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A Descriptive Study on Entrepreneurial Ecosystems from the Lenses of Jaipur Based Startups

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Abstract: Today's generation seems to be more interested in entrepreneurship. The number ofindividuals taking the risk to launch their own company has significantly increased. India is no exceptionto the entrepreneurial bug. Young Indians are increasingly letting go of their fear of failure and enteringthe perilous realm of startups over the years. These business owners need the aid of a robust ecosystemto guide them on their quest to launch a profitable venture. Such firms work to improve people's lives bygenerating employment for the neighborhood, boosting the economy, and generally making thingseasier. Startups may access resources in a setting that is provided by entrepreneurial ecosystems. Thisstudy deepens our knowledge of the traits influencing how startups engage with their entrepreneurialenvironments. The survival of start-ups in the entrepreneurial ecosystem is a topic of investigation.

Keywords: entrepreneurial ecosystems, Jaipur based startups, risk, launching a company, robust ecosystem, profitable venture, improving people's lives, employment generation, boosting the economy, startups, entrepreneurial environments, survival

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INTRODUCTION

An Indian startup is defined as a company that has been in operation for less than 10 years, or seven years for biotech firms, and that has a revenue of less than INR 25 crore in the previous financial year. The company is no longer considered a startup if it was created via the division or restructuring of an existing company or if its annual revenue was more than INR 25 crore in any of the three most recent fiscal years. [1]

It is commonly known that a company's geographical location is a major factor in its ability to compete. The term "entrepreneurial ecosystem" is used to describe geographic regions that are home to establishments that encourage the development of new firms, connect people with innovative skills, and promote entrepreneurship. This idea has proved useful in the analysis of new businesses, however, there are significant discrepancies across the different entrepreneurial ecosystems. A startup's drive for legitimacy necessitates engagement with other parties. As a result, the growth of a company depends critically on the interaction of its founders and the other members of its entrepreneurial ecosystem. Entrepreneurial businesses favor close ties over ones that are farther apart. Therefore, the success of entrepreneurial ecosystems is tied to their ability to provide access to networks for startup businesses. [2-4]

The ability to form and maintain meaningful relationships is a critical variable in analyzing the networking habits of entrepreneurial enterprises and their access to resources. It's a symbol of your capacity to form

meaningful connections with many people and successfully manage them. Firms can only devote so much time and energy to building and sustaining connections since doing so takes effort. Disparities in relational capacity within a system may cause uneven participation in a network and, in turn, impede the efficiency of a startup ecosystem. Successful startup communities have dense networks, with many participants linked to one another.[5]

It would seem that the entrepreneurial ecosystem provides a haven for new businesses to launch, grow, and succeed. Local start-ups may have a harder time getting the funding and support they need because of a lack of access to crucial contacts. To fully grasp the value of ecosystems to businesses, it is essential to investigate the networking dynamics of entrepreneurial organizations and the opportunities presented by such environments. A thriving start-up requires not just a supportive entrepreneurial environment, but also the development of partnerships with diverse partners who may not be easily accessible or present in the immediate area. These key partners are the backbone of the startup's business ecosystem, which consists of a network of related businesses, institutions, and people working together to realize the company's vision. [6-8]

Comparing entrepreneurial ecosystems to more abstract versions of incubators suggests that businesses will eventually leave such environments. So, entrepreneurial environments would become less crucial to their growth over time. In addition, the impact of entrepreneurial ecosystems has been looked at in isolation as a closed system, such that the entrepreneurial environment was the only component that counts for start-up creation. However, a quantitative analysis of how start-ups value ties with players in their entrepreneurial environment vs other types of interactions has not yet been conducted.[9-10]

LITERATURE REVIEW

Shane, 2020[11]The term "startup ecosystem" refers to the community that forms around an up-and-coming business, including the founders who provide the vision and expertise, the early-stage companies that employ that talent, the incubators who provide guidance and funding, the early customers, and the media that spreads the word. These components build the ecosystem as a whole by linking, interacting, and aiding one another. An entrepreneurial ecosystem is an organized group of people and organizations working together to address societal problems. When a business is in its infancy, the conditions in which it tests the waters for a market/product fit are fraught with uncertainty. In contrast, later-stage startups are geared at discovering repeatable and scalable business models, with the ultimate goal of merging into larger organizations built for execution in the face of high certainty.

Dimopoulos, 2021[12] An entrepreneur plays a crucial role in an entrepreneurial ecosystem by providing direction for the firm in terms of both ideas and business acumen and so ensuring the ecosystem's overall success. New business owners might benefit greatly from the guidance of experienced business professionals who act as advisors. Investors-in-Change, Angel Investors, Professors, Professionals, and Other Entrepreneurs. They help business owners choose the right demographics to target and provide sound financial guidance. As a result, businesses make fewer errors, opening the door to more prosperity and converting a neighborhood into a true Ecosystem. Having access to private investors may help a firm find potential exits. This implies they help businesses liquidate successfully. Investors from outside the

government also help firms get off the ground by providing capital and opening up foreign markets.

