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From the Editorial Desk....

Dear Readers,

In recent years, India has emerged as one of the top three countries globally in terms of the number of startups after Britain and Israel. Over 1000 tech startups were registered in 2017, taking the total to 5,200 according to the Nasscom Startup Report released on Nov 2, 2017. "India is one of the fastest growing startup landscape in the world and every major accelerator, investor, angel group, is participating in becoming a part of this growth journey," said Nasscom Chairman Raman Roy.

The Indian startup machine is on full throttle. The country is witnessing a rapid rise in the business-to-business startups focused on verticals like healthtech, fintech, e-commerce, and aggregators. Advanced tech startups focused on creating solutions in segments like Artificial Intelligence, Analytics, Augmented Reality / Virtual reality, and Internet of Things are dominating this space.

The initiative of the Indian government: Startup India, has defined a startup in terms of usual size and performance metrics along with 'working towards innovation, development or improvement of products or processes or services, or if it is a scalable business model with a high potential of employment generation or wealth creation'. The latter part of this definition is what distinguishes between a new business and a startup. It is what creates the potential for exponential growth in a startup. It is what can lead to creation of 'Unicorns' which are the change makers in terms of both economic growth and social change.

The Startup India program is a success yet it has failed to achieve the desired results. The agenda is clear and various government Ministries, departments and agencies are publicizing the support measures laid out in this program across the country. Single window approvals, simplified and online processes, rebate and fast tracked IP application, self certification, handholding and support, modified Bankruptcy Code to secure 90-day exit window, various tax concessions up to 3 years comprise a great list of support measures, along with funding incentives. Yet, like any government policy measure there are inbuilt safeguards, e.g.: A Startup shall be eligible for benefits only after it has obtained certification from the Inter-Ministerial Board, setup for such purpose. To move fast is the very nature of a Startup, to synchronize with this the government must ease the implementation of the scheme. For example it should look at lesser discretionary powers for the government machinery and as such the startup registration process, if any, should be simple and process-driven, and not based on the discretionary powers of any entity, government or private.

Indian industry is also playing a vital role in supporting startups. Indian corporate have helped to push up growth of Startups with over 50+ collaboration programs, 20+ corporate accelerators and 30-40 active corporate investors. Global corporate players have engaged in good number of M&A to be a part of the Indian tech startup arena in order to enhance tech capabilities and expand markets.

"We must create an environment where (an individual) can be motivated here (in India) and that requires a community of investors, capitalists who take risks... Then you'll get those (globally successful results) here too. It cannot be a typical, bankable project. It has to be risk-bearing and there will be failures. The failures themselves will be lessons leading to successes." says Mr. Ratan Tata (Oct.12, 2017 Economic Times).

Many higher educational institutions in India are also participating in developing an entrepreneurial ecosystem, especially to create an entrepreneurial mindset in their students. In addition to the traditional teaching, research, and industrial collaborations, universities are increasing playing a very important role in creating ventures. More than 50 percent of all incubators are located in universities, indicating the important role played by universities in supporting entrepreneurship and startups. Another challenge that has to be met by the educational institutions, at both school and college levels is to develop the creative potential of our young persons. This needs major changes in the orientation of our educational system.

Another possible weakness in our Startup progress is that there is a bias towards creating software product startups rather than real products. Low budget start ups are mostly started in the web based or app based domain. The advantage they have is that most of them can test the product market fit at low initial set up cost. On the other hand, real products have to evolve from being a concept to a physical prototype and undergo various iterations before they are market ready. And then the market has to want the product. They normally require more investment in terms of both time and money. We need to put in place extra mechanisms at all levels to enhance the attractiveness of launching real product startups. This involves promoting creativity at tinkering labs in schools, to prototype development in workshops and R&D centers, to manufacturing trials, tech collaborations and attractive funding. This would boost growth, by increasing the employment and income creation capacity of our startups.

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