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## **Entrepreneurship and Entrepreneurial Practices: Prerequisites for the Robust Growth of Indian Economy (With special reference to start-ups)**

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### **Abstract**

Entrepreneurship presents a basic component of dynamism into the economic framework. The process of globalization and liberalization has presented an arrangement of changes like the presentation of dynamism into the framework. It's a known fact that India, today, is an emerging economy that is destined to achieve milestones, on various fronts, in the near future. "India is a country of entrepreneurs", says Amazon CEO Jeff Bezos during our Prime Minister Mr. Narendra Modi's visit to Washington. For India, to acquire the status of a "developed" nation, as well as the developed economy, it needs to create millions of jobs. So ultimately the solution to this is encouraging entrepreneurship. Entrepreneurs and small businesses are always most vulnerable in times of crisis when funding becomes dearer and difficult to come by.

Entrepreneurship is a standout amongst the most imperative contribution to the economic development of a country. In India, entrepreneurship is quickening developments in verticals like Education, IT, Health Care and so forth and creating answers for some such issue zones. India has seen a few inventive thoughts and organizations driven by startups thus leading to entrepreneurship emerging as a valuable input to the economic growth of the country. Economic development of a country is supported by entrepreneurship in several ways. It is a key contributor to innovativeness and product improvement and a pivotal ingredient to employment creation. Another important aspect to be considered is that in the context of the Indian market, entrepreneurship led economic growth is more inclusive and hence Governments, both at Centre and State level, have been taking initiatives like "STARTUP Campaign" to boost the entrepreneurial ecosystem within the country.

Today, entrepreneurial driven economy is most sought by any economy as it drives innovation in the manufacturing of goods and services leading to the availability of goods at lower costs making them more affordable. Entrepreneurs explore opportunities, make effective utilization of resources and create new goods and services. These are for consumption within the country and hence will lead to growth in the national income and invariably reduce our import dependency making the economy stronger. This paper attempts to study about the emergence of entrepreneurial culture as one of the economy boosting pillars in the present era of stiff competition. The present paper is an endeavor to identify prevalent entrepreneurial practices in the country and its contribution towards strengthening and stabilizing the Indian economy. This kind of effort would help all the academicians, professionals and all those individuals who either directly or indirectly associate themselves with entrepreneurship and entrepreneurial practices in the country.

**Key Words: Entrepreneurship, start-up, economic framework**

## **Literature Review:**

### **1) “Entrepreneurship Development in India-the Focus on Start-ups”**

Authored by Sunita Sanghi & A. Srija (January 2016)

The article talked about the promotion of self-employment as a means of job-creation and to promote entrepreneurship for further job creation, the Micro, Small, and Medium Enterprises (MSME) Act, 2006 was enacted to facilitate the promotion, development and enhancing the competitiveness of micro, small and medium enterprises. The government has over time implemented policies for the promotion of the small industries which included providing concessional credit, training in entrepreneurship development, marketing assistance etc.

### **2) “Why Entrepreneurs Are Important for the Economy”**

Authored by Shobhit Seth (December 2015)

The Paper tried to explain the role of entrepreneurship in the economic development of the country. The Entrepreneurs are frequently thought of as national assets to be cultivated, motivated and remunerated to the greatest possible extent. Entrepreneurs can change the way we live and work. The following are six reasons why entrepreneurs are important to the economy:- Entrepreneurs Create New Businesses, Entrepreneurs adds to National Income, Entrepreneurs Also Create Social Change, Community Development. Entrepreneurs regularly nurture entrepreneurial ventures by other like-minded individuals. They also invest in community projects and provide financial support to local charities. This enables further development beyond their ventures.

### **3) “A Study on Entrepreneurship Development Process in India”**

Authored by Ms. Indira Kumari (April 2014)

Entrepreneurs shape economic destiny of nations by creating wealth and employment, offering products and services and generating taxes for the government because of which entrepreneurship has closely been linked to the economic growth of a country. Entrepreneurs convert ideas into economic opportunities through innovations which are considered to be a major source of competitiveness in an increasingly globalizing world economy. Therefore, most governments in the world strive to augment the supply of competent and globally competitive entrepreneurs in their respective countries.

### **4) “Role of creativity and innovation in entrepreneurship”**

Authored by R. Ranga Babu, M. Murali Krishna and A. Swathi (October 2013)

Entrepreneurship means different things to different people. Conceptually and in practice, the term hints of no stereotypical model. Yet its very etymology – derived from the French ‘entreprendre’ which literally means, ‘to undertake’ – indicates the minimum characteristics of an entrepreneur. From the perspective of economic functions, three crucial characteristics of entrepreneurial activity are: risk taking, innovation, and venturing into new business activities for profit. For starters, innovation has all but become a necessity in today’s global business setting, regardless of a company’s market scope. This is due to the new reality that competition for any business extends way beyond its local area. In fact, companies that recognized this early on and entrepreneurship brings the innovation to the market. Innovation is the successful development of competitive edge and as such, is the key to entrepreneurship.

