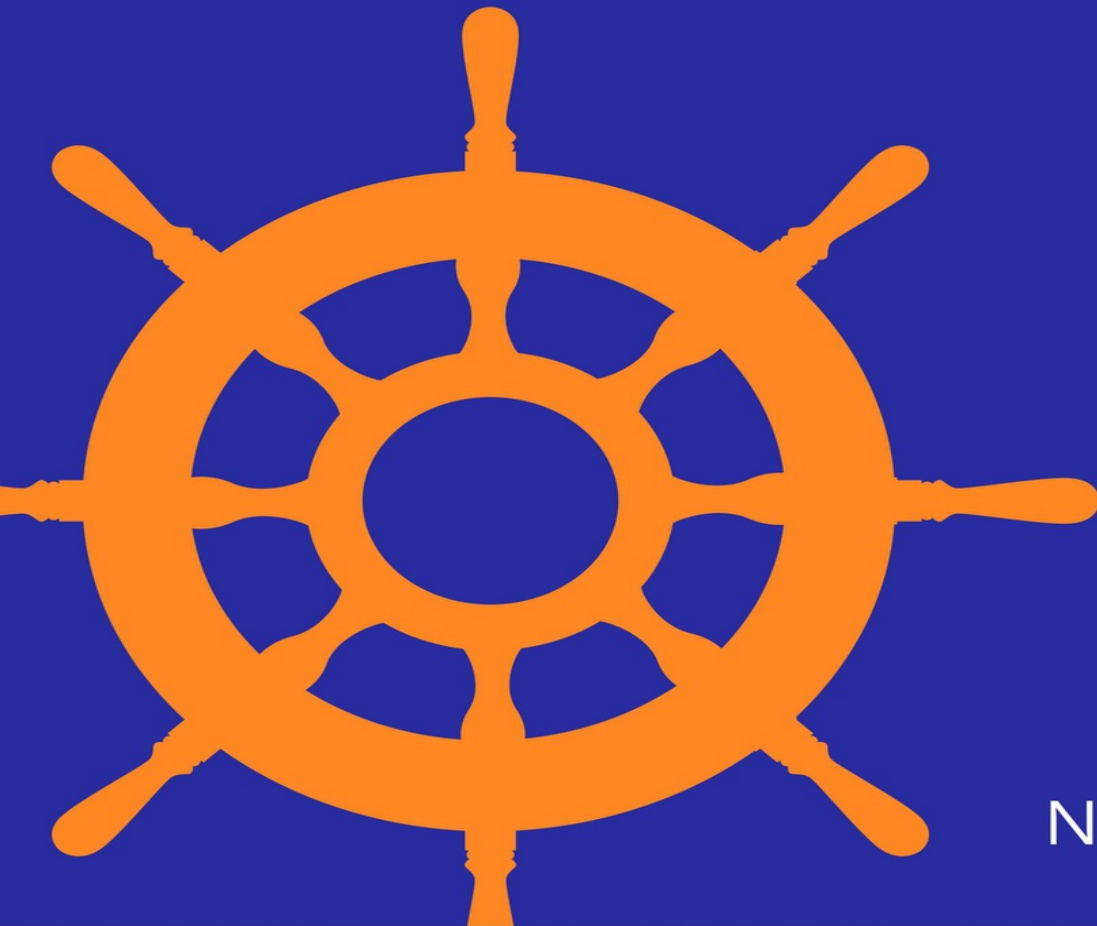


STARTUP FUNDAMENTALS

An Introductory Guide to
Registering a Startup in India,
Fundraising, Taxation, Marketing, and Sales



Nanda Kumar

Table of Contents:

[About the Book](#)

[About the Author](#)

[Part One: Types of Business Entities](#)

- [1. Sole Proprietorship Firm](#)
- [2. Partnership Firm](#)
- [3. Private Limited Company](#)
- [4. Limited Liability Partnership Company](#)
- [5. One Person Company](#)

[Part Two: Fundraising](#)

