

Suggested business model for start-ups in achieving goals of Atmanirbhar Bharat

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Abstract

Self-reliance got fresh oxygen with Startup India and relief packages of post Covid-19. India had good presence of entrepreneurs for centuries being a nation of innovations. With talent pool and untapped markets, it offers a radical growth for start-ups. Business models should stimulate youths to come with mass production products and services at affordable cost. Tech Startups and wave of Internet, Telecom, and IT etc. with improved funding linkages have further strengthened the Indian Startups growth story. Business model innovators like, Amazon, Urban Company, Ola, BYJU's, Zomato, Paytm, etc. have revolutionised industries and sectors by overcoming dominant industry logics. Atmanirbhar Bharat visibly stands on the five pillars viz of Economy, Infrastructure, Technology, Demand, and a Vibrant Demography. The overall thrust of the start-up model is on creating enabling environment with viable business models and ecosystem as enabler of Sustainability.

Keywords: Business Model, Startups, Atmanirbhar, Ecosystem, Technology, AI, Digital Infrastructure, GDP, Startups, Unicorn, Action Plan, Sustainability.

1. Introduction

Self-Reliance is encoded in Indian Philosophy as voiced by Swami Vivekananda, who advocated for the glorious past of India at the Parliament of the world's religion.

India has been a nation of innovations since centuries. The glaring examples of innovations have been the plastic surgery techniques of Sushruta, establishment of ancient Nalanda University in 5th Century as an excellence of learning, redefining role of Planning Commission to NITI Aayog; IT, Internet & Telecom, Startups India and beyond. The growth trajectory has transformed India, from simple family run business to technology driven nation.

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In retrospect, the ideology and philosophy of Swami Vivekananda ji such as understanding education for creating values by life building, man and character making, by assimilation of ideas to strengthen the society and transforming ideas into unique and workable models can make India self-reliant.

Atmanirbhar Bharat is, therefore, not just a slogan as Swami ji observed, “*A man is not poor without any money, a man is really poor without a dream or ambition*”. It is a call to seek participation, to develop an attitude, to get momentum, possibly with some sacrifice by coming out of comfort, to think of doing something that gives pride, be a Job Giver and an Entrepreneur by transforming opportunities into reality with a business or economic activity, generating employment and wealth creation.

With diversity of work and culture, India emerges a unique society globally, which has learnt lessons to stand, survive and be self-reliant. A shining example could be our Vaccination Drive that addressed the needs of billions locally and helped other nations. This strengthens the voice for local, it stands for “Think Global and Act Local” adopting best practices, technologies and creating value for money by promoting local entrepreneurs, and Startups.

Historically, India has very good presence of Entrepreneurship and Trade that blossomed for centuries and continued with the journey of Startups and Entrepreneurship, making India 6th largest global economy. The progressive growth of Industries and phases of developments, political will and policy framework supported the ecosystem of Atmanirbhar Bharat.

India has been witnessing development of Startup Community, a strong entrepreneurial culture, especially among millennials and in this direction, an advice to Entrepreneurs from legendary Ratan Tata is, “Strongly believe in your idea” and he feels that a good idea is one that makes a difference to people’s lives.

For socio-economic development of a country with huge aspiring youths awaiting avocation opportunities, the offerings of Startup are many folds - ranging from Innovation and Technology to new products and services, market & sectors, entrepreneurs, job creation to enabling job givers and together becoming drivers of wealth creation and economic growth.

With national agenda on Startups and Entrepreneurship, vision of Honourable Prime Minister of India, Shri Narendra Modi has been, “I see Startups, technology and innovation as exciting and effective instruments for India’s transformation”. To make India a US\$ Trillion economy and world’s second-largest economy by 2030 (Standard Chartered - Quartz India, qz.com), focus is on role of Stakeholders in addressing early failures, enabling unique

replicable business models and fund linkage.

Startups connect local growth as when local businesses flourish, they create jobs and generate income that could be spent and invested locally. Any rational of the government that takes care of the economic well-being and advancement of its constituency pays special attention to laws and regulations affecting local small and medium size enterprises (SMEs).

