

# START UP FOR FIRST GENERATION ENTREPRENEURS: AN ANALYTICAL STUDY

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## INTRODUCTION

In order to study start-ups it is important to understand what entrepreneurship is and how it contributes to the growth and transformation of the society. The term entrepreneur can be defined in a variety of ways. The concept of entrepreneurship varies from region to region and from time to time. A review of research done in different disciplines over the years would improve our understanding of the concept of entrepreneur. There exists a large set of literature from varied research on the concept of entrepreneur and entrepreneurship

Openings of entrepreneurial ventures have boosted with the recent announcement made by Prime Minister of India, Mr Narendra Modi during the announcement of the campaign called start-up India, He said "I strongly believe that India has a lot of entrepreneurial energy, which needs to be harnessed so that we become a nation of job givers, more than job seekers" (entrepreneurs council of India). To start a business in India has become easier today due to the "Make in India Initiative" and other government schemes like Start up India and Stand up India "The Government had adopted a 3C Model to boost entrepreneurship which is based on – Compliance, Capital, and contract enforcement. The government has launched many schemes to promote new business start-ups and other entrepreneur initiatives. Start-up India hub is such a support for the start-up in terms of managerial and financial support. On the other hand, incubation centers provide technological as well as managerial support.

Start-up are new venture this start-up generally create employment and after growth opportunity by introducing innovation as well as replicable models. Start-ups have the potential to achieve scale growth with exclusive cash flow with the right kind of person. In The last five years, India approved the tremendous growth of technology based start-ups success stories. India has vast industry market of micro and small enterprises across different 9 sectors, small technology companies achieve great success to solve customers" problem by providing innovation idea. According to a recent study by Nasscom (2020), India has added around 1600 new tech start-ups despite being a year of pandemic.

## REVIEW OF LITERATURE

The literature review suggests that the previous studies have considered demographic factors such as gender as parameter for studying the external capital acquisition by start-ups in Sweden (Kropp et al., 2008). Other researchers have examined financing on the basis of educational level and field of study (Selenk et al., 2009). The prior research does not provide insights about the antecedents of entrepreneurship with regard to first time entrepreneurs with no business experience. Therefore, the study remains confined to first generation start-ups. Few studies like Sharma (2013) and Ruffo (2014) had explored various barriers to the initiation and success of entrepreneurial ventures or start-ups. There is no prior literature available about the role of funding agency in the venture and how do they integrate with the sources of finance. Further, the importance of the study lies in its scope. It focuses on the factors responsible for the initiation of entrepreneurial ventures. The study also establishes the relationship among the demographic factors and the sources of funding options. Through this study, an endeavour has been made to analyse the prospects of government incentives and schemes on the initiation of entrepreneurial ventures/start-ups. Further, it critically appraises the entrepreneur's characteristics that influence investor to take investment decision.

## OBJECTIVES OF THE STUDY

- 1) To determine the factors influencing entrepreneurship amongst the first generation entrepreneurs.
- 2) To examine the impact of demographic characteristics on the choices of sources of funding first generation start-up entrepreneurial ventures.
- 3) To examine the impact of demographic characteristics on the choices of sources of funding first generation start-up entrepreneurial ventures.
- 4) Research Methodology The researcher collected data from The Better India application and studied selected case studies related to entrepreneurs. The researcher also collected entrepreneurs' information regarding their business, the problems they faced and the qualities they possess. Using multiple case study research methods, the researcher studied the cases of five entrepreneurs in India. The researcher has selected these case studies by using the convenience sampling method.

## Challenges of Startups

Sr. No.	Particulars
1	Money
2	Neglecting marketing and sales
3	Lack of planning.
4	Finding the right people
5	Time management.
6	Your founders
7	Scaling up
8	Competitors
9	Your comfort zone
10	Poor management
11	Lack of mentorship

## FINDINGS OF THE STUDY

The present study examines factors motivating the first generation start-up entrepreneurial ventures. Further the study also explores the challenges faced by them, the government support and its utility. It also explores various factors considered by investors when they invest in such start-ups. While the concept of entrepreneurship is ancient; its definition varies from region to region; country to country and author to author. The literature provides evidences on different concepts and definitions of entrepreneurship. On the other hand, Start-ups is relatively a newer term in the business world. While the government of India term Start-up as an entity, incorporated, registered in India not prior to five years, with an annual turnover less than Rs. 25 crore and it's focus is towards innovation and development. As per the reports, there has been a huge rise in the number of start-ups after the launch of Start-up India and Stand-up India initiative launched by the Hon'ble Prime Minister of India.

Most of the respondents strongly agreed to the statement that they are quite independent of the opinions of others and they respect rules and procedures and want to work independently. Respondents agreed to the fact that guidance of others makes them better decision makers and they like a job where they are not answerable to others. Further they disagreed that they feel uncomfortable when they have complete responsibility of deciding how and when to do their work.

Most of respondents strongly agreed to the fact that they feel satisfied when their work is among the best, judge their work when it meets minimum requirements, they are ambitious, forward thinkers and they keep modest goals.

Most of the respondents agreed that they believe in their controlling ability and happenings in their business are because of their ability and not due to external factors. Further, they do not believe on luck. Overall locus of control does not influence entrepreneurship as proved by overall neutral response of respondents.

Majority agreed that they are committed and strongly agreed to the fact that they are passionate for success; put maximum efforts and rates entrepreneurship as most important activity in their lives. Overall, entrepreneurial intensity affect entrepreneurship as majority of respondents agreed to it.

Choice and preference of business over lucrative careers and higher salary have been agreed upon majority of respondents. Thus, making opportunity cost as important factor influencing entrepreneurship.

Respondents agreed that government encouraged start-ups. They were neutral about support extended by the government and disagreed to the fact that social groups also provide support to start-ups. Overall respondents were neutral about government initiatives as factor affecting entrepreneurship.

It is found that demographic factors like age group, gender, education level and experience of the entrepreneur significantly affect the choice of sources of finance.

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