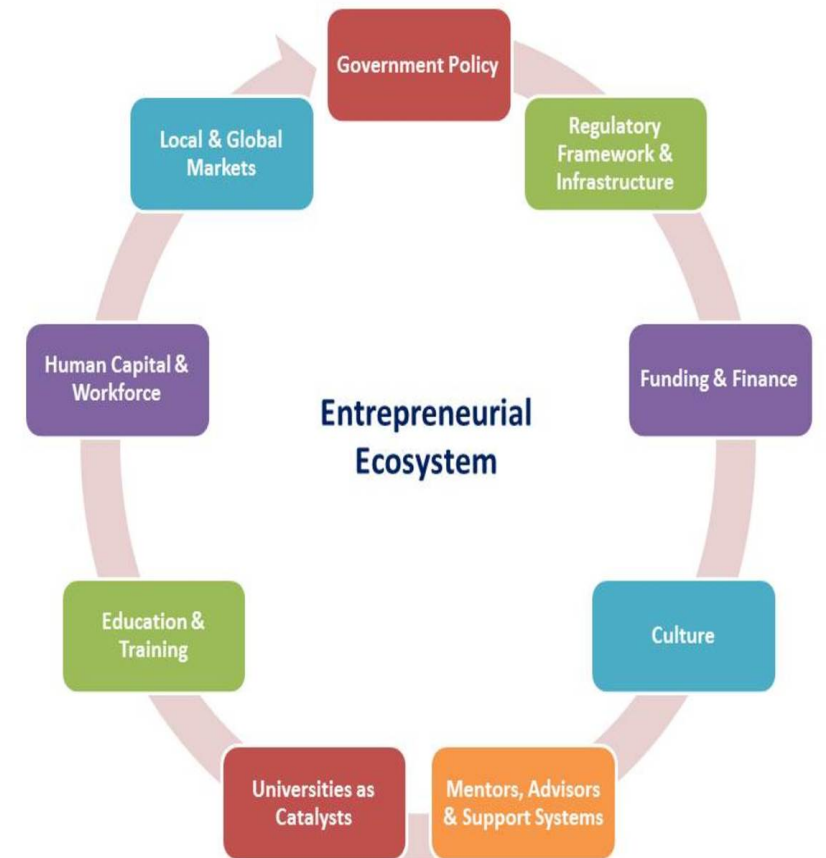


CHAPTER-05
ENTREPRENEURS
HIP START UPS

Contents

- Meaning
- Feasibility Considerations
- Customer Development Model
- Other requirements in the process of building
- Developing a business plan
- Essentials of a business plan
- Start-up India Initiative



Meaning

- A start-up is a young company that is just beginning to develop.
- Start-ups are usually small and initially financed and operated by a handful of founders or one individual.



Factors to be considered to check the feasibility of a business plan

External factors

- ✓ What product or service the start-up will offer?
- ✓ Whether the product or service satisfies a need that people value?
- ✓ What price a customer would pay for the product or service?
- ✓ The market's size and effect on start-up profitability

Internal factors

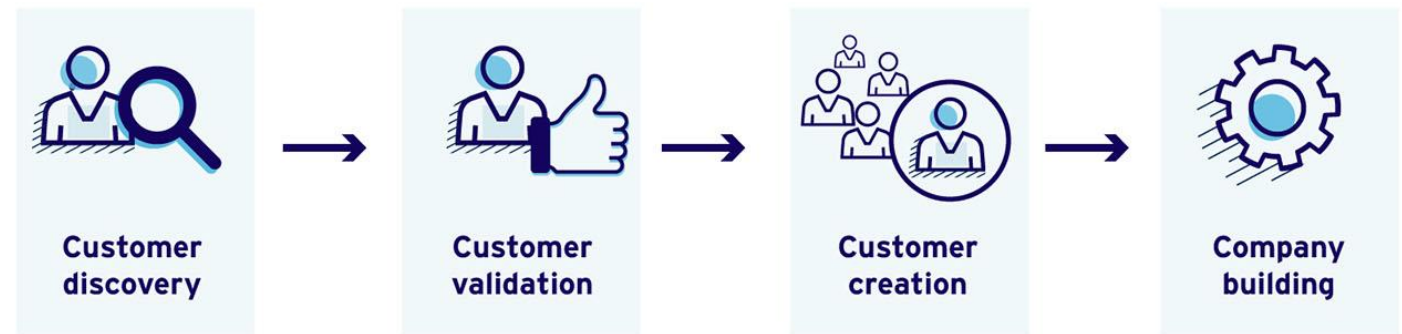
- ✓ Available time
- ✓ Personal resources
- ✓ Risk tolerance
- ✓ Resilient and flexible attitude
- ✓ Managerial support

