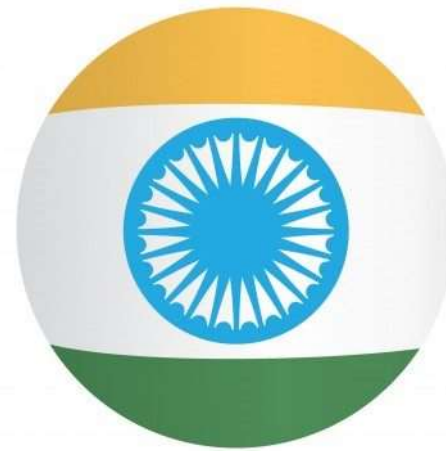




**NASSCOM  
Deeptech  
Confluence  
28 July Shiv**

# Structure

- **Some start up facts**
- **Start up failure rate, Reasons and Lessons**
- **Start up leadership skills**
- **Some thoughts for you**



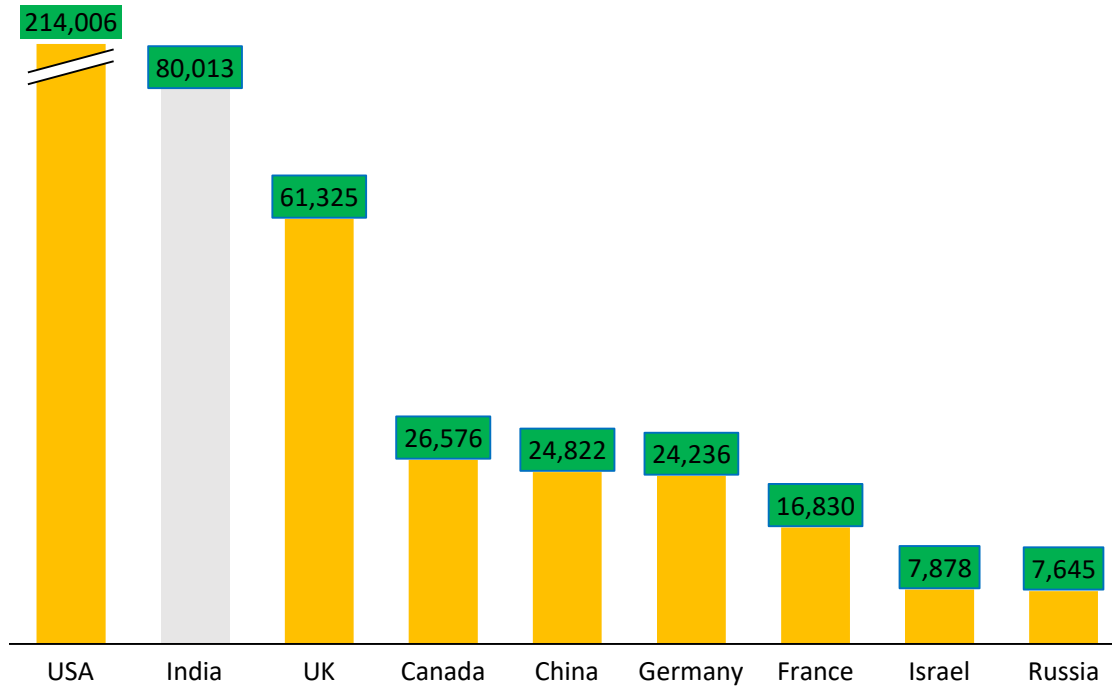
**STARTUP**  
**INDIA**  
**STAND UP INDIA**

A start up is a  
business model  
experiment  
with potential.

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# Indian Startup ecosystem



**2<sup>nd</sup> largest ecosystem globally**

**A Whopping 16,888%**

**increase**

(471 Startups in 2016.

Today, 80,013#)

