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### A study of SOAR analysis for startups entrepreneurial development in Haryana

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#### Abstract

In most of the world's economies, SMEs (micro, small, and medium-sized enterprises) are seen as a major force driving economic growth and promoting equitable development. In most economies, MSMEs are recognized for generating the fastest rate of job growth. Not only do they play a significant role in creating numerous high-paying jobs at comparatively lower capital costs than large industries, but they also promote the industrialization of rural and underdeveloped areas, reducing regional imbalances and ensuring a fairer distribution of wealth and income across countries. Startups and Micro, Small, and Medium Enterprises (MSMEs) are critical to India's growth process. It creates jobs at minimal cost and helps society progress toward prosperity and growth. The development of rural areas is heavily dependent on MSMEs as most Indians live in villages and there is much more scope for exhausting consumer needs in rural India. Despite the state's huge potential for industrialization, especially in the SME sector, this potential has not yet been fully realized. The objective of this study is to identify the strengths, opportunities, and aspirations of start-ups in the state of Haryana. As a result, the study will prove to be a panacea for startups and micro-entrepreneurs. The study also offers suggestions on how to expand the capacity of their enterprises for innovation, judgment, and diversification in the state of Haryana.

**Keywords:** Start-ups, strengths, opportunity, aspiration, and results

#### Introduction

The ability of any economy to grow sustainably depends not only on its ability to support large organized businesses but also on other means of job creation that can benefit local people and natural resources. One such sector is micro, small, and medium enterprises. MSMEs are widely regarded as an important tool for promoting equitable development as well as an engine of economic growth. These not only play an important role in creating jobs at relatively lower capital costs than large industries but also encourage the industrialization of rural and underdeveloped areas, which in turn reduces regional imbalances and ensures a fairer distribution of wealth and income across countries. MSMEs serve as ancillary units to large enterprises and have a significant positive impact on the country's socio-economic development. MSMEs are crucial to the entire industrial sector of India where they also play a significant role. The SME sector has consistently had a stronger growth rate in recent years than the entire industrial sector.

According to a February 2023 report by Money Control via Tracxn Technologies, India is now the third largest hub for the global 'Start-up' ecosystem. With 90,000 'start-ups' and 107 unicorn firms, this development has only been made possible by India's youth. The nation has managed to leave a lasting mark on the world by becoming a Startup Nation. India is the fifth largest economy by world GDP in 2023, with particular strengths in the tertiary sector and research and development, the quality of its universities and scientific publications, market sophistication, and exports of ICT services. India has been ranked 40<sup>th</sup> out of 132 countries in the World Intellectual Property Organization (WIPO) 2022 Global Innovation Index (GII). India also outperforms its GDP in terms of innovation. Many Indian businesses that started as humble startups have found success in the international investor community. The real driving force behind the success of startups and entrepreneurship is the drive and passion of young India. The country is emerging as the leader of new-age entrepreneurship, thanks to the ideal combination of rising youth aspirations, courage to pursue their interests,

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and innovative thinking. The government is keen to channel this energy by giving budding entrepreneurs access to an ideal atmosphere, aggressive laws, and talent that is ready and waiting.

Haryana is the birthplace of many thriving business magnets, huge industrial houses, and a host of new-era entrepreneurs. The IT powerhouse of India, Gurgaon, in the state of Haryana, has supported some major firms that have grown from successful startups. Despite being physically small, Haryana has seen exceptional economic growth and its contribution to the national economy as per 2020-21 data, the contribution of agriculture, manufacturing, and service sectors in the economy was 19%, 30%, and 51% respectively. The agriculture sector is estimated to grow by 4.3% in 2020-21, while growth in the manufacturing and services sectors is estimated to decline by 9.6% and 5.7%, respectively. With a GSDP of Rs. 5.36 billion crores in FY 2020-21, Haryana is the third fastest expanding state economy, according to RBI data. While the state's economy has a robust industrial sector, it is growing rapidly as the services and IT industries gain ground, putting Haryana at the forefront of the startup revolution. By providing the necessary political push and ensuring maximum convergence by linking policy with the broader perspectives of Indian government initiatives, the state government wants to further unleash the potential of young entrepreneurs. At the moment, the Indian government is keenly pursuing the goal of creating an entrepreneurial India. The State Government must also take the initiative from its side to strengthen these initiatives by creating an enabling atmosphere.