Customer Development Model

(created by Steve Blank)

1. Customer Discovery Search for business
2. Customer Validation
3. Customer Creation Growth for business
4. Company Building

The Customer Development Model



Customer Development

Customer Discovery	Customer Validation	Customer Creation	Company Building
Problem-Solution-Fit	Product-Market-Fit		Scale Organization
Proposed MVP	Business Model	Scale Execution	
Proposed Funnel(s)	Sales & Marketing Roadmap		Scale Operations



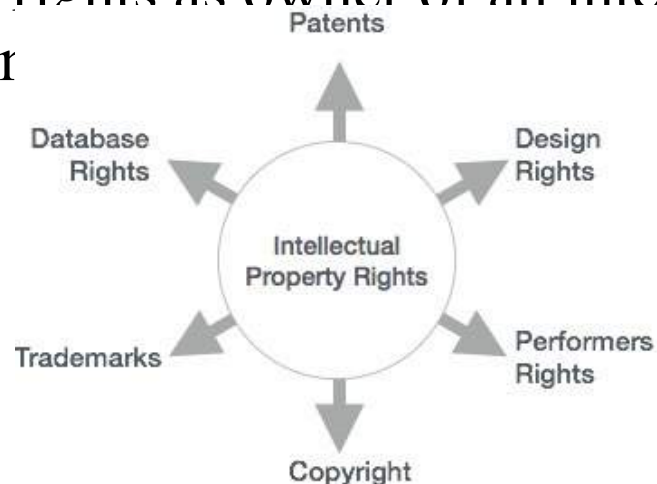
Inspired by Steve Blank | Graphic tractionwise

Note :

- Iterate/pivot – repeat
- MVP – Minimum Viable Product

Other essentials required in the process of building a start-up -

- Intellectual Property Rights (IPRs) - refers to the general term for the assignment of property rights through patents, copyrights and trademarks. These property rights allow the holder to exercise a monopoly on the use of the item for a specified period.
1. Inventions - can be anything man-made that is new, useful, and non-obvious
 2. Patent - a value of innovation
 3. Copyright - an acknowledgement of who created the work
- Licensing - granting some rights as owner of an intellectual property to a company through a written agreement



Developing a Business Plan

- Focus on the customer and the market need, NOT on the technology
- Acknowledge your competition honestly
- Include elements of the strategic plan
- Ask for ongoing feedback from an experienced entrepreneur
- Discuss current capital structure
- Make sure the plan flows narratively from section to section
- Keep the business plan as brief as possible



Essentials of a business plan

- Executive Summary - a snapshot of the business
- Business Description - provides more extensive information concerning your company's mission
- Market Analysis - presents market research showing the current state of one's start-up's industry segment, as well as the target market for the product or service
- Marketing Plan - the process by which firms identify, create, provide, capture, and sustain value for their customers
- Financials - should provide the current status of the business and a realistic expectation of its position after five years
- Funding – backbone of any business which pools required finance to implement the idea
- Business Team / Human Resource – setting up a management team that has relevant knowledge, ability, and drive to succeed.



START-UP INDIA INITIATIVE

- It is an initiative of the Government of India.
- The campaign was first announced on 15 August 2015. The action plan of this initiative is focussing on three areas:
- Simplification and Handholding.
- Funding Support and Incentives.
- Industry-Academia Partnership and Incubation.
- A start-up defined as an entity that is headquartered in India, which was opened less than 10 years ago, and has an annual turnover less than ₹100 crore. Under this initiative, the government has already launched the I-MADE program, to help Indian entrepreneurs build mobile app start-ups, and the Mudra Bank scheme (Pradhan Mantri Mudra Yojana), an initiative which aims to provide micro-finance, low-interest rate loans to entrepreneurs from low socioeconomic backgrounds. Initial capital of ₹20,000 crore (in 2019) has been allocated for this scheme.

continued.....

- Key points of the initiative –
- 10,000 crore start-up funding pool.
- Reduction in patent registration fees.
- Improved Bankruptcy Code, to ensure a 90-day exit window.
- Freedom from inspections for first 3 years of operation.
- Freedom from Capital Gain Tax for first 3 years of operation.
- Freedom from tax for first 3 years of operation.
- Self-certification compliance.
- Created an Innovation hub, under the Atal Innovation Mission.
- To target 5 lakh schools and involve 10 lakh children in innovation-related programmes.
- New schemes to provide IPR (Intellectual Property Rights) protection to start-up firms.

THANK YOU