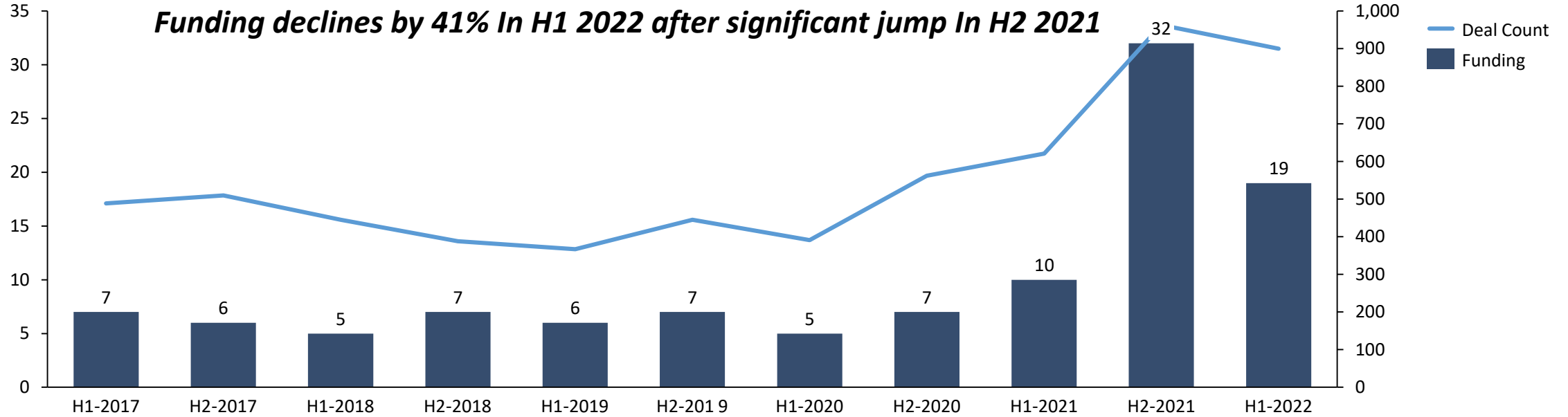
Startups are present in 653 out of 773 districts of India