Feld, 2018[13]The term "aggregating startup entrepreneurial" is a personality trait often seen in successful business owners. These characteristics include dedication, openness, and the need of taking initiative. Because of these characteristics, it may become clear why new businesses tend to form clusters: entrepreneurs are effective, they give birth to new sectors, and they attract others to their ecosystems. Startup ecosystems may grow in size due to the interaction of two factors: the density of entrepreneurs and the proximity of entrepreneurs. The density of entrepreneurs is the ratio of persons working for startups and fast-growing businesses to the total adult population. In contrast, the term "entrepreneurial proximity" is used to describe either the qualitative phenomenon of a dense region inside a city or the quantitative phenomenon of a city serving as a hub.

Ries (2019)[14] argues that the motivation for the creation of startups is the desire to create novel things in the face of substantial risk. Startups can't grow their invention on their own because of the complicated and non-linear nature of the innovation process; they need help from other organizations. Because of their focus on innovation, startups in the technology sector depend largely on the services of third parties According to Ghezzi new venture creators need to take the initiative to gather the physical and intangible assets necessary to launch their ventures. It's also important for business owners to maintain a watchful lookout for new chances.

Harlin and Berglund (2020)[15] the advantages to society from new businesses, such as the generation of new employment possibilities and technological advancements, make beginning a business to expand its operations an especially desirable endeavor. Because of this, innovative new businesses might be singled out as a prime location from which to get such insights.

Mason & Brown (2017)[16] claim that there is a connection between an entrepreneur-friendly Ecosystem and the creation of successful new businesses. This is because EEs are often the catalyst for new ideas, increased output, expanded business, and new jobs. Research into the EE infrastructure uncovered that EEs provide room for the birth and development of new businesses. elaborated on the work) that identified policy, finance, culture, infrastructure, human capital, and the market as significant drivers in an EE.

Chen et al. (2018)[17]The importance of a well-thought-out business strategy and detailed project planning was highlighted in an analysis conducted. However, project planning is predicated on an investment choice and, as such, requires a unique set of considerations from those used in the business plan, which was itself predicated on a process.

Turker et al. (2019)[18] looked at what influences college students to think about starting their businesses. The data was obtained from a sample population randomly from 4 institutions. The data were analyzed quantitatively using several different methods. Evidence suggests that young people are more likely to pursue entrepreneurial careers if their educational institutions offer them the tools and motivation they need. Therefore, educational and institutional support variables impact the entrepreneurial intent of pupils.

Witte et al. (2017)[19]looked at what it takes to create a hospitable environment for new ventures to flourish

in the innovation ecosystems that thrive in the city's ports. According to their findings, encouraging new businesses to set up shop on once-industrialized, abandoned export property may lead to positive economic outcomes for both the city and the port. Montreal (Canada) and Rotterdam (The Netherlands) were used as case examples for the investigation (The Nether lands).

Kehler et al. (2016)[20] investigated how founders' prior entrepreneurial experience affected whether they stayed involved with, or eventually left, their businesses. However, the primary goal was to advocate for a fresh perspective on the negative link between entrepreneurial experience and performance. There was a U-shaped association found between the level of experience of the entrepreneur and the likelihood that they would abandon their enterprise, with greater disengagement shown among those with higher levels of expertise.

OBJECTIVES

1. To analyze any connections between the different components of the entrepreneurial ecosystem.
2. To study the effect of each component of the entrepreneurial environment on a startup's ability to survive.

MATERIAL AND METHODS

Both secondary and primary data are used to support the investigation. A structured sample survey with startups in the city of Jaipur was used to get the primary data. From journals, magazines, websites, and other pertinent published materials, secondary data was gathered. Convenience The study use sampling. For the research, a total of 50 participants were chosen.

As an exploratory study, the first step in redefining the research challenge is to analyze previous research on similar topics, including books, journal articles, and other sources of information. The development of the hypothesis about the study goals is made easier by this approach. Data is gathered from a variety of sources to calculate startup performance and the different startup components. The research has taken into account a total of 50 new businesses.

The SPSS statistical application is used to analyze the different study goals. In this research, statistical inferential and descriptive methods were both used. The maximum, minimum, mean, and standard deviation are descriptive statistics employed in this research. Correlation has been used to assess the degree of relationship between variables. Regression analysis is then utilized to examine the theory of how the entrepreneurial ecosystem affects the success of businesses.

