



**A STUDY ON SUCCESS OR FAILURE OF STARTUP
COMPANIES AND THEIR BUSINESSES IN INDIA
(WRT 'A' LEVEL CITY NAGPUR AND PUNE CITY 2016-17)**

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ABSTRACT

A startup is typically construed to be a new venture in a hi-tech area. Again this might be a very restricted definition and clearly does not encompass new ventures in very traditional areas. Typically most startups are founded by student's right after college or young professionals. The sad part of startups in India is that most founders typically sacrifice their career, earnings, personal life, and professional aspirations to create something that in an overwhelming majority of cases fails (for the statistics, read the last paragraph). This study is to highlight some of thoughts on why most Indian startups fail, and look at possible solutions to this problem. Currently, India ranks 66th on the Global Innovation Index (GII) list, which is 41 places behind China. China is long ahead than the India its 25 years ahead in all type of technologies such as building and construction, electronics and mechanical technology. The GII report said India has the ingredients needed to become a global driver of innovation, including market potential, talent pool and an underlying culture of frugal innovation, but "relative weaknesses exist in the indicators for business environment, education expenditures, new business creations and the creative goods and services production."

INTRODUCTION

"90% Of Indian Start-ups Will Fail Because of Lack of Innovation, Study Says" 'Supriya D'Chunha, 2017, in article of Forbes'.

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As per International patents only 1423 patents by the Indians in place of that china have (29846) and Japan is ahead with (44235) due to this India is lag behind with low innovative Ideas.

In a recent entrepreneurial study “Entrepreneurial India” conducted by the IBM Institute for Business Value (IBV) in collaboration with Oxford Economics, the IT Company has found that more than 76% of Indian executives pointed to India’s economic openness as a major business advantage.

60% of India’s skilled workforce and 57% of the executives said that India’s large domestic market also provides significant advantages.

India has provided for a nurturing ground to numerous start-up’s in the past few years but they are merely clones of Western ideas. The lack of technical innovation in India has led to venture capitalists restricting funding, resulting in slow decay of entrepreneurship in India. India is struggling to become the third-largest startup ecosystem in the world but it is leading towards more unemployment, as more and more startups are getting shut down.

“Since 2015, as many as 1,503 startups have closed down in India. And the major reason is due to the replication of Western business models, and not lack of subsequent funding from the investors,” says Rishabh Lawania, founder of Xeler8, a market intelligence platform recently acquired by a Chinese venture capital firm. The highest number of failures was in logistics, e-commerce and food technology.

Methodology of Study:

Objectives:

- 1) To study money power and machine power for startup business
- 2) To study manpower available in “A” level cities such as Nagpur and Pune for innovative companies
- 3) To understand demography for startup companies
- 4) To analyses proper situation for business
- 5) To generate suggestion for new Business and Entrepreneurs

Hypothesis:

H01#: ‘Money and machine sources are the major resources of startup business and performance is depending on it’.

H11# Money and machine sources are the major resources of startup business and performance NOT depending on it.

Scope:

1) Universe of study:

- a) Study contain only 40 companies from Pune (20) and Nagpur(20) which are startup companies IT(5), Mechanical(5) , Electronics(5), service providing(5)
- b) 40 proprietors of those 40 companies
- c) 2 working peoples from same 40 companies total size is (40 working peoples)
Systematic questionnaire designed for the company proprietors

Data collection:**Primary and secondary both data is used for the conclusions and designing of the research

Secondary data:**

Reports from various magazines, daily newspapers, books from skill India, Monthly Editions, Forbes book, Times, business books, etc.

Primary data: Systematic questionnaire designed for the company proprietors (40) related to money and machines and another Questionnaire for workers (40) where man power and their problems calculated and evaluated.

Tables: 1: Resources Money, Machine and Environment.

