UNIT V

SYLLABUS:

Aspects of Start-Up: What is Start-Up, Start-up Policy, Start-up strategy, Progress of Startups in India, Principles of future organizations, Start-up sectors, Action plan for start-ups by Govt. of India.

Creating creators: Start-up India.

I.What is Start-Up

The term startup refers to a company in the first stages of operations. Startups are founded by one or more entrepreneurs who want to develop a product or service for which they believe there is demand. These companies generally start with high costs and limited revenue, which is why they look for capital from a variety of sources such as Venture capitalists.

- A startup is a company that's in the initial stages of business.
- Founders normally finance their startups and may attempt to attract outside investment before they get off the ground.
- Funding sources include family and friends, venture capitalists, crowd funding, and loans.
- Startups must also consider where they'll do business and their legal structure.
- Startups come with high risk as failure is very possible but they can also be very unique places to work with great benefits, a focus on innovation, and great opportunities to learn.

Understanding Startups

- Startups are companies or ventures that are focused on a single product or service that the founders want to bring to market. These companies typically don't have a fully developed business model and, more crucially, lack adequate capital to move onto the next phase of business. Most of these companies are initially funded by their founders.
- Many startups turn to others for more funding, including family, friends, and venture capitalists. Silicon Valley is known for its strong venture capitalist community and is a popular destination for startups, but is also widely considered the most demanding arena.
- Startups can use seed capital to invest in research and to develop their business plans. Market research helps determine the demand for a product or service, while a

comprehensive business plan outlines the company's mission statement, vision, and goals, as well as management and marketing strategies.

Advantages and Disadvantages of Startups

There are a variety of advantages to working for a Startup. More responsibility and opportunities to learn are two. As startups have fewer employees than large, established companies, employees tend to wear many hats, working in a variety of roles, which leads to more responsibility as well as opportunities to learn.

Startups tend to be more relaxed in nature, making the workplace more of a communal experience, with flexible hours, increased employee interaction, and flexibility. Startups tend to also have better workplace benefits, such as nurseries for children, free food, and shorter workweeks.

The work at startups can also be more rewarding as innovation is welcomed and managers allow talented employees to run with ideas with little supervision.

One of the primary disadvantages of a startup is increased risk. This primarily applies to the success and longevity of a startup. New businesses need to prove themselves and raise capital before they can start turning a profit. Keeping investors happy with the startup's progress is critical. The risk of shutting down or not having enough capital to continue operations before turning a profit is ever-present.

Long hours are characteristic of startups as everyone is working toward the same goal—to see the Startup succeed. This can lead to high-stress moments and sometimes compensation that isn't commensurate with the hours worked. Competition is also always high as there tend to be a handful of startups working on the same idea.

Pros	Cons
More opportunities to learn	Risk of failure
Increased responsibility	Having to raise capital
Flexibility	High stress
Workplace benefits	Competitive business environment
Innovation is encouraged	
Flexible hours	

What Are the Benefits of Working for a Startup?

The benefits of working at a startup include greater opportunities to learn, increased responsibility, flexible work hours, a relaxed work environment, increased employee interaction, good workplace benefits, and innovation.

How to Start a Startup Company?

The first step in starting a startup is having a great idea. From there, market research is the next step to determine how feasible the idea is and what the current marketplace looks like for idea. After the market research, creating a business plan that outlines company's structure, goals, mission, values, and objectives, is the next step.

One of the most important steps is obtaining funding. This can come from savings, friends, family, investors, or a loan. After raising funding, all the correct legal and paperwork is completed for registering business and obtaining any required licenses or permits. After this, establish a business location. From there, create an advertising plan to attract customers, establish a customer base, and adapt as the business grows.

II. Startup policy

The Startup India Scheme is an initiative of the Government of India in 2016. The primary objective of Startup India is the promotion of startups, generation of employment, and wealth creation. The second edition of the exercise was launched in 2019 and has now been completed with active participation of 22 states and 3 Union Territories.

