**INTRODUCTION**

Across the globe, startups have begun to garner a lot of attention in recent years. The number of new ventures are proliferating by the minute. Especially since the pandemic struck, startups and entrepreneurship have become the buzzwords of the time. The global epidemic has resulted in a true startup boom, with the number of new businesses throughout the world greatly exceeding last year’s figures. Workers who were laid off and formed their own firms are credited for this boom in entrepreneurship. The number of applications filed for starting a business in July 2020 in the United States reached a record-high of 551,657. According to the Census Bureau, compared to the same period in 2019, this was an increase of 95%.

Startups are increasingly being recognised as major engines of economic growth and employment creation. Startups have become detrimental to the upliftment of society. They can generate meaningful solutions and thus, they operate as vehicles for socioeconomic development and transformation through innovation and scalable technology. Startups are providing a new source of income for people. In the COVID timespan, one in five microbusinesses launches were by those who were categorized as non-employed. The pre-COVID figure was 12%. This shows that microbusinesses and startups are providing a way out of the poverty cycle for a large number of people. Startup companies are the most dynamic economic organizations on the market since they provide additional dynamics and competitiveness to the economic system. This means that the economy stays healthy, vital, and diligent, while individual companies find it harder to fall asleep on their laurels.

However, not all the startups that have been founded in recent years succeeded. The failure rate of startups in 2019 was around 90%. Research concludes that 21.5% of startups fail in the first year, 30% in the second year, 50% in the fifth year, and 70% in their tenth year. This paints a rather grim picture for aspiring entrepreneurs. There are a plethora of reasons for such failures. One of the reasons is no market demand. Many startups revolve around a product for which the demand died down over the years or simply never existed. Another reason could be insufficient financial resources. Many startups simply run out of resources that are needed to sustain themselves in the future. Other reasons could also include wrong managerial decisions, acts of God such as Covid, or even strong competition.

Thus, it is imperative for today’s entrepreneurs to gauge if their company is on the right track. While there is no one specific definition or path to success, success for startups can be broadly classified into two categories. One option is for a firm to do an IPO (Initial Public Offering), in which the company is listed on a public stock exchange and shareholders have the option to sell their shares to the general public. Another is being Merged or Acquired (M&A) by another firm, in which the startup’s owners or investors earn quick cash in exchange for their shares. This is also known as the ”exit strategy.”