

Beyond Horizon

Case Study
Round 2

Presented by:

Dhruv Rawat
IIT Guwahati

Date Submitted:

January 22, 2023

Problem Statements

01

Identify the key challenges of the startup ecosystem of both China and Singapore and suggest measures to resolve them.

02

Putting yourself in the shoes of an entrepreneur, what according to you is the biggest challenge of the Indian startup ecosystem.

03

Name one reform from the countries discussed above that you would like to see replicated domestically with or without any variation or moderation. Justify your answer.

04

If you, as a startup founder, had to choose headquarters for your company (assuming seed capital is no bar) which country would you choose? Justify your answer. You may answer conditionally or include personal reasons as well.

Problem Statement 1

Identify the key challenges of the startup ecosystem of both China and Singapore and suggest measures to resolve them.

China

Challenge 1

Securing funding

- Many Chinese entrepreneurs find it difficult to obtain funding from venture capital organisations, which frequently concentrate on more established businesses with a track record.
- Challenging for startups to obtain loans due to the Chinese government's strict regulation of the banking industry.

Solution

- The government should put **rules** in place to **promote more venture capital investment in early-stage firms** and **make it simpler** for them to **obtain financing from the banking industry**.

China

Challenge 2

Lack of managerial skills and seasoned entrepreneurs

- Scarcity of qualified administrators and executives to run these startups.
- Many Chinese entrepreneurs lack the required knowledge and abilities.

Solution

- The government should fund **initiatives that teach and educate business owners and managers.**
- **Entice more seasoned executives** from established corporations **to work for startups.**

China

Challenge 3

Inadequate protection for intellectual property (IP)

- Several Chinese entrepreneurs struggle to safeguard their intellectual property.
- This can make it challenging for them to raise capital and expand their operations.

Solution

- The government should fund **initiatives to educate about IP protection and/or tighten its IP laws and regulations.**

China

Challenge 4

Heavy competition from big, state-owned enterprises (SOEs)

- SOEs frequently receive considerable government subsidies and enjoy major advantages in terms of resources and market access.
- Many Chinese entrepreneurs find it difficult to compete with them.

Solution

- The government should introduce **measures to level the playing field for startups** such as
- **Cutting SOE subsidies.**
- **Increasing assistance for small and medium-sized businesses (SMEs).**

China

Challenge 5

Lack of a defined legal framework for startups

- Many Chinese startups struggle to navigate the complex and often opaque legal system.
- This can make it difficult for them to raise capital, protect their intellectual property, and resolve disputes.

Solution

- The government should fund initiatives to **inform new ventures about the legal system.**
- The government should also **make laws and regulations more comprehensible and consistent.**

Singapore

Challenge 1

Expensive to live and conduct business

- Due to the high cost of labour, office space, and other business expenses, Singapore has a high quality of life.
- This makes it difficult for startups to compete with bigger businesses and to scale their operations.

Solution

- The government should formulate **laws to make it cheaper for startups to conduct business.**
- The government can **offer tax breaks or subsidies for early-stage businesses.**
- It can also **invest in affordable housing choices.**

Singapore

Challenge 2

Weak local market

- It may be challenging for businesses to grow to the size necessary for success due to Singapore's tiny domestic market.

Solution

- The government should **fund projects to connect Singapore with the rest of the world.**
- It should also introduce programmes to **help companies enter local markets by giving them access to networking events and mentorship possibilities.**

Singapore

Challenge 3

Severe talent competition

- Singapore has a tiny population and a small pool of talent, which makes it challenging for startups to find and keep the qualified employees they need to expand their businesses.

Solution

- The government should spend money on **initiatives to bring in and keep talent.**
- It can **offer opportunities for education and training and luring more immigrants to Singapore.**

Singapore

Challenge 4

Lack of market diversity

- Singapore's reliance on the financial services industry makes it challenging for entrepreneurs in other industries to prosper.

Solution

- The government should fund **initiatives that encourage innovation and entrepreneurship in other industries.**
- The government can implement **provision of tax incentives and financial aid for new businesses in industries with high growth rates, like technology and the healthcare industry.**

Problem Statement 2

Putting yourself in the shoes of an entrepreneur, what according to you is the biggest challenge of the Indian startup ecosystem?

Lack of finance and cash

The startup environment in India has expanded quickly in recent years, but many entrepreneurs still face obstacles due to a lack of finance and cash.



A lot of businesses in India are still in the early stages of growth and do not yet have the finances or income to draw in conventional investors.



Hesitation to lend to startups

Due to the perceived risk associated with investing in early-stage enterprises, startups may find it challenging to obtain the funding they require to expand and scale their businesses as a result.



Strict regulation of banking industry

This makes it difficult for startups to obtain loans.