III. Start-up strategy

In order to obtain financing for a business, need a formal and written business plan to present to the lender or investor. Even if a business does not need to apply for financing, assembling a business plan is a start-up strategy that details the vision for the company, and with which helps to guide business.

Strategies for Starting a New Business

- Often the idea of a new business comes from the lack of a product or service that is needed, or a way to make an existing field better.
- Create the Perfect Business Plan.
- Develop an Excellent Marketing Plan.
- Figure Out the Financials.

Entrepreneurs do a business plan. As a result of completing the plan, it will be much better prepared and know whether or not the business idea is feasible.

The following questions are to be answered by an entrepreneur:

How the business is unique, and why will business goods or services appeal to customers? What are the primary differences between businesses and is competitors? What are the driving factors to choose this business over another?

In other words, what is the underlying reason that a customer would choose to select YOUR business?

1) Define Business and Vision

Defining vision is important. It will become the driving force of business. Here are questions that will help to clarify business vision:

- Who is the customer?
- What business are you in?
- What do you sell (product/service)?
- What is your plan for growth?
- What is your primary competitive advantage?

2) Write Down Goals of business:

Create a list of goals with a brief description of action items. If the business is a start up, than more efforts are to put into short-term goals. Often a new business concept must go through a period of research and development before the outcome can be accurately predicted for longer time frames.

Create two sets of goals:

1. Short term: range from six to 12 months.
2. Long term: can be two to five years.

Explain, as specifically as possible, what an entrepreneur want to achieve. Start with personal goals. Then list business goals. Answer these questions:

- As the owner of this business, what do you want to achieve?
- How large or small do you want this business to be?
- Do you want to include family in your business?
- Staff: do you desire to provide employment, or perhaps, you have a strong opinion on not wanting to manage people.
- Is there some cause that you want the business to address?
- Describe the quality, quantity and/or service and customer satisfaction levels.

- How would you describe your primary competitive advantage?
- How do you see the business making a difference in the lives of your customers?

3) Understand Customer

It is not realistic to expect that the business can meet the needs of everyone, no business can. Choose a target market carefully.

- Needs: what unmet needs do prospective customers have? How does business meet those needs? It is usually something the customer does not have or a need that is not currently being met. Identify those unmet needs.
- Wants: think the customer's desire or wish. It can also be a deficiency.
- Problems: remember people buy things to solve a specific problem. What problems does a product or service solve?
- Perceptions: what are the negative and positive perceptions that customers have about business, and its products or services? Identify both the negative and positive consequences. This will enable to learn when a business is starting its marketing and promotion.

4) Learn From Competition

Learn a lot about business and customers by looking at how competitors do business.

The following are the questions to learn from competition and focus on customers:

- What do you know about your target market?
- What competitors do the business have?
- How are competitors approaching the market?
- What are the competitor's weaknesses and strengths?
- How can you improve upon the competition's approach?
- What are the lifestyles, demographics and psychographics of your ideal customer?

5) Financial Matters

How to make money? What is the break-even point? How much profit potential does a business have? Take the time to invest in preparing financial projections.

These projections should take into account the collection period for accounts receivables (outstanding customer accounts) as well as the payment terms for suppliers. For example, pay bills in 30 days, but have to wait 45-60 days to get paid from customers.

A cash flow projection will show the amount of working capital needed during those "gaps" in cash position.

