

WOMEN STARTUPS: OPPORTUNITIES & CHALLENGES

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ABSTRACT

The present paper explores the challenges faced by female start-ups and how to resolve them. The study also provided an insight into opportunities for women start-up founders in India. The study is based on literature review on various issues and challenges faced by female entrepreneurs and also provided effective suggestions for increase and improve the participation of Female population at Start-ups in India.

Keywords: *Global Entrepreneurship Monitor, Demographic Bonus, SETU Fund, E-biz Portal.*

INTRODUCTION

As Quoted by Albert Einstein - "The woman who follows the crowd will usually go no further than the crowd. The woman who walks alone is likely to find herself in places no one has been ever before." Female entrepreneurs have become an essential factor of present days' corporate world. They comprise of almost 50% of all businesses owned. They are not only able to balance their duties of motherhood and but also entrepreneurship. Today, more number of women are breaking free from the gender-specific roles, traditional and stepping into the corporate world. The last decade had witnessed an outstanding increase in both the increase in number of women entrepreneurs as well as the success rate of their inventiveness.

Women today comprise 37% of world's total entrepreneurs, from being a marginal in the entrepreneurial ecosystem decade ago. The recent Global Entrepreneurship Monitor's Report (GEM) has found that 126 million women running their own business units and 98 million established (over three and half years) business units. Around 224 million women are impacting the global economy-and this survey counts that the World Bank has recognized 67 of the 188 countries. Due to immense passion towards work, woman is driving towards pursuing entrepreneurship as their career. Desire to control is another motivating factor as observed by many studies. The aspiration to own and desire to run their own company is the provoking factors for success of female business owners. The main goal of them is community involvement and personal satisfaction rather than gaining monetary reward. Multitasking and ability to work life balance are the inspiring component of many successful women entrepreneurs.

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CHALLENGES FACED BY FEMALE STARTUPS

- **Defying Social Expectations:** When female entrepreneurs talk business related dealings with men executives, it can be scary. In this kind of situation, women feel themselves as adopting a stereotypically “men” attitude towards enterprises – aggressive, competitive and sometimes overly ruthless.
- **Dealing with Limited Access to Financing:** Raising capital is more difficult issue for women start-ups. Not all start-up entrepreneurs look for the investors to get help for their businesses to take off the ground. Babson College Report (2014), reported that less than 3% of venture capital funded companies had women start-ups.
- Bonnie Crater (2016) observed, venture capitalists with female partners inclined to invest in women-led start-ups; i.e, only 6% of US start-ups.
- **Conservatism:** women don't overstate projections as they are more conservative. They pitch realistic numbers when they pitch investors, whereas men are so often exaggerate and overstate that investors often discount immediately.
- **Struggle to be taken seriously:** At times, most of the women start-up founders find themselves in a man dominated industry who doesn't acknowledge their role of leadership. Earning proper respect has been a struggle in the industry. They are faced with presumptions that she was living off her dad's or grandfather's reputation.
- **Owning their Own Accomplishments:** The qualities viz., communal, consensus-building etc encouraged among young girls may leave female start-up owners unintentionally downplaying their self worth.
- **Building a Support Network:** One of the essential factors for entrepreneurial success is to have a robust support system and network. In a survey by Inc., 48% of female start-up founders reported that lack of available mentors and advisers limiting their professional growth. It's not what you know; it's who you know is the huge factor for ultimate success.
- **Balancing Business and Family Lives:** Parent female start-up founders have dual responsibilities and to their families. Devoting time for family and work is very crucial in truly achieving exclusive work life balance.
- **Coping with a Fear of Failure:** Failure is a part of any business ventures. Women shouldn't let their insecurities keep them down from dreaming big. There shouldn't be self doubt and wait for perfection before starting their business to take up big promotion.

OPPORTUNITIES FOR FEMALE STARTUPS

With the inauguration of Start-up India by Prime Minister, it is observed that India is progressing to become the next huge start-up nation. Many influential factors that have assemble to promote start-ups and to enable them to prosper globally. Indian Start-up ecosystem has witnessed an immense growth, even though there are many roadblocks and it had adopted an approach i.e., play to win by the enthusiastic and young start-up founders.

Start-ups have been empowered by direct involvement of government and it has been really a great boost. During 2016, Indian market has foreseen market domination for start-ups in the areas of online retail industry and service sector, where high priced business units are created. The unique Demographic Bonus, i.e., population being huge asset for the country, will offer the country with a great prospects to any organization which is trying to become flourishing and create a leading place in the Indian economy.

Start-up Founders in India has identified unorganized and budding stage of infrastructure in an economy which presents a many opportunities for them and hence they were trying to digitize various segments. A trend has been observed that the talent youngsters from top colleges are queuing up to get recruitment in start-ups and showing interest to start their own ventures. Challenging assignments, huge funding opportunities along with huge compensation packages and cool quotient are enabling start-ups a very attractive value proposition and very attractive place.

