

Breaking the bottlenecks for Indian start-ups

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Technology start-ups have been the mainstay of emerging industries for many years, particularly since the time of the so-called dot.com era during which many of the devices and systems we still use today were first pushed by the start-ups of the 1990s. According to researchers writing in the *International Journal of Business Innovation and Research*, e-commerce, healthcare, financial technologies, education, travel,

artificial intelligence, and customer services sectors, remain the predominant sectors that continue to spawn innovative start-ups.

Nityesh Bhatt and Punit Saurabh of the Nirma University in Ahmedabad, Gujarat and Ritesh Kumar Verma of the Narsee Monjee Institute of Management Studies in Indore, Madhya Pradesh, India, have reviewed the state of the art in the rapidly developing nation of India. They have taken a [holistic approach](#) to examine the eco-system surrounding Indian start-ups but also consider the different components of the ecosystem, including the [policy framework](#), the educational environment, [financial support](#) from domestic and international funds, and support organizations such as incubators and accelerators.

Indian tech start-ups have been nudged onwards and upwards by demographic, psychographic, and geographic factors while positive macro and micro environmental forces have resulted in a strengthening of the Indian tech ecosystem making it one of the top three countries in the world in this realm. The researchers point out that there has been substantial and beneficial growth in seed funding driven by the growth of incubators, accelerators, angel networks, and venture capitalists in India. They also describe the mergers and acquisitions scene in India as being positive.

Nevertheless, there are still issues to be overcome. The review has allowed the team to identify bottlenecks in the processes that take place within the [start-up](#) ecosystem. This in turn has allowed them to make policy suggestions that might widen those bottlenecks and allow a greater flow of information and innovation and so boost the start-ups within the ecosystem to allow them to serve their putative customers and clients more effectively and sooner, rather than later. Policy changes that recognize the nature of the digital age must be made so that archaic laws are not stymieing advancement. Simultaneously, stakeholders must also be vigilant and play their role in sustaining hard-fought momentum.

"Change in the societal mindset for start-ups will be a great catalyst," the team concludes.

More information: Nityesh Bhatt et al, Technology startup ecosystem in India, *International Journal of Business Innovation and Research* (2022). [DOI: 10.1504/IJBIR.2022.122491](https://doi.org/10.1504/IJBIR.2022.122491)

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