The following are the six key areas:

1. Start up Investment
2. Assumptions
3. Running Monthly Overhead
4. Streamlined Sales Forecast
5. Cumulative Cash
6. Break-even

6) Identify Marketing Strategy

There are four steps to creating a marketing strategy for business:

1. Identify All Target Markets: Define WHO is the ideal customer or target market. Most companies experience 80% of their business from 20% of their customers. It makes sense then to direct your time and energy toward those customers who are most important.
2. Qualify the Best Target Markets: The purpose of this step is to further qualify and determine which customer profile meets the best odds of success. The strategy is to position business at the same level as the majority of the buyers are targeting. It is critical to figure out who are the best customers and how to best position the company in the marketplace.
3. Identify Tools, Strategies and Methods: A market which cannot be accessed cannot be served. Marketing is the process of finding, communicating and educating the primary market about business products and services. Choose a combination of tools and strategies, that when combined, increase odds of success.
4. Test Marketing Strategy and Tools: The assumptions which are not verified are typically the ones that have the potential to create business problems. Take the time to test all business assumptions, especially when making major expenditures

IV. Progress of startups in India

India has about 50,000 startups in India in 2018; around 8,900 – 9,300 of these are technology led startups 1300 new tech startups were born in 2019 alone implying there are 2-3 tech startups born every day. Significantly, the number of women entrepreneurs stood at 14%, up from 10% and 11% in the previous two years.

The government has recognized 41,061 startups as of December 23, 2020, according to the Economic Survey 2020-21. Of this, more than 39,000 startups have reported 4,70,000 jobs. India currently houses the world's third largest startup ecosystem, with 38 firms being valued at over $1 billion or what is known as unicorns. In 2020, the country minted around 12 such unicorns despite the disruption to the economy caused by the Covid-19 pandemic. With the government opening up the space sector for private players, there are more than 40 startups

working on space and satellite projects with funding, teams and structure. It also noted that the number is expected to further increase in the coming years as technology plays a big role in unlocking the country's space potential. In recent years, the government has taken several measures to support startups, including broadening the definition of startups, simplifying regulations, providing income tax exemptions and setting up a Rs 10,000 Crore Fund of Funds for startups operated by the Small Industries Development Bank of India (SIDBI). As of December 1, 2020, SIDBI had committed Rs 4,326.95 crore to 60 SEBI-registered Alternative Investment Funds (AIFs).

These funds have raised a corpus of Rs 31,598 crore, drawn Rs 1,270.46 crore from the Fund of Funds for Startups and invested Rs 4,509.16 crore into 384 startups. It also noted that around 319 startups have been granted income tax exemptions till November 2020.

The government also approved the Startup India Seed Fund Scheme (SISFS) with a corpus of Rs 945 crore to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization.

Startup Yatra, an initiative by Startup India in 2017 to search for entrepreneurial talent in Tier 2 and Tier 3 cities, has been conducted in 207 districts across 23 states, impacting 78,346 aspiring entrepreneurs.

As part of this initiative, a total of 1,424 incubation offers have been given to the startups.

V. Principles of the Future Organization

These are the 14 Principles of the Future Organization.

1. Globally distributed with smaller teams.
2. Connected workforce
3. Intrapreneurial
4. Operates like a small company
5. Focuses on "want" instead of "need"
6. Adapts to change faster.
7. Innovation everywhere
8. Runs in the cloud.
9. More women in senior management roles

10. Flatter structure

11. Tells stories

12. Democratizes learning

13. Shifts from profits to prosperity

14. Adapts to the future employee and the future manager

1. Globally distributed with smaller teams
Talent is no longer dependent on proximity to the corporate headquarters.

2. Connected workforce
A company cannot have a distributed workforce unless that workforce is able to stay connected with the right people and information; anytime, anywhere, and on any device. This means deploying the right collaborative technologies that enable this to happen. Technology is the central nervous system of an organizaiton.

3. Intrapreneurial
The same spirit, passion, and creativity that entrepreneurs have must also be fostered inside of organizations. Employees should be able to test out ideas, run experiments, pitch new projects, and "run" with the ones that have potential.

4. Operates like a small company
A small company make decisions quickly, isn't bogged down by bureaucracy, and are more agile and adaptable. In a rapidly changing world organizations cannot operate as their stereotypical "larger selves" where employees spend all their time checking emails, have meetings about having meetings, and basically operate at the speed of sludge.