Nevertheless, attention of Stakeholders, right from Regulators to evolving collaborations among Academic Institutions and Industries will pave the way for entrepreneurial environment. The National Planner had vision in framework while defining a Startup with an entity which works towards Innovation, Development or Commercialization of New Products, Processes or Services driven by Technology or Intellectual Property or alternatively, a scalable business model with high potential of employment generation or wealth creation. This needs regular finetuning as any Startups once recognized by DPIIT should not run pillar to post for funding or other support and such definition and recognition be acceptable to all agencies.

The call for Atmanirbhar Bharat visibly stands on the five pillars of Economy, Infrastructure, Technology, Demand, and a Vibrant Demography and got support from the government with a package estimated of more than Rs. 20 lakh crores addressing sectors like, MSME, NBFC, real estate, power sectors, etc., to free food grains to migrant workers, to agricultural marketing reforms and sectors like, defence, aviation, power, mineral, atomic and space respectively.

2. Role of stakeholders & ecosystem and emergence of start-ups

De novo firms that unleash creative destruction shift surpluses from rent-seeking large producers to consumers and broader society, successful Entrepre-



Figure 1: Government Relief Package on Atmanirbhar Bharat Abhiyan

neurs innovate, bring new products and concepts to the market, improve market efficiency, build wealth, create jobs, and thus enhance economic growth. At the same time, economic goals have been at the core of Policy Makers, which include ease of doing business, promoting foreign investment, export promotion and import substitution, job creation, skill development and entrepreneurship.

Entrepreneurial Ecosystem are governed by multi-stakeholders and with reference to Startups, these Stakeholders and Individuals interact with each other, playing different roles depending on the stage of the Startup and thus influence the Startup Ecosystem. Of these, there are ingredients that shape healthy entrepreneurial system, like Culture, Talent, Infrastructure, Global Mindset, Regulations, Capital, Know-how, Rebellion, Market, Communication Skills, etc. and appropriate use foster Startups Ecosystem in any economy.

Stakeholders of Startups include, Government, State Startup Missions, Public Sectors, Private Corporate and other Business Community, Higher education Community, Academic & Research Organizations, Venture Capital funds, and Startup Community. Role of these stakeholders assume significance for success of Startups and self – reliance movement in India.

Startup Ecosystem, inter-alia includes Ideas, Inventions and Research, stages of Startups, Entrepreneurs, Team Members, Investors, Mentors, other entrepreneurial people, people from related Organizations and this establishes inter-dependency amongst different Stakeholders to make a healthy ecosystem conducive for business to grow, nurture and flourish.

“Invest India” has been landmark initiative of the Prime Minister for the Indian economy to tap the entrepreneurial potential, enabling the talent of India to dream of ideas, put them in action, and convert them into game changing ventures to revolutionize and accelerate the Startups in India.

The modus operandi is coupled with initiatives of various Ministries of Govt. of India including of DPIIT, State Startup Missions and reforms announced through successive budgets from 2014-15 to 2021-22. It created multi-dimensional avenues for Startups and SMEs, fostering and nurturing the fledgling Startup ecosystem. This includes Incubator, Biotechnology and Research Parks, Setting up of Startup Fund, Startup India Action Plan, setting up Funding Mechanism, National Innovation and Startup Policy, Atal Innovation Mission (ATM) for fostering Research & Development by Industry – Academic Collaborations, Skill India Mission, Seed Fund Scheme and similar initiatives and schemes with ease of doing business measures.

Technology has been shaping the entrepreneurial culture and development in India. The emergence of IT, Telecoms and internet in mid eight-

ies made operations easier, faster and disrupted the landscape of many of its products and services such as Artificial Intelligence, Augmented Reality, Robotics, Material Sciences, etc., representing good business models with significant contributions to the economy. In the process, India could witness sizeable growth from a dozen to over 60,000 Startups and a strong Startup Ecosystem as could be viewed from Table 1:

Table1: Key Govt. Schemes Announced

Timeline	Some Government Schemes
2014	Make in India to make manufacturing destination
2014	Support for International Patent Protection in Electronics & Information Technology
2015	Digital India for a digitally empowered society
2015	MUDRA Bank for small rural businesses
2015	Skill India for Skill & Entrepreneurship support
2015	Atal Innovation Mission to encourage innovation
2016	Startup India Online Portal AND SIDBI “Fund of Funds for Startups
2017	NewGen Innovation & Entrepreneurship Devt.
2017	Dairy Processing & Infrastructure Devt. Fund
2019	Tech. Incubation & Devt. of Entrepreneurs
2021	Startup India Seed Fund Scheme

The natural calamities like, Covid-19 pandemic have been impacting the growth of start-ups. However, with gradual shift for adoptability of Deep-tech adversity and SaaS combined with M&As, Tech Startups are moving quickly from anxiety to adaptation, offering technology driven products at affordable cost, in order to stay ahead of the curve and moving to new geographic markets in cities like Chennai, Pune, Hyderabad, Ahmedabad, Kolkata, Kochi, Patna etc.

Startups in India across different verticals have stepped up digital infrastructure and, in the process, managed to reach out to the widest corners of the country where Work from Home (WFH) has ensured better customer

experience. Technology driven solutions, such as UPI interface have been changing the landscape of the ecosystem in digital space and efforts are made to upgrade the digital infrastructure in place. This has led to growth of many Startups in segments like, Fintech, Edtech, Agritech, Healthtech, Logistech, etc., creating enormous value by enabling seamless transactions, catalysing innovation, and generating efficiency and transparency for users.

The rise of Public Digital Platforms represents a productive engagement between the government and Indian industry to work together in tackling crucial socio-economic challenges. There are Startup like, *Quantela*, who did not evolve digitally, had to suffer. Similarly, in the Healthtech space, delivery process has been fractured, whereas *Telemedicine* has gone one step ahead. With adaptation of technology and meeting infrastructure need, Founders need to keep talent and skill them to remain a creative contributor.

3. Business models: Need and proposed model to support small ventures

The process of Atmanirbhar Bharat might also have to draw attention of failures in Startups and attributes of successful Founders. The business models of innovators like, Amazon, Skype, Uber, Urban Company, Ola, BYJU's, Zomato, Paytm, etc. have disrupted the market Amazon became the biggest bookseller in the world without owning a store, Skype as largest telecommunication provider worldwide without having any network infrastructure, Uber & Ola revolutionized the taxi business without a taxi or taxi driver, Paytm revolutionized the financial Services. These entities reached to billion dollars market capitalisation with sound business models and also adopting a sustainable competitive advantages holding Value Proposition, Market Segment, Value Chain, Cost Structure, Profit Potential, Value Network, Competitive Strategy in respective areas.

NASSCOM (National Association of Software and Services Companies) has been overviewing the working of Tech Startups in India. In one of their studies on scaling up of some 100 Startups, focused on FinTech, RetailTech and B2C segments that could indicate the journey of a venture from Idea stage or beginning to its growth etc. Such studies are also quite helpful to Startups or new Entrepreneurs to learn and sustain. Stakeholders may focus on attributes to arrest ongoing failures, *market for products and services with unique business models* and other attributes of Successful Founders for more and more success stories (Figure 2).

Research observes that strengthening policy and institutional support, creating local communities and sustainable cost advantages help in creating

more and more success stories in small towns as well support Vocal for Local. It also highlights the need of a Business Model (BM), as essence of the success of the Startups with right mix of Innovation & Technology.

As research suggests the Business Model (BM) attempts to replace strategy as point of start (Casadesus-Masanell and Ricart 2011) to gain competitive advantages in the dynamic market driven environment with innovation and entrepreneurship integral to the industry, services, business, society and economy. *The entrepreneurs* look for innovative opportunities to develop an innovative idea translating into viable *business and institutions* become role model of innovation in existing areas of business, in public services and for new ventures and with *strategy* in place innovation is brought to the market successfully (Drucker,P.F., 1985). Founders give everything to create an entity, from earnings to career and even personal life many a times.

