

Leading Entrepreneurs in India: Startup Business Journey and the Challenges

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Abstract—Starting up a new venture amid rapid, radical change is challenging and demanding, but the growing Indian economy has compelled inviting new entrepreneurs to adopt new business models and think of innovative ideas for sustained growth, for managing talent by aligning the personal vision and organizational vision through organizations policy, procedures, practices and performance for a competitive advantage.

The key to success lies in a new style of management, defined as 'intrapreneurial' which includes the ability to allocate resources for quality, delegate and organize, accept responsibility of leadership, motivate, develop a good team and an ability to "think outside the box". Most successful business leaders have often had one thing in common: an innate instinct for the direction of their organizations that has repeatedly enabled them to make the right decisions.

The study is conceptual in approach with the objective to analyze the strength and weakness of entrepreneurs in their startup journey and also the environmental opportunities that promotes their entrepreneurship and threats to be handled.

The study includes five companies and their leading entrepreneurs in startup business in India who in spite of facing challenges in their business life being a beginner, are conquering great heights day by day and are amongst the biggest business leaders of the country. The major challenges faced by the Baggit(Owner: Nina Lekhi), craftsvilla.com(Owner – Manoj Gupta and Monica Gupta), ChatarPatar(Owner – Prashant Kulkarni), Taxi For Sure(Owner - AprameyaRadhakrishna and Raghunandan G.) and Flipkart(Owner – Sachin Bansal and Binny Bansal). The main business challenge for beginners is going to be the ability to forge an opportunity into a business idea because the process of transforming problems into business opportunities is like trying to turn lead into gold.

Keywords: entrepreneurs, startup firms, competitive advantage, challenges.

1. INTRODUCTION

Sustainable growth can only be achieved through fostering innovation and entrepreneurship for propelling growth in 'entrepreneurial engine' that contributes to the growth of the economy. The world is in a transition phase that demands innovative approaches to solving problems of micro and macro environment. India has a chunk of segment where cluster of talent and technology can be unleashed backed by proactive policies to enhance the economic and social structure of our nation. Due to increasing significance of

entrepreneurship, many countries have started the process of transforming their economies into entrepreneurial modes backed by developing and accelerating development of corporate sector. Through knowledge transfer, networking and relationships with large enterprises it can refine and mass produce business innovations.

2. ENTREPRENEUR

An entrepreneur is a person who finds out and evaluates a new situation in his environment and directs the making of such adjustments in the economic system as he deems necessary. He always searches for change, responds to it and exploits it as an opportunity. Innovation is the specific tool of entrepreneurs, the means by which they exploit change as an opportunity for a different business or service. An entrepreneur is one who organizes, operates and assumes the risk of a business venture. Starting a business and becoming an entrepreneur is exciting, but also terrifying. While starting a new business entrepreneurs face so many challenges; such as instability, stress, negative mindset, overwhelming feelings, lack of support, feelings of wanting to give up, growing a business, problems of raw material, problems relating to marketing, outdated technology, lack of infrastructural facilities, lack of skilled labors etc. In order to conduct an efficient business an entrepreneur must overcome the challenges. The main objectives of the study are to identify the challenges faced by the new entrepreneurs and to analyze the measures to overcome them.

Entrepreneurs understand that challenge is the principal 'Motivation Driver', though not the main trigger, for Entrepreneurship. While only 11% of those interviewed cited 'challenge' as the main motivating factor for starting a business, as many as 38% said they consider the challenge in Entrepreneurship to be the main driver for the excitement and satisfaction of doing business. In this situation, India enjoys enormous potential for the creation of wealth due to its growing economy.

3. RESEARCH METHODOLOGY

The study is conceptual in approach with the objective to analyze the strength and weakness of entrepreneurs in their startup journey and also the environmental opportunities that promotes their entrepreneurship and threats to be handled. It is an attempt to review the socio-economic background of the leading entrepreneurs in startup business world in India and to analyze the psychological feature factors and different factors that influence newly established entrepreneurs.