5. Focuses on "want" instead of "need"
Organizations used to assume that employees worked there because they needed to. Today, talented employees are seeing all sorts of opportunities to make a living beyond traditional employment. This means that in order to attract top talent organizations must create an environment where employees actually WANT to be there instead of assuming that they NEED to be there.

6. Adapts to change faster
Today, "late followers" means "out of business." Years ago it was acceptable to see what other companies were doing and being a "fast follower," not so today. Decisions have to made faster and actions need to be more swift. This isn't just an adaptation to technology either, new behaviors entering the workforce are also crucial to pay attention to and embrace.

7. Innovation everywhere

Innovation no longer comes from a team, a department, or from a few people at the top of the food chain. In order to succeed in a rapidly changing world innovation must have the ability to come from anywhere including outside of the company. "Idea" and "innovation" are also two different things. Ideas happen all the time but the process of taking that idea and turning into something is innovation. Organization enables anyone to come forward with an idea and then give them the opportunity to turn that idea into something.

8. Runs in the cloud

On-premise technologies have a shelf life and their days are surely numbered. A company can sustain it's on-premise deployments before falling behind every single other competitor that is with the "future organization" runs in the cloud.

9. More women in senior management roles

There are nowhere near enough women in senior management and leadership roles at companies around the world. This means that most companies are missing out and an increase talent pool with access to new skills and perspectives. The forward thinking organizations recognize the value of having more women in senior level roles and are taking actions to help encourage and support this.

10. Flatter structure

No organization to create a more hierarchical structure with more layers, more management, more bureaucracy, and less collaboration. Yet this is the stereotypical idea of what a strict hierarchy looks like and how it operates. Some structure within an organization is good but there needs to be a balance between being completely flat and being a pyramid. In other words structure is fine provided that it serves the purpose of helping employees understand where they fit within the company and what the relationship structure looks like. However, this structure doesn't mean that everything flows "top down." Communication and collaboration flows up, down, and side to side.

11. Tells stories

Oftentimes organizations focus on customers and employees. Employees want to work for organizations that they believe in and whose values align with their own there is no better way to do this than through telling stories about how the company started, why it exists, and where it's going to customers to build relationships, elicit an emotional response, align with customer values, and get them to buy something. .

12. Democratizes learning

In most companies today, book a class or a training session, oftentimes days or weeks in advance. Learning is a very structured and linear process which is completely outdate today. For the future organization any employee is able to act as a teacher or student that can learn from colleagues anytime and anywhere. Of course, this is largely facilitated through the use of collaborative technologies.

13. Shifts from profits to prosperity

Profit is just the financial gain that an organization receives and it's the primary measure of success for most of them. Prosperity on the other hand looks beyond just how much money a company makes and looks at things such as employee health and wellness, community involvement, sustainability, and making a positive impact on the world. These are the values and attributes that the future organization must and will possess.

14. Adapts to the future employee and the future manager

It goes without saying that the organization of the future must adapt to the changes around how employees work and how managers lead.

VI. Startup Sectors in India

An entrepreneur has to question the critical questions like whether the product or service solve existing problems of target consumers and always strive to solve people's problems and fulfill their most desirable needs with innovative solutions.

1. Financial Technology (FinTech)

The banking sector is probably the most untapped market in India. The reason is that still, a majority of the Indian population is without a bank account. This is where Fintech startups can make a difference. In the last few years, many noteworthy Fintech companies have come up and brought a much-needed disruption and innovation to this conservative sector.

One of the most noticeable changes in the Fintech sector happened in recent years is the Government's enthusiasm to make India a cashless economy. As a result, a plethora of cashless payment technologies such as internet banking, mobile-driven POS, and digital wallets, have been launched and successfully restructured the financial sector.

When it comes to funding, Fintech has been the most preferred investment choice for venture capitalists and individual investors for quite some time now. With the entry of global players like Google, Amazon, Uber, and PayPal, India's Fintech sector is all set to experience a massive revolution, especially when it comes to digital payments.

