34.67%) respondents from the small scale units and 36 (24%) respondents from the medium scale units.

## 2. Awareness about the Progress towards Development and Harnessing Innovation

Two facets of young entrepreneurs' knowledge are examined: how they feel about capital mobilization, the startup industry's holy grail, and how well they know their own entrepreneurial chops..

### i. Capital mobilization

In order to fund a new business, there are a few options to consider. The potential for loss or gain is determined by the source of the funding. Entrepreneurs need to be aware of the benefits and drawbacks of each method of capital creation. Funding options include angel investments, public and private markets, partnerships, convertible loans, and more. The perception of the respondents about the capital mobilization for their new startups is observed as below.

**Table 2: Perception about capital mobilization**

Capital mobilization	Mean	Std. Deviation	Mean Rank
Crowd Funding	2.93	1.176	3.15
Business Partner	2.98	1.449	3.29
Debt	3.05	1.168	3.26
Venture Capital	3.24	1.116	3.67
Bank Financing	3.30	1.120	3.74
Angel Investment	3.57	1.128	4.17



Most of the respondents prefer the angel investment for their new startups (4.17) which is ranked first. The finance from the banks is other most preferred form of capital formation (3.74). The young entrepreneurs are also well aware about the venture capital (3.67). They have given debt (3.26), adding business partners (3.29) and fund from Crowd Funding (3.15) are ranked fourth, fifth and sixth among the different forms of capital mobilization.

### 3. Awareness about the required entrepreneurial skills

Every successful businessman has to master the art of entrepreneurship. In particular, young and aspiring business owners need to be informed about the necessary abilities. Competence in business and marketing, customer analysis, information technology, project management, system development, etc. is all required for effective strategy development. The following table depicts the awareness of the respondents towards the different skills.

Table 3: Awareness about the entrepreneurial skills

Skills	Mean	Std. Deviation	Mean Rank
Business knowledge	3.59	1.249	5.24
Efficient Management	3.54	1.157	3.86
Management system	3.02	1.024	4.45
Organization structure	2.78	0.979	4.32
Product	2.94	1.283	4.09
Strategies	3.21	1.061	4.52
Technical knowhow	3.09	1.024	4.45
Understanding the market	3.18	1.019	4.76

The respondents give importance to the knowledge about their Business knowledge (5.24) and understanding the market (4.76). Strategies (4.52), Technical knowhow and Management system (4.45) and Organization structure (4.32) are ranked fourth in their awareness level. The awareness score of the respondents are calculated by summing up all the skills. Then, it is relationship with their family background is studied.

## CONCLUSION

The startup world is fraught with difficulties, from raising capital to finding qualified employees, and from getting off the ground to steadfastly keeping the growth going. Opportunities abound for businesses that provide solutions to common issues, such as food, retail, and hygiene, using novel technologies like solar power and information technology, and delivering their wares at reasonable costs to the country's massive population. It is not out of

place to mention that some of these startups would become unicorns and may become world renowned businesses by expanding into other developing and underdeveloped countries. To free the startup ecosystem from "licence raj" and other regulatory hurdles, such as those involving land use permits, foreign investment proposals, and environmental clearances, the Start-up action plan focuses on reducing the involvement of states in the policy domain. *Adhana (2016)[3]*. For most young businesses, the problem isn't with the rules as they are now. The difficulty is the cumbersome bureaucracy associated with working within that framework. Therefore, the government should play a facilitating and catalysing role across their whole supply chain, and the utmost care should be exercised with taxpayer funds. It is also recommended that the government and the startup have open lines of communication and accountability during the whole life of the venture. *Au,K Kwan, HK (2009) [6]*.

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