RESULT

Table 1: Information about the respondents' demographics

Age(yrs.)	No. ofresp.	Exp.(yrs.)	%	No. ofresp.	Qualification	%	No. ofresp.	Gender	%	No. ofresp.
<25	15	0-2	30%	14	Engineers/	28%	15	Male	60%	30
26-30	10	3-5	20%	12	MBA	24%	20	Female	40%	20
31-45	12	6-8	24%	11	Others	22%	15	Total		50
>45	13	>8	26%	13	Total		50			
Total	50	Total		50						

According to the data provided, the largest proportion of respondents (24%) are between the ages of 31 and 45. This is followed by the youngest (25), the middle (26-30), and the oldest (>45) age groups. The chart also reveals that the majority of respondents (20%) have between three and five years of experience, while a smaller percentage (33%) have between six and eight years of experience, (26%) have more than eight years of experience, and (28%) have between zero and two years of experience. Half of the respondents have master's degrees (most often in engineering or science), another quarter has MBAs, and the other quarter has some other kind of education or training. 60% of the responders are male whereas just twenty percent are female.

Table 2: The median and range of the components of the entrepreneurial ecosystem

Descriptive Statistics			
	Mean	Std. Deviation	N
Simplified procedures	22.3991	4.34523	50
Role of Corporates	14.4668	2.64877	50
Government Initiatives	12.6323	3.49805	50
Funding problems	19.8647	2.54251	50
Role of Support Organisations	12.8637	4.17858	50

Based on the data in the table above, it seems that streamlined processes, financial challenges, and government activities are the most important factors in the entrepreneurial ecosystem. The involvement of support organizations and the role of corporations had the greatest dispersion of means.

Table 3: Using a regression analysis, we can see how much of an effect external factors like government programs and funding issues have on our dependent variable, new business formation.

Descriptivestatistics

	Std. Deviation	Mean	N
Startups	153.29563	683.1667	50
FP	3.53279	18.2687	50
GI	2.688657	19.5363	50

ModelSummary

Model	R	Std. Error oftheEstimate	RSquare	Durbin-Watson	Adjusted R Square
1	.267[a]	487.48972	.329	2.326	.327

ANOVA

Model	Some of Squares	df	Mean Square	Sig.	F
Residual	3242582.042	6	1255996.019		
Regression	3993187.248	42	128694.274	.005[b]	5.727
Total	7235769.29	48			

Multiple linear regression has been used, and the findings are shown in Table 4, to analyze the impact of factors on new ventures. In this framework, the factors that affect startups are the independent variables, and the startups themselves are the dependent variables. The findings demonstrate that the regression model is well-fit, with an R-squared value of 0.329 and an adjusted R-squared value of 0.327. An estimated 29.9% of the observed variance in the dependent variable may be attributed to the explanatory power of the independent factors (Government Initiatives and Funding Problems). Statistically, the model is noteworthy since an F value of 5.727 is over the 5% threshold. The absence of evidence supports the null hypothesis because "There are no significant factors in the entrepreneurial environment that affect a startup's ability to survive"is rejected.

Table 4: Use of regression analysis to look at the effect of two independent variables on the dependent variable startup

DescriptiveStatistics

	Mean	N	Std. Deviation
Startups	685.2475	50	428.12563
RSO	16.2415	50	3.52458
ROC	16.1026	50	2.95679

ModelSummary

Model	R	Std. Error of the Estimate	R Square	Durbin-Watson	Adjusted R Square
1	.619a	420.52746	.353	3.175	.340

ANOVA

Model	Sum of Squares	df	Mean Square	Sig.	F
Residual	2885607.352	35	106829.859		
Regression	4275868.158	10	1851526.915	.001b	8.586
Total	7161475.51	45			

The findings of using multiple linear regression to analyze the factors impacting new ventures are shown in Table 5. In this framework, the factors that affect startups are the independent variables, and the startups themselves are the dependent variables. Multiple determination coefficient (R2) values of 0.353 and adjusted R2 values of 0.340 indicate that the regression model is well-fitting. Inferences suggest that the independent factors account for about 40.6% of the variance in the dependent variable. The model is important since the F value is 8.586, which is significant at the 7% level. The absence of evidence supports the null hypothesis because“Therearenosignificantfactors in the entrepreneurial environment that affect a startup's ability to survive” isrejected.

FUTURE SCOPE

Therefore, there are several ways to take this investigation further. In the first place, it would be great to see replication studies in various environments. Specifically, the approach might be used to compare and contrast the characteristics of various entrepreneurial ecosystems in different areas. While our studies focus on engineers and young businesspeople, we welcome participants of any age and level of expertise who are capable and eager to launch their businesses. Finally, startups are affected by the components of the entrepreneurial environment. Therefore, startups need a robust and encouraging environment if they are to succeed.

CONCLUSION

In the future, India may become a center of innovation on a worldwide scale. The success of companies like Flipkart, Snapdeal, and Ola has given young people a renewed sense of optimism about launching their firms. These kids need to channel their energy in the right way. If they want to make their ambition a reality, they need the supporting hand of a robust and effective ecosystem. The proliferation of startup ecosystems throughout the globe is evidence of the rapid expansion of such spaces. Government must take action to meet this need, which is made feasible by the existence of entrepreneurs, capital, investors, and other key players. The government should play a key role in providing the appropriate laws in the form of taxes, incentives, and grants to establish a favorable climate for entrepreneurs.

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