



## **Intro to start up and entrepreneurship**

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A startup could be defined as, a new business that is in the initial stages of operation, beginning to grow and is typically financed by an individual or small group of individuals. It is a young entrepreneurial, scalable business model built on technology and innovation wherein the founders develop a product or service for which they foresee demand through disruption of existing or by creating entirely new markets. Startups are nothing but an idea that manifests into a commercial undertaking.

The emergence of startup wave in India is a relatively a new phenomenon. Today India is undergoing a fundamental shift with entrepreneurship and innovation is being primary catalyst in job creation and solving everyday problems. A decade ago, there is to be only a handful of startups such as Make My Trip.com and Naukari.com. But, now with the success of such as Flipkart, Quicker, Pharmeasy, Zomato and Inmobi, the Indian startup eco-system has indeed come a long way.

How to begin journey by selecting the startup:

Take a look around at the products and services you are currently using and surrounded by. Why are they there? Well, it's because they are solving a problem or filling a need you would otherwise be experiencing.

This is how all great inventions and startup businesses are born – from a problem or need. From electricity, to the telephone, to the Internet, and more recently to PayPal and Facebook, great businesses are built on big problems.

Consider this the first question on your startup litmus test: “What problem does my startup or idea solve, and how painful is that problem?” Think critically about this question, as an honest assessment may save hours, days, weeks, months, or years of your time.

Startup founders can often find themselves working on an idea that sounds plausible, but does not provide a solution to a problem people care about in a meaningful way. Y Combinator founder and investor Paul Graham says that often, these startups are born from individuals who are simply “trying to think of startup ideas” and not looking for problems.

So how can you make sure your startup solves a painful problem? Well, start with the problem. Problems are everywhere; it is just an exercise in noticing (as Paul Graham said) and questioning. What is currently nagging you? What do you do in your work that you think, “I wish I could \_ instead”?

Sadly, there is no easy formula. It is simply training your mind and your eye to pick up on problems that exist around you, question why those problems exist and for who, and then formulating a solution. If it was easy, everyone would be an entrepreneur (and then who would you hire?). By being curious and critical, you will begin to notice where readily available solutions do not exist for persistent problems.

Once you have identified a painful problem, 9 times out of 10 the solution will not be obvious or easy. Problems often necessitate creative solutions to make a business successful and enduring. Though this intuitively may sound difficult (because it is) it often creates a barrier of entry for competitors as well.

There can be following six types of startups:

### **Startup Type 1: Scalable Startups**

Scalable startups take an idea or concept — typically in the tech sphere — and work to rapidly grow the company's top-end revenue to achieve the highest return on investment (ROI) possible. This type of startup requires thorough market research to identify exploitable market opportunities. Two of the most relevant examples of scalable startups are Google and Facebook. Both of these companies started with the intent to dominate their industry through a scalable startup model and were successful in doing so.

#### **A Scalable Startup May Be Right for You If:**

- Your startup idea has an extensive market available and vast growth potential.
- You're an innovator ready to challenge the status quo.
- You want to be the leader of an industry.

### **Startup Type 2: Large Company Startups**

With technology, customer interest, and markets changing every day, large companies need to adapt their business model to survive. This is where large company startups come in. Backed by the support and capital of the already successful company, these offshoot startups aim to reach new audiences, diversify product offerings, and keep large companies tapped into the ever-changing market.

#### **A Large Company Startup May Be Right for You If:**

- You already own a large, successful company.
- You're looking to diversify or tap into a new market that isn't in your company's current wheelhouse.
- You need a way to compete with new businesses and keep up with the changing market.

### **Startup Type 3: Small Business Startups**

The priority of small business startups is longevity instead of scalability. These small startup companies are built to provide enough capital for financial stability by catering to a small target market. Common types of small business startups are family-owned and operated barbershops, grocery stores, and retail shops.

#### **A Small Business Startup May Be Right for You If:**

- You plan to hire locals and family to operate your business.
- You want to focus on adding to your community.
- Creating a sustainable, long-lasting business is your main focus, rather than pure profit.

### **Startup Type 4: Social Entrepreneurship Startups**

Unlike other types of startups, social startups are not created to gain wealth for the founders; they are created to make a positive social or environmental change. Social entrepreneurs shouldn't expect a big payout from their startup; however, it is possible to make money with this startup model if it is not a nonprofit organization.

#### **A Social Entrepreneurship Startup May Be Right for You If:**

- You want to build a company that will make a positive social or environmental impact.
- You aren't interested in starting a company for the profit.
- You have an idea that can solve a widespread problem, specifically for disadvantaged communities.

### **Startup Type 5: Lifestyle Startups**

Lifestyle startups are born out of passion and desire for independence, with the founders putting their time and energy toward making a business out of their favourite hobby or activity. This can range from an avid traveller starting a tour guide business to a web developer starting a freelance coding business.

#### **A Lifestyle Startup May Be Right for You If:**

- You have a hobby you could do all day, every day.

- You're self-motivated and disciplined enough to be your own boss.
- You're passionate and creative.

### **Startup Type 6: Buyable Startups**

Unlike other startups, buyable startups are not built to become billion-dollar companies; alternatively, they are built to be sold to a larger company for millions of dollars. Buyable startups are commonly tech-focused, and many of them are specifically in the app development industry.

#### **A Buyable Startup May Be Right for You If:**

- You want to build a company but not commit to operating it long-term.
- You have a startup idea with tremendous growth potential.
- You're a "serial entrepreneur."

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