

Startup India: Scarcity of proper talent a major issue

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By Lisa Srao

In the last five years the economy has witnessed significant rise in the number of start-up companies, which is still growing. In fact over \$6.4 billion has been invested into Indian startups in the first three quarters of last year. This shows immense pool of talent available in India with stupendous entrepreneurial zeal and an innovation attitude. Also, the diverse cultural and sound economic base makes India a great platform for the start-up segment.



With regards to liquor industry, India shows immense potential for startups (new companies), as it is one of the fastest growing market, the third largest in the world after Russia and China.

Over the last few years, the significant amount of investment in this industry makes it an exciting market to be in for an award-winning startup like myself.

The main strengths or the key advantage startups have are mainly, big ideas with a strong vision, low paid up capital, quick growth, competitive pricing, small team that allows for it to be less bureaucratic.

With a buoyant vision startups in India has a very prosperous future ahead, with overall growth of the economy this segment is bound to grow.

F STARTUP INDIA INSIDER VIEW

Despite riding on the success curve the startup sector is not free from external and internal hindrances which can put breaks on the growth march. Some of the challenges the segment face today are:

Man power: Scarcity of proper talent is a big problem faced by the entire sector today, which is a big hurdle in the growth of path of any startup.

Gestation period for break-in period: Startups work on funding and because of long gestation period it delays the next phase of investments which adds up more worries.

Lack of proper infrastructure: Unavailability or lack of proper infra-facility pose a great threat to the growth of this sector.

Diverse market and stiff competition: Complexity of the market coupled with stiff competition is a big factor for dissuading the entrepreneurs to close their enterprises. Additionally, particularly in the liquor industry, the absence of any uniform, harmonized excise policies or labelling regulations hinders the growth of start-ups in this segment as it increases the complexity in the trading environment

Government must get involved in order to make the startup sector more organized and successful. As there are numerous instances where a startup is shut down in its initial stage itself due to lack of funding, even though it has great business. But with government taking a major role (in the development process), it will not only help in streamlining the sector but also encourage more startups to join the bandwagon. Thus it is very essential that government must get involved in order to help in making the sector more organized and successful.

With respect to the alcohol industry, I think the need of the hour is for the government to look at this industry as any other industry that generates revenue. Hence it's quite pertinent on the part of government to create conducive environment for attracting new players in the sector.

One major issue faced by start-ups in the country is that of funding and guidance in the proper direction. The government can firstly help them in getting streamlined with the introduction of new reforms and laws in their favour.

Especially with some perks like relaxation in investment policies for the start-ups for the initial momentum and tax rebate for a certain period till it becomes sustainable. Also government should work towards creating conducive environment (economic) coupled with some good and interesting initiatives to promote the startup culture in the country

Successful execution of PM's Start up India, Stand up India launch would be key to the future of start-ups in India. This will not only encourage more young entrepreneurs to come up with fresh ideas across verticals but also create positive sentiments in the market that helps in attracting more fund for the sector.

(The writer is chairman & managing director, I Brands Beverages)