- [1. Bootstrapping / Personal Savings](#)
- [2. Bank Loans](#)
- [3. Venture Capital Funding](#)
- [4. Startup Accelerators](#)
- [5. Startup India Initiative](#)

[Part Three: Taxation](#)

- [1. Value Added Tax / Central Sales Tax](#)
- [2. Service Tax](#)
- [3. GST - Goods and Services Tax Introduction](#)

[Part Four: Brand Identities](#)

- [1. Naming your company](#)
- [2. Trademark Registration](#)
- [3. Logo](#)
- [4. Website and Email](#)

[Part Five: Marketing](#)

- [1. Digital Marketing](#)
- [2. Online Advertising](#)

[Part Six: Selling](#)

- [1. Ecommerce for Selling Products](#)
- [2. Ecommerce for Offering Services](#)

[Afterword](#)

Startup Fundamentals

**An Introductory Guide to Registering a Startup in India, Fundraising,
Taxation, Marketing, and Sales**

About the Book

This book is for early stage entrepreneurs who have a business idea and have already figured out what exactly they want to offer to their customers. The aim here is not to motivate you to get started, but to educate the various possibilities of getting things done.

Hence the ideal reader is someone who has a product / service in their mind, completed their business calculations, is willing to manage the risks and just about to get started. Right from naming your company, registering it, banking, taxation through selling your products / services, this book will guide you on how to get it done in a quicker and affordable manner.

Entrepreneurship is a journey. It needs proper fundamentals and systems in place to run the distance. The founder must plan well ahead while starting up or be willing to adapt to changes as the company grows. I sincerely hope this book will give that initial clarity, help you explore the possibilities and get started quickly.

Bon voyage!

www.startupfundamentals.in

About the Author

Nanda Kumar K is an entrepreneur, speaker, and online marketing consultant from South India. He holds a Mechanical engineering degree and an M.B.A from Bharathiar University. He runs a digital marketing agency and offers marketing consulting services for startups.

If you are interested in working with Nanda, you may contact him at nk@startupfundamentals.in

For more information, videos, speaking arrangements, and consulting needs, please visit www.StartupFundamentals.in

Part One: Types of Business Entities

In India, there are several ways to get started as an entrepreneur. A single owner, partnership with your spouse / friend (s), multiple partners, a private limited company with investments and silent partners and the list goes on and on. Let us observe the merits and demerits.

1. Sole Proprietorship Firm

The simplest and most efficient way to get started. A single owner who runs the show. YOU are everything here!

You call the shots, you face the risks, profit or loss, it's yours to keep. Easier to register, fast growth, quick decision making and complete ownership are the big advantages here.

On the negative side, going it all alone might be very stressful and lonely. If you are not comfortable taking orders and believe in yourself, this is the best bet to get started.

How to start operating your sole proprietorship firm:

For a sole proprietorship firm, all that is required is a "current account" to start operating. This is mandatory for receiving funds on your firm's name. Current account is sometimes called as checking account.

Documents required for opening a Current Account:

Your bank might request the below documents for opening a current account,

- One Identity proof from: PAN Card, Passport, Voter Identity Card, Driving License, Adhaar Card.
- One Address proof from: PAN Card, Passport, Voter Identity Card, Driving License, Adhaar Card.
- Recent Colour Photograph
- PAN card
- Account opening Cheque from existing Savings Account

Additional Notes on Taxation:

- For manufacturing / product selling businesses, VAT [Value Added Tax] registration is mandatory once your turnover crosses 5

Lakh rupees

- For service based businesses, Service Tax Registration is mandatory once your turnover crosses 9 Lakh rupees

2. Partnership Firm

You and your friend / spouse or even more stakeholders play this game as a team. There are several successful companies that started out with two good friends; Steve Jobs and Steve Wozniak, Sergey Brin and Larry Page for example. The trick is to find the partners who would be willing to stick with you during good times and not so good times.

The biggest advantage is you will always have a shoulder to lean on and the comradeship spirit pulls you to greater successes. Be on the lookout for potential disagreements and always be willing to look long term. Having a senior mentor always helps.

