

## **ROLE AND IMPACT OF SMALL-SCALE STARTUPS AND BUSINESS TOWARDS DEVELOPMENT OF AN ECONOMY**

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### **INTRODUCTION**

In this research paper we will be observing and finding out the main problem, challenges, issues faced by the small-scale startups and business which plays an important role towards development of an economy. Also, we will be observing the importance and role of the startups and business which help in contributing towards the GDP as well as giving job opportunities and employment who are not employed as well as gives the platform for being independent. It helps an individual to strengthen his entrepreneurial motive and acquire skills and abilities to complete effectively in market. Also come into existence when the founder develops a unique and innovative concept.

However, we can say that due to lack of education, less awareness the individuals are lacking behind & majority of unemployed people are not able to develop themselves. That why the awareness for such taken into consideration and hence to maintain a stable economy the government needs to promote entrepreneurship platform that these startups and business can contribute towards the development of the country.

This will help to generate job creation, business development and hence attract to get more awareness to those who have that ability to take initiative and further work accordingly to develop their business.

Thus, further entrepreneur intention concerns can help individuals, group of people to start the new business and startups. In today's time some of the recognized institutes providing various programmes to promote and develop these skills and also government taking various steps through supporting shark

bank they offering platforms to pitch for their business and startup. This helps in more flow of cash and further develops the economic growth of the country.

## **LITERATURE REVIEW**

In 2016, our Prime Minister Narendra Modi announced about the Startup India as an initiative under which it aims to help individuals to start their own businesses. Through this program, the government will provide various resources that are necessary to support and ensure that they can take their ideas and grow their businesses. Further it will help them to promote and make their businesses or startups to work independently.

According to NASSCOM, India is expected to observe a significant growth on the number of various startups in the next couple of years. Also, it is estimated that by 2020, there will be around 11,500 tech startups in the country. This is because of the country's growing entrepreneurial spirit and the number of incubators that will help boost the startup scene. In terms of the various of startups, India is considered as the one of the top five nations in the world in relation to observe tech businesses.

In 2014-15, the number of incubation spaces in the country increased to over a hundred. This has contributed to the startup scene's growth.

The challenges and the problems faced by the startup is discussed below:

The most observed challenge that was highlighted for an individual whether he/she wants to start business or any kind of start-up, in some region in today's time most of the family don't allow individuals to work independently especially women's because of old mental vision of people they still think that women's are only for doing households work inspite of being aware of their potential that they can contribute their businesses or existing businesses into another level but still they are not allowed. Hence, this issue leads towards being forced and not allowed to work and fulfill their needs of themselves and their family.

They are equally important and can work through their efficiency and knowledge.

The second biggest challenge is that lots of individuals faces problem of not have capital and funding through which they can't have too much resources to make their business or startup productive.

At last people are not aware of government policies that are considered to take advantage of it and which can help them to actually expand their businesses and startups.

Sector Wise, the Distribution of Indian Startup Businesses.

**Table 1: Break-Up of Indian Startup Businesses**

Technology based	Non-technology Based
E-Commerce - 33%	Engineering- 17%
B2B - 24%	Construction-13%
Internet - 12%	Agri- products- 11%
Mobile apps - 10%	Textile - 8%
SaaS - 8%	Printing & packaging - 8%
Other - 13%	Transport & logistics- 6%
	Outsourcing & support -5%
	Others-32%

Source: Startups India- An Overview, Grant Thornton, 2018

Area of Operation	Startup Firm Name
Online food delivery	Freshmenu, swiggy
Big data analytics for trade	Fresh to home
Online pharmacy	Peel works
Platform to get local businesses online	Now floats
Logistics management software	Fareye
Lifestyle tracking platform	Healthi fyme
Payment's solutions for credit/debit cards	Pine labs
AI-driven solutions for retailers-	Staqu
Packaged ready-to-cook idli/dosa batter	Id foods
Peer-to-peer lending	Fair cent

