

INDIA MEANS BUSINESS - REFORM PERFORM & TRANSFORM



**DEPARTMENT OF COMMERCE
BUSINESS PROCESS SERVICE & RETAIL MARKETING
SRI RAMAKRISHNA COLLEGE OF ARTS AND SCIENCE (Autonomous)
Avinashi Road, Nava India, Coimbatore - 641 006
Tamilnadu,India**

**Editor-in-chief
DR V PADMANABHAN**

**National Level
Seminar On
India Means Business – Reform
Perform & Transform**

Editor-in-chief

Dr V PADMANABHAN

DEPARTMENT OF COMMERCE – BPS & RM

SRI RAMAKRISHNA COLLEGE OF ARTS SCIENCE OF ARTS & SCIENCE (Autonomous)

Avinashi Road, Nava India, Coimbatore- 641006

5 JANUARY 2023

First Edition: 2023

ISBN NO: 978-93-5780-330-4



978-93-5780-330-4

Disclaimer

The views expressed in this Edited ISBN Book are those of the author(s) and do not necessarily contain those of the publisher or EDITORIAL BOARD. Reproduction of any material published herein requires prior written permission of the editorial or the organizations to which the contributors belong. Errors if any purely unintentional and readers are requested to communicate such errors to editors or publishers to avoid discrepancies in future.

EDITORIAL BOARD

Ms. K.M. Anitha

Assistant Professor of B Com – BPS

Ms. P. Valarmathi

Assistant Professor of B Com – BPS

Mr. J. Deepak Kumar

Assistant Professor of B Com – BPS

Dr R. Srikala

Assistant Professor of B Com – BPS

Ms. S.G. Sasmitha

Assistant Professor of B Com – BPS

Ms. J. Darshini

III B Com – BPS

Ms. R. Varsha

III B Com – BPS

STUDENT COORDINATORS

Mr. S. Lalith Kumar

III B Com – BPS

Mr. S. Gokula Krishnan

III B Com – BPS

Mr. S. Gowtham

III B Com – BPS

Ms. S.A. Kamali

III B Com – BPS

Ms. R. Nithya

III B Com – BPS

Mr. M. Siva Prakasam

III B Com – BPS

Mr. D. Rishitharan

III B Com – BPS

Mr. P. Jebarson Jesra

III B Com – BPS

Ms. S. Alamelu Mangai

III B Com – BPS

Ms. H. Sruthi

III B Com – BPS

Ms. A.N. Elakumi

III B Com – BPS

Ms. J. Vishnu Varshinee

III B Com – BPS

Mr. R. Sathish

II B Com – BPS

Ms. N. Sudharshana

II B Com – BPS

Ms. M. Swathi

II B Com – BPS

PUBLISHED BY

DEPARTMENT OF COMMERCE – BPS & RM

SRI RAMAKRISHNA COLLEGE OF ARTS SCIENCE OF ARTS & SCIENCE (Autonomous)

Avinashi Road, Nava India, Coimbatore- 641006

PREFACE

This book intends to publish and out tell the innovative ideas presented in the National Level Seminar on the topic "**India Means Business - Reform Perform & Transform**". The Seminar is held in connotation with the Indian Council of Social Science Research on 5 January 2023 at Sri Ramakrishna College of Arts & Science, Coimbatore. This book comprises of a spectrum of various topics presented in the seminar. The main theme of the seminar is to establish a relationship between the budding corporates and the scholars who has an aspiring heart in field of Business in this digitally transforming era. This Seminar contained a number of sub themes that could intricate the knowledge on business in India.

I express my gratitude to the Indian Council of Social Science Research for their Sponsorship to organize the national level seminar. I also thank the participants who whole heartly contributed and the editorial board members who shaped their contributions in the form of book.

CONVENOR

FORWARD

First and foremost, I Congratulate the department for taking such great effort in conducting this National Seminar. I am overwhelming in seeing a lot of participants from various Institutions and sincerely appreciate them for their endless endeavours. This book that has been published with the help of Indian Council of Social Science Research brings out the various dimensions and output of the participants. Thanking them a lot in behalf of the college. I believe this book could be an eye opener for others in search of Indian Business.