How to start operating your partnership firm:

Operating a partnership firm is very similar to sole proprietorship with additional documentation required to cover the partners.

Documents required for opening a Current Account:

Your bank might request the below documents for opening a current account,

- Partnership Agreement / Deed
- Latest passport size photograph of partners
- Identity & Address proofs of partners
- List of beneficial owners holding more than 15% in the firm (on letterhead)
- Communication address proof of the entity
- Present phone/mobile number and e-mail ID
- Permanent Account Number [PAN] on the name of Partnership Firm

Additional Notes on Taxation:

- For manufacturing / product selling businesses, VAT [Value Added Tax] registration is mandatory once your turnover crosses 5 Lakh rupees
- For service based businesses, Service Tax Registration is

mandatory once your turnover crosses 9 Lakh rupees

3. Private Limited Company

Many stakeholders are involved here. If your business needs considerable investments in people, plant and machinery, then Private Limited Company is a safe way. Also advised if you accept venture investments or get bigger loans from banks.

Depending on the business model, products / services offered and the outside investments involved, some businesses need to be started as a private limited company in the beginning itself. There will be a board of directors to advise on the CEO. The liabilities are split between several stakeholders and it is a structured way of doing business whenever bigger investments are at stake.

How to start operating your private limited company:

Operating a private limited company requires a mandatory registration with the RoC [Registrar of Companies] and obtain a “Certificate of Incorporation”

The following are required to obtain Certificate of Incorporation,

- DIN [Director Identification Number]
- DSC [Digital Signature Certificate]
- Memorandum of Association [MOA]
- Articles of Association [AOA]
- Filing of e-forms with the Registrar of Companies
- Payment of Fees with the RoC

Note: A professional Chartered Accountant should be able to assist you in getting the Certificate of Incorporation

4. Limited Liability Partnership Company

The Limited Liability Partnership Act 2008 allows entrepreneurs to start LLP companies that consist of reduced liabilities in comparison with the Private Limited Companies. As the name suggests, a major change in LLP is the limited liabilities of partners, in case of closure / insolvency, the personal assets of the partners aren't liable. This allows greater freedom and risk taking

ability for the entrepreneurs.

Though the venture capital and angel investors might discourage this mode of registration due to the limited liability of partners involved, LLP has some good advantages like lesser paper work, easier incorporation, lesser fees Etc.

The following are required to register an LLP in India,

- DIN [Director Identification Number]
- DSC [Digital Signature Certificate]
- LLP Agreement
- Filing of e-forms with the Registrar of Companies
- Payment of Fees with the RoC

Note: A professional Chartered Accountant should be able to assist you in getting the LLP

5. One Person Company

One Person Company allows Individual entrepreneurs to incorporate their company as a separate legal entity with Limited Liability. The functioning and legal status is similar to that of an LLP and an option to have only one director. Though there are more statutory compliance requirements, this form of incorporation is suitable for individual entrepreneurs.

Part Two: Fundraising

Be it their personal savings, bank loans or venture funds, an entrepreneur's success or failure is determined by their ability to manage their financials well. Let us compare funding scenarios and analyse the merits and demerits.

1. Bootstrapping / Personal Savings

Again, the simplest forms of funding your startup. You start with your own personal savings until a set sales target is reached. It is always favourable to start your entrepreneurship journey this way. Bootstrapping your business is very challenging and limits you from growing faster. But it also makes an entrepreneur more sturdy enough to face bigger challenges the future would bring.

Please note, it will be easier to get bank loans, if you start your business by bootstrapping and successfully run it for at least a year. Banks would like to provide loans for entrepreneurs who have good financial track record.

2. Bank Loans

Funding from bank loans is the second most popular way to get started. This option is also good for bootstrapped startups that are looking to get more serious and aim for faster growth.

Though “loans” are the prime financial tool that most banks offer, they will be very choosy in deciding who gets the loans. Offering loans to an unproven entrepreneur is risky and hence your bank would demand more information / documents before investing.