Most active investor: Sequoia Capital India

9X increase in the number of investors\*

>7.86 lacs jobs created in past 6 years

# Indian Startup Funding Trends

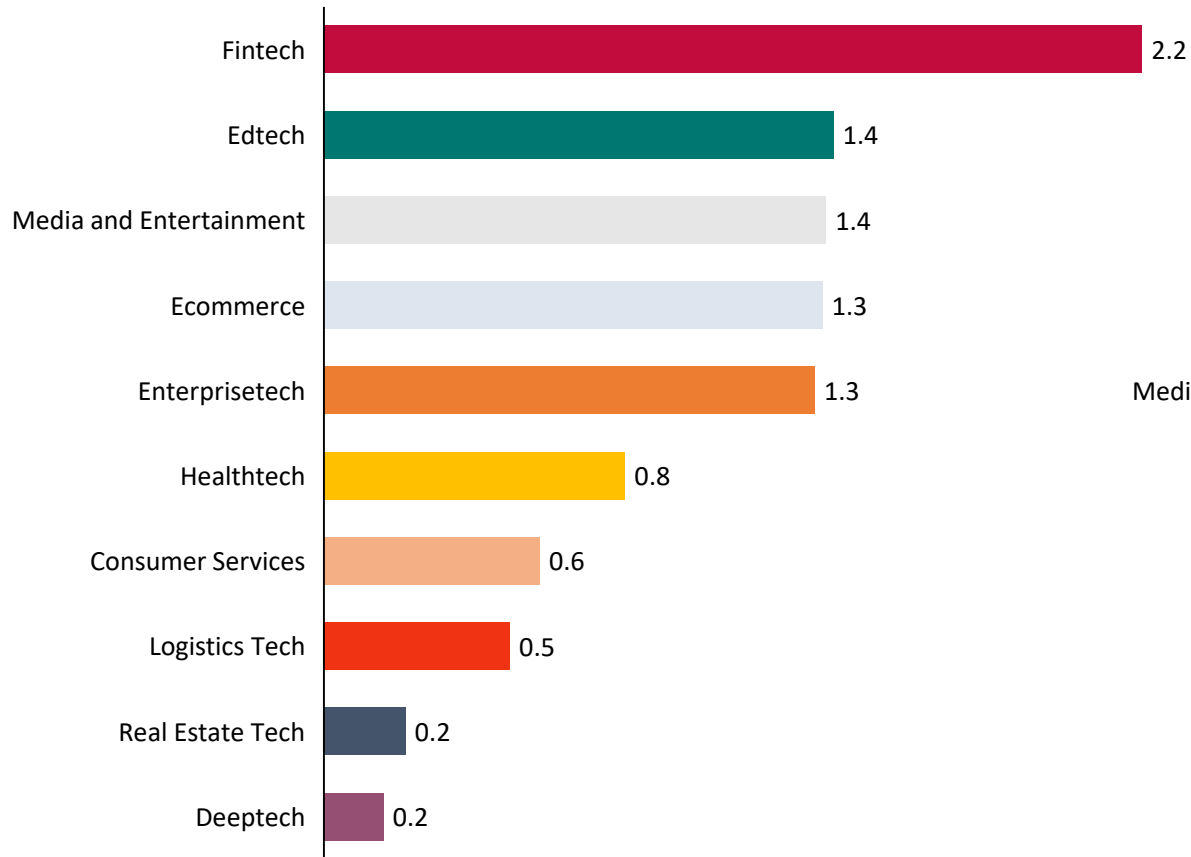


	H1 2021	H2 2021	H1 2022	
<b>Funding Amount</b>	\$10Bn	\$31Bn	\$19Bn	↓
<b>Funding Deals</b>	621	963	900	↓
<b>Mega Deals</b>	29	80	49	↓
<b>Sectors with Most Deals</b>	Fintech	Ecommerce	Ecommerce	
<b>No. of Investors Participating</b>	1,228	2,075	1,934	↓

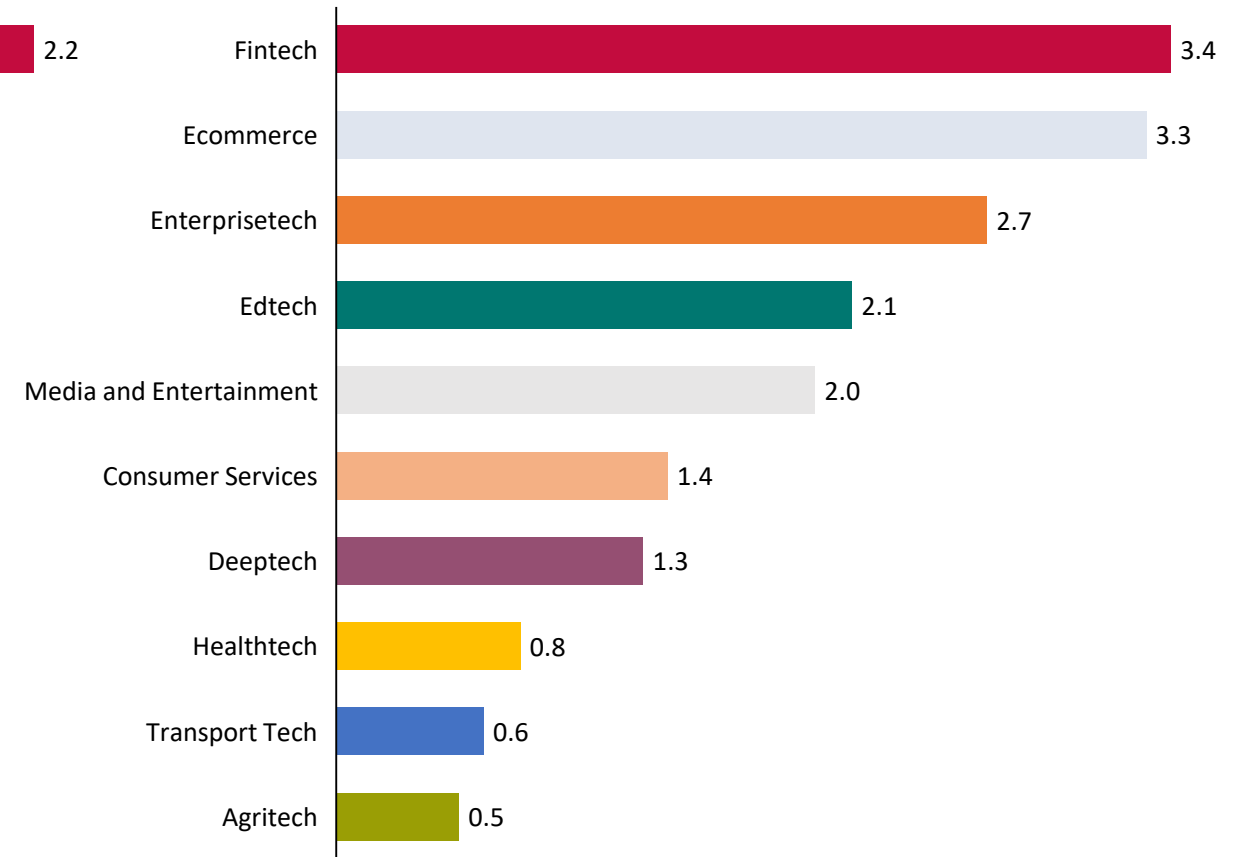
Sequoia Capital India has been the most active investor, followed by Tiger Global Management, Kunal Shah (Founder, CRED), Better Capital, Inflection Point Ventures, LetsVenture, Accel, Blume Ventures, 9Unicorns, and Alpha Wave Global.