Dr B.L. Shivakumar
Principal & Secretary

FORWARD

Education is the gift, that everyone deserves to learn, especially in Business Process Service. Here I'm delightful to inform that the Department of Commerce with Business Process Service & Retail Marketing have conducted the National level Seminar on “India Means Business - Reform Perform & Transform”. This is not only the effort of department but by each and every student and also staff members. This work will enlighten for those who are scouting in this wide sector.

I glad to be a part of this and feel grateful to Publish this book.

Editor-in-Chief
Dr V. Padmanabhan

FORWARD

Indian Council of Social Science Research cordially congratulates the Department of Commerce with Business Process Service & Retail Marketing for joining hands with us to conduct the National Level Seminar on "India Means Business - Reform Perform & Transform". This Seminar would provide opportunities for the Academicians, Research Scholar, Students and Policy Makers to get acquaintance on the concept of India means Business. The theme of the national seminar selected by the Department will be an eye opener for the policy makers to develop the nation.

Indian Council of social Science Research

INDEX

CHAPTER 1 - INDIA MEANS BUSINESS – REFORM

S NO	TITLE	PG.NO
1	Internet of things: Business Economics and Applications Ms. Jenifer	2
2	India means Business-Reform Perform & Transform Ms.T.Sandhya, Ms.N.Dharshini	23
3	India means Business-Reform Perform & Transform Ms.M.Suwetha, Mr.A.K.Bharathi	27
4	An Overview of New Education Policy Dr.R.Sridevi	33
5	Indian startups-Issues, Challenges and opportunities. Ms.R.Menaka	42
6	A Framework of India’s Startup opportunity and Funding Oppurtunities. Dr. R.Sridevi, Ms.R. Rajarajeshwari	52
7	India Means Business – Reform Perform & Transform. Ms.K.Ramitha, Mr.D.Kanakaman	58
8	A Study on Challenges and oppurtunities of Start-Ups in India Dr.G. karthiyayini	63
9	Start-Ups in India Ms. R.K. Harshini, Mr.D.Santhosh Kumar	69
10	Impact of Startup Ecosystem on the Startuppreneurs	72

	Dr. E.Sheeba	
11	India means Business-Reform Perform & Transform Economic Development Ms.T.Deepika, Ms.N.Kaavya	82
12	Trends on Culture Transformation and Business Reforms Ms.M.Gayathri, Ms.A.Sanjiya	85
13	Start Ups in India – Issues and Challenges Dr.M.Esther Krupa, Dr.K.Latha	91
14	A Study on Innovation in Indian Insurance Sector Dr V. Padmanabhan, Ms.C.S.Jimcy	98
15	India means Business-Reform Perform & Transform Strart Ups in India Ms.K.M.Anitha, Ms.M.Chithra,Ms.S. Divya	104
16	Start Up in India: Oppurtunities and Challenges Ms.P.Valarmathi, Mr.A.Barathwaj, Mr.S. Rineesh	111

CHAPTER 2 - INDIA MEANS BUSINESS – PERFORM

S.NO	TITLE	PG.NO
17	Challenges faced by the Startups in India Ms.T.P. Nagapriya	118
18	Future of Economic Development Mr.K.Jeeva, Mr.R.Saravanna	122
19	The Part of E-Commerce in the Achievement of Small and Medium Enterprises Dr.R.Perumalsamy	126

START UPS IN INDIA - ISSUES AND CHALLENGES

Author: Dr.M.ESTHER KRUPA , Assistant Professor, Department of Commerce with E-Commerce

Co-Author: Dr.K.LATHA, Assistant Professor, Department of Commerce with Professional Accounting

PSG College of Arts & Science, Coimbatore

ABSTRACT

Start-ups may be small companies but they can play a significant role in economic growth. The story of Indian startups is not just limited to the current century; in fact, it began over four decades ago. It is about creating prosperity in India. The goal of Startup India is the development and innovation of products and services and increasing the employment rate in India. According to the latest data, India has 105 unicorns, of which 44 were founded in 2021 and 19 in 2022. Today, over 49% of startups are from Tier II and III cities. India is the third largest base for the startups in the world and has a great market for various products. But the failure rate of startups in India is significantly very high. The increase in startups in India is due to the improvement in the policies regarding documentation work, banking facilities and other helps from government departments. This study deals with the role of start-up, different types of start-ups in India, factors affecting operations of a startup, opportunities for startups and also it gives the insight about the issues and challenges of start-ups.