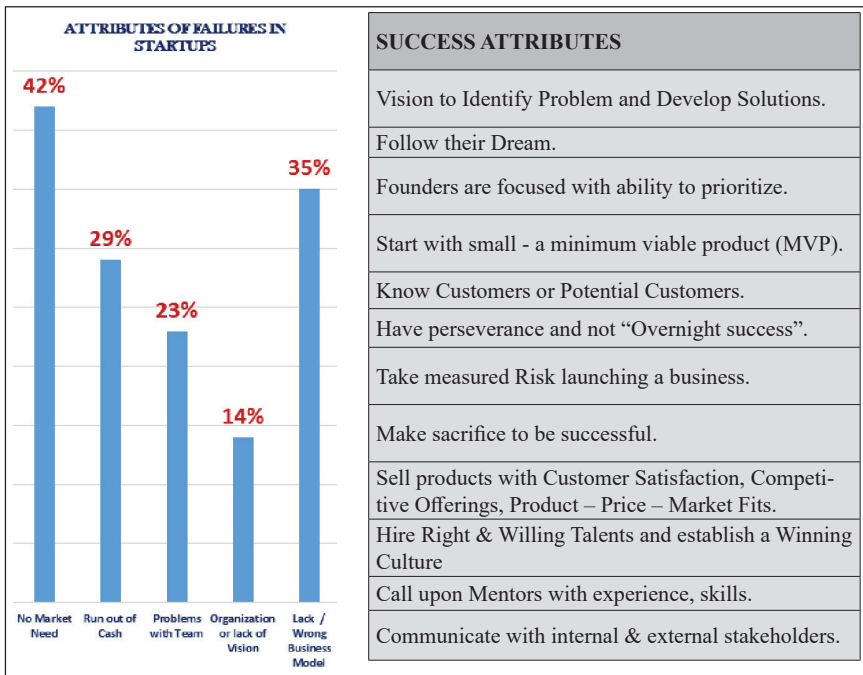


Figure 2: Compiled by Author also using web data from CBInsights, Researchgate.net etc.

3.1 Suggested Business Model for Startups

Over decades, need of Business Model (BM) has been discussed by many researchers, some as key driver of corporate success (Martins et al.2015), some as an integral part of management research (Lambert & Davidson 2013) and

some have observed that BM is likely to replace strategy for gaining competitive advantage (Casadesus-Masanell & Ricart 2011).

The viability of an entity is influenced by number of internal and external factors and therefore, there *cannot be one fit business model that suits to all business entities*. However, there are certain components identical to all types of business entities and help to achieve viability of an entity. Various studies conducted in the past have suggested certain models for adoption by business entities and that may contribute positively for the success of a business entity. The business model navigator suggested by ‘Frankenberger et al., 2012; Gassmann et al., 2013’ describes ‘Four Elements’ with the dimensions as follows:

3.2 What, Why, How, Who, Business Model

Gassmann investigated the evolution of business models (Gassmann, 2012) and proposed 55 generic business model archetypes (Gassmann et al., 2013) opining that any existing business model can be described by using these inputs. Further, some of the studies pointed out that the archetype concept cannot be adopted uniformly and there are many firms that used their own models and implemented successfully. The Four-Element business model is represented below. The diagram shows the business model Navigator consisting of four leading questions What, Why, How and Who? This is further supplemented by additional three main components of each business model viz. the Value Proposition, the Profit Mechanism and the Value Chain.

The ‘Four-Box Model’ presented in figure 4 from Johnson (Johnson, 2010; Johnson et al., 2009) describes business models and it contains four building blocks viz. the customer value proposition, key resources, key processes, and the profit formula. In this, the ‘Customer Value Proposition’ (CVP) is based on the famous ‘job-to-be-done’ concept (Christensen, 2004), which argues that customer preference in buying a product or service increases only when customer is convinced that it fulfills its requirement. For example, we do not buy a drilling machine for the sake of drilling, but ultimately interested in the hole it drills (Christensen, 2004). Johnson’s four-box model is well founded in practice with drawback that cannot (easily) be used to visually map the business logic/architecture and thus functions more as a thinking model.

