



















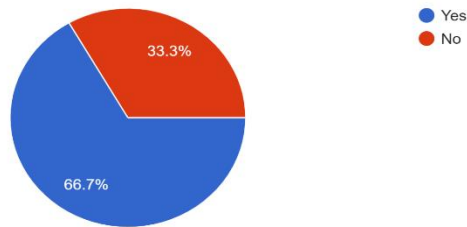








Do you think the funding scheme is beneficial for your start-up?  
75 responses



*Fig. 5. Do you think the funding scheme is beneficial for your Start-up?*

50/75 people find funding scheme beneficial for their start-up for some of the following reasons:

1. It provides the capital required to prove the product and helps to raise further rounds of funding.
2. It helps boosting business
3. It helps to pay for resources and staff and file patent globally
4. It helps to raise funding
5. It enables us to fulfill our requirements and create a good team.
6. It motivates me to work harder without worrying much about financial planning.
7. It encourages expansion and development of the startup.
8. Government schemes can invest in innovative ideas which may seem too risky for retail investors
9. It gives a head start and helps to grow and compete with already existing players in the market.
10. It encourages entrepreneurs to focus on other domains like development and invest in the best resources to make it successful without worrying about finance.
11. Startups require high growth which results to a lot of cash burn, without funding it is difficult to sustain such high growth
12. It helps the company to experiment and grow.

25/75 people find it not beneficial for their start-ups for the following reasons :

1. The system is not transparent
2. A lot of criteria are required to be matched
3. Capital funding is too less
4. Majority of the schemes are sector-specific. One's startup might not directly fulfill those criteria.
5. The scheme is available only for research carried out in academic settings
6. Has too many conditions to avail.
7. Fickle Government Guidelines

5. *Problems faced while receiving funding :*

Adequate funding allows startups to hire talented individuals, develop and refine their products or services, conduct marketing campaigns, and expand their customer base. Without sufficient capital, startups may struggle to survive or miss out on growth opportunities. Finding the right source for startup funding is complicated. Every source has its own limitations, processes, and challenges. Following challenges were most faced by startups:

- i. Winning trust
- ii. Requirement of immediate marketable product
- iii. Selling the pitch and convincing the investors that the project will work as the market is huge and some feel that idea already exists.
- iv. Explaining future scope and convincing investors that the business model is profitable
- v. Tough competition in the market
- vi. Need to pitch down the idea at multiple seminars and investment sessions and convince them with a full proof plan.
- vii. Lack of startup experienced individuals in the incubator panel which might lead to tedious and unfair funding.
- viii. Marketing product, fundraising, networking, and investor hunting, difficulty to connect with resourceful people

- ix. Years of savings needed to bootstrap
- x. Choosing the right source for funding and understanding the process, rules, and regulations involved in it
- xi. It is difficult to gather initial funding when the product is not ready or is still in the early stages. Early days are filled with a lot of bumps and keeping investors' confidence is crucial.
- xii. Venture Capital firms require a minimum revenue for funding. Revenue-based funding options have high interest. Bank loans have high interest. Most of them require 2-3 years of financial statements for funding.
- xiii. Need to build a strong network based on trust and belief in the potential of your idea
- xiv. Explaining risk to-return ratio to family specifically, increasing investment after every financial year, in 2020 specifically the turnover and profit margins dropped, and increasing investment in the very next financial year was hard to convince

## 5. Conclusion

Survey shows that most of the start-ups are self/family funded with a partial workforce who makes it tough to preserve records both financial and operational. Imperfect business models and lack of pioneering revenue strategies have led to the catastrophe of a large number of start-ups, and they are involuntary to shut down operations. Overcoming gratuitous business steps to manage business operations. Capital and access to capital have been persistent problems for start-ups. Government and private sector investors have put aside capital through venture channels but they're not accessible for all sorts of business. The leading problem for such organizations has been to fascinate investors and gain their reliance concerning their mode of operations. Within the preliminary phase of operations, start-ups don't get capital from banks given no credit history of the firm. Additionally, there's an inadequate number of credit score firms for start-ups. Despite having elevated worthy investments, start-ups struggle to continue the competition. Start-ups are unable to alleviate the gap between burn rate and income. Effective money management is a crucial skill to

achieve goals both short term and long term. Both the investor and the entrepreneur are now more deliberately concentrating on innovation, money efficiency, and client/customer satisfaction, a view which is bound to impact the investment scenario henceforth ( Blessy A.Varghese ,2019).

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