

# Entrepreneurship and Start-up

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**Abstract- India is the third largest ecosystem for creating startups and converting them into Angel investors at the global ecosystems. India has already set up a world benchmark for a new startup after the world after US and China. Startups are the reflection of the development of various small ideas from small to large businesses. Entrepreneurship is the brainstorming of business ideas that drive innovation. The innovations in entrepreneurship are full of risk and asymmetries of financing for the new start-up. Entrepreneurship acts as the pillar for economic development as it leads to employment generation, an increase in GDP, industrialization, and trade. Entrepreneurship in recent years has attracted Indian government schemes and the government is also making many schemes to promote small entrepreneurship. The main purpose of this paper is to study Entrepreneurship and how it has to lead to Start up business. The study was done based on secondary data collected from various newspapers, government magazines, sources of books, journals and websites.**

**Keywords: Angel investors, Innovations, Risk, Brainstorming, Ecosystems, GDP**

## INTRODUCTION

Entrepreneurship is the brainstorming technique that gives positive growth to economic development. It is the result of human economic operation and government recognition which give a role to entrepreneurship because it is that activity which can promote growth and economic development of society. Entrepreneurs are instrumental and sustaining the socioeconomic development of any country in the world. Entrepreneurs have six distinct segments which are having different characteristics whether they are small, scaled, solo, urban or rural or whether they are engaged in agriculture or not. They develop a positive attitude by taking a large risk and critical role in providing large employment opportunities at lower

capital cost and also help develop an ecosystem of startups in India in rural areas and urban areas. Innovation positively contributes to the needs of society through new business startups. Entrepreneurship gives positive attitudes to ideas and it generates startups. Entrepreneurs performed an imperative role whether they are small-scale or large-scale entrepreneurs and after achieving their target they become start-ups and after that they become unicorns.

Definitions of Entrepreneurship:

Enterprenurship Meaning: The origin of basic word “Enterprenurship” is derived from the French word “Entrée” „To enter“ and “Prendre” „To take“ and in a general sense applies to any person starting a new project or trying a new opportunity.

Entrepreneurship as a Digital Form :

In this global world ecosystems of innovation, entrepreneurship is also of Digital type, as digital is full of innovations and technologies because it is growing worldwide. Digital Entrepreneurship includes deep study and hypothesizing on entrepreneurial processes, and outcomes. Digital technologies such as artificial intelligence, crowdfunding platforms, digital 3D printing, social media platforms, big data, cloud and mobile are originating wide opportunities leading to new ways of pursuing entrepreneurship.

Female entrepreneurship: In this startup ecosystem, the female founders are also contributing their positive enthusiasm in various fields of business. Most female entrepreneurs are converting their businesses into new unicorns. Increased levels of female entrepreneurship can contribute to a higher quality of entrepreneurship by giving greater diversity, not as compared in gender terms but also with regard to “products, processes, forms of organization and targeted markets” in this startup ecosystem. Female entrepreneurs are

nowadays taking risks at a high level. Female entrepreneurship ecosystems are the role model for the entrepreneurial society, increasing the proportion of female businesswomen operating in these startup ecosystems would lead to raising the level of entrepreneurial activity of women in the entire economy either in the rural area or urban areas. The various NGOs and central government, state government are also motivating women to start their businesses at the small level also. Various schemes have been developed to promote the female workforce in this startup ecosystem. India has 13.5–15.7 million women-owned enterprises, representing 20% of all enterprises. Accelerating women with new startup policies related to women's entrepreneurship will create and can give employment opportunities to other women. The central government is promoting various entrepreneurship programmes by supporting new businesses such as Make in India and Atal Innovation Mission at central level.

The Startup programme launched by the Central government has a tagline for Female Entrepreneurs as -Women Entrepreneurship in India.

**TAGLINE:** Women Trailblazing Innovation

- Increasing presence of women
- Women-owned business enterprises playing a prominent role in society
- Employment opportunities in the country at the grass root level
- Women founder as sustainable development for balanced growth in India

The various incentive schemes started under this program are different for states, for example:

Incentive in the Union Territory of Andaman Nicobar Island :

The monthly allowance for startups with Women as founders/Co-Founder shall be INR 20,000 per month for a period of 1 year.

Incentive in the state of Haryana :

The repayment of 30 per cent of lease rental subsidy for general women and 45 per cent for startups with only women founders for a period of one year up to Rs 5 lakh will also be offered by Haryana Government.