The study includes five companies and their leading entrepreneurs in startup business in India who in spite of facing challenges in their business life being a beginner, are conquering great heights day by day and are amongst the biggest business leaders of the country. The major challenges faced by the **Baggit**(Owner: Nina Lekhi), **craftsvilla.com**(Owner – Manoj Gupta and Monica Gupta), **ChatarPatar**(Owner – Prashant Kulkarni), **Taxi For Sure**(Owner - AprameyaRadhakrishna and Raghunandan G.) and **Flipkart**(Owner – Sachin Bansal and Binny Bansal). The main business challenge for beginners is going to be the ability to forge an opportunity into a business idea because the process of transforming problems into business opportunities is like trying to turn lead into gold.

The data for the purpose of the study has been collected through secondary sources, which mainly include websites.

4. ANALYSIS OF ENTREPRENEURIAL COMPANIES

COMPANY: BAGGIT(OWNER: NINA LEKHI)

What started as a "fun" enterprise has stayed that way, more than 25 years down the line. Nina Lekhi started making and selling canvas bags while she was a student at Sophia Polytechnic. Her company, Baggit, is now a national retail brand with Rs 34 crore in annual sales.

In the year 1984, at age 18, Lekhi and her best friend got the idea of making "bags with attitude." By 2006-07, Baggit notched up Rs 7 crore in turnover with 50 full-time staff and 450 job workers. It was started purely as a means to earn pocket money. The then 18-year-old college student turned part-time entrepreneur, Nina Lekhi put her experience of working with designers and at a store to do something different in the category of handbags. She wanted her bags to be trendy and cost-effective, and named it 'Baggit'

CHALLENGES FACED BY NINA LEKHI –

- **Financial Issues –**

The initial investment was Rs 7,000 to start off which was provided by her mother. The amount was invested to buy canvas and pay the tailors who stitched the bags. The money from sale of bags at exhibitions and multi-brand stores were reinvested into the business. The cash started flowing in as these were direct sales.

- **Lack Of Experience**

Ms. Lekhi failed failed at the Art course at Sophia's, but was determined to be taken seriously when it came to designing bags. She worked tremendously hard with a 'will-to-not-quit attitude' buoyed up with energy and exuberance which did wonders for her.

- **Age Barrier**

The journey of Baggit started when she was in her 20s. A young entrepreneur was passionate about Painting which inspired her to take up a diploma in Foundation art course at Sophia Polytechnic, Mumbai. But after she failed the course, decided to take up two part-time courses. She took up a job in a retail store to gain customer insights on the shopfloor. In 1985 the journey of baggit and being a right brain person she was very much inclined towards graphics and wanted to make fun stuff for college kids. In the initial years it was just a source of getting pocket money and helping out at home with small expenses. By 1989, Baggit became serious business with an annual income of Rs 30 lakh.

- **COMPANY – craftsvilla.com(OWNER – MANOJ GUPTA and MONICA GUPTA)**

Capturing India's rich diversity on one single platform is something that has never been attempted before. Two hardworking entrepreneurs, Manoj and Monica Gupta, in an attempt to reviving Indian rural craftsmanship, started an online marketplace called Craftsvilla.com. This online portal provides a platform to Indian artisans and designers to directly connect to a global audience and sell their products online. The company today sells over 1,00,000 products and has over 600 sellers not to mention over two lakh registered users. Craftsvilla sells everything from bags, clothes, jewellery, and home decor items to traditional Indian crafts such as Meenakari, Dokra, Bandhani, etc Manoj has an MBA from IIM, Ahmedabad, B.Tech from IITBombay, MS from University of Illinois, and CPhil from University of California. Monica Gupta, on the other hand, has an MS in accounting from San Diego State University. She has extensively travelled across India, and has been actively involved in Indian Handicrafts industry.

CHALLENGES FACED BY MANOJ GUPTA and MONICA GUPTA–

- **Supply Chain Problem –**

It's a virgin category. There's high defensibility and the lead time they got is solid. The challenge, as it is with other e-commerce ventures, was the backend. The sourcing and supply chain system in handicrafts is disintegrated and it is in need of aggregation. And finally, since it's all handmade, maintaining consistency in terms of quality is the key factor. The need to filter out vendors mean artisans from small villages across India was done constantly.

- **Competing Price Of A Product**

The greatest challenge has been competing with the prices of machine-made factory products. Initially, the artisans were also sceptical of online selling. Now, they can see the sales on CraftsVilla.com and that helps build their trust.