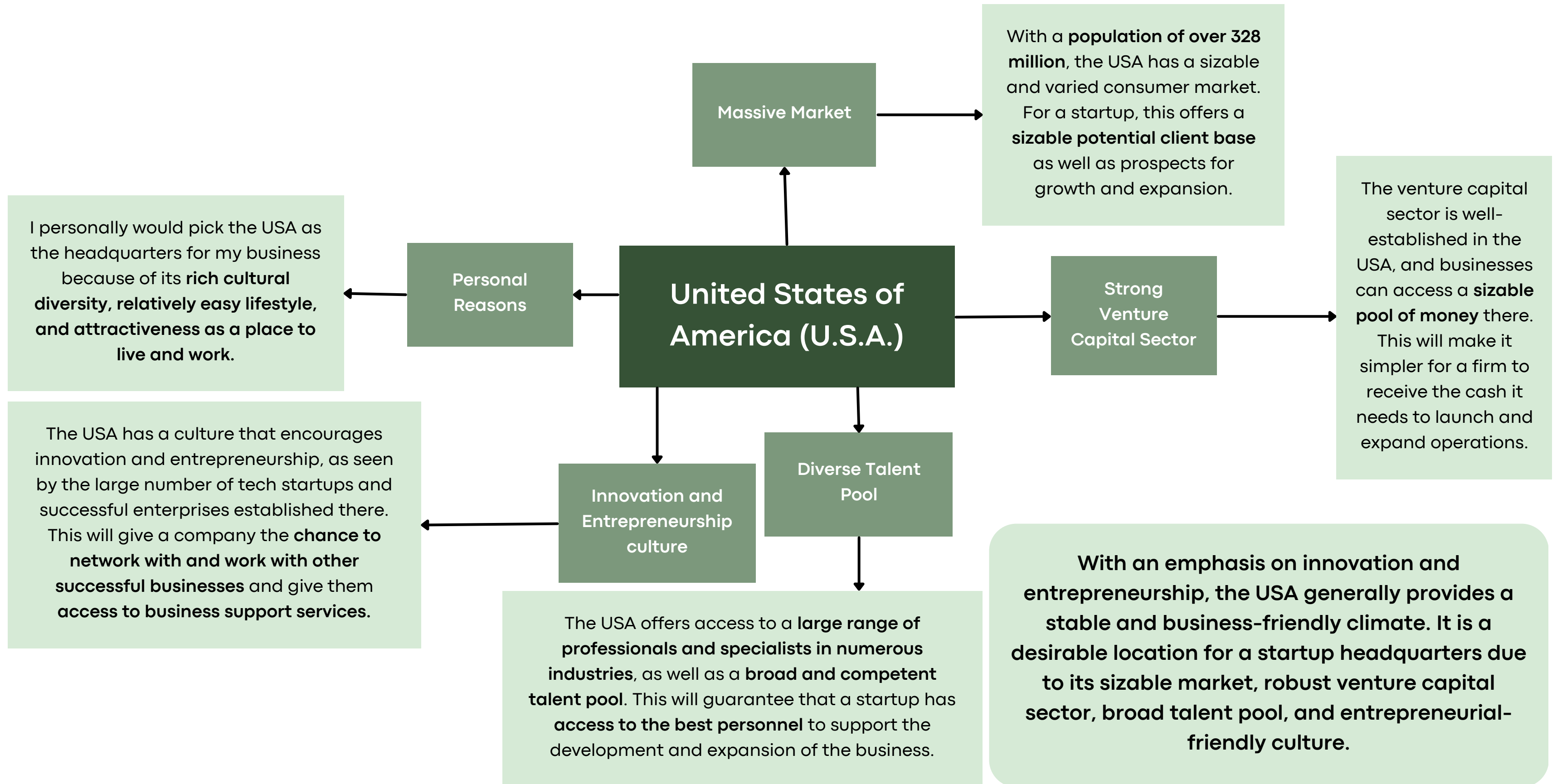
Problem Statement 3

Name one reform from the countries discussed above that you would like to see replicated domestically with or without any variation or moderation. Justify your answer.

Reform	Modification 1	Modification 2	Overview
Decentralisation of authority in China.	<p>The federal government can provide local governments more discretion in making decisions and approving investments, as well as additional fiscal resources and regulations.</p> <p>This might encourage greater experimentation and invention at the local level and speed up the adoption of effective policies across the nation.</p>	<p>The government might also fund initiatives and infrastructure to link local markets with regional and international markets, as well as programmes to train and equip local governments to make informed decisions.</p>	<p>China's economic reform has benefited greatly from the decentralisation of power, which has enabled local governments and provinces to operate and compete on free market principles.</p> <p>This strategy has facilitated the rapid adoption of successful experiments into national policy and led to appreciable economic growth.</p>

Problem Statement 4

If you, as a startup founder, had to choose headquarters for your company (assuming seed capital is no bar) which country would you choose? Justify your answer. You may answer conditionally or include personal reasons as well.



Thank You!