2. Healthcare Technology (HealthTech)

Access to quality healthcare is still a challenge in most parts of India. No doubt, technology advancements have grown by leaps and bounds in the last decade, a majority of the hospitals, doctors, and pharmacies still prefer urban areas to set up their operations.

Healthtech startups are a promising business idea in this scenario. In the last few years, many health tech companies have tried to bridge this gap by making healthcare services accessible to all parts of the country. And they have succeeded to a large extent.

Today's health tech entrepreneurs are thinking beyond traditional healthcare services like diagnostics, medicine delivery, and enterprise etc. New health tech startups are more focused on solving prevailing healthcare issues and addressing the root cause of health issues with the help of technology. The solutions may lie in the form of timely diagnosis, reducing mental stress, recognizing and preventing genetic disorders, and improving consumer lifestyle to name a few.

With the help of cutting-edge technologies, health tech startups ensure the easy accessibility to up to date medical records, history of genetic disorders, and lifestyle choices for effective and timely treatment. Some of the startups in this space are Care24, Practo, Healthkart, 1mg, DoctorInsta, Liberate, Potea, Pharmeasy, and Zoctr, among others.

3. Logistics

Foreign investors are the driving force behind India's logistics startups. To make them stand out, new startups in this sector are increasingly focusing on implementing new and innovative technologies to create better and more effective solutions that can fix the existing flaws in the supply chain.

For instance, data collection and real-time tracking can be made more efficient with the help of the Internet of Things (IoT). Additionally, machine learning and artificial intelligence can be used for route optimization.

4. Enterprise Technology

Enterprise tech has been transforming businesses in India and making them more efficient, productive, and profitable by introducing them to ERP management and SaaS technologies. Numerous small and medium enterprises have successfully leveraged SaaS and other advanced techniques to optimize their processes.

Some of the leading startups in this space are Freshworks and ZOHO. Inventory management and accounting startups have also made some significant advancements in the last couple of years.

5. Consumers Services

Food and grocery delivery services have been among the hottest startup sectors in India for almost five years now. Food delivery unicorn Zomato has generated a revenue of whopping $206 million for the FY 2018-19. On the other hand, global players like Flipkart, PayTm, and Amazon have already entered into the food retail and grocery delivery market.

Some of the leading Indian startups in the food delivery space are Zomato, Ubereats (now acquired by Zomato), and Swiggy while the biggest names in grocery delivery are Big Basket, Amazon, and Grofers, to name a few.

VII. Action plan for start-ups by Govt. of India

Startup India Scheme

Startup India was a campaign that was first addressed by the PM Narendra Modi on 15th August 2015 at Red Fort, New Delhi. This campaign was introduced under the Government of India as an initiative to develop over 75 startup support hubs in the country.

Highlights of the Startup India Scheme

Startup India Scheme	
Date of launching	16th January 2016
Government Ministry	Ministry of Commerce and Industry
Department	Department for Promotion of Industry and Internal Trade
Launched by	Arun Jaitley (Former Finance Minister of India)

What is Startup India Scheme?

Startup India scheme is an important government scheme that was launched on 16th January 2016 with an aim to promote and support the start-ups in India by providing bank finances. It was inaugurated by the former finance minister, Arun Jaitley.

Organized by the Department for promotion of industry and internal trade, the major objective of Startup India is to discard some of the restrictive States Government policies which include:

1. License Raj
2. Land Permissions
3. Foreign Investment Proposals
4. Environmental Clearances

The Startup India scheme is based majorly on three pillars which are mentioned below:

1. Providing funding support and incentives to the various start-ups of the country.
2. To provide Industry-Academia Partnership and Incubation.
3. Simplification and Handholding.