Below is a list of websites where you can compare and analyse the business loans offered by banks across India,

- www.BankBazaar.com
- www.lendingcart.com
- www.paisabazaar.com

More information can also be obtained from websites of banks as well. It is a good practice to compare and analyse different loan offerings, interest rates and repayment options before deciding to accept a loan.

3. Venture Capital Funding

Venture Capital Firms are companies that specialise on investing in startups that focus on fast growing business verticals. Thanks to India's young and thriving economy, many global venture capital firms have started investing in Indian startups.

Though many venture funds have willingness to invest big money and take greater risks, they are also very selective on their investments. If your startup is in to any of the leading edge industries, founders with good prior experience and technological expertise, it will be considerably easy to get venture funding.

Here is a list of India focussed venture firms that offer investments on multiple fast growth sectors,

- Helion Venture Partners
- Accel Partners
- Blume Ventures
- Sequoia Capital India
- Nexus Venture Partners
- Inventus Capital Partners
- IDG Ventures
- Fidelity Growth Partners
- Naspers
- Steadview Capital
- Jungle Ventures
- Zodius Capital
- Qualcomm Ventures
- Warburg Pincus
- Canaan Partners
- SAIF Partners
- Ascent Capital
- Axon Partners Group

- Bain Capital Private Equity
- Basil Partners
- Battery Ventures
- Bessemer Venture Partners
- Catamaran Investment Pvt Ltd
- Forum Synergies (India) PE Fund
- Fulcrum Venture India
- General Atlantic LLC
- India Quotient
- Intel Capital
- IvyCap Ventures
- Kae Capital
- Kalaari Capital
- Lightbox Management Ltd
- Lightspeed Venture Partners
- Lok Capital Group
- Matrix Partners
- Mayfield Fund
- New Enterprise Associates
- New Path Ventures, LLC
- Nirvana Venture Advisors
- Norwest Venture Partners
- Ojas Venture Partners
- Seedfund
- SIDBI Venture Capital Limited
- Unitus Seed Fund
- Ventureast Fund Advisors India Limited
- Trifecta Capital Partners
- Orios Venture Partners
- Unilazer

4. Startup Accelerators

Startup accelerators provide excellent infrastructure facilities for early stage startups by offering co-working spaces, electricity, internet facilities and organise regular networking events for entrepreneurs and investors. Some

accelerators may also take a minority stake in the startups.

These accelerators are run by venture capital firms, university departments and several other public-private partnership consortiums that promote entrepreneurship at large.

Here is a list of popular startup accelerators in India,

- 500 Startups
- 50K Accelerator
- Amplifi Asia
- Autodesk Entrepreneur Impact Program
- Avishkar
- Axilor Ventures
- Brand Capital GSV
- Cisco LaunchPad
- GenNext Hub
- GSF Global Accelerator
- Hax Hardware Accelerator
- HealthStart
- HP Haven Startup Accelerator Program
- Indus Net Labs
- Intel India Maker Lab
- ISDI Creative Accelerator
- Jaarvis Accelerator
- Launchpad Accelerator
- Microsoft Accelerator
- Oracle Startup Cloud Accelerator Program
- Scale Up
- Shell Make The Future
- Startupbootcamp
- Swiss Re InsurTech
- Target Accelerator
- The D.N.A
- TLabs
- Y Combinator

5. Startup India Initiative

To promote entrepreneurship, The Government of India offers various incentives for startups via its “Startup India” initiative.

Official website: <http://www.startupindia.gov.in>

Startup Registration Link:

<http://www.startupindia.gov.in/startup-registration.php>

Startups can avail the following benefits under this scheme,

- Self certification and compliance under 9 environmental & labour laws
- Patent Filing - fast track & up to 80% rebate in filing patents
- Public Procurement - fast track under the criteria of "prior experience/turnover" for startups in all Central Government ministries/departments
- Rupees 10,000 crore fund of funds for investment into startups through Alternate Investment Funds
- Rupees 2,000 crore credit guarantee fund for startups through National Credit Guarantee Trust Company / SIDBI over 4 years
- Tax Exemptions on Income tax for 3 years
- Tax Exemptions on capital gains & on Investments above Fair Market Value

Part Three: Taxation

Depending on the type of business entity, products / services offered, geographical markets served, the type of taxes, and tax rates vary from state to state in India. To simplify the process of taxation, The Government of India is launching GST [Goods and Services Tax] from the financial year 2017.

