

STARTUP WOMEN IN STARTUP INDIA: A STUDY OF WOMEN ENTREPRENEURS IN INDIA

SAPNA MANSHANI¹ & ANJNA DUBEY²

¹Research Scholar, Awadhesh Pratap Singh University, Rewa, Madhya Pradesh, India

²Faculty of DBA, Awadhesh Pratap Singh University, Rewa, Madhya Pradesh, India

ABSTRACT

Now days, Indian women are becoming digital women and they are doing extraordinary in their own way, by not only managing family and work both, but also by contributing to the economic development of the country. Due to the increased level of education they are reflecting their power in the startup scenario. Women entrepreneurs are coming forward with their innovative and creative ideas for successful startups and achieving their dreams and aspirations in a man dominated world. Despite several hurdles like family obligation and funding issue, etc., women successfully challenged the world and made their own identity.

This study is an attempt to analyze the contribution of women startups in economic development, and to know the various factors responsible for encouraging women to become entrepreneurs. This study also gives an insight into opportunity and prospect from start-up India, stand-up India scheme of government to women entrepreneurs and challenges they face.

KEYWORDS: Women Entrepreneur, Startup India, Stand Up India, Economic Growth

INTRODUCTION

Indian women are considered as a source of power (shakti) in Hindi mythology. In current startup scenario, women stand same as men and have become successful businesswomen and role models for the Indian Industry. Women entrepreneurs are coming forward with their innovative and creative ideas for successful startups and achieving their dreams and aspirations in a man's dominated world (Silicon India, 2015). They have done very well for themselves and the country with fine balance between family and business.

Concept of Women Startup in Startup India

To start with, the current women startup ecosystem is encouraging. There is a significant trend in favor of entrepreneurs and startups. India has emerged as one of the top three countries in terms of number of businesses started and the home for more than 4000 startups. Investors willing start funding, and there dramatically increase incubation facilities and supportive startup ecosystem. Simultaneously, the current scenario is also changing and has started to accept that women entrepreneurs as a persistent, confident, knowledgeable, passionate and versatile abilities to run a business. Coupled with the freedom – risk taker, intellectual, creative, and personal and managerial competencies for running their own enterprise, it is not surprising that more and more women are turning entrepreneurs, or that woman leaders are the fastest growing segment of the self-employed entrepreneurs.

Women entrepreneurship in India is an emerging concept and very crucial for the economic growth of the country. **The Government of India (GOI2006)** has defined Women entrepreneur as “an enterprise owned and controlled by women having a minimum financial interest of 51% of capital and giving at least 51% of employment generated in the enterprise for women”.

For the last few years, several women operated startups such as Lime Road, Kaaryah, Zivame, CashKaro, Shopclue, media tech companies like Your Story and POPxo and women-only job portal, She roes have attracted investor attention and are scaling business, significantly (Babu, 2015)

Women are not considered themselves to be any different from men, as far entrepreneurship is considered (Agarwal 2015). This can be considered as a big attitude change in Indian women. This is making more and more women stepping out from their dome into the business world. Women are more into technology than in the previous years. Digital media have also empowered them a lot more to come into entrepreneurship (Bhargava, 2015).

Nasscom and Google launched a series of events including hackathons for women entrepreneurs. IIM Bangalore and IIM Udaipur among others, have programs aimed at promoting entrepreneurship among women. There are various financial training and mentoring programs that help women entrepreneurs in writing business plans and seeking funds from banks and VCs. The media has also had a very prominent role in generating awareness. Through their awards and events, they have provided entrepreneurs a platform to showcase their ideas. This has improved the visibility of these organizations, especially among foreign investors and VCs such as Sequoia Capital and Amazon. These entire factors together act as an ecosystem for investors to meet women entrepreneurs, who bring a different experience and unique ideas to the table. This type of a support ecosystem, coupled with increased access to bank accounts and enhanced awareness about gender diversity across sectors, fuels hopes for continued and improved engagement of women in startups.