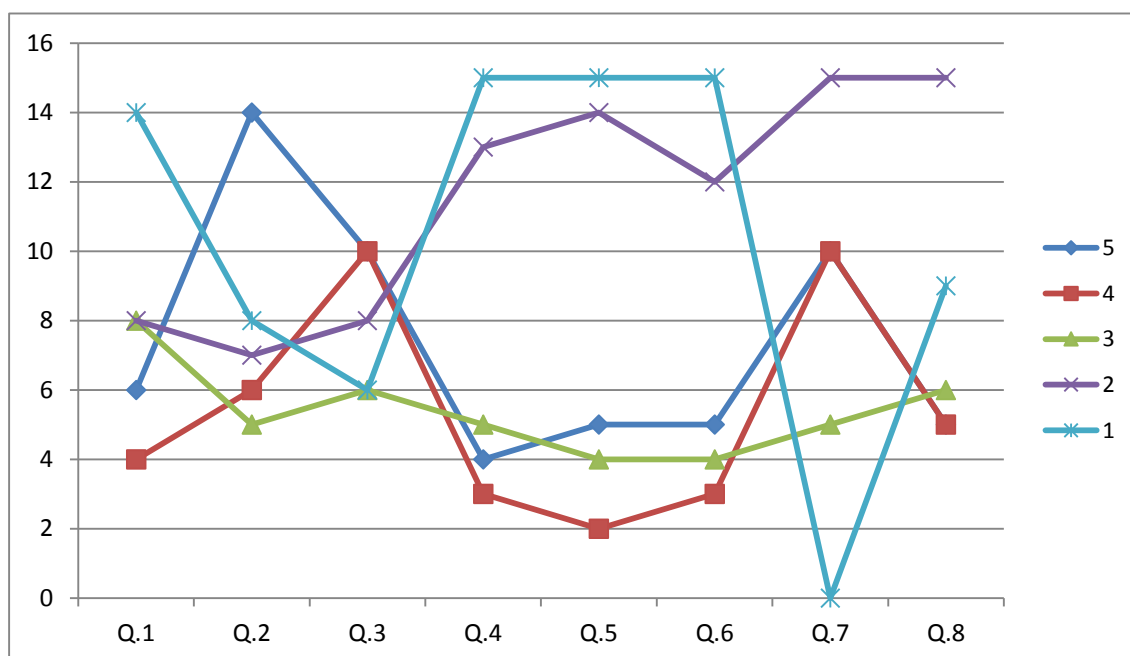
S. N.	Questions	5	4	3	2	1
1	Age of company(0-1:1),(0-2:2),(0-3:3),....(0-5:5)	6	4	8	8	14
2	Technology based 5:IT,4:B-B,3:B-C;2:SS,1:mechanical base	14	6	5	7	8
3	Companies situated at City:5,MIDC:4,Rural:3,sub urban:2,slum:1	10	10	06	08	6
4	Revenue per year 5:best,4:better,3:good 2:satisfact,1:loss	4	3	5	13	15
5	Profit and margin5:best,4:better,3:good	5	2	4	14	15

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	2:satisfact,1:loss					
6	Problem in business due to resources Money and machine power is sufficient margin 5:best,4:better,3:good 2:satisfactory,1:loss	5	3	4	12	16
7	Support from Government authorities 5:best,4:better,3:good 2:satisfact, 1:null	10	10	05	15	00
8	Support from another organization's authorities 5:best,4:better,3:good 2:satisfact, 1:null	05	05	06	15	09
	Source :primary data					



Source primary data table: 1

CONCLUSION:

As per above table and chart performance of the startups depending on the money and machine but lot of the newly invented startup companies are facing problem of cooperation and finance.

Hypothesis 1#

Upper questions and Questionnaires are sufficient to prove the hypothesis developed. That 'Money and machine sources are the major resources of startup business and performance is

depending on it'. Null hypothesis is successes and alternating hypothesis not successes, then we can conclude that the money and machine are the major resources of the startup and required time and sufficient powers to develop the business. Lot of the startup companies are not successes in the India not only due to the power of running industry but also in between shortage of the capital for the business.