Source: 17 Startups to Watch, TOI, 2018

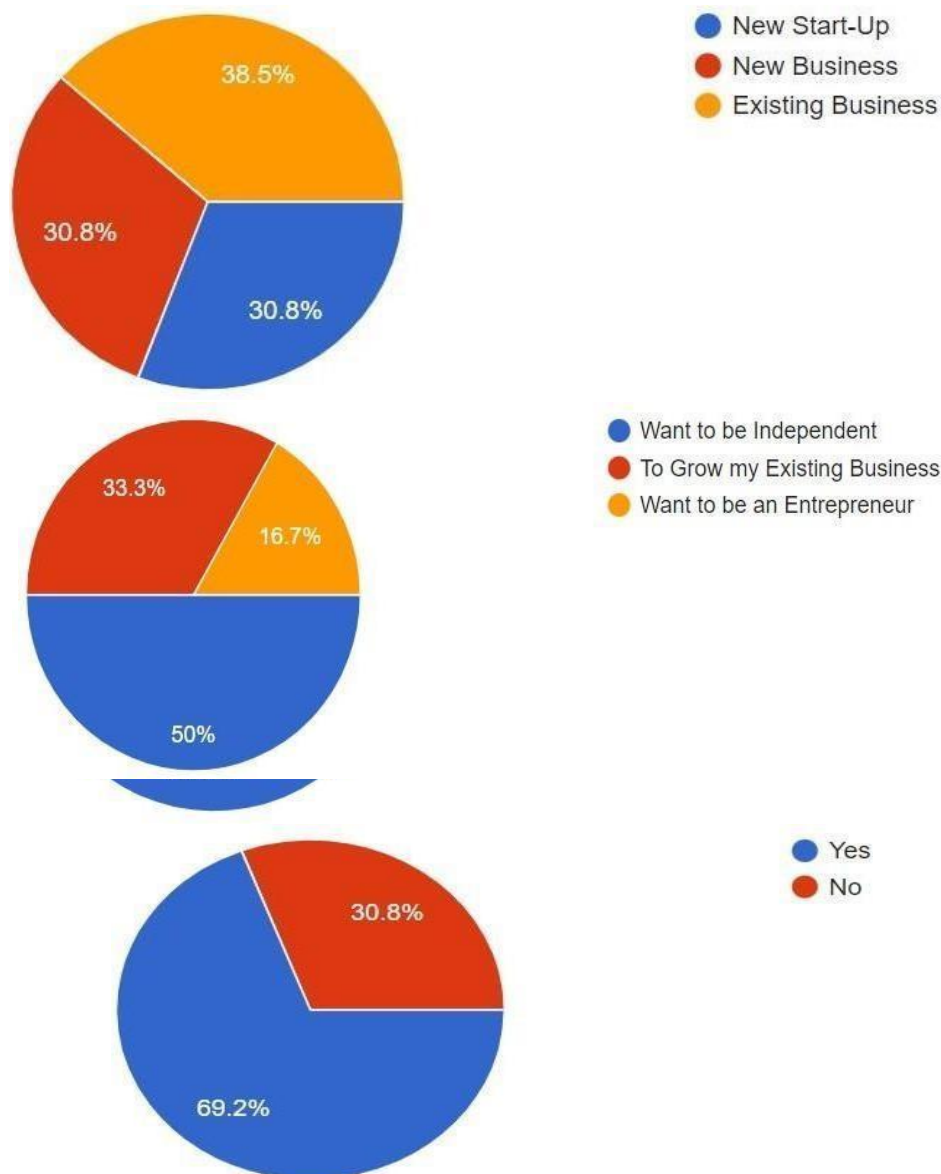
### RESEARCH OBJECTIVE

- The Importance of new startups and businesses which contributes towards the development of the country,
- To understand the challenges and issues facing by the upcoming entrepreneurs and provide resources, fulfill their needs and wants that will help them to generate more revenue and profits.
- To upgrade entrepreneurial quality, being motivated and achieve desired goal.
- To prepare individuals to overcome challenges and work efficiently.
- To expand the source of entrepreneurship.