- **Technology Advancement**

Technology is one of the key factors of e-commerce. The prepayments on orders are done through reputed secured payment gateways. All the orders are transferred to the sellers in real time which helps them in timely dispatch. The sellers are also able to update and manage their shops on CraftsVilla.com from any part of the world due to technologically advanced backend for their online stores.

COMPANY – CHATAR PATAR(OWNER – PRASHANT KULKARNI)

As Prashant's research on *pani-puri* lovers in India made him come to the conclusion that about 85 percent of the population are die-hard fans of the *chaat*, he tried to meet the supply needs of the consumers as per their demand. For this, he came with an Indian model that was best suited for the country and the countrymen, even giving the venture an Indian name and starting an entire street food based concept.

The 'ChatarPatar' store started from Indore but has paved its way through cities like Porbandar, Jamnagar, Rajkot, Vishakapattanam and even in Rajasthan and Maharashtra through franchisee options.

CHALLENGES FACED BY PRASHANT KULKARNI –

- **Society Fear**

The biggest challenge was to overcome the fear of society, what people would say. And the business is of Panipuri, you don't require an MBA to sell panipuri. The society did not understand that as a start-up, he was creating a system.

- **Health and Hygiene –**

If the food itself doesn't lure customers in, then the fact the company takes measures to ensure hygiene, which is also its USP. ChatarPatar ensures that the food is standardised across stores by reducing dependence on a trained chef. All the products requires are routed through its base kitchen and manufacturing unit in Indore. To add to its novelty the company has created over 112 flavours of *pani-puri* or *golgappa* adding to its novelty. It even has its own brand of *pani-puri* called 'Gapagap'.

- **Financial Management –**

The store's recent tie-ups with Big Bazaar have happened in big states such as Gujarat, Rajasthan and Maharashtra. Hailing from a business family, Prashant has faced much mental blockages from fellow Indians who have always looked down upon him thinking he must be crazy to live a big tech group like Infosys to open a *pani-puri* brand. The transfer of

ingredients needed to make *pani-puris* through supply chains and logistics have been more than challenging for Prashant as it has been difficult to bring the ingredients of *bhel* and *panipuri* masala from Indore to other cities of India. Also, he had to take care of the budget while transferring the ingredients as it is a start-up, and meeting a partner who can help him with these issues has been quite a deal for the young entrepreneur.

COMPANY – TAXI FOR SURE(OWNER - APRAMEYA RADHAKRISHNA and RAGHUNANDAN G.)

Taxiforsure.com is run by Serendipity Infolabs, which was started in June 2011 by two graduates from IIM Ahmedabad- AprameyaRadhakrishna and Raghunandan G. The company started providing its services in Bangalore in 2011 and expanded to Chennai and Delhi in 2013 after turning profitable in Bangalore. In 2013, the company launched its mobile application for iOS and Android platforms and also started the facility to book cabs through Twitter. It tied up with Goibibo in October, 2013 to offer airport services to its customers in Bangalore and Delhi. The company expanded its operations to Ahmedabad, Hyderabad, Baroda, Surat, Pune, Mysore and Rajkot in 2014. It has also started giving the option to hire luxury vehicles. Of late, the company has also started providing auto-rickshaws on call through their app.

Raghu is an engineer from National Institute of Technology, Surathkal, Karnataka and has completed his MBA from Indian Institute of Management – Ahmedabad (IIM-A). Aprameya completed his graduation from National Institute of Technology, Surathkal, Karnataka. Post working with Infosys for three years he completed his MBA from Indian Institute of Management – Ahmedabad (IIM-A).

Challenges Faced By AprameyaRadhakrishna and Raghunandan G.

- **Convenience of The Customers –**

The founders have been working with 14 taxi operators like Mega cabs and Telcabs in Bangalore. They are also involved with various local operators. The duo's main aim is to ensure customers don't call two-three operators before finalizing a cab and the communication problem between the operator and customer is eradicated.