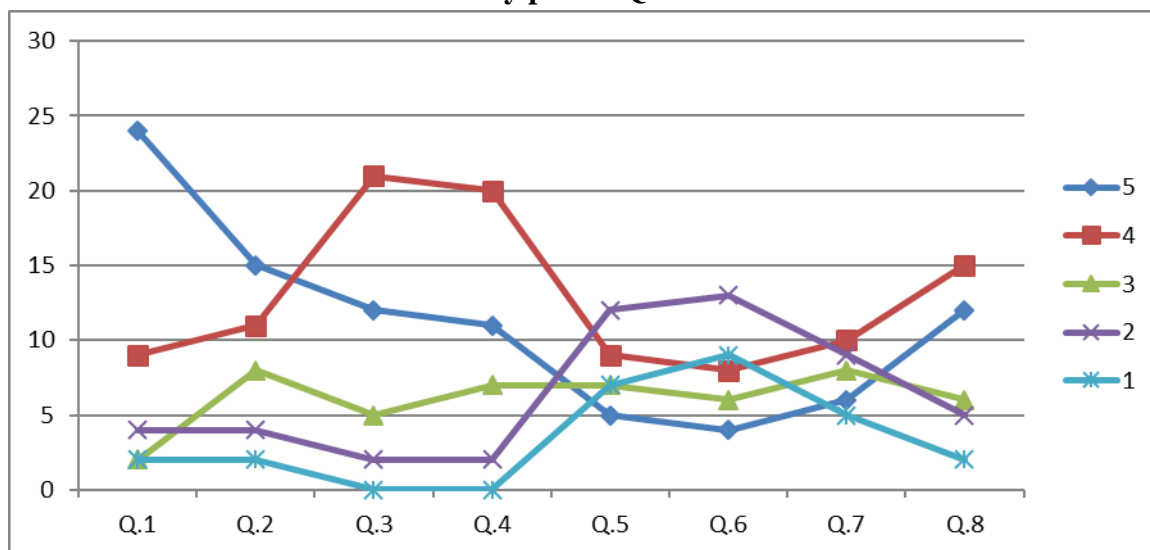
Businesses from Nagpur and Pune are taken into the consideration for this study answers were taken from the small properties and distributed through the 5 categories.

Table no: 2: supporting Resource Man Power:

S.N.	Questions	5	4	3	2	1
1	Satisfy with recruitment 5: Strongly agree 4: Agree 3: Null 2: Disagree 1: Strongly disagree	24	9	2	4	1
2	Employee relieving within 5: 0- 5+ years 4: 0-4 years 3: 0-3 years 2: 0- 2 years 1: 0-1 year	15	11	8	4	2
3	Employee job Satisfaction 5: Strongly Satisfy, 4: Satisfy, 3: Null 2: Dissatisfy, 1: Strongly dissatisfy	12	21	5	2	0
4	Clear understanding of work 5: Strongly agree 4: Agree 3: Null 2: Disagree 1: Strongly disagree	11	20	7	2	0
5	Relation with Team leader & staff appraisal 5: Strongly agree 4: Agree 3: Null 2: Disagree 1: Strongly disagree	5	9	7	12	7
6	Staff enjoy company culture (motivation) 5: Strongly agree 4: Agree 3: Null 2: Disagree 1: Strongly disagree	4	8	6	13	9
7	Staff getting proper resources from company 5: Strongly agree 4: Agree 3: Null 2: Disagree 1: Strongly disagree	6	10	8	9	5
8	Staff makes good use of his skill & abilities 5: Strongly agree 4: Agree 3: Null 2: Disagree 1: Strongly disagree	12	15	6	5	2

Table no: 2: shows man power related questions and their categorizations

CHART: 2: Money power Question vs. Answers



CONCLUSIONS:

- 1) As per objective manpower available in India (those A level cities) for innovative companies better margin.
- 2) Lot of the workers in domestic companies not totally relied on such a things leave job as early but new educated and skilled generation is fast in the market.
- 3) Lot of the startup companies in Nagpur are not dare about new innovative ideas in Information technology sector due to this lack of the job opportunities in that sector.
- 4) Pune and Nagpur both are very far from each other as per understanding demography for startup companies both cities have lot of the chances but innovative Ideas required.
- 6) Newly introduced business have less ideas and less ideas are not analyzed properly due to this failure is in front of the startups.
- 7) Generate suggestion for new Business and Entrepreneurs.
 - a) Analyze business before starting
 - b) Use marketing team properly on commission basis
 - c) Keep alternative man power in hand for the business
 - d) Generate resources of money and machine in regular manner
 - e) Fetch work from market (design and develop your product properly)



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