Keywords: Start-ups, Entrepreneurs, factors, issues, Challenges, Employment

INTRODUCTION

Many enterprising people who dream of starting their own business lack the resources to do so. As a result, their ideas, talent and capabilities remain untapped – and the country loses out on wealth creation, economic growth and employment.

Startup India is a flagship initiative of the Government of India, intended to catalyse startup culture and build a strong and inclusive ecosystem for innovation and entrepreneurship in India. Since the launch of the initiative on 16th January, 2016, Startup India has rolled out several programs with the objective of supporting entrepreneurs, and transforming India into a country of job creators instead of job seekers. The Government's Action Plan will help accelerate the growth of Startups throughout India, across all important sectors – in Tier 1, 2 and 3 cities, including semi-urban and rural areas – and includes promoting entrepreneurship among SCs/STs and women communities.

Narendra Modi (2016) stated that, the Startup

India is a revolutionary scheme that has been started to help the people who wish to start their own business. These people have ideas and capability, so the government will give them support to make sure they can implement their ideas and grow. Success of this scheme will eventually make India, a better economy and a strong nation.

DEFINITION

A Startup means an entity: incorporated or registered in India not prior to five years with an annual turnover not exceeding INR 25 crore in any preceding financial year working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property.

LAUNCH OF STARTUP INDIA ACTION PLAN

The Startup India Action Plan was unveiled by Prime Minister Narendra Modi on 16th January, 2016 to highlight several initiatives and schemes proposed by the Government of India to build a strong eco-system to nurture innovation and empower Startups across India.

The 19-point Action Plan envisages several incubation centres, easier patent filing, tax exemptions, ease of setting-up of business, a INR 10,000 crore corpus fund, a faster exit mechanism, among others. Over 1500 CEOs, Startup founders and investors who attended the Startup India launch.

The Action Plan is divided across the following areas:

- Simplification and Handholding
- Funding Support and Incentives
- Industry-Academia Partnership and Incubation

ROLE OF START-UP IN THE GROWTH OF THE INDIAN ECONOMY

1. Employment Creation

India has 112 million working-age people between the ages of 20 and 24, compared to China's 94 million. In the absence of government jobs, this demographic dividend is accelerating the country's startup culture. As of August 29, 2022, India had emerged as the world's third-largest startup ecosystem, with over 77,000 DPIIT-recognized startups spread throughout 656 districts. These startups are simultaneously enabling more jobs than large companies or enterprises in the same industry.

2. New Investments

Many multinational corporations are now outsourcing their tasks to small businesses in order to focus on their core competencies. As a result of this trend, not only Indian venture capitalists but also many multinational corporations are closely monitoring the progress of Indian start-ups to invest their money.

3. Research and Development

Start-ups heavily subsidise Research and Development (R&D) in countries like India as they frequently have to deal with high-tech and knowledge-based services. The startup's R&D team acts as an innovation seeker and keeps the company updated. Start-ups, therefore, encourage a pragmatic approach or independent research at the academic establishment. This motivates students or researchers to put their ideas into practice by collaborating with the start-up, which more importantly helps develop means of economic expansion.

4. Better GDP

Despite elevated inflation pressures owing to rising global food and fuel prices, Indian Gross domestic product (GDP) is expected to grow by 6.9% in the fiscal year (FY) 2022-23 and 6.2% in FY 2023-24. As GDP plays an important role in a country's economic development, it will become feasible to increase revenue domestically and consumer capital can also circulate throughout the nation if we keep promoting and supporting more start-up initiatives.

5. Democratizing the Technology Benefits

Many startups not only drive innovation and technology, but also demonstrate how their benefits reach the most remote customers. Fintech startups are now reaching out to remote areas with their solutions and making financial solutions easily accessible in tier 2 and tier 3 cities. Hesa, a Fintech and Agritech startup is one solution for all

rural problems by bridging the rural-urban divide with technology and labour. It is successfully facilitating banking transactions, managing supply chains, and increasing the visibility of farmers' rural products.