### **5) “Entrepreneurship in India”**

Authored by T. Swetha and Dr.K.Venugopal Rao (July 2013)

The article elucidated the history of entrepreneurship, its development stages, it also discussed about eminent entrepreneurs from Indian history to present Era. Entrepreneurship introduces a critical element of dynamism into an economic system. There is the various importance of Innovation in entrepreneurship. The rules and principles are similar for every entrepreneur who owns large or small enterprise. Only the difference is, the starter face toothache and hick ups at the early stage, whereas existing business faces different problems, limitations, management problems and constraints in the market etc. Entrepreneurship is the lifeblood of any economy. Indian entrepreneurs are more about overcoming barriers, obstacles, inspiring & surmount in their fields. Entrepreneurship is one of the important segments of economic growth. Innovation is a key factor that an entrepreneur brings in an overall change through innovation for the maximum social good.

### **6) “The Indian Environment for Entrepreneurship and Small Business Development”.**

Authored by Kshetri and Nir (January 2012)

The paper talked about various indicators related to entrepreneurship in India and analyzes factors affecting India’s entrepreneurial performance. Indeed, a detailed assessment of the Indian environment for entrepreneurship in terms of various dimensions provided by the Organization for Economic Co-operation and Development. Contexts and environment play important roles in determining entrepreneurial behavior. Regulatory framework Entrepreneurial firms are likely to thrive and act in socially responsible ways if there are strong and well-enforced legislation and regulations in place to ensure such behavior. Market conditions, access to the domestic and foreign markets influences entrepreneurial performance. Access to finance has been a major barrier facing many potential entrepreneurs in India. There are countless ‘micro-entrepreneurs’ in Indian society who finance their own small businesses as a means to survival but don’t have access to the capital necessary to grow them”.

### **7) “The Importance of Innovation in Entrepreneurship”**

Authored by [Amitabh Shukla](#) (January 2011)

The economy is composed of enterprises and businesses. Any small business is integral to the economy. Without it, our economy would not survive. But a business must also sustain itself, be able to constantly evolve to fulfill the demands of the community and the people. In every business, it is imperative to be industrious, innovative and resourceful. The importance of innovation in entrepreneurship is shown by coming up with a new way to produce a product or a solution. The importance of innovation in entrepreneurship is another key value for the longevity of a business. Entrepreneurs and businesses began with a need. They seize the opportunity to innovate to make the lives more comfortable. Entrepreneurs must keep themselves abreast with the current trends and demands.

### **8) “Entrepreneurship Challenges and Opportunities in India”**

Authored by Dr. N. Santhi and S. Rajesh Kumar (December 2011)

The paper provided an insight into the meaning, qualities required for an entrepreneur, opportunities and challenges faced by them and at last with a small discussion on entrepreneurship as a career. The qualities that make an entrepreneur successful are: Dreamer, Inner Drive to Succeed, Innovator, Ability to Organize, Passionate, Risk Taker, Decision Making, Continuous Learner and Openness to Change, Negotiation Skills, Strong belief in Themselves. The country’s economic policy environment must be

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favorable for organizations to achieve efficiencies in today's global market. The study of entrepreneurship has relevance today, not only because it helps entrepreneurs better fulfill their personal needs but because of the economic contribution of the new ventures. More than increasing national income by creating new jobs, entrepreneurship acts as a positive force in economic growth by serving as the bridge between innovation and market place.

### **Objectives:**

The present article aims at developing an understanding of the entrepreneurship and its development stages including its impact on the Indian economy. Creativity, Innovation, and entrepreneurship are interrelated in the development of the economy, so this paper attempts to bring the relationship between these three. The present study also attempts to throw light on how entrepreneurship acts as a catalyst in the development of the economy. This paper also examines the current state of entrepreneurial practices in the country with special focus on start-up campaign. An effort is made to identify and analyze the contribution and outcomes of present entrepreneurial practices towards various sectors of the economy.

### **Research Methodology:**

The research methodology is based on descriptive arguments, statistical data, comparative study, and analytical logic developed through the understandings from various research papers, reports, books, journals, newspapers, business magazines and online data bases. Secondary data is widely used to accomplish the objective of the present study.

### **Innovation, Entrepreneur, and Entrepreneurship:**

Innovation is the way toward bringing the best phrenic conceptions into authenticity, which triggers an imaginative thought, which engenders a progression of imaginative occasions. Innovation is the engendering of incipient value. Innovation is emboldened by information accumulated from incipient connections; from insights gained by journeys into other disciplines or places; from active, collegial networks and fluid open boundaries. Innovation requires a better approach for taking a gander at things, a comprehension of individuals, and an entrepreneurial readiness to go for broke and to buckle down.