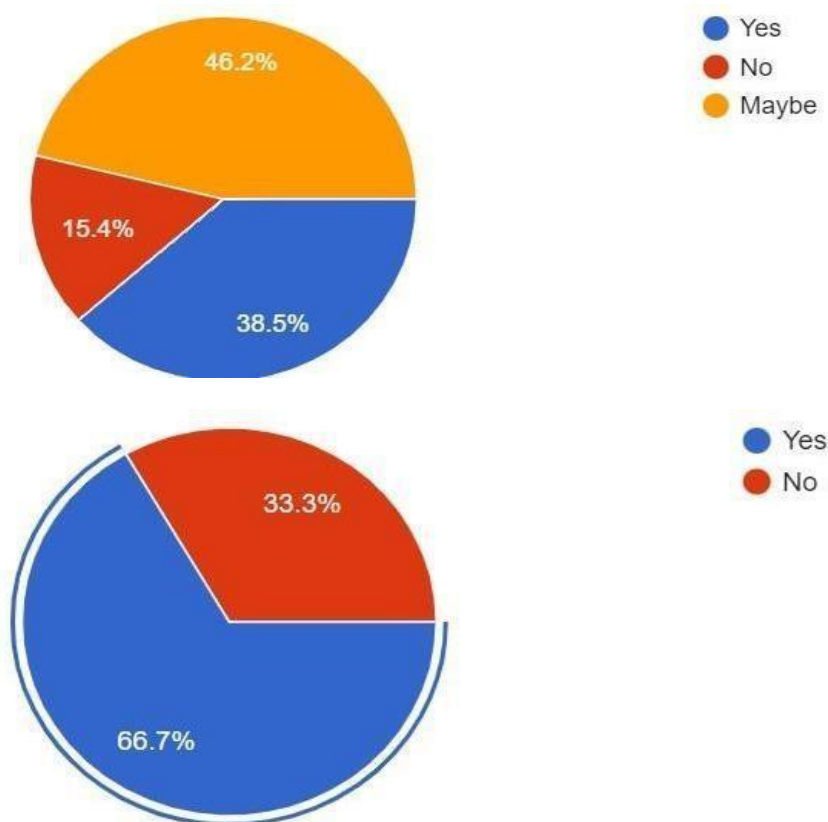
## METHODOLOGY

This states the concept that was used in this study is quantitative and qualitative. This method is used to measure the problem statement by generating and converting the data of respondent into statistics which will be resulting into knowing the various aspects which an individual is facing and hence examines the analysis in order to clarify the research objects and the question asked to them through questionnaire and surveys. Here are some representations from which we can identify various.

## DATA COLLECTION



Hence, from above presentation we can analyze that the first presentation states around 38.5% people are involved in existing business, other 2 that is 30.8% people going with new startups and new businesses. The second pie chart reflects 50% people want to independent, then 33.3% people want to grow their existing business and about 16.7 % are those who want be an entrepreneur. The third presentation states about the challenges and issued faced by the individuals around 53.8% people depend on Capital and Funding and 7.7% people are not even aware of policies that are been offered by government. Around 46.2 % people are not sure about their business and startups that they can expand themselves towards global level, 38,5% are willing to go for expansion where as 15.4% are not.



Here, we can see around 66.7% of people are happy with the ROI they are getting but 33.3% are not happy with their ROI (Return on Investment).

**CONCLUSION**

Hence, from above information we can here conclude our research paper under which we observed various aspects and the analysis from which we can interpretate that why in today’s time Small Scale Businesses and Startups are not able to grow their business due to the lack of resources they are facing and most importantly people are not aware of the support, policies which our government is offering.

Further this also supports the Start-Ups to sustain and due to lack of finance these businesses and start-ups are not able to develop their skills.

Apart from this marketing strategies plays vital role for start-ups and businesses to reach their customers and further the government should develop various strategies in to develop businesses more beneficially. In the end we can state if the needs of these peoples are fulfilled then these can contribute towards the GDP of our country as well as apart from this infrastructure and other aspects plays important role but if these small-scale industries will develop then they can definitely work well and further can contribute towards the growth and development of an economy.

### **FUTURE SCOPE**

Since we know that in today's time with increase in technology, traditional business models a large number of individuals are prepared towards their idea n start-ups from which they can contribute some amount to the country and help towards making India 5 trillion economy with inclusive growth, development and various other aspects that can help to achieve this mission and vision of the country.

It will help towards

- Employment Creation
- New Investments
- Better GDP
- Better Infrastructure
- Research and Development

Hence, these all aspects and various others to which will help these new individuals to work efficiently and effectively thus make our country grow and develop more and more.

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