6. The subtle influence of start-ups on the Indian Economy

When a startup creates employment for locals, they also begin to purchase goods and services, increasing the influx of cash and revenue to the government and thus boosting the economy. When several startups are blooming in one location, the market of that geography rises as well. Since many individuals desire to reside there to work, this dramatically changes the infrastructural facilities of that city. When infrastructure upgrades, numerous guesthouses, homestays, food outlets, and transport service unlocks, creating countless job opportunities and increasing the city's revenue. Startups also create innovative solutions and technologies that enhance people's quality of life. Many startups in India are operating in remote areas with the aim to support the overall local community including the economy.

TYPES OF STARTUPS IN INDIA

Lifestyle startups:

Lifestyle startups are the first type of startup. These Lifestyle startups are where entrepreneurs generate income by living the life they love. They are their bosses. That means they work for themselves by being passionate about their job.

Lifestyle startups are generally freelancing graphic designers, web designers, and coders.

Small business startups:

Small Business startups are the second type of startup. Entrepreneurs who start small businesses want to build a long-lasting and sustainable business rather than earn huge profits or scale up. They run their business to feed their families and live comfortably with family and friends. Travel agents, bakers, plumbers, grocery store owners, and carpenters usually commence this startup. Since it is a small business startup, they don't need a business-facing app but a responsive specialised app that can navigate, order and track the products/services a customer may want.

Scalable startups:

Scalable startups are the third type of startup. These startups are just born to be significant. From the word itself, we can understand that they are scalable. Generally, these startups continuously scale themselves without a traditional exit strategy. Scalable startups are suitable for those with the thorough market knowledge and capability to efficiently and effectively explore more market opportunities. They have the potential to keep increasing their revenue while keeping their incremental costs at a minimum. Most founders believe that their ideas and mission will change the world. These startups hire the best of the best and bright among the brightest. They used to look for more venture

capitalist to magnify their businesses. Examples of scalable startups include Google, Facebook, Uber and Twitter.

. Buyable startups:

Buyable startups are the fourth type of startup. Technology and software-based startups make up the majority of buyable startups. They are typically web and app-based startups. The main aim of such startups is not to grow or build a billion-dollar business but to sell to larger companies in exchange for a hefty profit. Entrepreneurs of buyable startups should have startup ideas with enormous growth potential. They are always trying to raise money for their start-ups by opting for crowdfunding and angel funding.

Large company startups:

Large businesses must continuously innovate due to the shifting environment. They are supposedly large-scale startups. These companies will have an infinite lifespan if they continue to innovate in response to new competition, changes in customer tastes and preferences, and technological advancement. They have the potential to become a driving force for more disruptive innovation. Google and Android are two such startups. New markets are responsible for engaging customers with the sales of new goods and services.

Social startups:

Social startups are the sixth type of startup. The purpose of social startups is not to create a sustainable business but to positively impact society and the economy. These startups aim to make the world a better place to live in. They are less passionate and ambitious about earning profits when compared to other founders. In short, they provide donations, grants and charities to build positive social and environmental change worldwide.

. Offshoot startups:

Startups aren't always possible from scratch. Offshoot startups are separated from more prominent or parent companies to establish their entities. They are self-explanatory startups.

FACTORS AFFECTING OPERATIONS OF A STARTUP

1. Location: The location of a startup can decide its success and failure. To effectively begin operations, a business decides whether they plan to conduct it online, offline or in a store. A startup's location depends on the products or services a company offers. For instance, an all-natural peanut butter company may need a physical store to provide customers with a taste of their product.

2. Legal Structure: Understanding the legal structure that best fits the organisational requirement is essential for building a successful company.

3. Funding: To begin business operations, a startup requires funds. They can do this by raising capital from crowdfunding or venture

capitalist. Entrepreneurs can set up a crowdfunding page, allowing people to donate money. They can even raise money from venture capitalists.