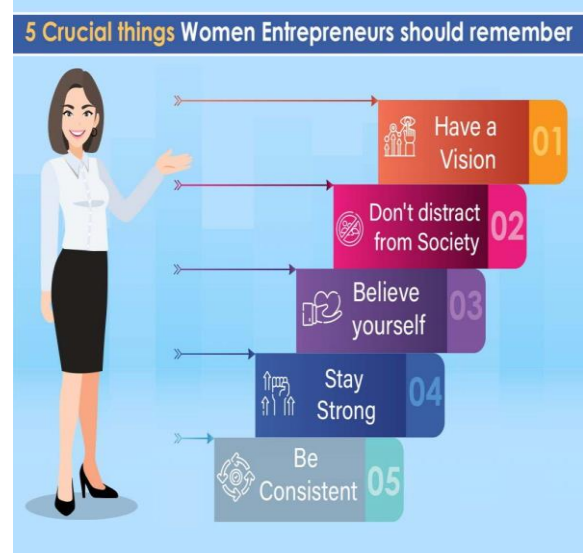


Fig .1. five crucial for Female Entrepreneurs

The following figures show factors that must be controlled by women entrepreneurs if they want to make their businesses grow and fast. Being a female factor they are lots of distractions from society as well as from inner thoughts.

The World Bank has created Entrepreneurship Index for various countries according to different parameters. For Female Entrepreneurs, the World Bank has created We-Data (Women Entrepreneurs Finance Initiative )which collects Global data disaggregated on a gender basis.

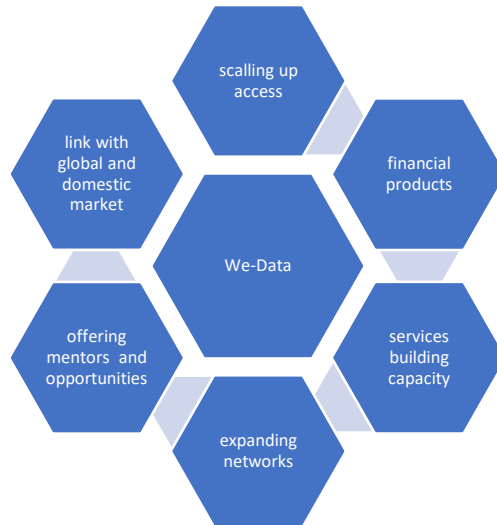


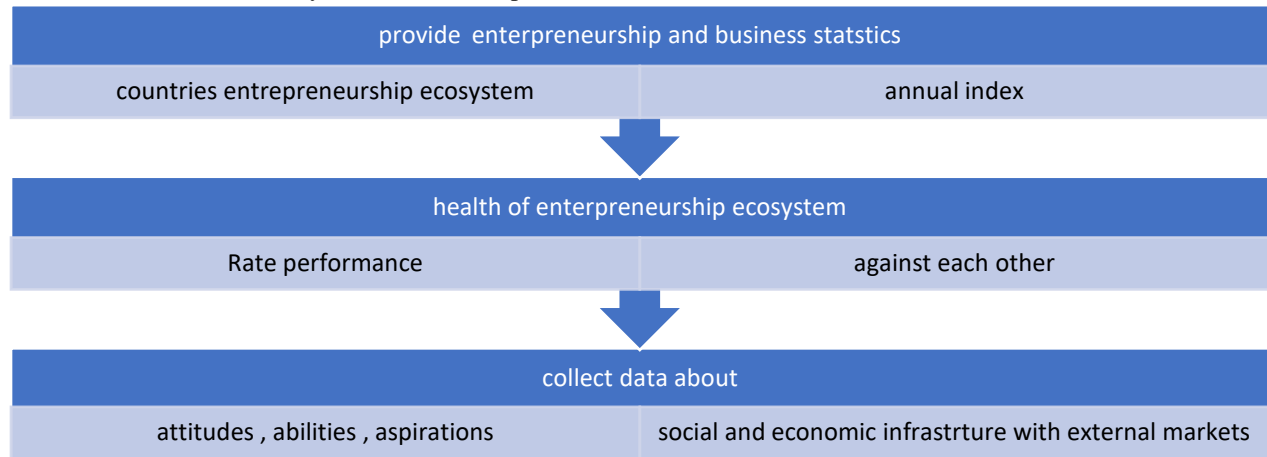
Fig .2. World Bank (We – Data initiative )

World bank has also created Innovation and Entrepreneurship index. It works under the umbrella Facility Gender Equality, which is a multi -Doner Trust Fund dedicated to:

- Strengthening awareness for women entrepreneur
- Knowledge and capacity for gender-informed policy

At the International level, The Global Entrepreneurship and Development Institute present Global Entrepreneurship Index to rank various countries according to their new businesses which are becoming a startup.