REVIEW OF LITERATURE

Prakash, Goyal (2011) the researchers discuss the reason that there are several reasons behind women becoming successful entrepreneurs, like in education, support of family member, successful stories of family and friend etc., still they also face lots of hurdle like family obligation, lack of self confidence and old and outdated social outlook to stop women to enter into entrepreneurship. Schemes of promotion & development of women entrepreneurship also started for the growth of women entrepreneurs in India.

Vijayakumar, and Jayachitra (2013)'s study found that women entrepreneurship is presently the most emerged and encouraged concept all over the world, and brought women as today's most memorable and inspirational entrepreneurs and they stand with the men, to overcome economic challenges. Women entrepreneurs must have entrepreneurial qualities and skills to meet changing trends and needs of challenging international markets, and also be proficient enough to survive and sustain in the in a competitive world. Whereas, in order to promote entrepreneurial culture among women, govt. should implement strategies as well as design programs and policies, which encourage women to show their hidden qualities. But, the government sponsored development activities have benefited only a small section of women. The large bulk of them are still unaffected by expansion, and the development activities have benefited the urban middle class women, which constitute a small section of women entrepreneurs.

Devpriya, Dey (2014) in their study aimed to understand the multi-dimensional roles played by women entrepreneurs. An exploratory research had been carried out to identify the various work life balance issues, faced by

women entrepreneurs. There is an array of factors, which affects the women entrepreneurship. These important factors which influence the blend of managing the work and family by such entrepreneurship have been analyzed. These factors arise due the multi tasking roles that a women plays in her life. The impact of such factors may vary from age groups, marital status, education level and even the level of income generated. The potential differences in the work-life balance of entrepreneurial women with regard to such components have also been studied

Babu (2015) discusses that India's startup scene is encouraging and attracting more women entrepreneurs, and now global investors increasingly start raising funds for new women startups. As compared to previous years, women are more into manufacturing, technology and export. Digital media is one of the platforms for women that empowered them into entrepreneurship. It was also found that women raised funds this year are concentrated in the metros only, this reveals the lack of women-centric avenues in smaller cities and towns.

Objective and Research Methodology of the Study

The study is based on secondary data collected from the published reports of NASSCOM, Census Surveys, Newspapers, Journals, websites, etc. The study was planned with the following objectives:

- To find out the role of women startup in economic development.
- To examine the factors responsible for encouraging women to become successful entrepreneurs.
- To study the opportunity and prospect from start-up India, stand-up India for startup women.
- To critically examine the challenges faced by women entrepreneurs.

Women Startup in Economic Development

The role of women startup in economic development cannot be ignored; the feeling of being your own boss encourages them to be into entrepreneurship (Babu A, 2015). "In general, women entrepreneurs bring a very measured and remarkable approach to new ventures and on average have an incremental survival rate. Women startups could be a game changer for India's economy by their ability to create incremental employment".

Women entrepreneurs in India have good reason to be feeling convincing, as *The Indian Economic Outlook Report 2011-12* indicates a GDP growth rate of 8.2%. Whereas, a survey by Women's Web, Women & Entrepreneurship in India 2012 shows a significant increase in women entrepreneurship in the country, however, there are a still few barriers that they face to achieve success.

The study commissioned By Dell considers that, India is considered to be the home of one of the fastest startup ecosystems in the world, and an ideal country for women, who have an internal thirst for startup. A study done by the Dell Women's Global Entrepreneurship interviewed 450 women entrepreneurs in the US, UK and India. It is to be found that, India was one of the most favorable places for women entrepreneurs to set up their ventures. The study also revealed that businesses owned by women entrepreneurs to grow up to 90% in the next 5 years in India, in comparison to similar businesses in the US and UK were expected to grow by 50% and 24% in the US and UK, in the same time period (Kaushambi, 2012).

Women entrepreneurs are a valuable resource and every opportunity to realize their true potential needs to be leveraged, so that, India's vast talent pool of women is not frittered away, especially at a time, when businesses are facing a

severe talent crunch. According to the World Economic Forum's (WEF) Global Gender Gap Report 2014, India's women make up slightly over a third of the workforce, and hence their increased contribution to GDP and the ability to create employment could be a game changer for India's economy.