Registration of the Startup can be done only from following types of companies

1. Partnership Firm

2. Limited Liability Partnership Firm

3. Private Limited Company

Registration for Startup India

A person must follow the below-mentioned steps that are important for the successful registration of their business under the Startup India scheme:

1. A person should incorporate their business first either as a Private Limited Company or as a Limited Liability Partnership or as a Partnership Firm along with obtaining the certificate of Incorporation, PAN, and other required compliances.
2. A person needs to log in to the official website of Startup India where he/she has to fill all the essential details of the business in the registration form and upload the required documents.
3. A letter of recommendation, Incorporation/Registration Certificate, and a brief description of the business are some of the essential documents required for the registration purpose.
4. Since the start-ups are exempted from income tax benefits, therefore, they must be recognized by the Department of Industrial Policy and Promotion (DIPP) before availing these benefits. Also, they should be certified by the Inter-Ministerial Board (IMB) to be eligible for IPR related benefits.
5. After successful registration and verification of the documents, you will be immediately provided with a recognition number for your startup along with a certificate of recognition.

Who is eligible to apply under the Startup India scheme?

An entity is eligible to apply when:

- It is incorporated as a private limited company or partnership firm or a limited liability partnership in India
- It has less than 10 years of history i.e. less than 10 years have elapsed from the date of its incorporation/registration
- The turnover for all of the financial years, since the incorporation/ registration has been less than INR 100 crores

Note: An entity formed by splitting up or reconstruction of a business already in existence shall not be considered a 'Startup'.

Eligibility for Registration under Startup India Scheme

1. Firstly, the company to be formed must be a private limited company or a limited liability partnership firm.
2. Secondly, the firms should have obtained approval from the Department of Industrial Policy and Promotion.
3. Thirdly, it must have a recommendation letter by an incubation.
4. The firm must provide innovative schemes or products.
5. It should be a new firm or not older than five years.
6. The total turnover of the company should be not exceeding 25 crores.
7. Lastly, it should not be a result of splitting up, or reconstruction, of a business already in existence.

Benefits of Startup India

After the launch of the Startup India scheme, a new program was launched by the government named the I-MADE program which focused on helping the Indian entrepreneurs in building 1 million mobile app start-ups. The government of India had also launched the Pradhan Mantri Mudra Yojana which aimed to provide financial supports to entrepreneurs from low socioeconomic backgrounds through low-interest rate loans. Some of the key benefits of Startup India are as follows:

1. To reduce the patent registration fees.
2. Improvement of the Bankruptcy Code ensuring a 90-day exit window.
3. To provide freedom from mystifying inspections and capital gain tax for the first 3 years of operation.
4. To create an innovation hub under the Atal Innovation Mission.
5. Targeting 5 lakh schools along with the involvement of 10 lakh children in innovation-related programs.
6. To develop new schemes that will provide IPR protection to startup firms.
7. To encourage entrepreneurship throughout the country.
8. To promote India as a start-up hub across the world.

The following are the other benefits of Startup India:

Benefits of Startup India Scheme are Simplification of Work, Finance support, Government tenders, networking opportunities.

- Financial Benefits

- Income Tax Benefits

- Registration Benefits

- Government Tenders

- Huge Networking Opportunities

1. Financial Benefits

Most of the startups are patent based. It means they produce or provide unique goods or services. In order to register their patents, they have to incur a heavy cost which is known as the Patent Cost.

Under this scheme, the government provides 80% rebate on the patent costs. Moreover, the process of patent registration and related is faster for them. Also, the government pays the fees of the facilitator to obtain the patent.

2. Income Tax Benefits

Startups enjoy a good amount of benefits under the Income Tax head. The government exempts their 3 years income tax post the incorporation year.

But they can avail it only after getting a certificate from the Inter-Ministerial Board. Also, they can claim exemption from tax on Capital Gains if they invest money in specified funds.

3. Registration Benefits

Everyone believes that incorporation and registration of business are far more difficult than running it. It is because of the long and complex steps of registration.

Under the Startup India scheme, an application is there to facilitate registration. A single meeting is arranged to at the Start-up India hub. Also, there is a single doubt and problem-solving window for them.

4. Government Tenders

Everyone seeks to acquire Government tenders because of high payments and large projects. But it is not easy to acquire the government tenders.