Global Entrepreneurship Index Ratings provides: With 14 pillars it measures the entrepreneurship index of each country. India ranks 4<sup>th</sup> among 51 countries in having a . quality entrepreneurship ecosystem. India is having a score of 6.1 which reflects a steady increase in startup .

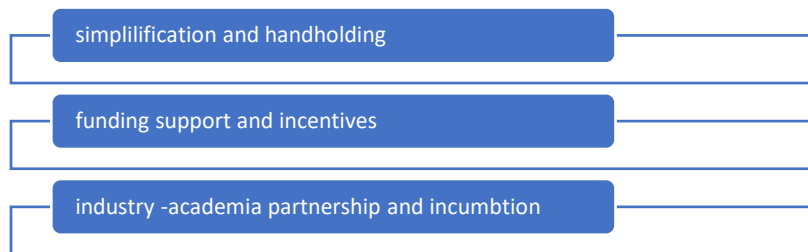


Start-up programmes with Entrepreneurship :

To improve the entrepreneurial potential in the business ecosystem the Indian government launched the Startup India program on 16<sup>th</sup> January 2016. Its aim and objective were to build an ecosystem of innovations that would drive sustainable development and will generate employment opportunities. According to the government notification, an entity will be called a startup :

- 5 years from the date of incorporation
- Turnover does not exceed 25 crores in the last 5 years
- Workings towards innovation, and development, commercialization of new products

It comprises 19 action plans, having three strategic areas :



Startup India is a progressive, accelerator, and leadership pyramid for entrepreneurs. It is an entrepreneurial venture which is a newly emerging or fast-growing business. Especially the startup schemes being used by that business which are small or are untapped by society. Over 84,000 startups are registered with the Department for Promotion of Industry and Internal Trade (DPIIT) till November 2022.

A start-up business is a business that is just getting started. They are having large startup expenses and they are seeking funding from several sources. The startups are being regulated by DPITT across 56 sectors. Till 2022 Nov 84,000 startups are registered under DIPTT. In the 2023 budget, this startup can avail of certain tax incentives, including income tax announced under the Startup India initiative.

India is the largest number of startups being added every hour (4 startups/per hour), 3<sup>rd</sup> largest number of startups and the 3<sup>rd</sup> largest unicorn community The Startup is entitled to a number of benefits such as tax incentives including capital gains, tax exemption, and government assistance in funding business.

#### LITERATURE REVIEW

Jayanthi. R. (2019) studied the promotion of Entrepreneurship under the Startup India scheme, how India has become a Global perspective under the entrepreneurship ecosystem how youth has contributed towards startups and what challenges have been faced by new entrepreneurs. The paper has also suggested various support innovations for startups.

Kuckertz and Berger. (2016) have studied female entrepreneurship and how they have contributed to startup ecosystems. Female participation in business contributes to a higher quality of new ideas conferring top greater diversity. The paper shows that diversity is not only in ideas but also in products, processes; and targeted markets also.

Balachandran and Shamla. (2022) have studied how the Startup ecosystem is suffering from challenges and how the Indian Government has taken measures to simplify the problems of startups. In the global ecosystem how, Indian Startup has been identified as Unicorn.

Gulati and Yadav. (2019) have studied the SWOT analysis of Micro Entrepreneurship and startups in Haryana. The paper has studied enterprises which are working in the MSME sector and what opportunities they are giving to society. The challenges include where they are getting funds and how they are utilizing the fund so that all resources can be used efficiently. Technology-related problems, unskilled labors and many more.

Ramaiah & Konga. (2021) have studied how Start are facing the problem of survival and financial problem, due to conventional investments, innovations in startup firms require heavy funds and R &D activity. Production activities and their costs are burdened with immoderate liabilities of newness and tininess.

Sharma, & Rajput. (2017) have studied how startups are developing sustainable smart cities with their SWOT analysis. Entrepreneurial is attempting to develop products according to the demand of people.

#### OBJECTIVES OF STUDY

The study has undertaken the following objectives:

- Examine the growth of Entrepreneurs and startups in India.
- SWOT analysis of the Startup in India as compared to Haryana State.

#### RESEARCH METHODOLOGY

The study of the paper is conceptual in nature. An extensive literature review of the research paper, schemes, magazine, newspaper, and economic survey has been done to promote Startup schemes in global

startup ecosystems. All the data is secondary in nature from various sites.

Objective 1: Examine the growth of Entrepreneurs in India

The number of recognised startups has increased to 84,012 in 2022, up from 452 in 2016, because of investment incentives and easing business compliances, according to the Economic Survey 2022. India’s entrepreneurial activity has been increased in 2021, with its Entrepreneurial Activity rate percentage of adults (aged 18–64) increased to 14.4% in 2021, up as compared from 5.3% in 2020, which shows that risk-taking power has increased due to various schemes started by Central government to increase the start-up.

