Preface

Of late, technology entrepreneurship and technology-based tech start-ups are gaining increasing attention of the policy makers the world over. They have an immense potential to contribute to the economic development of nations in terms of promotion of innovation, introduction of new products and services, and generation of employment, among others. India is considered one of the “hotspots” of technology entrepreneurship and technology start-ups in the global landscape currently. Accordingly, “Start-up India Action Plan” has been launched by the Government of India recently, to provide an exclusive push to start-ups in the country. Many State governments have announced start-up promotion policies, one-by-one, in the last couple of years. This augurs well for Indian economy.

However, if tech start-ups have to be promoted adequately, it is essential to understand its basic requirements. A start-up has a higher chance of early emergence, achieve stability and success if it is inserted in a fertile entrepreneurial ecosystem. This is because, a start-up has to face innumerable hurdles in different stages of its lifecycle, more so in its initial phase. That is why, it is observed globally that start-ups have a high rate of failure, particularly in the initial years after their birth. Given this, it is imperative to explore and define an ideal entrepreneurial ecosystem for tech start-ups in an economy. Further, it is equally essential to ascertain the structure and characteristics of currently prevailing entrepreneurial ecosystems for tech start-ups in an economy to understand whether there exists a gap between what is ideal in the context of an economic system and what currently prevails, and if yes, measure the nature and extent of the gap to propose policy initiatives for filling up the gap.

An entrepreneurial ecosystem is invariably regional in character since there are differences between regions in terms of policies, culture, concentration of firms, markets and human resources, and availability of finance, among others. In India, Bangalore occupies a unique position due to its vibrancy in terms of concentration of Central Public Sector Undertakings (CPSUs), R&D institutions, premier educational institutions, MNCs – manufacturing, IT, BT and R&D firms, new sources of finance like Venture Capital Funds, Incubators, etc. Further, Bangalore attracted international attention when it was considered one of the 46 “Global Hubs of Technological Innovation” as far back as in 2001. Since then, Bangalore has grown into further prominence for various reasons. More recently, it is considered one of the global hubs of tech start-ups.

Hyderabad is a close competitor to Bangalore in many respects, the most important being its exclusive promotion by the State Government as an IT/BT cluster followed by the growing concentration of R&D centres of MNCs. Given this, it is appropriate to examine these two start-up hubs to explore their entrepreneurial ecosystems for tech start-ups and compare them to an ideal ecosystem feasible in the Indian context. The present study has been carried out precisely with these

research objectives. I fondly hope that empirical researchers, policy makers, entrepreneurs, start-up funders, and mentors, among others, would find this book a valuable reference material.

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