According to a 2015 report released by BNP Paribas covering the US, Europe, Middle East and Asia, India ranks as the most active country for women entrepreneurs. The report finds that an astonishing 49% of entrepreneurs in the country are women, and places India ahead of Hong Kong and France, the other two nations that follow India in terms of active women entrepreneurs.

Indian startups raised over \$5 billion (Rs 32,500 crore) this year from global investors, more than double the investments they received last year, according to a report on Startups by Nasscom. The number of companies that raised funds almost doubled to over 400. At the same time, it found a 50 per cent increase in women entrepreneurs compared to last year. Interestingly, women entrepreneurs constituted around 9 per cent of founders who are less than 35 years old.

Female entrepreneurship is increasing in India, especially in manufacturing, where women account for 40 per cent of entrepreneurs, according to the OECD Economic Survey of India. This spurt in female entrepreneurship is facilitated by education, work experience and role models, including through quotas in political representation on rural councils.

In fact, women entrepreneurs could make a large impact on GDP. A report by the Organization for Economic Co-operation and Development (OECD) estimates that the annual growth of the economy could get a boost of 2.4%, if India implements pro-growth and pro-gender policies. These policies could include gender quotas at the national and state parliamentary levels, addressing wage parity between genders, balancing labor laws, so that women have equal opportunities, expansion of the Aadhaar program to grow opportunities through banking and credit support, enhanced maternity benefits and an extensive mentor cum training framework.

Factor for Women Become Successful Entrepreneur

Everywhere you look, there is an Indian woman in pursuit of the entrepreneurial dream, more and more women are coming out of the shell and making a name for themselves. In earlier times, many women start a business due to some traumatic event, such as divorce, need of additional income, poverty, etc. but due to increased level of education, varied aspirations for better living and strong internal drive to encourage them to enter into entrepreneurship. Now, women entrepreneurs have successfully stood up and competed with man in every walk of life and business is no exception for this. These women leaders are self-confident, innovative, and willing to take risks. They managed to survive and succeed in this cut throat competition with their hard work, diligence and determination (Iatha & Kumar, 2015). Following are the factors which can be reason for women to become successful entrepreneur.

- Innovative thinking
- Educational and qualification
- Risk taker
- Need for achievement
- Government support and opportunity
- Knowledge of technology

- **Innovative Thinking:** The power of innovation pushes the women to enter into entrepreneurship. Researchers find that women are more creative and innovative than men through a new idea, new product development and creative practices are seen as a force for social change.
- **Risk Taker:** If you're going to be a successful entrepreneur, you need to be able to thrive on uncertainty, not be paralyzed by it. Due to change in environment women are more risk-averse than their male counterparts in order to satisfy their entrepreneurship thirst.
- **Education and Qualification:** Because of the expansion of higher education and awareness, the appearance of women owned business is highly increasing in the economy of India. Indian women had undergone a long way, but now Indian women are becoming increasingly visible and successful in all spheres.
- **Need for Achievement Refers** to individual desire to for significant accomplishment, Psychologists have noticed women have an intense desire to achieve something in order to perform well or the striving for success.
- **Government Support and Opportunity** is also one of the main factors for women enter into entrepreneurship. Now a day, various schemes and incentive start by government to boost the culture of entrepreneur in women, start-up India and stand-up India is also of them.
- **Knowledge for technology** With the passage of years, number of women entrepreneurs, gradually is increasing, Women as an entrepreneur are taking-up various enterprises according to their knowledge & skills for a specific field. The entrepreneurs require knowledge regarding particular enterprise, marketing and awareness regarding products.

Opportunity and Prospect from Start-Up India, Stand-Up India

Government and non government bodies already have paid increasing attention to women's economic contribution through self employment and industrial ventures (Raj, 2014), by launching various schemes for women uplifting operated by different department and ministries like:

- Prime Minister's Rojgar Yojana (PMRY)
- Entrepreneurial Development programme (EDPs)
- Management Development programmes
- Women's Development Corporations (WDCs). etc.

