

# A study on Challenges and Issues faced by startups entrepreneurs:

J. Vaishnav Singh, Student in commerce , Loyola Academy, Hyderabad

[Thakurvaishnav24@gmail.com](mailto:Thakurvaishnav24@gmail.com)

## Abstract:

New Startups and innovations are important for attracting foreign investment, generating wealth and creating jobs. Startups in India face many challenges. Startups are considered as drivers of economic growth and innovation as they bring new products, services and technologies to the world. However, new ventures still face many challenges to survive and grow. They also affect some established businesses. However, for businesses with limited resources, overcoming these challenges is a daunting task. The purpose of this study is to identify the issues and challenges encountered by the new business.

**Keywords:** Startups, Difficulties, Challenges, Industries, new venture and economic growth.

## Introduction:

The Indian economy which is highly becoming a market-oriented economy needs to emphasize on the entrepreneurial ability in a large scale. This requires that every talented individual either in self-employment or employed in companies have a quick access to resources. Apart from resources, the presence of facilities for an easy In and out from the various businesses will be helpful in nourishing the entrepreneur in country. Promotion of a competitive environment by reducing non-valid rules and regulations will enhance the spirit of the entrepreneur for doing their business. This way, India needs mechanism that can build a strong network of employment opportunities, and agricultural innovation. Startups are critical to the growth of an economy and are a prominent forcing modern economies (Akkaya, 2019). Startups are important for luring in foreign capital, generating wealth, and creating jobs. Entrepreneurship and startups have long been linked to employment creation and economic expansion. These are the startups which are all over 669 districts from various states and union territories. The details of effective programs accepted by the Government to promote startups across the country are as under:

- 1. incipency India Action Plan:** An Action Plan for Startup India was applied on 16th January 2016. An Action Plan check of 19 action details measuring across areas as Simplification, handholding, Funding support and boosts. The Action Plan laid the foundation of Government support, schemes and impulses imaged to produce an effective nascency ecosystem in the country.
- 2. nascency India the Way Ahead Startup India:** the Way Ahead at 5 times festivity of Startup India was executed on 16th January 2021 which includes practicable plans for creation of ease of doing business for startups, lower part of technology in introducing various reforms, structure capacities of stakeholders and showing a digital Aatmanirbhar Bharat.
- 3. Startup India Seed Fund Scheme (SISFS):** Easy vacuity of capital is essential for entrepreneurs at the early stages of growth of a business. The capital demanded at this stage constantly presents a make- or- break situation for startups with good business ideas. The Scheme focuses to give financial backing to startups for substantiation of generality, prototype development, product trials, request entry and commercialization.
- 4. Funding of finances for Startups Scheme:** The Government introduced FFS with collection of Rs. 10,000 crores, to help in backing conditions of startups. DPIIT is the monitoring agency and small industriousness Development Bank of India (SIDBI) is the operating agency for FFS. The total corpus of Rs. 10,000 crore is imaged to be handed over the 14th and 15th Finance Commission cycles predicated on progress of the scheme and vacuity of finances. It has not only made capital available for startups at early stage, seed stage and growth stage but also played a vital part in terms of easing caregiving of domestic capital, reducing dependence on foreign capital and encouraging new adventure capital finances.
- 5. Credit Guarantee Scheme for Startups (CGSS):** The Government has introduced the Credit Guarantee Scheme for Startups which helps them in furnishing credit guarantees to loans extended to DPIIT known startups by slated marketable Banks, Non-Banking Financial Companies (NBFCs) and Venture Debt finances( VDFs) under SEBI registered Alternative Investment finances. CGSS is focused at providing credit guarantee up to a specified limit against loans to finance eligible borrowers.

**6. Regulatory Reforms:** Over 55 non-supervisory reforms have been taken by the Government since 2016 to enhance ease of doing business, ease of raising capital and reduce compliance burden for the nascent ecosystem.

**7. Ease of Procurement:** To enable ease of procurement, Central Ministries Departments are directed to relax conditions of former development and former experience in public procurement for all DPIIT honored startups subject to meeting quality and specialized specifications. Further, Government e- Marketplace (Gem) also promotes procurement of products and services by the Government from startups.

**8. tone- instrument under Labor and Environmental laws:** Startups are allowed to tone- certify their compliance under 9 Labor and 3 Environment laws for a period of 3 to 5 times from the date of incorporation.

**9. Income duty immunity for 3 years:** Startups incorporated on or after 1st April 2016 can apply for income duty immunity. The well-known startups that are granted an inter- Ministerial Board Certificate are exempted from income- duty for a period of 3 consecutive times out of 10 times since incorporation.

**10. immunity for the Purpose Of Clause (VII)( b) of Sub-section( 2) of Section 56 of the Act( 2019) :** A DPIIT recognized nascent ecosystem is eligible for immunity from the vices of section 56 of the Income Tax Act.