# Funding destination : Top 10 Sectors : H1 2022 vs H1 2021

## Top 10 sectors: H1 2021 (\$Bn)



## Top 10 sectors: H1 2022 (\$Bn)



**Fintech retains top spot as investment in Edtech, Ecommerce and Enterprisetech rises**

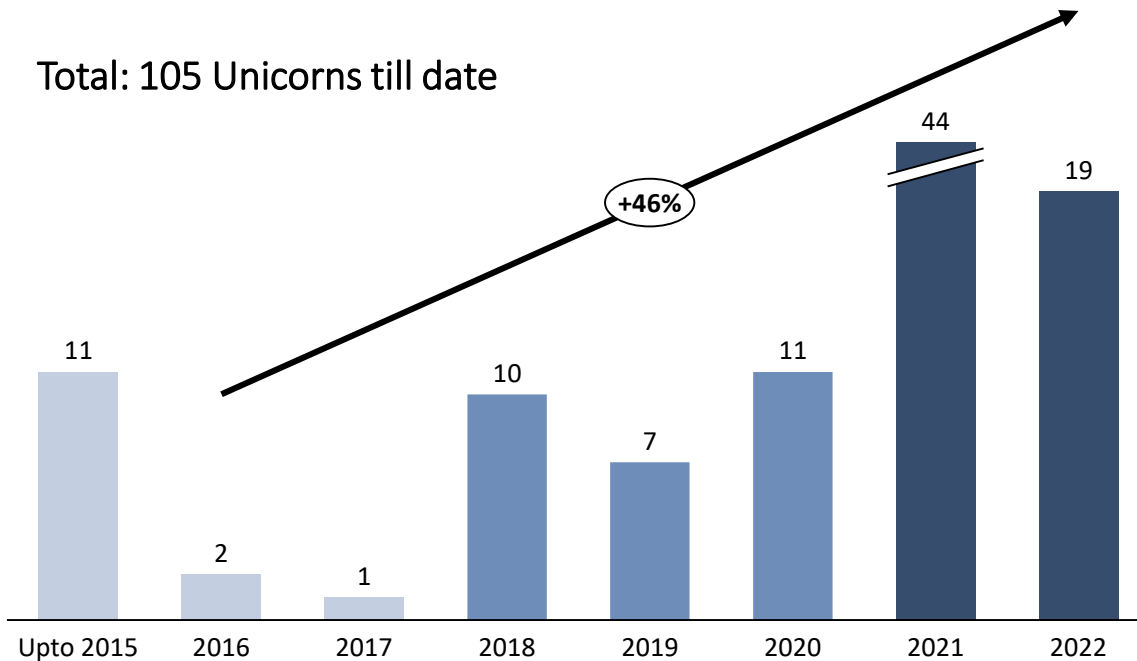
# States Startup Ranking 2021

Best Performer States	Top Performer States
<b>Gujarat</b>	Kerala
<b>Karnataka</b>	Maharashtra
<b>Meghalaya</b>	Odisha
	Telangana
	Jammu and Kashmir
<b>Leaders</b>	
Uttarakhand	
Assam	<b>Aspiring Leaders</b>
Tamil Nadu	Rajasthan
Andaman and Nicobar Islands	Chhattisgarh
Arunachal Pradesh	Himachal Pradesh
Punjab	Madhya Pradesh
Goa	Delhi
	Chandigarh
<b>Emerging Startup Ecosystems</b>	Nagaland
Bihar	Dadra and Nagar Haveli and Daman and Diu
Andhra Pradesh	Manipur
Mizoram	Tripura
Ladakh	Puducherry

31 participating States/ UT's were evaluated across 7 broad reform areas that included Institutional Support, Fostering Innovation and Entrepreneurship, Access to Market, Incubation support, Funding Support, Mentorship Support to Capacity Building of Enablers.

# The Unicorns showreel

Total: 105 Unicorns till date



Future potential unicorns include:



This analysis includes only those privately held Indian startups which were founded after the year 2000, are worth at least \$200 Mn, and are expected to turn unicorn in the next 2-4 years.