Start-up India is also one of the initiatives by government as Prime Minister Narendra Modi, who will unveil the Action Plan of start-up India, stand-up India. The programmer is aimed at promoting bank financing for start-up ventures and offer incentives to boost entrepreneurship and job creation, which encourage the women to enter into entrepreneur world.

Start-Up India Plan

The announcement of action plan for startup by honorable Prime Minister Shri Narendra Modi on date 16 January 2016 defines "Startup" as an entity, registered or incorporated in India not prior to five years, with an annual turnover not

exceeding Rs.25 crores in any preceding financial year, working towards innovation, development, deployment or commercialization of new products, processes or services driven by technology or intellectual property. (Suri 2016)

The following key points of the action plan were identified which are planned to help and motivate women entrepreneur to go for startups:

- **Tax Exemption on Investments above Fair Market:** value-As there is an exemption available to venture capital funds to invest in startups above fair market value (FMV), there shall also be provided of exemption on investments made by the incubators above FMV.
- **Tax exemption to startups in 3 years:** In order to promote growth of startups, government exempted income-tax for a period of three years from the profit of business, set up after April 1, 2016.
- **Tax exemption on capital gains:** Exemptions shall be given in a case study in the fund of funds recognized by the government. In addition, existing capital gain tax exemption for investment in newly formed MSMEs by individuals shall be extended to all startups. The government has also given exempted capital gains tax if somebody invests the money in his/her startup received by selling his/her own property
- **Credit guarantee fund for startups:** To promote entrepreneurship, credit mechanism should be well planned across all sections of society, for the next four years mechanism of credit guarantee through National Credit Guarantee Trust Company/SIDBI will be rolled out with a budgetary corpus of INR 500 Cr per year.
- **Funding support through fund of funds with a corpus of INR 10000 Cr:** To promote innovation driven enterprises and their development, the government will provide funding support and set up a fund with an initial corpus of INR 2500 crore and a total corpus of INR 10000 crore over a period of 4 years.
- **Faster exits for startups:** Government of India start provision for fast-tracking closure of businesses by 'The insolvency and Bankruptcy Bill 2015', to make it easier for startups to exit. The winding process can start within a period of 90 days from making of an application for winding up on a fast-track basis.
- **Relaxed norms of public procurement for startups:** Startups (in the manufacturing sector) shall be exempted from the criteria of prior 'experience/turnover' without any relaxation in quality standards or technical parameters, in order to provide an equal platform for startups with regard to the experienced startups/ companies in public procurement,
- **80% rebate on filing patent applications from startups:** Government promotes startups by reducing costs in their crucial formative years; startups shall be provided an 80% rebate in filing patents with regard to other companies.
- **A panel of promoters to provide legal support and assist in filing patent application:** promoters are supposed to provide help for startups in the filing and disposal of patent applications related to patents, trademarks and design under relevant Acts. The fees of the promoters for any number of patents, trademarks or designs that a startup may file shall be filled by the Government.

- **Fast track mechanisms of startup patent applications:** Government is taking various steps regarding fast track examination and disposal of patent applications of the startups in order to realize the value of their IPRs at the earliest possible and they combine IP (intellectual property) and YP (youth property).
- **A mobile app for Starting a startup in 1 day:** Mobile app will suppose to be available from April 2016 to serve as the single platform for information exchange and interacting with government and regulatory institutions. With the help of the mobile app, startup companies will be able to register, taking approvals and clearances in only one day.
- **Single point Startup India Hub for contact of the entire startup ecosystem:** Government will set up a single point of contact for the entire startup ecosystem, where all startups and a friend, mentor share knowledge and guide for startups through their entire journey.
- **The government introduced a compliance regime based on self certification:** In order to reduce regulatory burden on Startups and keep compliance expenses low, startups shall be allowed to self certify compliance (through the startup mobile app) with nine labor and environmental laws. In the case of labor laws, no inspection will be conducted for three years. In case of environment laws, startups under 'white' category would be able to self certify compliance.
- For the smooth functioning of business, government decided to not to interfere or come in the way.