**12. Support for Intellectual Property Protection:** Startups are eligible for pre- tracked patent operation examination and disposal. The Government introduced launch- ups Intellectual Property Protection (SIPP) which facilitates the startups to file operations for patents, designs and trademarks through registered facilitators in applicable IP services by paying the statutory freights. Facilitators under this Scheme are responsible for furnishing general advisory on different IPRs, and information on guarding and promoting IPRs in other countries.

**13. Startup India Hub:** On 19th June 2017 the Government introduced a Startup India Online which is one of the online platforms for all stakeholders to the entrepreneurial ecosystem in India to discover and engage with each other. The Online mecca hosts Startups, Investors, finances, preceptors, Academic Institutions, Incubators, Accelerators, Corporates, Government Bodies and further bodies.

**14. International Market Access to Indian Startups:** the important objects under the Startup India action are there to help to connect Indian nascent ecosystem to global nascent ecosystems through various engaging models. This is done through international Government to Government alliances, participation in international forums and hosting of global events. Startup India has launched islets with around 20 countries that provides a soft- wharf platform for startups from the mate nations and aid in promoting cross collaboration.

**15. Startup India Showcase:** Startup India Showcase is an online platform for the most maintainable startups of the country chosen through various programs for startups displayed in a form of virtual lives. The startups showcased on the platform have surfaced as the swish in their fields. These inventions hand across various slice- edge sectors analogous as Fintech, Enterprise Tech, Social Impact, Health Tech, EdTech, among others. These startups are working critical issues and have shown exceptional invention in their separate sectors.

**Purpose of Research:** The purpose of Research was to determine the issues and challenges of startups and entrepreneurs.

#### **Research Objectives:**

- 1) To study the conceptual frame work of empowerment of women entrepreneurs
- 2) To analyze the women empowerment Issues and challenges
- 3) To analyze the opportunities and benefits of empowerment of women entrepreneur

## Literature Review:

**1. According to Chokhani (2017)** on the Challenges Faced by Startup Companies Skilled ability is reluctant to join new businesses, as they have seen in the past mass terminating and scaling back. Raising the capital has been a since quite a while ago drawn test for new companies. In new businesses work is questionable because of organizations arriving at scale and afterward cutting back for better efficiencies, the industry is soaked with such models. Holy messenger speculation and seed venture is simpler to discover, as the sums are littler, it has gotten a lot harder to go for later stage adjusts, as organizations copy excessively quick and don't take a gander at unit financial matters.

**Goel (2018)** referred to certain Challenges and Issues, for example, culture and mindfulness, Social issues, Technology foundation, Financial Issues, Sustainability Issues, Regulatory Issues.

**Wang and Yang (2016)** ] conduct a survey in Taiwanese startups to investigate the importance of knowledge management adoption to improve startup's organizational performance. This study was the first empirical test of an adoption of a knowledge management success model, considered a better way to describe knowledge management success due to its strong theoretical grounding to analyze the influence of KM and interactions on workers' productivity in startups. Additionally, in line with their knowledge management success model, the authors propose that a combination of system quality, knowledge quality and service quality determines the level of knowledge management use and overall user satisfaction.

**Rubin et al. (2015)** analyze how incubators allow startups to improve their performance considering the interrelationships through which the incubator stakeholders share knowledge. Authors show that startups tend to fail because they lack managerial experience and ability to raise capital in early stage. The incubators can support startups by offering experienced monitoring skills and by enhancing access to capital at a firm's early stage. Providing evidence from Australian and Israeli incubators, they find that collaborations between incubates, graduated incubates and incubator management increase the incubates' knowledge of technology and market in both countries; collaboration between incubates and incubator management also increase incubates' financial knowledge and their likelihood of raising capital; universities played a modest role as a source of new ideas for incubates, but a more important role in later stages of incubates' new product development processes.

## Research methodology:

**1. Secondary Data:** The data was collected from journal, websites and Magazines.

**2. Scope of the study:** The study mostly relates to the issues and challenges faced by the startup companies.

**3. Research Design:** The Research design used in this Research study is descriptive.

## II Issues and Challenges

Women entrepreneurs often face a variety of unique issues and challenges that can hinder their ability to succeed in business. Below are some of the key challenges:

Key Points	Issues	Challenges
<b>1. Access to Funding</b>	Women entrepreneurs frequently struggle to obtain the necessary capital to start or grow their businesses. They are often perceived as higher-risk borrowers and receive less funding compared to their male counterparts.	Gender bias in the investment community and traditional financial institutions.
<b>2. Gender Bias and Stereotypes</b>	Gender bias and societal stereotypes create additional hurdles for women entrepreneurs, both in terms of perception and practical support.	1. Women are often underestimated or viewed as less capable of leading a business. 2. Biases in hiring, procurement, and networking can limit opportunities.
<b>3. Work-Life Balance</b>	Balancing work and family responsibilities remains a significant challenge for many women entrepreneurs, as they	1. Lack of family-friendly policies, flexible work environments, and access to affordable childcare.