- Pilot study on ‘Economic Empowerment of Women Entrepreneurs and Startups by Women (WEE)’ in a state like Maharashtra, Rajasthan and Telangana.

- Pilot Project on Entrepreneurship Development (PM YUVA) has been launched in November 2019.
- Entrepreneurship Promotion and Mentoring of Micro and Small Businesses in Six Holy Cities.
- Women Industrial Training Institutes has been opened.

Among the large states Gujarat and Karnataka have been ranked as the best performers in developing startup ecosystems for budding entrepreneurs, according to the ranking of states and Union territories of DPIIT. In the category of smaller states having a population of less than one crore, Meghalaya has been the best performer. Organizations like National Entrepreneurship Network (NEN), and National Social Entrepreneurship Forum (NSEF) are helping new businesses in funding capital from the seed route.

Table 1: Indian Cities and their Global Startup Rankings

1 <sup>st</sup>	Bangalore	8	63.282
2 <sup>nd</sup>	New Delhi	13	43.043
3 <sup>rd</sup>	Mumbai	17	36.211
4 <sup>th</sup>	Pune	90	7.921
5 <sup>th</sup>	Hyderabad	97	7.633
6 <sup>th</sup>	Chennai	102	7.1483
7 <sup>th</sup>	Jaipur	212	3.856
8 <sup>th</sup>	Ahmedabad	223	3.647
9 <sup>th</sup>	Kolkata	267	2.633

Source: Global Startup Ecosystem Report 2022 -Start Blink

The city which is called Silicon Valley is having the first position in India and with a global ranking of 8<sup>th</sup> has increased the value of the startup of India, Capital of India New Delhi is in 13<sup>th</sup> rank in the global ecosystem. This show that India has a large volume of strength and risk-taking entrepreneurs with lots of innovative ideas.

Objective 2: SWOT analysis of the Startup in India as compared to Haryana State.

In Haryana, the Startup is being controlled by the Department of Information Technology Electronics & Communication, Haryana. In 2017 the Entrepreneurs and Startup policy 2017 has been initiated and with a change in the startup ecosystem, the Haryana government promulgated the new Haryana State Up policy 2022. The pillars of the policy are:

- Infrastructure Augmentation
- Fiscal Policy
- Regulatory Easing
- Entrepreneurship Development

If we count the Global rankings city of Haryana in Startup Faridabad city has 338 rankings with a national ranking of 10<sup>h</sup>. In India, there are 101 Unicorn startups out of these 14 unicorns from Haryana state like Zomato, Policy Bazaar, and Car 24. To start in the technology area, the Haryana Government has an agency named HARTRON with Multiskill Development Centre (HMSDC) Gurugram incubating startups with Industrial partners. Haryana has started to woo investors with a new startup policy, 4704 startups are recognized under DPIIT, and 8 are recognised Incubators, these incubators are being opened in state universities like Aryabhata Incubation

Centre Chaudhary Bansi Lal University, Pandit Deen Dayal Upadhyaya Innovation and Incubation Centre Guru Jambhwar University of Science and Technology Hissar, Incubation Centre Maharishi

Dayanand University Rohtak and to motivate new innovators there are 20 mentors. There are sectors which have contributed to Startup are as follows:

Table 2: Startups in various sectors of Haryana

Food Processing	160 (15.90%)
Business Support Services	159(15.81%)
Health and Wellness	155(15.41%)
Construction and Engineering	152(15.11%)
IT Consulting	142(14.12%)
Education Technology	125(12.43%)

### FINDINGS AND SUGGESTION

- With increasing uncertainties, the startup is not focusing on the domestic market, they should find innovative solutions that should spend business globally. •
- India’s positions in Ease of Doing Business are 63<sup>rd</sup> which is improving its ecosystem and it is influencing its business also.
- The government need to take additional steps to improve the entrepreneurs’ scheme of funding the business, the scheme should also include women entrepreneurs also.
- Polices much include priority sector lending requirements towards small startups.
- SIDBI-run Electronic Development Fund needs to be set up for funding.

### CONCLUSION

The creation of large startups and entrepreneurs in India are having a special position as they are turning into unicorns, and India is number one in Unicorn. A combination of various government policies, and capital assistance is providing more capital or venture capital to funding for new startups. The Indian government is guiding the state government also to promote policies regarding startups. Female Entrepreneurs are on the new stage to create businesses from rural to urban business ecosystems. The Startup if guided and supported can become more efficient and can transfer into future giants in business ecosystems. The global startup also includes Indian startup policies and methodologies.

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