India is home to 105 unicorns with a total valuation of \$339 Bn\*



86% of unicorns are headquartered in Bengaluru (40), Delhi (33) and Mumbai (17)



19 unicorns (valuation: \$25 Bn) have been recognized in FY 22 till now



**Only 15% unicorns have women Founders**



44 unicorns (valuation: \$93 Bn) were born in 2021



Average number of employees: 1,100  
\*19 unicorns of 2022



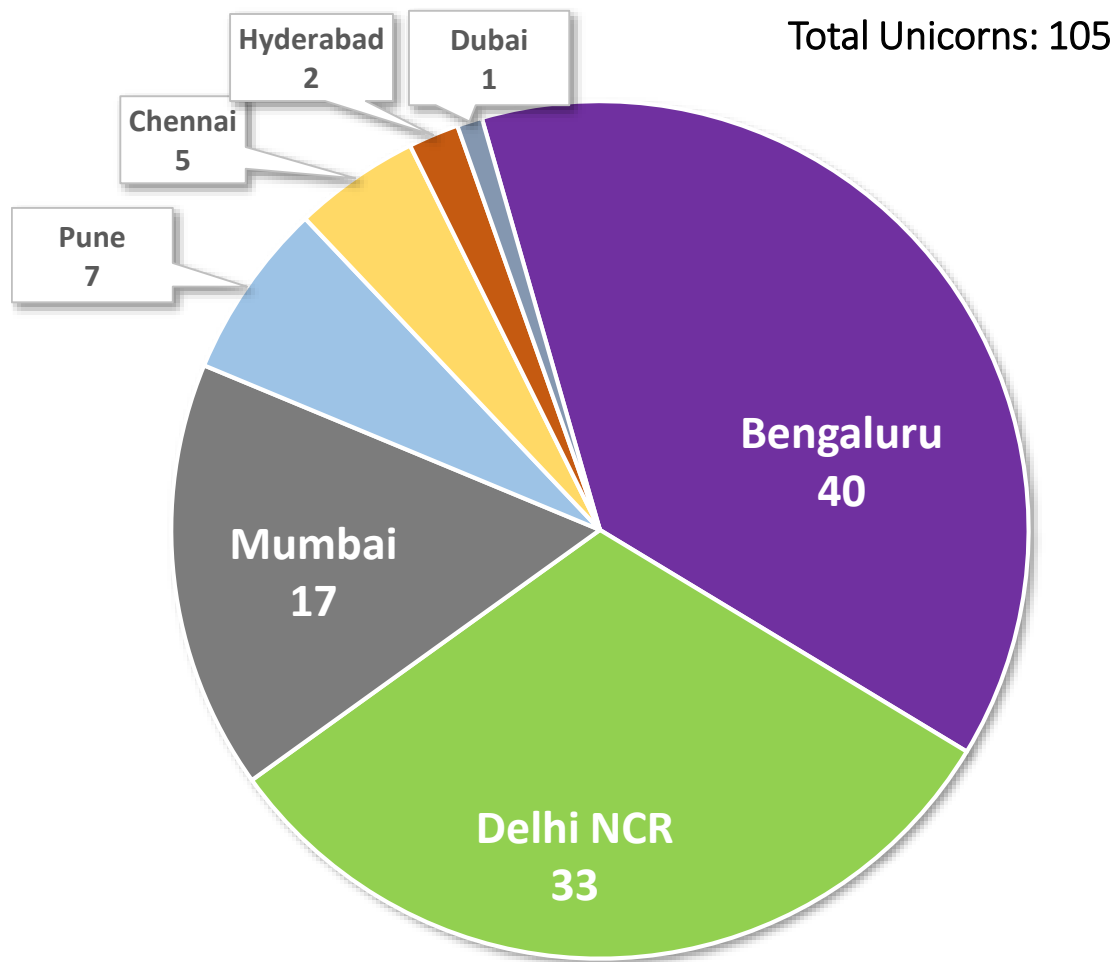
60% of the unicorns were formed post 2020



