

Study on the Transformation in Startup Ecosystem in Rajasthan through Startup Incubation Centres with Special Reference to 'Startup Oasis'

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ABSTRACT

Introduction

Entrepreneurship has been embedded in the Rajasthani genius for ages and these people have proved their mettle in setting up huge business houses in most parts of India and abroad, but Rajasthan.

Of late, Rajasthan might have topped the list of hottest junctions for entrepreneurial ventures but it still lacks successful innovation and an efficient entrepreneurial support system.

It needs to be understood that entrepreneurial ventures cannot work in a vacuum, they need an entrepreneurial framework in an economy and an entire set of entrepreneurial support system to make them survive their initial years. The outflux of the entrepreneurial talent from the state can also be accorded to the lack of this support system in the state.

Studies across the world show that while 66% of new start-ups survive for a year or two after their starting up, the survival rate for such startups reduce to 44% after a period of four years from starting up. An Organization for Economic Co-operation and Development (OECD) study shows that over 70% of startups wind up their operations by the seventh year of their operations due to either lack of funds or due to insufficient physical or mentoring support.

This is where the role of startup incubators become vital in promoting the agenda of entrepreneurship development. In this regard, the role of the Rajasthan's first Startup incubator IIM-A CIIE STARTUP OASIS becomes utterly significant in providing support and solution to the entrepreneurial newbies in Rajasthan through its structured as well as unstructured programmes and handhold them in their startup journey.

Objective

The research tries to analyse the entrepreneurial space in Rajasthan and takes into account the role and impact of Rajasthan's first startup incubator IIM-A CIIE STARTUP OASIS in the capacity building of entrepreneurial ventures in the state of Rajasthan.

Research Methodology

This exploratory research is based on the primary as well as secondary data collected from the startup incubator Startup Oasis, its incubatee startups, its co-working startups and its other partner institutes. The data collected through various rounds of elaborative questionnaires and interviews has further been analyzed to make relevant interpretations. The research paper is descriptive in nature.

Findings

This study makes an attempt to bring forward the fact that the entrepreneurial space in Rajasthan still remains scattered and lags behind in numbers, in spite of having a good-enough pool of entrepreneurs in the state.

This study also tries to make a point, that for the development of entrepreneurship in the state, the entrepreneurial drain from the state needs to be checked and the entrepreneurial talent needs to be attracted to the state by providing a conducive entrepreneurial environment. Despite having the scattered entrepreneurial ecosystem in the state, the startup incubator Startup Oasis has managed to trudge the path of entrepreneurship development in the state of Rajasthan, though a lot still needs to be done, and the journey has just started.

Conclusion

It can be concluded that the incubator Startup Oasis may have spurred growth, but there is no denying that conducive startup ecosystem in the state still remains the biggest missing piece of the Rajasthan's startup puzzle.

All in all, it can be said that it's not all doom and gloom for the state of Rajasthan in the entrepreneurial sphere, rather the state has started coming up in numbers in entrepreneurship promotion and the future seems promising.

1. Introduction

There was a time when the majority of the initiatives of the Rajasthan state government were focused only on food, security, healthcare, housing, and education, with an aim to

raise the standard of living of the people of Rajasthan, at large. But, Today, Rajasthan is counted amongst the 'hottest' junctions for entrepreneurs, incubators and even other sectors such as Bollywood, artisans, craftsmen and more.

Entrepreneurship is the new cool in the country and State governments are now scrambling to make things smoother and easier for startups. Rajasthan has become the sixth state after Karnataka, Kerala, Goa, Telengana and Andhra Pradesh to have its own startup policy which lays down aggressive plans to foster entrepreneurship in the state.

In spite of having a large publicly funded science and technology infrastructure and a sizeable education base, Rajasthan has not been able to realize its innovative potential mainly due to a fragmented innovation ecosystem. The government of Rajasthan has started taking several initiatives towards strengthening the innovation ecosystem in the state. With the implementation of this new policy, the early indications are that, Rajasthan is poised to take a big leap towards innovation-led growth.

