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Here is the Road Towards a Robust Indian Startup Ecosystem

Funding is an important aspect, pro-active government policies and private players have to step in to create a more sustainable environment for start-ups

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October 16, 2018

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Every decade has a few milestone magnets that define that time. This decade is indeed the one that belongs to startups. The startup ecosystem has attracted thousands of young talented brains all over the world, and the good news is that India has also joined the race in a prolific manner.

Providing the Funds

Policy initiatives and efforts from the Indian government have been supported by institutions and embraced by young talents all over India. However, some gaps still remain. The current scenario needs closer and deeper introspection. According to NASSCOM report 2017, India is home to 5000 tech startups and third largest startup ecosystem after US and UK. When we refer to the ecosystem, it includes the holistic participation of all the stakeholders including government, VC, startups, institutions and market opportunities. While it is encouraging to see that India stands abreast with other developing countries, but are we really leading the global startup ecosystem or close to doing so?

If we look at the global scenario, US, UK, EU and Israel are the hottest startup hubs. One can understand US, UK, & EU leading on the front since they have been historically known to be entrepreneurial friendly nations since. However, Israel is a bit of an exception, and we need to learn from Israel as it has achieved tremendous startup milestones though being a relatively young player in the global market.

Latest Data

According to Forbes (2016), excepting for US and China, Israel is home to more Nasdaq-listed companies than any other country. On a per capita basis, Israel boasts of more venture capital funds, startups, scientists and tech professionals than any other country in the world. The country produces around 1,000 startups a year. The total number of active startups are anywhere between 4,300 and 6,000). Leading sectors of Israel startups are Automotive, Cybersecurity, Wearable technology (AKA Internet of Things), and Agriculture. If we look at the Indian startup ecosystem, then e-commerce and service-based applications are the ones that have dominated the landscape. As one of the largest agrarian economy of the world, India is still struggling to find authentic agro-based startups.

The Ecosystem Analysis

The idea is not to criticize but to introspect and analyze the startup ecosystem of India. We are way behind in numbers when compared to other leading countries. Moreover, there's no system in place to gauge the quality and competency of the startup ventures in India.

Only 200 million in a country of over a billion people can speak in English and nearly 70 per cent of India continues to live in villages. While multinational corporations are struggling to penetrate the rural and semi-urban Indian markets, startups at home are overlooking such a gigantic opportunity.

Existing ecosystem is flooded with startup pitching events, seminars, workshops and so on. It is overwhelming to see the amount of support our young generation is getting. However, the question is, "are they utilizing these opportunities effectively?" In my personal capacity, I have observed that young founders are very eager to know more about funding, accounting, marketing and sales. Sadly, only a few talks about innovation, relevance, skill building, community integration, and sustainability. If the majority of the startups' concerns revolve around funding and analyzing the market size, then, how are they different from conventional businesses?

Young startups, perhaps need guidance, direction and exposure more than financial support. While funding is an important aspect, pro-active government policies and private players have to step in to create a more sustainable environment for start-ups. Whether in entrepreneurship startups or student venture, innovation is the key to achieving highest competence. By pursuing a collaborative approach among multilateral stakeholders, the private sector can provide much-needed exposure, mentoring and seed funding to innovative ideas.