	often take on a larger share of household and caregiving duties.	2. Burnout and stress due to managing both business and home responsibilities.
<b>4. Limited Access to Networks and Mentorship</b>	Women often have less access to the networks and mentorship that are critical for business success.	1. Exclusion from male-dominated networks where business opportunities and resources are shared. 2. Lack of access to mentors who understand the specific challenges women face in business.
<b>5. Cultural and Social Barriers</b>	In many cultures, traditional gender roles and societal expectations place restrictions on women's entrepreneurial activities.	1. Cultural norms that discourage women from taking leadership roles or pursuing careers outside the home. 2. Social stigma attached to women who assert themselves in business or leadership positions.
<b>6. Lack of Education and Training</b>	Many women lack access to the education and training needed to develop the skills required to start and grow a business.	Limited opportunities for formal education, particularly in rural or underdeveloped areas.

## Opportunities for Women Entrepreneurs

Despite the numerous challenges faced by women entrepreneurs, significant opportunities exist that can empower them to succeed and thrive in the business world. These opportunities stem from evolving societal trends, technological advancements, policy shifts, and increased global recognition of the importance of women in entrepreneurship. Below are key opportunities available to women entrepreneurs:

Key points	Opportunity:	Benefits:
<b>1. Access to Digital Platforms and E-Commerce</b>	Digital platforms and e-commerce have opened new avenues for women entrepreneurs to reach global markets with minimal barriers.	Women can establish and scale businesses from home, overcoming geographic and logistical limitations.
<b>2. Women can establish and scale businesses from home, overcoming geographic and logistical limitations.</b>	Many governments and organizations are introducing policies and initiatives designed to promote women's entrepreneurship	Women-focused entrepreneurship programs provide access to grants, low-interest loans, and seed capital.
<b>3. . Increased Global Awareness and Advocacy for Gender Equality</b> <b>4. Emergence of Social Entrepreneurship</b>	The global movement toward gender equality has led to heightened awareness and advocacy for women's rights in business, creating supportive ecosystems for women entrepreneurs.  Women are increasingly leveraging entrepreneurship to address social issues such as poverty, education, and healthcare, contributing to the rise of social entrepreneurship.	Initiatives like the UN's Sustainable Development Goals (SDGs) and other global programs emphasize the economic empowerment of women as a key factor in sustainable development  Social entrepreneurship allows women to combine profit-making ventures with social impact, appealing to the growing demand for ethical and sustainable businesses
<b>5. Expansion of Microfinance and Crowdfunding Platforms</b>	Microfinance institutions and crowdfunding platforms provide alternative funding sources for women	1. Microfinance institutions offer small loans tailored to women, who often struggle to secure

	entrepreneurs, especially those in underserved regions.	financing from traditional banks. 2.Crowdfunding allows women to raise capital directly from supporters, bypassing traditional barriers such as credit checks and collateral requirements.
<b>6.Increased Focus on Sustainability and Green Entrepreneurship</b>	The shift toward sustainability and environmentally responsible business practices presents opportunities for women entrepreneurs to lead in green industries.	Green entrepreneurship offers women the chance to innovate and create solutions that address environmental challenges, contributing to global sustainability efforts.

## Conclusion

Empowering women through entrepreneurship is a critical pathway to achieving broader economic growth, social progress, and gender equality. However, women entrepreneurs face unique and complex challenges that hinder their full participation and success in the business world. Issues such as limited access to capital, entrenched gender biases, difficulties in balancing work and family responsibilities, and lack of mentorship and networks continue to create barriers for women in entrepreneurship. Additionally, cultural norms, regulatory hurdles, and underrepresentation in certain industries further exacerbate these challenges.

Despite these obstacles, significant opportunities exist to empower women entrepreneurs. Efforts to provide targeted support—such as increasing access to funding, offering business training, fostering inclusive networks, and advocating for gender-responsive policies—are vital to overcoming the systemic barriers women face. By addressing these challenges, governments, private sectors, and civil society can unlock the full potential of women entrepreneurs, enabling them to innovate, create jobs, and contribute to sustainable economic development.

Empowering women entrepreneurs not only drives individual economic success but also contributes to the greater goal of gender equality and the advancement of societies worldwide. Moving forward, it is essential to continue building supportive ecosystems that address the specific needs of women entrepreneurs, enabling them to thrive and transform their businesses, communities, and economies.

These opportunities provide pathways for women entrepreneurs to overcome the challenges they face and thrive in their business endeavors. By leveraging digital platforms, capitalizing on social entrepreneurship, and accessing supportive networks and funding mechanisms, women entrepreneurs can unlock new potentials and contribute significantly to economic and social progress. The continued expansion of women-centered initiatives, government policies, and global advocacy for gender equality will further empower women to succeed as entrepreneurs, creating a more inclusive and dynamic entrepreneurial ecosystem.

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