1. Value Added Tax / Central Sales Tax

Value added tax or Sales tax applies to companies that manufacture and sell products within a state.

Central Sales Tax applies to companies that sell their manufactured goods outside of their principal state.

The Tax Rates vary between states and also based on products sold.

The VAT / CST applies to businesses that has a turnover of above 5 Lakh rupees

2. Service Tax

Service applies to companies that offer services viz Ecommerce platforms, software companies etc.

Service tax is applicable to businesses that has a turnover of above 9 Lakh rupees.

3. GST - Goods and Services Tax Introduction

The Goods and Services Tax (GST) is a proposed system of indirect taxation in India merging most of the existing taxes into single system of taxation. It was introduced as The Constitution (One Hundred and First Amendment) Act 2016.

GST would be a comprehensive indirect tax on manufacture, sale and

consumption of goods and services throughout India, to replace taxes levied by the central and state governments. The GST is consumption based tax levied on the supply of Goods and Services which means it would be levied and collected at each stage of sale or purchase of goods or services based on the input tax credit method. This method allows GST-registered businesses to claim tax credit to the value of GST they paid on purchase of goods or services as part of their normal commercial activity.

Taxable goods and services are not distinguished from one another and are taxed at a single rate in a supply chain till the goods or services reach the consumer. Administrative responsibility would generally rest with a single authority to levy tax on goods and services.

The introduction of Goods and Services Tax (GST) would be a significant step in the reform of indirect taxation in India. Amalgamating several Central and State taxes into a single tax would mitigate cascading or double taxation, facilitating a common national market. The simplicity of the tax should lead to easier administration and enforcement. From the consumer point of view, the biggest advantage would be in terms of a reduction in the overall tax burden on goods.

Additional Notes:

Agriculture and Export oriented businesses generally do not attract any taxes. Our government encourages startups to make products in India through the “Make In India” initiative. Startups and businesses that export their products / services can avail subsidies, tax exemptions, easier access to funding, credit guarantees and several benefits under this scheme.

Part Four: Brand Identities

Brand identity is how a company wants its customers to perceive itself. The identities include your company name, logo, slogan, fonts and colours used to present your brand to prospective customers.

1. Naming your company

Your company name is the most important identity that gets displayed in every product / service name, marketing, legal and financial documents. Please consider the below suggestions while naming your company,

1. Focus on your customer / target industry, while naming your company. This will make it easier for your prospective customers to remember your name.
2. Avoid generic names and try to be unique. Getting a trademark is easier with a unique name.
3. Name should be easy to spell and without complicated spellings
4. Check the domain name [website address] availability while naming itself and book it
5. Analyse your name's meaning in various languages. Should you plan to sell your products / services in countries that speak a different language, it is a good practice to check if your company / brand name is not sounding offensive in that language
6. There is also a “List of International Nonproprietary Names” available in the Controller General of Patents, Designs and Trademarks website for reference.
Link: <http://www.ipindia.nic.in/international-non-proprietary-names-inn.htm>
7. Also make sure your name is not already used by other businesses and avoid duplication.
Link: <http://ipindiaonline.gov.in/tmrpublicsearch/>

2. Trademark Registration

A trademark is a legal identity for your business. This makes sure there is no

duplication of your product / brand names and assures customers that they are buying from a credible seller.

In India, Trademark provision is administered by the Controller General of Patents, Designs and Trademarks, a government agency which reports to the Department of Industrial Policy and Promotion (DIPP), under the Ministry of Commerce and Industry.

