

'Start-ups must focus on fundamentals'

Rajeev Banduni, CEO, GrowthEnabler, says ventures must build world-class products even if they serve just the Indian market

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India has the third-largest number of unicorns (start-ups valued at \$1 billion and above) — eight. The US ranks first with 99, followed by China with 39, according to data from tech market intelligence platform CB Insights.

Rajeev Banduni, co-founder and CEO of GrowthEnabler, a London-based company that delivers data, intelligence and independent advice on disruptive technologies and digital innovations from the global start-up ecosystem, says India has made a fantastic debut into the start-up world, despite having the youngest founders.

He told *BusinessLine* that the country is well positioned to create trailblazing start-ups, provided the ventures get their business fundamentals right, ensure a complementary founder-team and create a work culture that attracts the best talent to realise their vision and mission. Edited excerpts:

What can start-ups do to ensure they succeed from the idea stage itself?

Start-ups must focus on getting the fundamentals of their business right and ensure that they

build world-class products despite the fact that they are serving the Indian market.

Before converting their idea into a product, they must ask themselves if that product is something that people 'need' or would 'want' to buy. Potential customers need to know why their product is unique and why they should buy it.

I ask entrepreneurs if their product is cheaper, better or faster than what exists in the market today; whether their idea is a scalable business or a lifestyle business that caters to a niche market; if they have taken feedback or guidance on their idea from experts who have been on that journey.

If start-ups fail to get these fundamentals right, a start-up from another part of the world will enter the Indian market with a world-class product that is intuitive, easy to use and provides a fantastic user experience. The number one reason for start-ups to fold up is that nobody wanted to buy the product that they so painstakingly built.

What should they focus on next?

Start-ups must have a 7-8 year view

India's unicorns

Flipkart



Snapdeal



Ola



Paytm



Hike



ShopClues



Zomato



InMobi



of their business and not a short term view for 3-4 years. Every start-up that I have interacted with begins with the vision of getting acquired and making millions of dollars.

Successful global start-ups didn't start out that way; they started with a vision and mission of making a difference to people by solving problems, which re-

quired a lot of sweat, toil and commitment. The founding team must have complementary skills. Nine out of 10 start-ups I meet, consist of 2-3 -three techies who team up to conceive a product idea that they then proceed to build, but end up not being able to sell. A founding team should have sales, technology and finance skills.

Next, they must build a great work culture that inspires the right kind of talent to join the team, helping realise their vision and mission. People leave start-ups because they are not sufficiently inspired and motivated to work in pure sweatshops.

Many start-ups that start off with 'billion-dollar' business ideas shut shop in 18-24 months. Does this mean they do not have the DNA of an entrepreneur?

Not at all. The biggest challenge facing global start-ups is the high rate of failure. According to *Harvard Business Review*, over 80 per cent of global start-ups fail in the first 18 months; in India this figure is close to an alarming 90 per cent.

Having said that, I submit that a start-up's first idea does not have to be its best idea.

The average age of a start-up founder is 37 in the US, and 47 in the UK — they have a few failed ideas/ventures behind them. But in India, the average age is 27. The start-up world has seen only a few successful outliers who are 27 years old.

If the idea is not workable and is going to fail, Indian entrepreneurs must let it fail fast and leverage that knowledge and experience to better the next idea and make a stronger comeback.

It is unfair for us to compare Indian start-ups that are at the 1.0 stage to mature start-ups in the Western world that are at the 3.0 stage.

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RAJEEV BANDUNI
Co-founder, CEO of GrowthEnabler