2. Developments In The Entrepreneurial Space In Rajasthan

The government of Rajasthan has started working towards the development of the entrepreneurial space in Rajasthan with the following measures :

- I. Forming the 'Rajasthan Start-Up Policy 2015', whose mandate is to regulate, develop, promote and coordinate various innovation-related activities in the state, and
- II. Setting Up of 'start-Up Oasis' incubation centre, which is intended to promote entrepreneurship and innovation and technology led solutions for sustainable and inclusive growth and involvement of the entrepreneurial space in Rajasthan.
- III. Recently, the first Atal Incubation Centre has been set up in Banasthali University, Jaipur under the Government of India's Atal Innovation Mission, NITI AAYOG ; which is working specifically to promote women entrepreneurship in the state.

With more than \$100 Million infused in home-grown start-ups like 'CarDekho' , 'CultureAlley', 'LogicRoots', 'BlueBox Media', 'Razor Pay' and more – the government of Rajasthan was forced to think beyond just food and education, and cater to the flourishing start-up ecosystem of the state.

Seeing how start-ups usually faced difficulties while participating or dealing with the government, Rajasthan wants to make that process easier. Steps have also been taken to improvise the fragmented digital landscape of the state, to help leverage Rajasthan's intellectual capital for the State to become the leader and create a benchmark for e-Governance.

As of date, Startup Oasis has incubated upwards of 106 startups through its structured incubation and acceleration programmes. Apart from this, it has also supported several growth startups in fund raising through its structured fund raising programme. Recently, it has spread its support in the area of 'Social entrepreneurship' in the state through its programme named 'Invent'. Not only this, it has started taking initiatives to promote the idea of entrepreneurship among the local school-goers and is helping students to come up with startup ideas under its 'TEDStart programme'.

3. Start up oasis

The 'Pink City' of India – Jaipur is seeing entrepreneurs who are trying to solve pertinent problems of the citizens. Over the last few years, the city has grown to become one of the favourite destinations for angel and venture capitalists. The city based incubation centre, 'Start-Up Oasis' has nurtured some of the well-known start-ups which have rapidly scaled up, such as – Ginarsoft, Razorpay, CultureAlley, LogicRoots.

Start-up Oasis is a Jaipur (Rajasthan) based incubation centre that was incorporated in the year 2014, is developing an ecosystem in Rajasthan to inspire and support students, aspiring entrepreneurs and start-ups to solve persistent problems, develop breakthrough innovations and create world class enterprises. Start-up Oasis has been set-up at the joint initiative of Rajasthan State Industrial Development and Investment Corporation (RIICO), Rajasthan's premiere industrial promotion organization, and the Centre for Innovation, Incubation and Entrepreneurship (CIIE) at IIM Ahmedabad, India's leading incubation and entrepreneurship centre.

RIICO and CIIE felt the need to tap the pool of traditional Rajasthani and Marwari entrepreneurial spirit and use the joint expertise of RIICO and CIIE to channelize the entrepreneurial energies in youth of Rajasthan to foster creativity and innovations in order to solve some of the most obstinate problems of the state and the country.

Start Up Oasis provides a unique package of services to entrepreneurs and investors for large, medium and small-scale innovative and entrepreneurial ventures. It aims to provide innovation driven entrepreneurship in Rajasthan through incubation, investment, training and mentoring.

Start-up Oasis comprises of faculty, mentors, alumni and students of IIMA, mentors and service providers from the industry and experts and established entrepreneurs from RIICO who belong to a variety of functional areas, sectoral domains and geographies and are passionately committed to help and promote disruptive innovations and aspire entrepreneurs succeed commercially.

Start Up Oasis Promoters

RIICO Grow With Rajasthan	CIIE IIM Ahmedabad	Department Of Science And Technology, Ministry Of Science And Technology, Government Of India
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4. Reason behind setting up of incubation centre such as start-up oasis

Studies across the world show that while 66% of new start-ups survive for a year or two after their starting up, the survival rate for such start-ups reduce to 44% after a period of four years from starting-up. An Organization for Economic Co-operation and Development (OECD) study shows that over 70% of start-ups wind up their operations by the seventh year of their operations due to either lack of funds or lack of vital support in times of difficulty. This is where business incubators play an important role in providing support and solution to new entrepreneurs in dealing with the difficulties faced during the start-up stage of the venture.