As per the Trade Marks Act, 1999, "trade mark means a mark capable of being represented graphically and which is capable of distinguishing the goods or services of one person from those of others and may include shape of goods, their packaging and combination of colours." A mark can include a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colors or any such combinations.

Unless there is an intellectual property involved in your product / service offering, getting a registered trademark is not mandatory for early stage startups. Getting a trademark registration might take 6 months to 2 years time.

Steps involved in registering a trademark,

1. Check if your name is available and not being used by other businesses using this website link:
<http://ipindiaonline.gov.in/tmrpublicsearch/>
2. This link explains the operating procedure of the trademark office. <http://www.ipindia.nic.in/workflow-chart.htm>
3. Visit any of the trademark offices listed in this link:
<http://www.ipindia.nic.in/locations-and-jurisdiction.htm>
4. The forms required by the trademark office and fees are detailed in this link:
<http://www.ipindia.nic.in/form-and-fees-tm.htm>
5. After submitting your application, the Supervisors will publish your name in the Trademark Journal to check if there is any objection.
6. If there is no opposition, your application will be permitted to receive a trademark. This process would normally take 6 months to 2 years. Unique names can get their applications approved

much faster.

3. Logo

A Logo is a symbolic representation of your company. It can be text, numerals, a symbol or a combination of these. The logo must design be unique and clearly visible on various places. For example, your logo will be printed on letterhead, brochures, product packaging, name boards, displayed on your website, advertisement videos etc. It must be clearly legible and viewable on of these places. The logo designer must consider all these aspects while designing it.

PepsiCo, a company that sells carbonated beverages recently spent 1 million dollars hiring a large branding agency to redesign their logo.

One of the popular social media websites “twitter” had famously purchased their logo for just 15 dollars from a third party website.

Also Uber, one of the largest online transportation companies in the world, recently changed it’s logo branding by employing their own in house team of designers.

There are different approaches here. You may outsource the designing to an agency for a fee, get it designed from a freelance website or design it yourself in house.

Here is a list of websites where you may get your designs made online by a professional designer for a fee,

- www.99designs.com
- www.Freelancer.com
- www.upwork.com
- www.fiverr.com

If you prefer doing it yourself, then the below software and websites would help,

- CorelDraw - design your brand identities
- Adobe illustrator - design your brand identities

- www.canva.com - design your brand identities online for free
- www.vistaprint.co.in - design and print your brand identities

Every approach has its pros and cons. Of course the time, investment and output quality varies to a great extent. But as an entrepreneur you have to make your own choices on what suits your company best.

4. Website and Email

A website is a vital requirement for doing business in the 21st century. Advancement in internet technology is helping businesses simplify their business processes to a great extent. The option of E-Commerce extends the ability sell your products / services online. Our government is also moving towards digital way of functioning that demands a website and official email ID for various legal and statutory purposes.

As per Indian IT Act 2005, an email address is a valid legal document. Any promises made via email is legally valid. Hence bigger companies will demand that your startup use an email address that ends with your company domain name.

To build a basic website the following are important considerations,

1. Domain name that matches your company name. Example: www.yourcompanyname.com
2. A domain name that ends with “.com” is advisable. Indian companies may chose “.in” extension also.
3. Email: email id’s using your domain name extension is very important. Example: info@yourcompanyname.com
4. Clear explanation about your product or services offered with pricing and specifications in your website
5. Image gallery of product images with explanations
6. Contact page with complete contact details and a Google map
7. Enquiry form for prospective customers to send an email from your website

Doing it yourself:

Building a basic website does not require high level of computer skills. If you

are interested to build your own website by yourself, you may check the below websites,

- [www.Udemy.com](https://www.udemy.com) - has many instructor led courses to learn web designing
- <https://www.w3schools.com> - this website is good if you want to learn coding

Hire a Professional Freelancer:

A website can also be built by hiring skilled freelancers online. This method gets the site built quickly and affordably. The below sites are popular for hiring freelancers,

- www.freelancer.com
- www.upwork.com
- www.designcrowd.com
- www.elance.com

Of course you may also hire a professional agency to build the site from scratch. There is no one right way of doing things in entrepreneurship. Choose the best that suits your need.