Stähler (2002, 2013) has suggested another model that consists of the value architecture, the value proposition, the revenue model as well as the team and its values. The features of this model are that it raises several questions about the business a start up proposes to take up. These questions have much significance in a business model conception phase. It is organised in a

Canvas-like framework. As compared to other business models, study describes business models as social systems where it focuses on the relevant issues by raising certain questions for a sustainable business model, like, what does a Startup offer values creating steps, value chain, core capacities, kind of service offered, revenue model and value entrepreneur perceives. These questions are of much relevance as it provide a set direction and required homework before taking up the Startup in true sense as a successful business model.

3.3 Proposed Startup Business Model

Based on past research studies, opinion of experts and some successful business models surveyed, the present study develops the following business model for the success of Startups as in the figure 5 below by the Researcher:

Success story of Madhukam, a brand of Herbal Hand Sanitizer developed by Adivasi Women in Chhattisgarh with guidance from Samarth Jain, a scientist from the base of, the traditional mahua brew, which is an integral part of Adivasi life and culture is a significant contribution to India’s collective fight against the coronavirus.

Bengaluru based Startup, Bellatrix Aerospace, developed a new propulsion system that lets satellites take on more payload. The indigenous electric

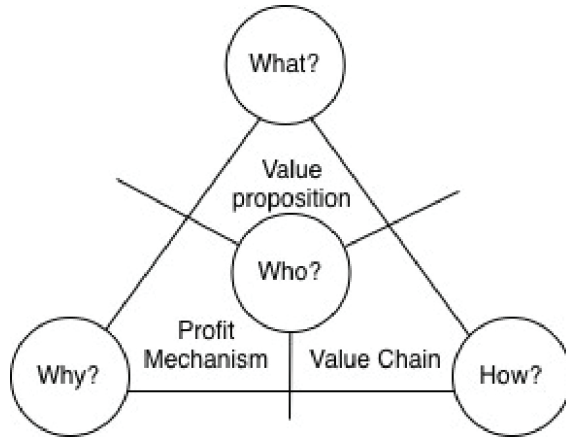


Figure 3. Business Model Navigator according to Gassmann et al. (2013)

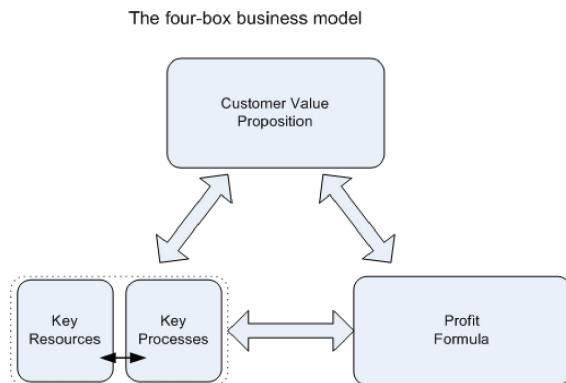


Figure 4: Four-Box Business Model according to Johnson et al. (2009).

Bengaluru based Startup, Bellatrix Aerospace, developed a new propulsion system that lets satellites take on more payload. The indigenous electric

propulsion system for satellites, called Microwave Plasma Thrusters (MPT) offers its customers the ability to take bigger payloads into space at a reasonable cost. The company also claims that it is eco-friendly and a cleaner alternative to the existing electric propulsion.

4. Conclusion

Overall, right from ideologies of our greatest philosophers, Swami Vivekananda to our Prime Minsiter, the thrust is on creating enabling environment and ecosystem which help young generation of this country to be the enabler of self sustainability, employment generator and also creator of the wealth to restore the glorious past of India. The success of either entity or the entrepreneur is governed by governing principles of the business. Entrepreneurship is influenced by multiple factors including uniqueness of the business model supported by innovation and technology driven solutions.