**Avg. time taken by Indian Startups To attain unicorn status reduced from 12 years in 2010 to 5.5 post 2010**

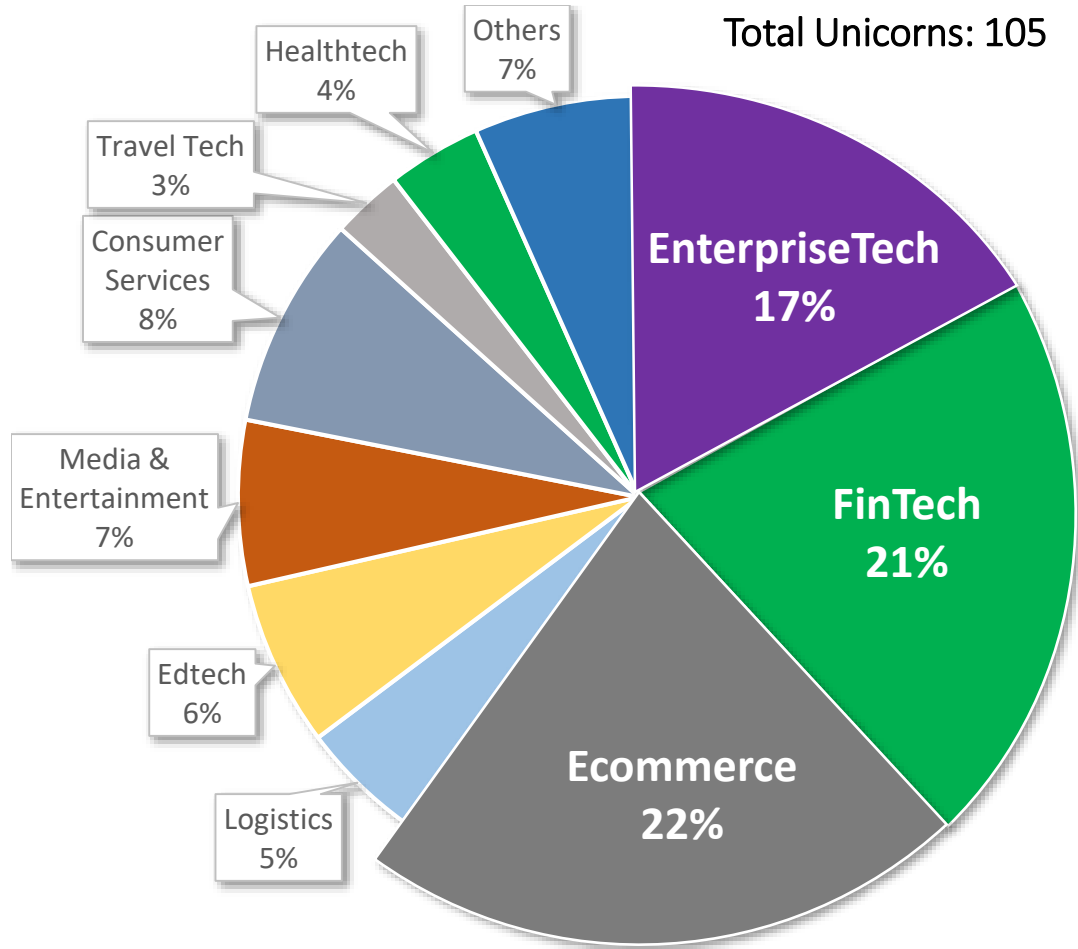


# Bengaluru is India's Unicorn Capital with 40 Unicorns by July 2022



- The center of India's high-tech industry, **Bengaluru** is India's unicorn capital with the largest number of unicorns followed by **Delhi (NCR)** and **Mumbai**
- Out of the 19 unicorns added this year, city wise split is as follows:
  - Bengaluru: 6
  - Mumbai: 4
  - Pune: 3
  - Chennai: 2
  - Delhi NCR: 2
  - Hyderabad and Dubai: 1 each
- Five Indian cities figure among top 100 cities globally in startup ecosystem\*
  - Bengaluru: 8
  - New Delhi: 13
  - Mumbai: 17
  - Pune: 90
  - Hyderabad: 97
- Emerging hubs like **Pune**, **Chennai**, and **Hyderabad** are home to 13% of India's total unicorns

# Ecommerce, FinTech & Enterprise tech have the highest no. of Unicorns till date



- Out of the 19 unicorns added this year,
  - 6 are from Enterprise Tech
  - 4 from FinTech
  - 3 are from Ecommerce
  - 2 from EdTech and logistics each
  - 1 from DeepTech and Media & Entertainment each
- Traditional sectors such as E-commerce, Fin-tech, EnterpriseTech, Supply Chain & Logistics dominate the arena
- Unconventional sectors and sub-sectors that entered the unicorn space include NBFCs, Conversational Messaging, Cryptocurrency Exchanges, D2C, and Cloud Kitchens
- Strong wave of unconventional sectors such as *Content, Gaming, Hospitality, Data management & analytics*, etc. are emerging as new sectors.