ISSUES AND CHALLENGES OF STARTUPS:

1. Financial resources: Availability of finance is critical for the startups and is always a problem to get sufficient amounts. A number of finance options ranging from family members, friends, loans, grants, angel funding, venture capitalists, crowd funding etc are available. The requirement starts increasing as the business progresses. Scaling of business requires timely infusion of capital. Proper cash management is critical for the success of the startups.

2. Revenue generation: Several startups fail due to poor revenue generation as the business grows. As the operations increase, expenses grow with reduced revenues forcing startups to concentrate on the funding aspect, thus, diluting the focus on the fundamentals of business. The challenge is not to generate enough capital but also to expand and sustain the growth.

3. Team members: Startups normally start with a team consisting of trusted members with complementary skill sets. Assembling a good team is the first major requirement, failure to

have one sometimes could break the startup.

4. Supporting infrastructure: There are a number of support mechanisms that play a significant role in the lifecycle of startups which include incubators, science and technology parks, business development centers etc. Lack of access to such support mechanisms increases the risk of failure.

5. Creating awareness in markets: Startups fail due to lack of attention to limitations in the markets. The environment for a startup is usually more difficult than for an established firm due to uniqueness of the product. The situation is more difficult for a new product as the startup has to build everything from scratch.

6. Exceed customer expectations: The next most important challenge is gauging the market need for the product, existing trends, etc. Innovation plays an important role, since, that the startup has to fine-tune the product offerings to suit the market demands. Also, the entrepreneur should have thorough domain knowledge to counter competition with appropriate strategies. Due to new technologies that are emerging, the challenge to provide over and above an earlier innovation is pertinent.

7. Tenacity of founders: Founders of startups have to be tough when the going gets tough. The journey of starting a venture is fraught with delays, setbacks and problems without adequate solutions. The entrepreneur needs to be persistent, persuasive, and should never give up

till he/she achieves desired results.

8. Regulations: Starting a business requires a number of permissions from government agencies. Although there is a perceptible change, it is still a challenge to register a company. Regulations pertaining to labor laws, intellectual property rights, dispute resolution etc. are rigorous in India.

9. Lack of mentorship: Lack of proper guidance and mentorship is one of the biggest problems that exist in the Indian startup ecosystem. Most of startups have brilliant ideas and/or products, but have little or no industry, business and market experience to get the products to the market. Lack of adequate mentoring/ guidance is the biggest challenge which could bring a potentially good idea to an end.

10. Lack of a good branding strategy: Absence of an effective branding strategy is another issue that prevents startups from flourishing at a faster pace.

OPPORTUNITIES FOR STARTUPS

India's Large Population: The population of India is a huge asset for the country. By 2020, it is expected that the working age population would surpass the non-working population. This unique demographic advantage will offer a great opportunity to any startup. Various infrastructure issues and the bottom- of- the- pyramid market would provide huge opportunities for the startups.

2. Change of Mind Set of Working Class:

Traditional career paths will be giving way to Indian startup space. Challenging assignments, good compensation packages would attract talented people to startups. Also, it is seen that several high-profile executives are quitting their jobs to start or work for startups.

3. Huge Investments in Startups: Huge investment in Indian startups from foreign and Indian investors is taking place. In 2015, more than 300 deals were done by 300+ angels and venture capital/ private equity players with around \$6.5-billion (Rs 42,300Cr) investments making India the most sought-after destination for investments.

CONCLUSION

The current economic scenario in India is on expansion mode. The Indian government is increasingly showing greater enthusiasm to increase the GDP rate of growth from grass root levels with introduction of liberal policies and initiatives for entrepreneurs. 'Make in India' is great opportunity for the Indian start-ups. Being a country with large population, the plethora of opportunities available are many for startups offering products and services ranging from food, retail, and hygiene to solar and IT applications for day to day problems which could be delivered at affordable prices. Being a Citizen of India it's a responsibility of all us to support and create opportunities to develop our economy and to sustain our employment growth.

REFERENCE

- <https://www.startupindia.gov.in/>
- <https://www.investindia.gov.in>

- <https://dst.gov.in>
- <https://www.cnbc.com/2022/10/03/linkedin-here-are-the-top-25-start-ups-to-work-for-in-india.html>