- **Avoid Scarcity Of Cabs –**

The founders have been working with 14 taxi operators like Mega cabs and Telcabs in Bangalore. They are also involved with various local operators providing the cabs and auto rickshaw at the easiest and fastest

- **Keep Both Drivers And Customers Satisfied With The Service**

The easy cab facility with 14 taxi operators like Mega cabs and Telcabs in Bangalore is keeping the customers happy and on the other hand the drivers are paid well and employment security is keeping them satisfied.

COMPANY – FLIPKART(OWNER – SACHIN BANSAL and BINNY BANSAL)

Flipkart, is an E-Commerce company established in 2007 by Sachin Bansal and Binny Bansal. It operates exclusively in India, with headquarters at Bangalore, Karnataka. Flipkart has launched its own product range under the name "DigiFlip" with products including tablets, USBs, and laptop bags. Flipkart also has its own range of personal healthcare and home appliances under the brand "Citron" and apparels under the brand "Flippd".

Flipkart (Company) was founded in 2007 by Sachin Bansal and Binny Bansal, both alumni of the Indian Institute of Technology, Delhi. They had been working for Amazon.com previously. The business was formally incorporated as a company in October 2008 as Flipkart Online Services Pvt. Ltd. During its initial years, Flipkart focused only on books, and soon as it expanded, it started offering other products like electronic goods, air conditioners, air coolers, stationery supplies and life style products and e-books. The first product sold by them was the book *Leaving Microsoft to Change the World*, bought by VVK Chandra from Andhra Pradesh. Flipkart now employs more than 16000 people. Flipkart allows payment methods such as cash on delivery, credit or debit card transactions, net banking, e-gift voucher and card swipe on delivery.

Challenges Faced By Sachin Bansal and Binny Bansal

- **Lack Of Experience**

It took the young entrepreneurs took a couple of months to tie up with two of their first vendors. After speaking to 10 vendors and finally managed to get the two to come on board. They lacked prior experience and had no sense of business.

- **Deliver To The Remotest Parts Of The Country –**

They had to reach out to people somehow and hence were experimenting with pay per click online advertising. They also started a marketing campaign in Bangalore and targeted at people working in IT companies. The current goal is to reach as many enthusiastic online book shoppers as possible.

- **To Be Better Than Other E- Commerce Sites –**

Flipkart.com's USP is simplicity, convenience and customer service. They tried to make the experience hassle free and convenient for people and the organization to handle. And one of our major goals is to maintain very high standards for customer support. The lack of customer service is one of the major reasons for the slow E-commerce growth in India. We want to change this perception and get people to embrace E-commerce due to the many benefits it provides.

5. CONCLUSION

An entrepreneur can be regarded as a person who has the initiative, skill and motivation to set up a business or an enterprise of his own and who always looks for high achievement, and plays a significant role in the economic

development of a country. The most important challenges faced by new entrepreneurs include Developing the Vision and Business Idea, Raising Capital for Startup, Assembling a Business Team, Finding the Right Business Location, Finding Good Employees, Finding Good Customers, Dealing with competition, Unforeseen Business Challenges and Expenses, Keeping Up With Industrial Changes and Trends, lack of support, negative mindset, lack of marketing facilities, lack of infrastructural facilities etc. So it is necessary to overcome these challenges in order to conduct an efficient business. Another challenge an entrepreneur must expect is an unforeseen increase in business expenses. If not handled properly, it might result in constant negative cash flow and eventually; business failure. The main business challenge is going to be the ability to forge that opportunity into a business idea. This as a business challenge because the process of transforming problems into business opportunities is like trying to turn lead into gold.

6. SUGGESTIONS

- 1) A new entrepreneur must have the power to overcome all the hurdles. While others see problems, an entrepreneur must see opportunities.
- 2) To overcome the challenge of raising capital, a new entrepreneur must develop the ability to sell their idea and vision to potential investors.
- 3) An entrepreneur in a startup business to make sure that their team sees the future as the entrepreneur see.
- 4) To find out an efficient location that has a rapidly growing population, good road network and other amenities at a good place.
- 5) In order to overcome negative mindset a new entrepreneur should empower himself/ herself by reading inspirational articles, successful stories, great books, movies etc.
- 6) In order to overcome lack of support an entrepreneur in a startup business in India should find out a virtual group of people in Social Media that support and promote each other.

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