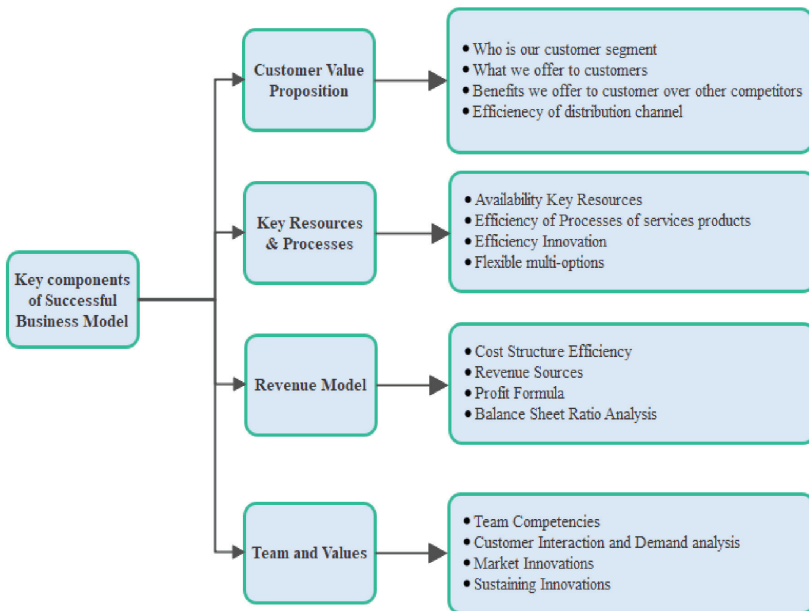


Figure 5. Business Model Process Flow

The study has shown that business centric action plan based on areas of operation, milestones, and strategies for marketing and social media, play an important role in taking up a Sustainable Venture. The increasing trends of concentration of Startups in select metros including attention of Investors needs movement to small cities. Startups could find their strong presence in sectors like, AI, Technology driven solutions, Digital Infrastructure, etc. At the same

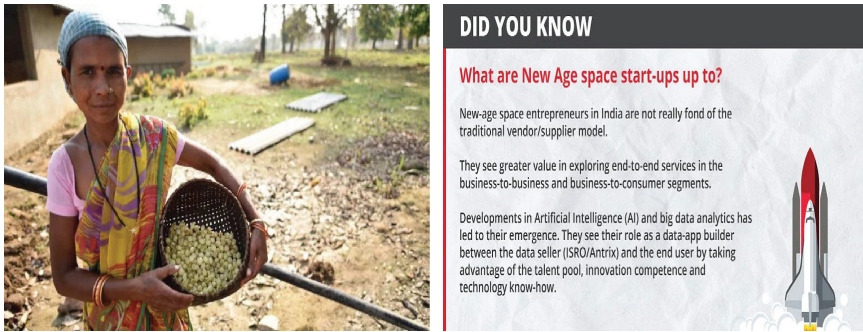


Figure 6. Success Stories of Atmanirbhar Bharat in progress with unique Models

time, innovative models and technology also helped many entrepreneurs to move out of big cities and establish their entities in Tier 2 and 3 Cities that witnessed some movements in small towns as well. Need of the hour is to establish support on resources and avenues right from technologies to funding, mentorship, handholding by Incubators, Industry and Academic Institutions that can disrupt the market and entrepreneurship and shape success of Startups fulfilling the aspirations of Atmanirbhar Bharat, becoming global leader and an economy of US \$ 10 Trillion. With more Startups reaching Unicorn, it is equally essential to support these Startups to start earning profits, generate employment and create wealth.

With pace of development of Startups in most of the States, the ecosystem needs better attention in States with higher population to create better local entrepreneurial opportunities. Similarly, better focus might require for incentivizing the entrepreneurial activities in North Eastern States to engage and participate for a holistic development. The manufacturing sector will remain backbone of any economy with potential to create large scale employment beside economic growth to a higher trajectory. With emerging areas like Fintech, Agritech, Healthtech, Edtech, SaaS etc, this sector will keep drawing attention and impetus to the development of this sector. Initiatives of Make in India to make India a hub for all kinds of manufacturing & design by facilitating investments in key sectors, fostering innovation and Infrastructure development will be of great significance.

Systematic Appraisal of these developments indicate manifold growth from traditional to innovative technology driven solutions. The various stages of lifecycle of Startups also reflect challenges faced by Startups, global perspective influencing the mechanism and current state of growth of Startups that made India a hub of young entrepreneurs. The lesson is that both success

and failures are equally important aspects of any Startup Ecosystem and adoption of innovative Business Models with advanced Technology, Artificial Intelligence, are important for their long term growth and generating profits.

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