Others include Transport Tech, Deeptech, manufacturing, Energy Tech, Real Estate Tech, and Adtech

90 % of Indian start ups fail in first five years according to an IBM study

Reason : Lack of Innovation (read-copy cat products)

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9 out of 10 start ups fail

7.5 out of 10 venture backed  
start ups fail

2 out of 10 new businesses  
fail in first year of operation

---



## New business failure rate

- In 1 year 20 %
- In 2 years 30 %
- In 5 years 50 %
- In 10 years 70 %



Failure is not the opposite  
of success

For a start up, Failure is a  
pitstop before reaching  
the destination.



4 Reasons for failure

34 % Lack of product market fit

22 % Poor marketing

18 % Team problems

16 % Finance

---



**Unbranded market/Trade brands**

**Branded market**

**Organized Market**

**Tailoring  
Restaurants  
Utilities**

**Technology  
Insurance**

**Unorganized Market**

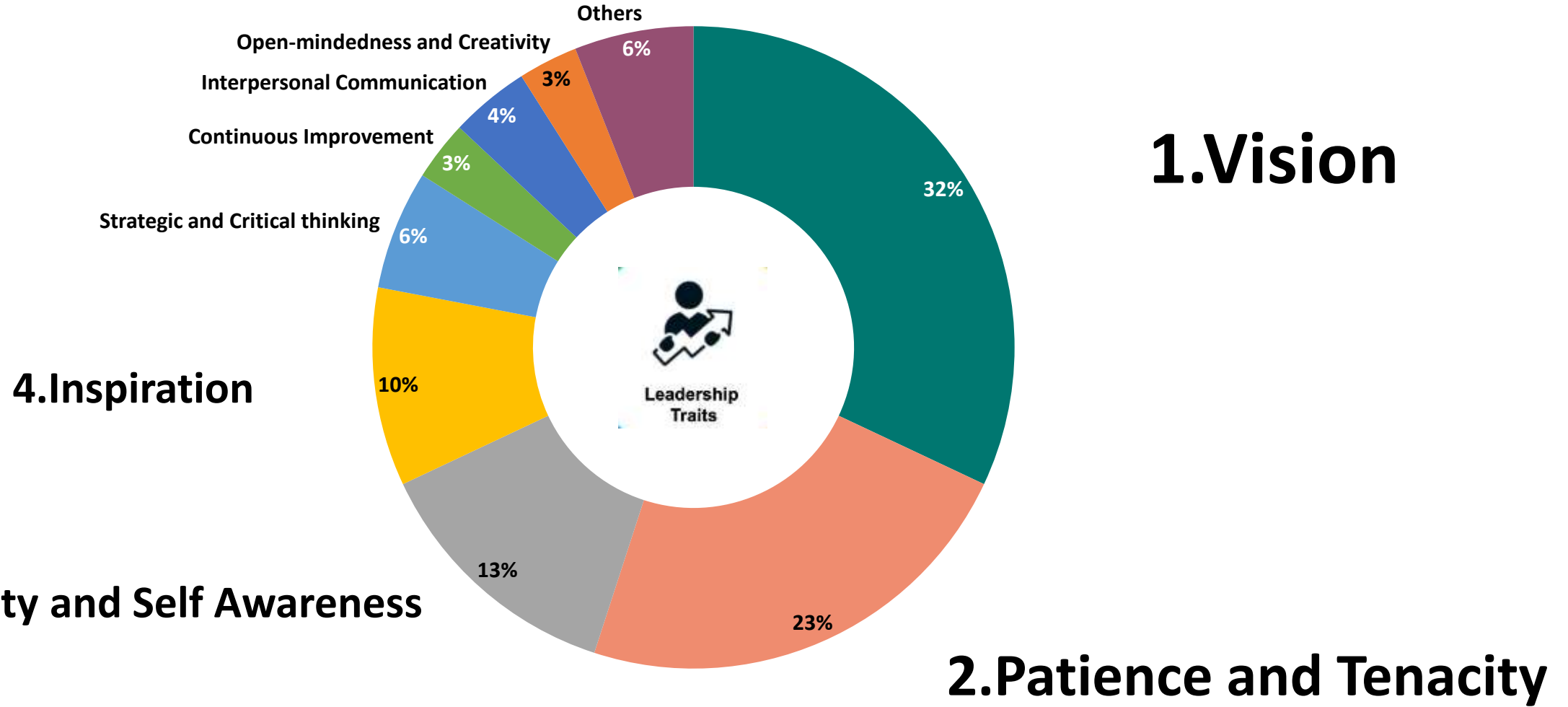
**Most commodities  
Transportation  
Wholesale  
Ayurveda**

**Ethnic  
Jewellery  
Some Agri produce**

**Digital Disruption everywhere, but where is it profitable?**



# Start Up Leadership skills



Some other skills :- Resilience, passion, flexibility, focus, trust and people skills

In a start up till you reach 100 headcount, everyone is the entrepreneur, you run a E E company (entrepreneur + entrepreneurs).