Innovation is the process through which the entrepreneur converts market opportunities into workable, remunerative lucrative, and marketable conceptions. Innovation is an application of something ingenious that has a consequential impact on an organization, industry or society. Entrepreneurship is the perpetuating generation of Innovation in replication to perceived opportunities in the business environment. Innovation is the procedure through which the entrepreneur believers market open doors into workable, propitious, and captivating noetic conceptions. Innovation is a utilization of something innovative that significantly affects a sodality, industry or society.

Entrepreneurship is the perpetuating generation of Innovation in replication to perceived opportunities in the business environment. Entrepreneurs have been portrayed as individuals who can optically discern and assess business opportunities, assemble the essential assets to capitalize on them and commence fitting activity to ascertain achievement. He/ She is that individual who embraces the voyage of making quality by pulling together a one of a kind bundle of assets to abuse an open door.

Entrepreneurship is the expert utilization of cognition, faculties and capabilities and/or of acclimating another thought, by an individual or an arrangement of individuals by dispatching an undertaking or

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differentiating from a current one i.e distinct from seeking self-employment as in a vocation or trade, in this way to seek after development while engendering riches, vocation and convivial great. The entrepreneur who implements 'new amalgamations of betokens of production' plays a crucial role in perturbing the status quo through innovation — or 'creative destruction' — and thereby becomes an agent of change. The entrepreneur who executes 'incipient of coalescences of a method for engendering' surmises an exigent part in vexing the norm through development — or 'imaginative decimation' — and accordingly turns into a specialist of change.

According to an article published in EY Megatrends 2015-(Making sense of a world in motion) The ideal entrepreneurial environment has five pillars: (1) access to funding; (2) entrepreneurial culture; (3) supportive regulatory and tax regimes; (4) educational systems that support entrepreneurial mindsets; and (5) a coordinated approach that links the public, private and voluntary sectors.

According to Schumpeter, one of the renowned Austrian economists the process of economic development could be divided into three limpidly separate stages. The first stage implicatively insinuates technical revelation of budding things or initial ways of doing things, which Schumpeter refers to as invention. In the subsequent stage innovation occurs, i.e. the prosperous commercialization of an incipient good or accommodation stemming from technical revelations or, more generally, an incipient coalescence of cognizance (incipient and old). The final step in this three-stage process—imitation – concerns a more general adoption and diffusion of incipient products or processes to markets.

The government's job is to engender a policy framework that provides an enabling environment for innovations to thrive. This can be in form of not only providing technical and financial support to innovators but additionally give an auxiliary regulatory framework. Early entrepreneurs end up spending the major chunk of their time in meeting the regulatory requisites, which could be facilitated if the regime departments could verbalize with each other and engender some kind of single window clearances for establishing such enterprises. These are not incipient conceptions but need to be re-accentuated.

The following are four reasons why entrepreneurs are important to the economy:

1. Entrepreneurs Engender Incipient Businesses
2. Entrepreneurs contribute to National Income
3. Entrepreneurs Additionally Engender Gregarious Change
4. Entrepreneurs additionally avail in Community Development