Part Five: Marketing

Marketing plays an important role in getting your products / services discovered by your customers. Traditional marketing consists of reaching prospects using print advertisements, brochures, pamphlets, posters, television commercials, radio advertisements and billboards. Since there is enough resources available to best understand the traditional marketing methodology, we will discuss about digital marketing in this chapter,

1. Digital Marketing

Digital marketing involves reaching your audience via the world wide web Viz, website, blog, news articles, social media and online advertising. It has several innate benefits for startups,

- Easier entry - Advertisements can be tested with very low budgets to understand the interests of your target audience
- More data - Web and social media platforms provide more data for advertisers. Audience location, time, likes and dislikes, interests, purchasing power and lots more targeting opportunities are available for marketers
- Measurable - The performance of digital marketing is easily measurable using several metrics Viz Google Analytics, content views, likes, share in social platforms
- Refinement - unlike traditional advertisements, your marketing strategy can be fine tuned on the go based on how your target market responds to your marketing messages.

To get better results in your digital marketing endeavours, we suggest the following must haves,

- Website that loads faster. Most of the Indian population still do not have high speed internet facility, hence if your website is heavy and takes long time to load, your prospects would lose patience. A good website must load in less than 5 seconds.
- Regularly updated blog. Discovery is a big part of purchasing behavior, writing a blog will enable prospects to identify your product

/ services via search engines

- Clear communication of product / service offerings. Your website must communicate in easy to understand language without heavy use of jargons. Having an image gallery, video explainers and downloadable content, facilitate your website visitors to understand your offerings better
- Social Media presence. Your marketing communication must be present in all relevant social platform.
- Mobile friendly websites gets higher visibility in Google search results. Thanks to the increased penetration of mobile internet, more Indians are coming online using their mobile phones are primary devices. Hence your website must be mobile device friendly.
- Always keep close watch on review websites and industry related blogs. Getting good reviews and social media endorsements are also vital for better online visibility

2. Online Advertising

Just like traditional advertising, online websites and social platforms allow paid promotion in their platforms to reach relevant prospective audiences. Websites and social platforms collect a multitude of data from their users and facilitate better advertisement targeting and reach.

Users of these platforms can be targeted based on several parameters, here is a list of possible targeting options,

- Age, Sex, Location
- Education
- Languages spoken
- Likes and interests
- Spending power
- Jobs by industry and seniority
- Marital status
- Device used: Mobile phone / Tablet / Computers / Laptop
- Internet connectivity: 3G, 4G, WiFi
- Travel preference, frequency
- Online purchasing behaviour, frequency
- Affinity towards similar products / services

- Important life events - anniversary, birthdays, job change

The amount of available data for advertisers is only increasing by the day and the entrepreneur has to make informed choices about their target audience and try to communicate with them precisely.

Social media platforms offer tutorials and videos lectures for advertisers to better understand their advertisement offerings. Here is a list of links from popular web and social media platforms,

- Good Advertising Link: www.google.com/adwords
- YouTube Link: www.youtube.com/advertise
- Facebook link: www.facebook.com/ads
- LinkedIn link: www.linkedin.com/ads
- Instagram link: <https://business.instagram.com/advertising>
- Twitter link: <https://ads.twitter.com>

Lookout for latest case studies, reports and testimonials from similar industry peers to better tweak the performance of your digital marketing efforts.

Part Six: Selling

Starting a business and selling products used to be a brick and mortar, labour and capital intensive endeavour. Not anymore, internet allows an entrepreneur to sell their products, offer services and receive funds round the clock. There really is no limit for a hard working entrepreneur. Internet also offers a level playing field for companies big and small.

Traditionally, businesses used to get paid via cash, cheque, credit / debit cards and demand drafts. The government of India is discouraging the use of paper currency notes and encourages businesses to use online transactions more for transparency and better governance.

