



STARTUPS - DETERMINED TO CONQUER

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ABSTRACT

India is always known for innovation from the early times. If one looks at the history and legacy of India one can easily find that a lot of innovation started in India first. Even in the fields of astronomy, science and technology India has a unique identity. With the younger generations, who are daring and cool and enterprising, India is all set to outperform and capable to stand front in competing with other nations on the world stage in the coming years. Younger generations are tending to start up small business, which is going to be boosting the Indian economy and also pose great opportunities to the people. According to NASSCOM report of 2015, India is home for almost 3100 startups starting per year just standing behind US, UK and Israel and if the growth is continued with the same pace and trend then it is expected that Indian Tech Startups will be generating more than 3 lakhs jobs in the coming five years.

KEYWORDS: Astronomy, Science, Technology, Walmart, Goldman Sachs, Indian Economy

INTRODUCTION

India is always known for innovation from the early times. If one looks at the history and legacy of India one can easily find that a lot of innovation started in India first. Even in the fields of astronomy, science and technology India has a unique identity. With the younger generations, who are daring and cool and enterprising, India is all set to outperform and capable to stand front in competing with other nations on the world stage in the coming years. Younger generations are tending to start up small business, which is going to be boost the Indian economy and also pose great opportunities to the people. According to NASSCOM report of 2015, India is home for almost 3100 startups starting per year just standing behind US, UK and Israel and if the growth is continued with the same pace and trend then it is expected that Indian Tech Startups will be generating more than 3 lakhs jobs in the coming five years.

SUITABILITY FOR INDIA

With the demographic diversification, it is estimated that by 2020, India will be offering 112 million jobs to the younger generation in the age group of 20-24 when compared to 94 million workers in China, the world's most populated country. This may pave way for the startup culture in India. Basically India was considered as the market for providing cheap labor and for export of Indian services in IT and because of this India lagged behind in the field of product development and innovation in the past. But with the mind set change in both people and governments, the culture of startups has started in India, which is already started bearing fruits and is set to boost Indian economy in the years to come, which is a good sign for the country.

Indian younger generations are known for technology related fields and are leading the growth of startups era. It is also estimated that E-Commerce market of India will grow by more than 50% within the next five



years. A large infusion of capital from overseas through venture capital funds in the past two years in the startups, clearly shows the positive sign. With the ambitious and enterprising governments at both Central and State levels, an optimistic approach has been developed around the Indian economy. The governments have started working to improving India's economic position with respect to the countries in the world. With the only Mantra at both the Central and State levels the FDI, foreign investors have started looking towards India as a favourable avenue for investment. Indian startups are providing a perfect platform for diverting huge foreign investment into Indian economy.

PERFECT PLACE FOR GOLDEN HARVEST

Developed nations are now eyeing on fast growing and emerging nations such as India to tap the huge untapped potential offered in these countries. In the recent years, different countries are taking different initiatives to link up their businesses with the Indian startups. For Example: Business council of India in United Kingdom (UKIBC) is hosting startups of India in UK. Similarly, Swissnex, an agency of Switzerland is conducting market research in India with the help of its entrepreneurs to identify suitable business opportunities to harvest their investment. Similarly, Zone Startups based in Toronto Canada is also conducting research to understand Indian taste, culture and requirements so that they can tap the opportunities in India. It is said that almost all global giants such as Walmart, Goldman Sachs, Target, Thomson Reuters are eagerly looking towards Indian startups to tap the huge business opportunity, apart from others.

Venture capital funds from abroad and angel investors are proving to be a big boon for Indian startup story. Indian startups such as Flipkart, Olacabs, Snapdeal, Hike, Shopclues, Freecharge, Inmobi etc. receive various rounds of follow-on financing as well either from their existing investors or from any new investor. These various rounds of funding also help these firms to hire more talent into the company. This helps the company to grow strategically and also attracting more experienced people in the firm. In the recent times head hunting and poaching are common among these tech startups in attracting the talent and high potential people.

ALWAYS THE INDIAN

As usual there is a huge demand for Indian software engineers around the world. Any startup owner in any country sets an eye to hire talent from India, since it reduces their cost by almost 25% and this is one of the factors for huge demand for Indian Techies and at the

same time it provides a very good employment opportunity for the developer.

Another factor that is contributing to startups apart from funding are mergers and acquisitions are also helping these startup companies to grow by acquiring new capabilities directly and expanding into the market share of the acquired company. The classical example of this could be buying of Myntra, an app based shopping portal by another technology giant Flipkart to gain the market share. Snapdeal recently acquired Freecharge to grow into the area of mobile payment gateways, since mobile payments are a next hot spot sensed by various startups presenting immense opportunities for further penetration. Not only in India but also internationally tech giants have used acquisition of companies as a way to maintain their position of market leader and also as a way to enhance diversification.

With the mind set of next- gen startups are flourishing in India not only in the field of internet but in various other fields as well. Educational tech startups are a new hot bee among various investors since it is anticipated that the complete educational system will be digitized in the near future. Similarly, startups are also eyeing big data for analytics, healthcare, beauty and fitness, biotechnology and other areas as well. Several startups have also ventured into food delivery service as well. Many have generated employment opportunities in large number for unorganized sections of the society in the form of delivery persons. At the same time, it has increased convenience for consumers as well.

There are other startups other apart from conventional startups there are enterprise startups as well. They are broadly classified into two types: Application and platforms. These are basically B2B startups and aims to simplify the various underlying processes for businesses. Application startups are basically for IT, developers etc. Young entrepreneurs are also exploring opportunities in the field of development of gateways for mobile or online payment. It is a well-known fact that India is all set to become the second largest market for smart phones by 2016 after United States. It is mainly due to the cheaply availability of smart phone there is going to be increase usage of smart phones in the country. This sector witnessed almost 50% growth in the year 2014 only. Due to this, it is anticipated that the number of people using online transactions will also increase at the same pace, presenting huge opportunities for Indian startups. With the enterprising and innovative of payments , startups such as Paytm, has already started covering the market, offering innovative schemes to the users..

DETERMINED GOVERNMENTS

With the Indian government is also taking several proactive steps to build an environment which is suitable for startups, since small businesses can play a very important role to develop and boost Indian economy in the future. In the Union Budget of 2015, government has established a process or a mechanism known as Self Employment and Talent Utilization (SETU) to support all the aspects of startups right from their seed financing stage to their growth stage. Also, government is also setting up 'innovation labs' at various places which are similar to that of 'incubation centers' in large national and foreign universities. The government is giving three years of Tax exemptions for the startups. Allocated a separate fund in the budget for the coming four years to fund to provide seed capital to startups related to IT and biotechnology.

With the identification of importance of role that the Indian startups are all set to play in the growth of Indian economy, the amount of income and the huge number of jobs that can be created by facilitating startups, even the market regulator Securities and Exchange Board of India (SEBI) has also relaxed some rules to facilitate the flow of funds from the market to the startups. Tax Exemption is among of such steps to boost startups in India .

CONCLUSIONS

Indian population is considered as boon to the nation, since there are talented people in India. Taking into consideration all the above developments, it can be

easily expected that indigenous startups will not only make the lives of the people easier through their affordable and convenient services but will also act as a major booster for the development and the progress of the Indian economy. These startups will pave way for self reliance and will play a major and vital role in boosting the Indian economy. Both governments at the Central headed by Shri Narendra Modi and Telangana headed by Shri K .Chandra Shekar Rao(KCR) at the state level are striving hard to realize the dreams of Millions of Indian and even the state heads are trying to be part of this innovative startups in their respective states, which is not only a good sign but a great step towards rapid progress.

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