### **The Indian Environment for Entrepreneurship**

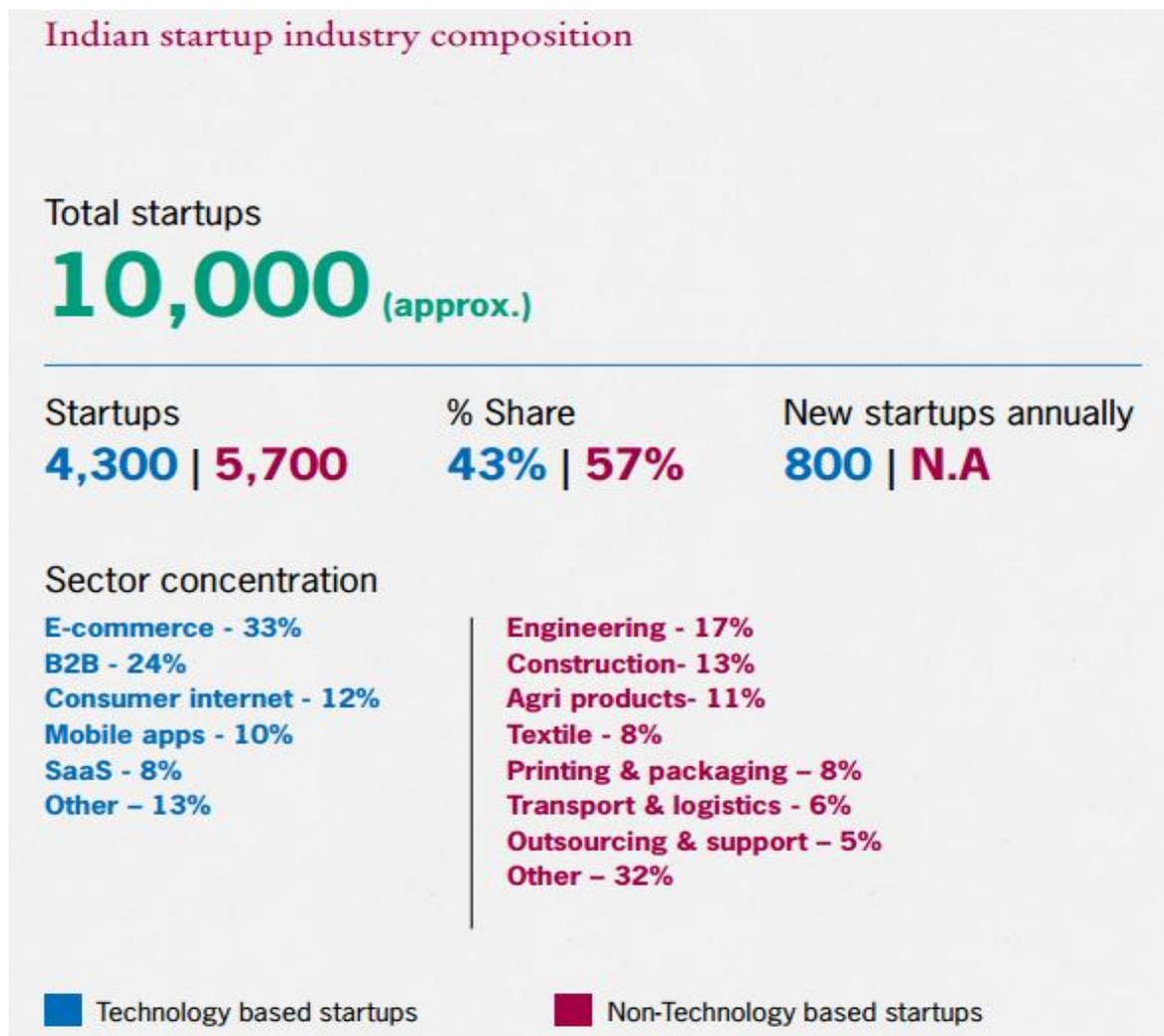
To promote entrepreneurial practices in the country government initiated various programs and practices. According to the "The Indian startup saga (2016)- Grant Thornton", following were the Indian Government Policies and Initiatives in this direction.

<b>Initiative</b>	<b>Commencement</b>	<b>Description</b>
<b>Make in India</b>	September 2014	<ul style="list-style-type: none"> <li>• The intent of the campaign is to attract foreign investments and encourage domestic companies to participate in the manufacturing, thereby contributing to the country’s growth story. To promote manufacturing sector, government is giving impetus in the form of single window clearances, minimal procedures &amp; cutting out of any red-tapism to set up businesses</li> </ul>
<b>Standup India</b>	August 2015	<ul style="list-style-type: none"> <li>• The campaign aims at promoting entrepreneurship among women and scheduled castes and tribes. Some of the salient features include:</li> <li>• Loans under the scheme would be given for greenfield projects in the non-farm sector</li> <li>• Intention of the scheme is to facilitate at least two such projects per bank branch</li> <li>• The scheme is expected to benefit at least 250,000 borrowers in 36 months from the launch of the scheme.</li> </ul>
<b>Digital India</b>	July 2015	<ul style="list-style-type: none"> <li>• The vision of the program is to transform India into a digitally empowered society and knowledge economy</li> <li>• The program aims to ensure that government services are made available to every citizen through an online platform. Private sector has committed funds at the launch of this initiative to fund new ventures, representing a huge business opportunity for startups.</li> </ul>
<b>Micro Units Development Refinance Agency (MUDRA)</b>	April 2015	<ul style="list-style-type: none"> <li>• The Indian government launched Mudra Bank to boost the growth of small businesses, manufacturing units and small entrepreneurs</li> <li>• The bank would provide credit facility of up to INR 50,000 to small businesses, loan of up to INR 5 lakh to little bigger businesses and loan of up to INR 10 lakh to the MSME sector at low rates</li> <li>• In January 2016, the Union Cabinet gave approval for the conversion of MUDRA Ltd to MUDRA Small Industries Development Bank of India(SIDBI) and for the creation of a credit guarantee fund for MUDRA loans</li> <li>• The MUDRA scheme is expected to benefit 1.73 crore people</li> </ul>
<b>India Aspiration Fund</b>	August 2015	<ul style="list-style-type: none"> <li>• The finance minister also announced the India Aspiration Fund to encourage the startup ecosystem and allocated INR 400 crore to various venture funds.</li> <li>• He also launched another program called SMILE (SIDBI Make in India Loan for Small Enterprises) with an allocation of INR 10,000 crore. The objective of the scheme is to offer soft loans in the form of quasi-equity and term loans on soft terms to MSMEs.</li> </ul>
<b>Startup Action Plan 2016*</b>	January 2016	<ul style="list-style-type: none"> <li>• It is an initiative of the Government to build a strong eco-system for nurturing innovation and Startups in the country</li> <li>• The action plan covers three aspects – simplification and handholding; funding support and incentives; and industry-academia partnership and incubation.</li> </ul>