This trend is not only among youth but also mid-level officials are leaving their jobs at reputed firms to work for start-ups. Substantial support from Indian and foreign financiers is the backbone of start-up ecosystem. To grow leaps and bounds, they are being provided with funds. In India, above 300 active angles and Venture Capital players have carried out above 300 deals during 2015. Indian start-ups have raised more than \$6.5 billion from investors during the last year. A familiar venture capitalists includes, Tiger Global Management (TGM)- New York based is presently the top foreign investor in India, followed by the Softbank- Japanese telecom giant, DST Global- Russian Company, Sequoia Capital, Kalaari Capital, Sequoia Capital, Accel Partners etc.,

Government of India's funding is the biggest support for many young start-up founders in India. Government of India has launched numerous plans and also assisted the start-ups to sustain and perform in Indian and Global markets. In addition to this, numerous government and quasi-government initiatives are assisting start-ups. Startup India Initiative launched by Prime Minister of India, Mr. Narendra Modi has been a great relief for many start-up firms which give them a final break from traditional License Raj system in India. The program provided three year tax and compliance breaks which are intended for cutting red tapism and arduous government regulations. Make in India Policy has not only supported manufacturers but also Indian consumers to trust and invest in Indian Brands.

As many start-up entrepreneurs are finding it difficult to get loans or finance to start their own business. Through MUDRA loans, (Micro Units Development and Refinance Agency Banks) they can get easy loans to set up, grow and stabilize their business units. Atal Innovation Mission which was launched during 2015 provides innovation promotion platform by involving entrepreneurs, researchers and academicians. SETU (Self-Employment and Talent Utilization) fund facilitates the growth of start-ups. Under this program, Rs.1000 crore has been allotted by the government to provide opportunities for self-employment and create new jobs mainly in the domains which are technology driven.

Government has also launched e-biz portal to depose obstructions and complexities in the setup of a business E-biz portal has integrated 14 licenses and regulatory permissions at point. The extensive usage of E-biz portal has enabled faster clearances and has also improved the businesses to be made easy. The royalty tax which is paid by start-up firms has been reduced from 25% to 10% in order to make the technology cost more affordable and accessible.

OVERCOMING CHALLENGES

- Women start-up CEOs are advised to remain true to themselves and finding their own voice are the keys to rise above preconceived expectations
- “Be true to yourself and have confidence in which you are”, is advocated to Women Start-ups. Hilary Genga (2016), through perseverance and hard work, women are made it to where they are through
- Women Start-ups need not conform themselves with a man’s idea of what a boss should look like.
- Crater advised, women looking for investors need to build confidence by developing and presenting an interesting business plan and great team.
- All that investors' need is that they need a good product that fits into market.
- Female investors need to involve in supporting with one another. They need to look at not only encourage and inspire female investors, but also to support and grow other female start-up entrepreneurs through both strategic educational and funding workshops.
- Female start-up owners need to develop an attitude of requesting for raising funds by asking for exactly what they need, even it is requesting more than what they need.
- Male investors often assume that the female entrepreneurs are operating just like male and they are inflating their numbers. Thus, female entrepreneurs will be provided with financing at lower levels. Accordingly, Female start-up founders need to be dynamics and need to approach their pitches.
- Women need to learn to build in confidence and overcome negative self-talk. They need to assume that they are hardworking and honorable business person in their own sense.
- The negative comments are built-up in their head and stopping them from reaching their complete potential. To overcome this, women need to join with a diversity of women entrepreneur groups.
- The women start-up groups mentor them, co-workers inspire them, hit them with real time checks on their own success and capabilities and help them to learn and grow from their external experiences and perspectives.
- Women need to recognize the value of their creative ideas and their knowledge as well.
- Women start-up founders are advised that confidence is the crucial factor for success, even when up against a boardroom which is full of male directors.

- It's not easy to find right support network. The start-up founders need to participate in women-focused networking events, conferences, seminars, development programmes, workshops, online forums etc.,
- Once women start-ups find their network of supporters, they shouldn't be afraid to ask about for what they really need from them
- The women start-up founders should not view failure as a negative or an excuse for relinquishing their goals.
- Every decision is a costly one and treat every moment as teaching one
- Losses, mishaps and mistakes are paved towards road to success, but they need to lead to where they want to go and as long as they don't lose sight of their ultimate destination.
- The women start-up founders need to take in all the feedback filter out the noise and the no Sayers; they need to learn from mistakes and try not to repeat them.

CONCLUSION

Entrepreneurship is a learning experience and even many successful business owners have learnt new things throughout the development of their organization. Entrepreneurial activity creates prosperity, growth and solutions for many social problems. And today's trends show that women will be the driving force of future entrepreneurial growth. The women start-up founders should develop an attitude of never give up.

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