

Study on the Challenges Faced by Startups in Kerala

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ABSTRACT

India is the 3rd largest Start up eco system in the world with 12 % to 15% annual growth. According to the Indian Startup Ecosystem Report 2020, there are 55,000 Startups in India among them 40,000 are active startups. 3202 Startups are the funded startups and raised an amount of \$ 63 billion. The major driving factors of Start up Ecosystem are Corporate connects and Government Supports. According the Kerala Startup ecosystem report 2019, there are 2200 startups in Kerala, among them 13 startups are funded with \$ 44 Million in the year 2019. The study summarizes the challenges faced by the IT startups in Kerala. By the end of the study we will get the clear factors which are the driving forces of startups toward success and also the negative factors that need to be consider to avoid failure.

Problem Statement

Start up is a project or a company undertaken by entrepreneur to develop and validate a solution that can scale up the economic model. Currently in India almost 55,000 startups are there, among them 44,000 are the active start ups and 33,000 are the DIIP registered startups. When we consider the geographical landscape most of the funding are happening at Bengaluru, Delhi, Mumbai and Pune even-though Kerala is the first state to formulate the Startup policy for the development of technology startups in the year 2014, currently Kerala startup ecosystem have more than 2,200 startups and was also ranked as top performer by Startup India. At the same time the actually success rate is only 2% to 3%. To remain competitive and successful it is very important to learn about the challenges faced by the Startups in Kerala.

Objectives of the Study. To examine the various challenges faced by IT startups in Kerala form setting up to scaling.

To identify the gap between startups and implementation various government initiatives that helps in the development of Startups in Kerala.

To analyze the growth and opportunities of Startups in Kerala. To identify the reason for low funding rate in Kerala when compared to the Startup hubs in Bengaluru, Mumbai, Delhi, Chennai and Pune.

To find a solution that can bridge all the gaps between the Startups and drivers of Startup ecosystem to become successful.

Keywords: Management, Startup, Business, Financial aid, Financial Support