(Source: a report by Grant Thornton: “The Indian startup saga ,2016- Grant Thornton”)

**Focus on Start-ups in India:**

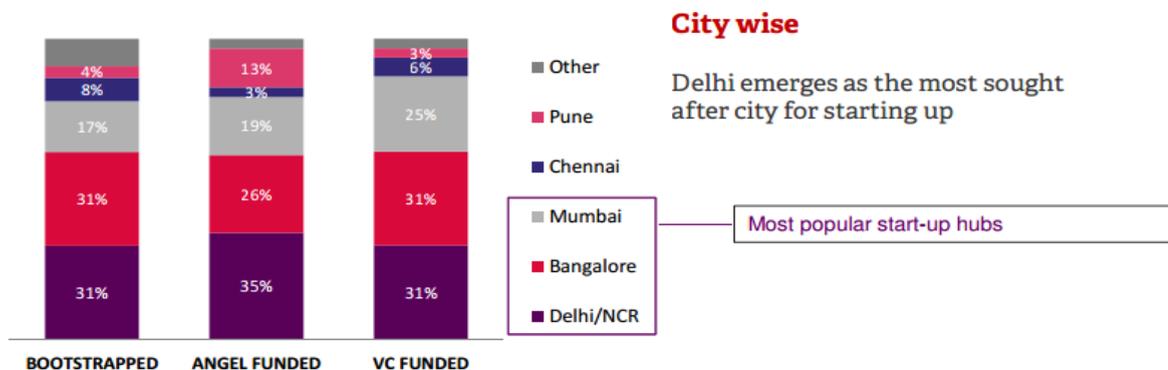
Below given figure gives a self-explanatory composition of Startups in India across diverse industries. It is quite obvious from the figure that percentage of e-commerce companies is higher than other types of businesses. Technology based startups are gaining quick acceptance as compared to non- technical startups, which indicates that India is keeping pace with technological advancements taking place across the globe.



(Source: NASSCOM Startup India report 2015, Microsoft Ventures, Secondary sources, News article)

According to **InnoVen Capital: India Startup Outlook Report- February 2016**, Delhi NCR is the most sought city for startups. Consumer internet and e- commerce is the most preferred industry segments. Besides these other popular industries like Fintech, Logistics and Food Tech are also preferred.

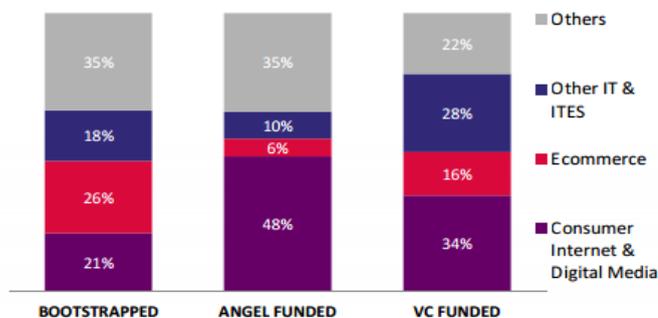
## Demography



## Industry wise

Irrespective of funding stage, Consumer Internet & Ecommerce are the most preferred industry segments across start-ups