After you reach 100 headcount you become a E P ( Entrepreneur + Professional) company and you need

Structure

Process

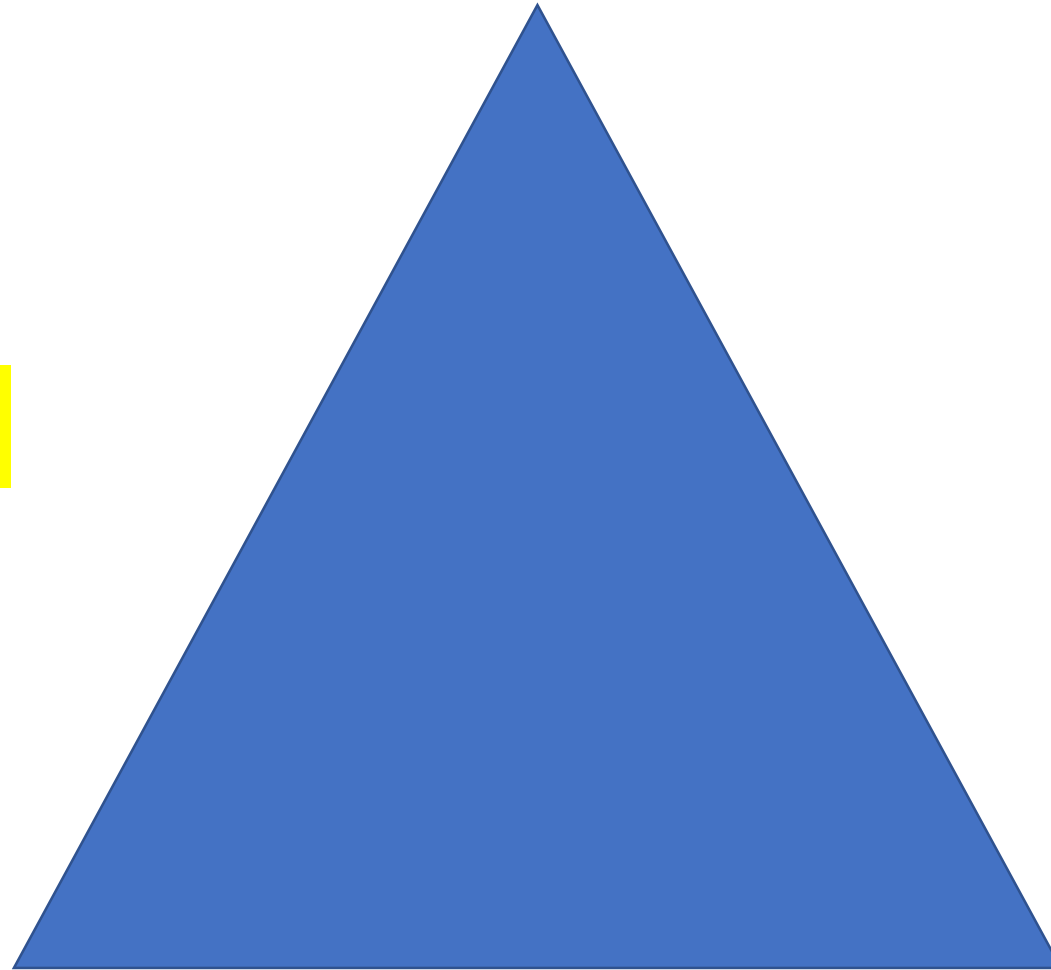
Professionalism

Governance



**Value to Customer/Consumer**

**The 3 V dilemma**



**Values you hold dear**

**Valuation**

# My input for you

- 1. You must pay yourself fairly**
- 2. Be clear of your strategy, hope is not one**
- 3. Check progress vs strategy measures every week, you must see progress**
- 4. Never start a company with the sole idea to be bought out.**
- 5. Be clear at the start how you will resolve differences amongst founders.**
- 6. Hold good talent**
- 7. Build partnerships**
- 8. Under promise, overdeliver**