STAND-UP INDIA PLAN

Credit Guarantee Fund in place

Credit guarantee fund scheme, which has been launched under the standup India, had been designed to address the needs of the SC/ST categories along with women entrepreneurs. In which, every branch of each bank will be given loans and credit guarantee protection to at least two entrepreneurs under the scheme. Loan facilities between Rs 10 lakh and up to Rs 1crore will be made available for SC/ST and women entrepreneurs for non-farm Greenfields venture. The maximum period for loan repayment will be seven years.

According to the banking secretary Anjuly Chib Duggal, "Each branch of all banks, whether public or private, has to fund at least two entrepreneurs one in the SC/ST category and one in women category. Under Stand Up India, the government objective is to refinance loans of 2.5 lakh borrowers in 36 months. The bank will pay the credit guarantee fee under both the funds and not passed on to the borrowers".

National Credit Guarantee Trustee Company Ltd (NCGTC) would be the trustee for both the credit guarantee funds of MUDRA as well as Stand-Up India. The Stand-Up India scheme is support borrowers both at the climbing stage and during operations. This would include increasing their familiarity with the registration process with online platforms; provide various factoring services, awareness about e-market places as well as sessions on best practices and problem solving. Under the scheme, the margin money would be up to 25 per cent, while the remaining would be funded by the bank.

Challenges Face by Women Startups

Women in India are at the epiphany stage of entrepreneurship and have an incremental success rate, but it doesn't mean that they don't have any problem and hurdle to face. While there is increased social acceptance of women as an

entrepreneur in society, they still face fewer difficulties like not being taken seriously, fear of success and funding to scale up their ideas. These and additional following problem collectively form a recipe to accelerate the success of women entrepreneurs.

Fund Raising Problem

Things have changed dramatically over the year. Today, investors look at women as just another co-founder but still women face greater obstacles than men when starting and growing businesses. It's important to note that women-owned startups are statistically less likely to receive funding than those owned by men. In order to counter this, women should be confident and show the investors that they are committed to the idea and let the product speak for itself.

Emotional Choices

As compared to men in business, women tend to be most likely more emotionally driven side that can influence their decision making and communication styles. In some ways, women are inborn to nurture, which can create a problem in making tough and difficult business decisions. There is a different way to operate a business by Women and men, but women believe in maintaining personal relationships within the business. This is an excellent method that offers us an advantage, as long as we are business-driven in our focus.

Family Matters

Not all women in business are married or have children, but for those who do, it can be a major challenge finding a balance between business success and home life. Women are born with the quality of time management and can achieve a fine balance between family and business, but there is a perception within society that unmarried women are less distracted and better able to handle business problem. In order to be successful in business women should maintain a time for both by the support of their family members. Women should fulfill their priority by scheduling their duties and responsibility and work according.

Fear of Success

One of the biggest challenges facing is fear of failure that is the top concern of women who go to start their startups. Failure is a very real possibility in any business venture that becomes reason that many women break their interests in the bud or give up midway, not because it is tough to become an Entrepreneur, but because they find their journey too uphill to become one. Women should neglect that discouraging inner voice and work hard for their goal, step forward or getting outside of their comfort zone.

Not being Taken Seriously

Within the business world, women opinion and advice are not always viewed as expert as compared to man's opinion. And, when a female starts a business, sometime family friend and others in the business community can view it as a hobby or a side project to family duties, rather than a bona fide business. Seeking out extra support can help to overcome this bias.

CONCLUSIONS

In startup ecosystem, it can be said that today India is in a better position, wherein women's participation in the field of entrepreneurship is increasing at a considerable rate. Start-up India by Prime Minister of India has brought lots of

positivity among the women entrepreneurs in India. Efforts are being taken by government for equality of opportunity in all spheres to the Indian women, and laws guaranteed equal rights of participation in education and employment were enacted. Now, it's become old believe that women become entrepreneurs because of push factors like poverty, husband's death and need of additional income etc, but because of risk taking ability, innovative thinking and need for achievement as the major factor for women to become entrepreneurs. At this stage, effective steps are needed to be taken for entrepreneurial awareness, orientation and skill development programs for women. It is to be seen that things have changed dramatically, and now women are not biased on a gender basis and everybody likes them just as another co-founder.