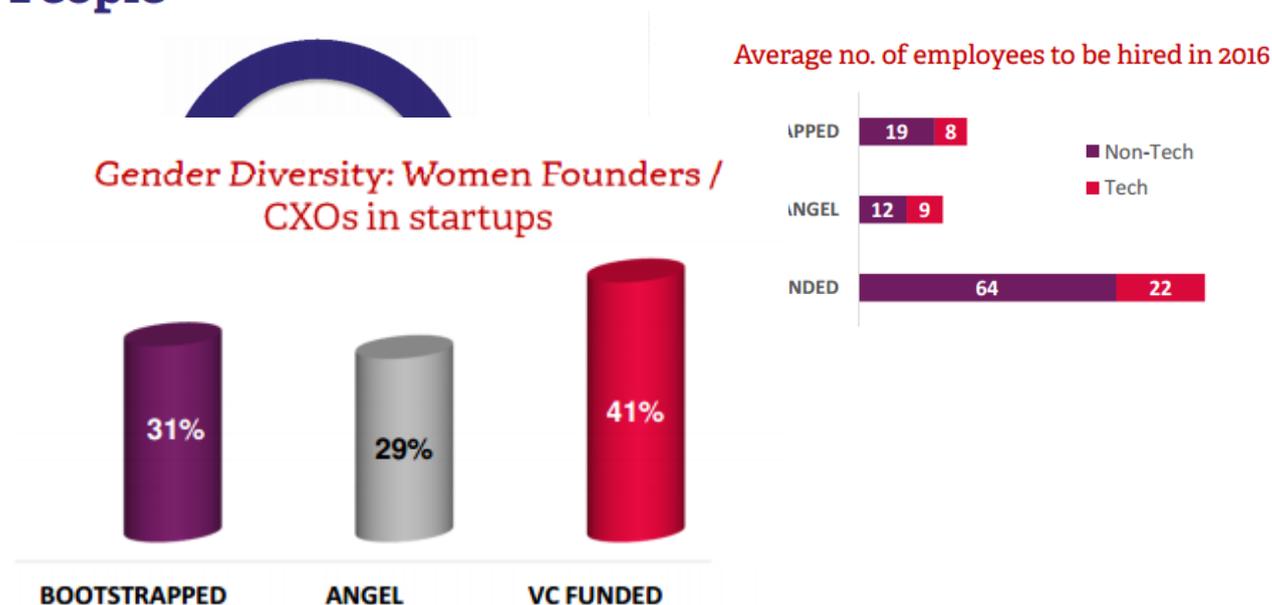
Other popular industries include Fintech, Logistics and Foodtech



Talking about a likelihood of hiring in the next 12 months 97% of the people goes with likely hiring and 3 % says they are not likely to hire. An average number of employees to be hired in 2016 is estimated to be 27 % with bootstrapped which consists of 19 % in a non-technical ground and rest 8% in a technical ground.

21% of the people is likely to be funded by angel investors in which 12 % are from a non- technical ground and the rest 9 % are from technical grounds. Talking about funding from Venture Capital, 64% are from non-technical ground and the rest 22 % are from technical grounds. When we talk about gender diversity, women founders or CXOs in start-ups consists of 31% in bootstrapped, 29% in angel investment and the rest 41% in Venture Capital Funded.

## People



(Source: InnoVen Capital: India Startup Outlook Report, February 2016. This report was intended to capture the outlook of early stage companies in India for the year 2016. The data is based on responses from total ~140 founders across Bootstrapped, Angel Funded, and VC Funded companies.)

### Comparing India with other countries:

The approximate number of startups in India (as depicted in the table India comparison above) is the same as that of China. This in itself, is indicative of the startup revolution that India has witnessed and the momentum being experienced in the space. However, if one were to dig deep, high lending rates and corporate tax rates pose significant roadblocks to the industry’s progress.

Furthermore, with the exuberance of Modi regime visible through sundry initiatives such as the Digital India campaign, Make in India and the recent all-inclusive Action plan to boost startups, the business environment would certainly become conducive to invest and develop.

India is ranked 130th out of 189 economies on the ease of doing business, 133rd on the ease of trading across borders and 157th on the ease of paying taxes. India is ranked 155th in the case of starting a business. On an average, Indian businesses need to make 33 tax payments annually with around 243 hours spent to prepare and pay taxes in a year. In contrast, China requires just nine tax payments annually, while the US doesn’t trouble its taxpayers more than 11 times annually for tax payments. Among South Asian economies, India made the biggest improvement in business regulation, increasing its distance to frontier score. **(Source : World Bank’s Report: Doing Business 2016)**

	India	China	Israel	Singapore	Japan	US
Total no. of startups (-)	10,000	10,000	4,750	N.A.	N.A.	83,000
Tech-based startups	4,300	3,400	4,000	N.A.	N.A.	48,500
Non-tech based startups	5,700	6,600	750	N.A.	N.A.	34,500
Set up a new business (Days)	30 – 60	30	13	2	10	4
Corporate tax rate	34%	25%	26%	17% (100% tax exemption for startups)	34%	39%
No. of Tax payments by businesses (p.a.)	33	9	TBD	TBD	TBD	11
Bank lending rate	10.3%	5.6%	3.9%	5.4%	1.2%	3.3%
R&D spending % of GDP (Est. 2014)	0.85%	1.90%	4.20%	n/a	3.40	2.80%

