



A Review On Opportunities And Challenges Faced By Startup During Covid-19

Gunjan Shrikant Fulzele PhD Research Scholar MUIT, Lucknow.

ABSTRACT

Despite their small size, start-ups have a big impact on the economy. Because they produce more jobs, there is more employment, which leads to more economic growth. Furthermore, by promoting innovation and introducing competition, start-ups can also add to economic dynamism. To spur innovation and create competition, new business owners can provide fresh ideas. Through more than 3,700 deals, companies have raised a total of \$50 billion since 2014. There are more than 250 high-caliber accelerator-incubator systems, as well as 500 institutional and 2,000 active investors. 750,000 new employment have already been created and over 500 acquisitions have resulted from the ecosystem. Half of all active startups are based in Bengaluru, Mumbai, and Delhi-NCR, three cities that have become major players worldwide. Globally speaking, the coronavirus epidemic is having a significant impact on businesses, but start-ups are being hit particularly severely. The coronavirus pandemic's effects are not just felt by a select few industries in India and around the world; they are felt by all economic actors.

KEYWORDS: Covid-19, Startup, Entrepreneur.

INTRODUCTION

The term "startup" is used to describe a young business that is just getting off the ground. One or more entrepreneurs create a startup when they see a need in the market for a new product or service they can fill. These businesses typically have large startup expenses and little initial revenues, therefore they seek funding from many sources, including venture capitalists. Startups, often known as early-stage companies or new enterprises, are those that develop and market just one product or service. Oftentimes, these businesses lack a solid foundation upon which to build, and they also lack the resources necessary to expand into more lucrative avenues. The majority of startups rely on funding from their founders. When a startup needs more money, it often seeks out investments from friends, family, and even strangers. Venture capitalists flock to Silicon Valley because it is a hub for new businesses, but it is also notoriously difficult to succeed in Silicon Valley. Seed money is used by new companies to fund things like market analysis and business plan creation. Market research is useful for gauging potential sales, and a well-thought-out business plan can assist clarify the company's purpose, define its direction, and lay out the groundwork for successful management and advertising.

REVIEW OF LITERATURE

In his article from 2001, Christopher A. Pissarides examined the effect that the costs associated with starting a business play in terms of employment performance. This is an extremely theoretical piece of writing. According to the findings, the elements that can explain the differences in the performance of the labour market are structural, and they should be searched for inside the institutional frameworks of the countries. Omid Sharifi, Bentolhoda According to the research carried out by Karbalaie Hosain (2015) and published in their article, the different financial difficulties that are experienced by Startups in India. In addition to this, it illustrates the challenges that new businesses have to overcome in their early stages. The most important discoveries are that investors have raised the bar in terms of how much groundwork entrepreneurs are expected to do before even presenting their companies as a result of a significant jump in technology.

The panellists Dr. Meenakshi Bindal, Dr. Bhuwan Gupta, and Sweety Dubey(2018) emphasised the importance of start-up businesses to the Indian economy. In light of the recent policy shifts made by the government, this article focuses on raising knowledge of newly established businesses known as startups. In order to give Indian start-ups a major boost and enable them to create better employment opportunities for the nation's youth, the government of India needs to assist start-ups in promoting themselves, not only in India but also throughout the rest of the world. In addition, the government needs to develop policies that are friendly toward start-ups.

V. Ambika and K. Rajeswari R. Saranya(2019) underlined the impact that startups have had on the growth of the Indian economy. In a country like India, where employment possibilities are in short supply, the government cannot, on its own, create them. Given the conducive environment for business that the government has created, private citizens have a responsibility to assist themselves. Adam Smith was an economist and author who lived in the 18th century. In his book, Wealth of Nations, he discussed the concept of the "Invisible Hand," which states that individuals acting in the best interest of their own self-interest will result in greater overall good for society.

Dr. Gopaldas Pawan Kumar (2018) examined the concerns, challenges, and chances facing Indian start-ups. The paper highlights a number of the issues and obstacles that an Indian startup must confront as well as the potential that the country may bring in the ecosystem that exists now. The field of start-ups is fraught with a myriad of difficulties, ranging from financial to human resources, from launching to sustaining development with tenacity, and so on. The nation, which has a vast population, provides a large number of chances in several start-up industries, including food, information technology, retail, hygiene, and solar.

According to the findings of Omid Sharifi and BentolhodaKarbalaie Hossain's (2015) research report, new businesses in India encounter a number of difficult financial obstacles. In addition to this, it illustrates the challenges that new businesses have to

overcome in their early stages. The most important discoveries are that investors have raised the bar in terms of how much groundwork entrepreneurs are expected to do before even presenting their companies as a result of a significant jump in technology.

Abhrajit Sarkar A New Model for Aspiring Young Business Owners in India, Startup India A conceptual research was conducted on the topic of how a startup need support and encouragement from a variety of different perspectives during the beginning phase, as well as the growth phase, until it is established on stable footing. In India, the importance of technology-based startup businesses cannot be overstated. This study has the disadvantage because it is a deep conceptual analysis regarding startup India based on secondary data. This is a limitation that limits the usefulness of this study. By utilising primary data and several other statistical tools, additional research can be done on the business prospects and benefits of starting a new venture for entrepreneurs.

RESEARCH OBJECTIVES

1. To determine the possibilities and difficulties faced by start-ups during the epidemic.
2. To examine how government initiatives and economic restructuring affect new businesses in the context of COVID-19

IMPORTANCE OF THE STUDY

This study aims to shed light on the steps taken by the government to address the issues that are now being faced by startups, as well as to shed light on the opportunities that are currently available.

RESEARCH METHODOLOGY

Secondary data come from a variety of sources, including websites, journals, and stories from newspapers.

CONCLUSION

Even though India is experiencing a severe economic slowdown, the nation's start-up ecosystem is adapting to survive the crisis. (For e.g.): Early in April 2020, Action Covid-19 Team (ACT) Grants included 49 initiatives to its list of grantees, including Indian start-up founders and investors. This 100 Cr grant was intended to assist the government and other stakeholders in accelerating the creation of original concepts that can support India's fight against COVID-19. As Indian citizens, it is our duty to assist and create chances for the expansion of our economy and of our labour force in the face of the pandemic.

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