Hence online gateways, net banking, online fund transfer, mobile banking, wallet payments, are becoming an important part of doing business. Most Indian banks offer some or all of these online services to businesses. There are also many private companies that offer such facilities for a small commission per transaction.

Here is a list of payment gateways, wallets in India,

- CCAvenue
- PayU money
- Paytm
- Billdesk
- EBS
- Razorpay
- MobiKwik
- Citruspay
- Instamojo

1. Ecommerce for Selling Products

Online Ecommerce platforms enable startups to sell their products to buyers across India and abroad. Please make these important considerations while choosing to sell online via third party platforms,

- Learning to operate the platform. Though the buying process in

most of the Ecommerce platforms are fairly easy to use, the selling processes are not. Every Ecommerce platform has their own design, features and functionality. Some might require professional help in operating.

- **Commission Tier:** Certain platforms demand pricing restrictions based on their sales commission. Study their commission tier before joining.
- **Competitors:** It is important to research the competitor landscape if your products are similar in pricing and features.
- **Logistics and Geographical Reach:** Logistics is the most difficult part in the Ecommerce sale process. There will be accidents, in-transit breakages, wrong addresses, tampered packaging etc. Some platforms use in house logistics, some employ third party courier / logistic companies to deliver your products. Some platforms pick up the products from your doorstep, some request you to ship the products to their warehouse. Study the business agreement of the platforms in detail and know how they handle their logistics and any unforeseen situations.
- **After sales service and support:** This is also a challenging area for startups and smaller businesses. Plan for potential products mistakes and decide about offering service support before selling to certain difficult to service locations.
- **Promotional offers and discounts:** Every platform runs regular promotional offers to attract buyers. They will offer discounts, match prices with other competing platforms and offer freebies to customers. Study and understand the merits and demerits in participating in such offers.
- **Taxation:** Until the GST comes into effect, there will be different tax structures within states, outside of states, surcharges, levies etc. Analyse all possible expenses before setting your sale price.
- **Payment cycle:** Ecommerce platforms offer online payment, EMI options, Net banking, Credit card payments, Wallet payments and cash on delivery options. Different payment modes take different time frame to collect the funds. This will ultimately delay your payment cycle. Research and compute the pros and cons before offering such varied payment facilities.

Here is a list of popular Indian Ecommerce platforms for selling products online,

- www.amazon.in
- www.ebay.in
- www.flipkart.com
- www.snapdeal.com
- www.myntra.com
- www.paytm.in
- www.jabong.com

Global Ecommerce platforms for selling products across the globe,

- www.amazon.com
- www.etsy.com
- www.ebay.com
- www.alibaba.com

2. Ecommerce for Offering Services

Indian business are leaders in offering software enabled services to the world. Not just software, there are a host of several other services that can be offered online to consumers across the globe.

List of freelance websites for outsourced jobs from abroad,

- www.freelancer.com
- www.upwork.com
- www.fiverr.com
- www.designcrowd.com
- www.udemy.com

Sole proprietors shall offer their services online for a fee. Here is a list of such services,

- Website, IT and software services
- Content writing, researching and ghostwriting
- Product sourcing
- Business services - Accounting, finance, management, HRM
- Mobile app development

- Data entry, error checking
- Translation services
- Local jobs, hiring
- Designing, Media
- Sales and Marketing
- Voiceover
- Animation
- Social Media Promotion
- Training and Tutoring

Afterword

Dear Reader,

Hope you observed that a company is a separate legal entity, having its own Bank Account [current account], PAN number, Brand identities and Tax liabilities [VAT/TIN/CST/Service Tax/Goods and Service Tax].

Based on your interest, you may incorporate your business with limited or unlimited liability, have single or multiple stake holders, receive funding from banks / venture capital firms, be eligible for subsidies / tax rebates, sell products, and offer services to customers anywhere in India and abroad.

Whatever be your approach, the common goal of an entrepreneur is to bring new products to the market, offer exciting services, create employment, support nation building in the process by paying taxes and contributions for the benefit of all.

For making that choice, I respect you and wish you all the very best.

Thank You!

- Nanda Kumar K