**(Source: World Bank, News articles, Gov. sites)**

According to the **World Bank Doing Business in 2016 report**, India’s position has amended from 164 to 155 in terms of starting a business. This ascertains that India has become a better place for a business inception. However, beginning a venture is still a tedious process in India and it takes 29 days and over 12 procedures to initiate a business. In countries such as Israel, the number of days is virtually half as that of India and the scenario is better for other developed countries such as Singapore. In these developed countries, it takes as low as 2 days to commence a business. In advisement to taking corrective measures in this direction, the tone additionally needs to be set right for other critical aspects such as lending rate and spend on research and development. The lending rate is virtually thrice as that of developed economies such as the Amalgamated States and this calls for stringent action. Angel investors, venture capitalists, and private equity firms have though provided respite in this regard, making the industry progress at a good pace over the years.

**Contribution of increased entrepreneurial practices to diverse areas of Growth:**

The report titled *“Start-up India – Momentous Rise of the Indian Start-up Ecosystem”, 2015 by The National Association of Software and Services Companies (NASSCOM) along with Zinnov today*, analyses the existing scenario and evolving trends across the various dimensions that defines the Indian start-up ecosystem and its contribution to different areas of economic growth as mentioned below:

**Employment :** With the huge rise in the number of start-ups in India, employment opportunities are being generated. Growth in Employment Opportunity: 80-85K in 2015, 250 K in 2020P.

**FDI Growth:** Global investors are investing in the Indian start-up ecosystem leading to increased FDI. \$1.9 Billion funding from top deals in 2015. Like

- Flipkart received \$700 Million from Tiger Global & Steadview Capital.
- Paytm received \$635 Million from investors including Alibaba Group, and SAIF Partners
- Snapdeal received \$500 Million from investors including Alibaba Group, SoftBank & Foxconn
- Quikr received \$150 Million led by Investment AB Kinnevik & Tiger Global.

**Multiplier effect:** Traditional businesses are being positively impacted through increased spending by start-ups.

- **Impact on Advertising/Marketing:** ~\$600 Million Estimated spend of e-Commerce players on ads in 2015.
- **Impact on Logistics/Warehousing:** approx. \$950-1,900 Million Estimated spend of e-Commerce industry by 2017-2020 on infrastructure, logistics, and warehousing.

**SMB Growth:** Start-ups are empowering SMBs in enhancing their reach and serve customers better.

- **Taxi aggregators** (OLA and UBER): Increase business for cab drivers through easy discoverability
- **e-Commerce firms** (Snapdeal and Paytm): New channel of sales and enhanced geographic reach for offline retailers
- **Accommodation start-ups** (OYO rooms): Improving business of budget hotels through standardization
- **Hyperlocal e-Commerce firms** (Bigbasket and Grofers): Offering new opportunities to Kirana shops and grocery stores.

(Source of 'Contribution of increased entrepreneurial practices to diverse areas of Growth': Economic Times, e27 Report, ASSOCHAM Report, Forbes, YourStory Report, Zinnov Analysis)

### **Noteworthy Outcomes of Increased Entrepreneurial Practices and Startups Initiative:**

According to the report titled "**Start-up India - Momentous Rise of the Indian Start-up Ecosystem, 2015 by The National Association of Software and Services Companies (NASSCOM) along with Zinnov today**", the Indian technology start-ups landscape has seen a tremendous growth in the emergence of innovative start-ups and creative entrepreneurs. In terms of providing a conducive ecosystem for the start-ups to thrive, India has moved up to third position and has emerged the fastest growing base of start-ups worldwide. Some more updates from the report are as follows:

- ✓ Total startups to grow multifold: 4200-4400 in 2015, expected 12000+ till 2020.
- ✓ 80-85K people employed in startups
- ✓ Approx. \$4.9 billion investments in startups
- ✓ More than 65% startups are located in NCR, Mumbai, and Bangalore.
- ✓ Bangalore ranked 15 among global startup ecosystem
- ✓ Gender wise composition in founders: approx. 9% women founders and 91% males

- ✓ **In the words of Mr. Ravi Gururaj, Chairman, NASSCOM Product Council,** *“India is the youngest start-up nation in the world with 72% of the founders are less than 35 years old, and 50% rise in share of female entrepreneurs in 2015 over 2014.*
- ✓ 3-4 startups are born each day.
- ✓ **As per the words of Mr. R. Chandrashekhar, President, NASSCOM,** *“The maturing Indian start-up ecosystem is now contributing to the Indian economy in many ways. Apart from positively impacting the lifestyles of citizens involved, start-ups are now creating innovative technology solutions that are addressing the key social problems that India is facing and creating significant growth opportunities for every stakeholder”*

With 100 per cent growth in a number of private equity, venture capitalists, angel investors along with a 125 percent growth in funding over last year (2014), Indian start-up ecosystem has risen to the next level. Various central and state government start-up initiatives are further supporting this progressive phase of start-ups in India.