Start-up ventures are particularly vulnerable in their early stages of growth since the business environment is dynamic and hostile and there are not many options available for testing

one's ideas due to lack of funds, technical support, networks and infrastructure.

According to Pappas (2003), the incubation program is one of the most significant and dynamic support program which is aimed at developing and supporting new commercial ventures. Incubators should have the ability to nurture young firms so that they can survive during their early stages and can maintain a sustainable growth thereafter.

5. Objectives of business incubators such as start up oasis, Rajasthan

The primary objective of the business incubators is to help new firms survive during their start-up stages as it is the most crucial period for a new and budding venture, owing to the fact that, at this particular time, most new firms are vulnerable to failure and collapse to internal inefficiency and external pressures.

Additionally, it is also the objective of the business incubators to provide hands-on management practices, necessary resources, technical support and orchestrated exposure of business strategies to these new business ventures. Furthermore, business incubators provide new businesses, the facilities to share office space and routine office services, easy and shared low cost access to business equipments.

However, the establishment of such business incubators could depend on the different set of objectives to reflect the specific operating environment' and the stakeholder needs.

It is also important to note that the design of each incubator is in a manner that seeks to drive one or more of the following objectives :

- making ventures commercially and economically viable
- facilitating technology transfer
- enhancing innovation
- promoting entrepreneurial spirit among the youth, and
- encouraging economic development
- promoting financial independence of the business ventures

According to Lalkaka (2002), other objectives of business incubators may include,

- the creation of new employment opportunities
- accelerating business growth and empowerment, and
- developing role models to create a good entrepreneurial culture.

6. Role Of Start-Up Oasis In Promoting Entrepreneurship

The contribution of Start Up Oasis in promoting and supporting the entrepreneurial activities and in building the entrepreneurial capacity in Rajasthan can be described in the following points:

- To promote entrepreneurship and thereby leading to employment and wealth creation at local and national level.
- To provide a platform for technology transfer and commercialization.
- To identify and nurture innovations in their early stage of development.

- To enhance the links between universities and R&D centres in the state.
- To help business community's new stakeholders in taking their research to the market to gain commercial and economic viability and recognition.
- To help budding entrepreneurs gain financial and economic feasibility in their business ventures.
- To support small, local and medium-sized firms in their start-up journey.
- To help in the development of industrial hubs in the country.
- To help the early stage business ventures in dealing with market failures.
- To provide knowledge and other inputs to the young entrepreneurs for their innovative ideas and complex business processes.
- To facilitate the bringing together of a set of business development services and diverse partners to help the budding venture in gaining sustainability and later on, scalability.

7. Contribution of start up oasis in entrepreneurial space in Rajasthan

Technology Development Support

Under this, the several support activities provided by the incubators to the start-up ventures are ,

- Research and Development (R&D) support
- Scientific backstopping
- licensing
- Technology validation
- Lab Space and equipment development
- Testing and field/lab trials
- Liaising and networking with the technology providers

Consultancy Support

- Technology consultancy
- Business consultancy
- Legal/IPR consultancy
- Market research
- Training Programmes
- Techno-Economic feasibility studies
- Soft landing

Funding Support

- Government Schemes
- Banks
- Venture Capital Funds
- Angel Investors
- CSR activities
- Funding Directory

Mentoring Support

- Business Plans
- Business Meetings
- Action Plans And Reviews
- Trainings And Workshops
- Mentors Networking

8. Conclusion

Due to initiatives such as the state's Startup Policy, to E-governance, to several other digitisation schemes – the Rajasthan government is currently leading in the charts to emerge as the number two state in the country in ease of doing business index after Uttarakhand, according to a World Bank report.

Also, Jaipur is at present the second-most attractive investment destination in the country, as per an Ernst&Young Attractiveness Survey.

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