Under this scheme, the startups get priority in getting government tenders. Also, they are not required to have any prior experience.

5. Huge Networking Opportunities

Networking Opportunities means the opportunity to meet with various startup stakeholders at a particular place and time. The government provides this opportunity by conducting 2 startups fests annually (both at domestic as well as the international level).

Startup India scheme also provides Intellectual Property awareness workshop and awareness.

Government Measures to Promote Startup Culture in the Country

1. As part of the "Make in India" initiative, the government proposes to hold one Start-Up fest at the national level annually to enable all the stakeholders of the Start-up ecosystem to come together on one platform. You can know in detail about the Make In India program on the linked page.
2. Launch of Atal Innovation Mission AIM – to promote Entrepreneurship through Self-Employment and Talent Utilization (SETU), wherein innovators would be supported and mentored to become successful entrepreneurs. It also provides a platform where innovative ideas are generated. Relevant details on Atal Innovation Mission AIM are available on the linked page.
3. Incubator set up by public-private partnerships (PPP) – To ensure professional management of Government-sponsored or funded incubators, the government will create a policy and framework for setting-up of incubators across the country in public-private partnerships. The incubator shall be managed and operated by the private sector. Read more on Public-Private Partnership on the link provided here.
   - 35 new incubators in existing institutions. Funding support of 40% shall be provided by the Central Government, 40% funding by the respective State Government and 20% funding by the private sector for establishment of new incubators.
   - 35 new private sector incubators. A grant of 50% (subject to a maximum of INR 10 crore) shall be provided by Central Government for incubators established by the private sector in existing institutions.

A Startup India Seed Fund Scheme has been implemented with effect from April 1, 2021. The scheme aims to provide financial assistance to startups for proof of concept, prototype development, product trials, market entry and commercialization.

Startup India – State Rankings

1. States' Startup Ranking Framework is an evolved evaluation tool aimed to strengthen the support of States and UTs to holistically build their startup ecosystems. The rankings are based on the criteria of policy, incubation hubs, seeding innovation, scaling innovation, regulatory change, procurement, communication, North-Eastern states, and hill states.

2. The States' startup rankings from 2019 and 2018 have been given in the following tables for the reference of the candidates:

Startup India State Rankings 2019	
Ranks	**States**
Best performer	Gujarat, Andaman and Nicobar Islands
Top performers	Karnataka, Kerala
Leader	Maharashtra, Odisha, Rajasthan, Bihar and Chandigarh
Aspiring leaders	Telangana, Uttarakhand, Haryana, Jharkhand, Punjab
Emerging states	Chattisgarh, Himachal Pradesh, Andhra Pradesh, Tamil Nadu, Madhya Pradesh, Uttar Pradesh Assam, Delhi, Mizoram and Sikkim
Startup India State Rankings 2018	
Ranks	**States**
Best performer	Gujarat
Top performers	Karnataka, Kerala, Odisha, and Rajasthan
Leader	Andhra Pradesh, Bihar, Chhattisgarh, Madhya Pradesh, and Telangana
Aspiring leaders	Haryana, Himachal Pradesh, Jharkhand, Uttar Pradesh, and West Bengal
Emerging states	Assam, Delhi, Goa, Jammu & Kashmir, Maharashtra, Punjab, Tamil Nadu, and Uttarakhand
Beginners	Chandigarh, Manipur, Mizoram, Nagaland, Puducherry, Sikkim, and Tripura

Challenges faced by Startup India

1. People generally believe startups are just about thinking about a new idea or plan. But in reality, execution of such plan is more necessary than just thinking about it.
2. The view or perspective of the government on startup India plan is quite short-term in nature. It does not look at the long-term path of the startups.
3. For the success of any new business, competent workforce is necessary. But in case of startups, skilled workforce is not possible due to the lack of funds at the initial phase.
4. The risk of reaching failure is greater in the startups as compared to other organizations. It is because they tend to take steps quite fast.