### **Roadblocks to Entrepreneurship:**

Despite so many government initiatives and policies entrepreneurship still, faces following challenges:

#### **a) Availability of Funds:**

There are limited number of credit rating firms for small and medium enterprises, therefore it becomes challenging to raise funds, especially during the starting stage, given no credit history or track record of the company. For startups, the biggest problem is to gain investor trust and appropriate funding.

Another aspect is with effective cash management becomes an issue in the short and long term. Cash being the primary channel of payment, electronic payments are still not popular owing to the absence of complete penetration to Tier 2 and Tier 3 cities. Moreover, flawed business models and revenue strategies lead to failure of many startups.

Government and private sector investors have funds through investment channels but such funding is not available for all forms of businesses.

#### **b) Hiring a right and skilled talent:**

For a startup in India, it is difficult to attract and hire the right talent and skilled workers at a time when the economy is witnessing a booming private sector with a plethora of multinationals setting shop and hiring talent. Everyone is not flexible enough to work in a startup. A startup often cannot match the compensation packages offered by larger companies nor is a startup job seen as a steady one. Apart from this culture issues associated with taking risks and dealing with failures have prohibited people from venturing out with an entrepreneurial spirit. People are conscious about risks and rewards, India being a price sensitive market.

#### **c) Infrastructure bottlenecks:**

The present era is the era of market space, therefore, appropriate IT infrastructure is a current need given growing number of consumers coming online. Without an impetus to the right and timely technology in the country, the growth of businesses will not happen. Though the government is taking initiative in form of Digital India, still a lot needs to be done. Cyber risks and lack training of employees on security platforms are acting as roadblocks for startups to prosper. Indian market is highly

unorganized and fragmented, acting as a big hurdle for startups to succeed. Lack of awareness of potential that exists for their startup businesses prohibits growth.

**d) Lack of proper training and mentorship:**

Mentorship of talent is very important as a lot of these startups are having a young workforce with some very unique ideas that need direction for reaping effective results. There is lack of formal mechanism to mentor startups in the country and help them grow beyond the setup stage

Lack of an effective branding strategy is another issue that hampers startups from flourishing speedily .

**e) Other Challenges:**

Some of the other challenges in this sector include managing the business with an intense competitive environment, maintaining a sustainable business, technology design, regulatory framework, and intellectual property rights are the other factors contribute to hampering the growth of entrepreneurial practices to a considerable extent.

**Conclusion:**

Entrepreneurs are frequently thought of as national assets to be cultivated, incentivized and remunerated to the greatest possible extent. Entrepreneurs can transform the way we live and work. If prosperous, their innovations may amend our standard of living. In short, in addition to creating wealth from their entrepreneurial ventures, they additionally produce jobs and the conditions for a prosperous society.

Entrepreneurship contributes to diverse areas like employment generation, capital influx, increased output, self-reliance, encouragement to young minds, equal opportunity to grow and make others grow effectively. The government has taken several initiatives to promote this kind of ecosystem within the nation and ready to support entrepreneurs at every possible level still many roadblocks are to be removed for making a real and effective contribution in this direction.

There is a need to regularly nurture the entrepreneurial ecosystem through simplified regulations, branding, collaboration, mentorship and funding to stay ahead of disruptive growth.

The pace of entrepreneurial practices could be raised with the ease of guidelines and directives for registration of a business in India, funding, and simplifying compliance measures by curtailing licenses or approvals or tax structures for start-ups. Elimination of angel tax, enabling easier exit for entrepreneurs, streamlining standards for capital raising, and requisite changes in the credit guarantee for loans to start-ups are few things could be done in order to enhance a smoother and even operational activities of the start-ups in India and boosting the spirit of entrepreneurship.

There is the dire need to encourage academia-industry tie-up and collaborate to develop the right kind of talent and competencies that will propel the growth further. Steps must be taken to create an even more conducive environment by facilitating incubation, IPR, and innovation norms.

One more way to raise the standards is to recognize these start-ups for the innovation and rapid growth by sharing their success stories on a national-level and awarding at relevant Indian and global platforms to help India build a reputation of a start-up-friendly nation.

Stakeholders across the network must also come together to create market access by way of guidance in regulatory requirements for project participations. There should be some kind of specialized training for start-ups working in ground-breaking fields.

The rapid growth of Indian start-ups has created significant growth opportunities for every stakeholder within the ecosystem. Further, start-ups are providing an exciting work culture along with attractive financial benefits to attract new and retain existing talent. This maturing start-up ecosystem is contributing to the Indian economy in multiple ways.

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