As the environment is changing very fast, investors start investing on woman leadership, and their contribution in economic development is also being recognized and increase at a considerable rate. Start-up India, a stand-up India initiative by government to promote the culture of entrepreneurship by educating women about their hidden potentials and strengths through entrepreneurial orientation programmes, spreading awareness and consciousness amongst women to upstage in the field of entrepreneurship by their creative and innovative ideas, making them realize their important position in the society and how they can contribute to the entire economy of the country.

All said is just the tip of the iceberg. Many hurdles still glare at women with entrepreneurial zeal. It is to be found that almost all of the women startups that have raised funds are coming from metros, reveals the lack of women-centric ventures in smaller cities and towns. Start-up India will ease the working operation, easy funding process and flexible exit option, which encourage highly educated, technically sound and professionally qualified for managing their own business, rather than dependent on wage employment outlets. The hidden talents and creativity of young women can be identified, trained with different skills enhancing programmes and used for various types of industries to increase the productivity in the industrial sectors.

REFERENCES

1. Devpriya, dey (2014) "The challenging factors for women entrepreneurs in blending family and work". European Academic Research vol. II, Issue 6, September 2014, ISSN 2286-4822.
2. Prakash, Goyal (2011) "Women Entrepreneurship in India: Problem and Prospects". International Journal of Multidisciplinary Research Vol.1 Issue 5, September 2011, ISSN 2231 5780.
3. Iatha, a., & Kumar, a. (2015). Entrepreneurship Problems and Prospects in India. International Conference on Contemporary Issues and Challenges of Indian Business in Global Scenario, (pp. 289-294).
4. Raj, m. (2014). Women Empowerment through Employment Opportunities in India. International Journal of Management and International Business Studies., 4, 93-100.
5. Rashid, Che Ngah, Mohamed, Mansor (2015) "Success Factors Among Women Entrepreneur in Malaysia". International Academic Research, Journal of Business and Technology 1 (2) 2015 Page 28-36, ISSN: 2289-8433.
6. Vijayakumar, and Jayachitra (2013) "Women Entrepreneurs in India: Emerging issues and challenges". International Journal of Development Research Vol. 3, Issue, 04, pp. 012-017, April, 2013, ISSN: 2230-9926.
7. Ancita (2012 September 01) "Women and Entrepreneurship in India". Retrieved from <http://delhi.startupweekend.org/2012/09/01/women-and-entrepreneurship-in-india>

8. Babu A, (2015 November 15), "India sees more women entrepreneurs build start-ups". Business standard Retrieved from http://www.business-standard.com/article/companies/india-sees-more-women-entrepreneurs-build-startups-115111800925_1.html
9. Kaushambi (2012, Jun 29) "Women Entrepreneurship in India: On the rise and how" <http://trak.in/tags/business/2012/06/29/women-entrepreneurship-rise-india>
10. Sivaram v (2016 Jan). "Indian women entrepreneurs in startup India: Things are better, but much more needs to change". Retrieved from <http://qz.com/596281/indian-women-entrepreneurs-at-startup-india-things-are-better-but-much-more-needs-to-change>
11. Suri g. (2016). "Is the Startup India Action Plan really that startup-friendly?" <https://yourstory.com/2016/01/startup-india-action-plan-analysis>
12. Source: "Startup India: key announcement in the action plan unveiled by PM Modi". Indian Express. Retrieved from <http://indianexpress.com/article/india/india-news-india/pm-modi-to-unveil-startup-india-movement>
13. Source: "Startup India – what it means for women entrepreneurs". Bestthe news. Retrieved from <http://bestthenews.com/article/startup-india-what-it-means-women-entrepreneurs-wed-02032016-0000.html>
14. Source: "Rs 8K Cr credit guarantee funds for MUDRA, Stand Up India". Retrieved from <http://indianexpress.com/article/business/business-others/rs-8k-cr-credit-guarantee-funds-for-mudra-stand-up-india>
15. www.indiatimes.com
16. www.thehindubusinessline.com
17. www.indianstartups.com
18. www.siliconindia.com
19. www.youstory.com