### Objectives of the Study

1. To determine the potential power of startups through SOAR analysis.
2. To highlight the chances for startup expansion in the state of Haryana.

### Data Collection

Study conducted with the aid of available literature on the concerned topic i.e. SOAR Analysis, Startup, and Entrepreneurial Development. This paper is based on secondary data that was acquired from a variety of pertinent publications, including books, newspapers, websites, and press announcements from the government regarding startup policies.

### Limitation of this study: Analysis and interpretation

The study relied on previously completed studies to gather pertinent data for its investigation and does not include any quantitative research methods.

Start-ups are typically an organization, small businesses, partnerships, or other types of entities created to rapidly develop a scalable business model. Entrepreneurs often provide seed funding to start-ups in an attempt to make money by creating a good or service that they believe there will be a market for. Most of these small businesses cannot sustain themselves in the long term without additional funding from venture capital investors due to low revenues or high costs.

"Startups" were defined in a notification issued by the Ministry of Commerce and Industry on 18 February 2016.

The organization will be recognized as a startup following the government notification.

- a) No longer than five years from the date of establishment.
- b) If its turnover did not exceed 25 million crowns in the last five fiscal years.
- c) Seeks to innovate, create, implement, and commercialize new goods, processes, or services that are powered by intellectual property or technology.

In addition, a startup that meets the above criteria must obtain a certificate from the Inter-Ministerial Board for Certification.

### SOAR Analysis for the Entrepreneurial Development of Startup

A SOAR Analysis assists firms in focusing on their existing assets and long-term aspirations to create strategic objectives. This makes it a strategic planning technique that aids firms in concentrating on their long-term goals. A tool for strategic planning is the Strengths, Opportunities, Aspirations, and Results (SOAR) Analysis. It integrates information about the present state of an organization with the hopes and dreams of its members to create an inspiring vision for the future. The main objective of a SOAR analysis is to raise awareness of the variables that influence business decisions or the formulation of business strategies.

The SOAR analysis is used to evaluate the strengths, opportunities, aspirations, and results of a project or commercial endeavor. It requires identifying the internal and external elements that are advantageous and detrimental to reaching that objective. The goal of SOAR Analysis is to transform static information about the way things are today into information about where you want to be.

### In SOAR analysis

**Strength indicates:** What foundation can we lay?

**Opportunity means:** What are the best future directions for us?

**Aspirations stand for:** What matters most to us deeply?

**The Result indicates:** What outcomes will show that we are successful?

We always emphasized in a SWOT analysis to concentrate on the Strengths and Opportunities before eliminating the Weaknesses and Threats. Surprisingly, threats and weaknesses are easier to handle. It is much more difficult to recognize and appreciate strengths and opportunities. Because of this, SOAR analysis is crucial for the growth of startups.

Due to the following elements, startups have tremendous strengths for growth.

Startups place a strong premium on adjusting to change; without the restrictions of bureaucratic inertia, this is typically easier to execute. Startups can be founded with very little expenditure. In startups, developing strong customer relationships promotes maturity and responsibility. If a customer feels like family, they are more likely to return to a business. The ability to create and produce new products and services more quickly and inventively than

larger enterprises that are slowed down by bureaucracy. The freedom to work for one's own company. A new company can also modify its products or services to satisfy the unique requirements of its customers. Owners and managers of small businesses typically have a much deeper understanding of their clientele than their colleagues at larger corporations. Startups are capable of satisfying customer demands. If changing the products or services offered, or even changing the business's hours of operation, would better serve the customers, they can change.

### Opportunities for Startups

India boasts the world's greatest population of young people, which is a major force behind innovation, the labor force, talent, and future leaders. India faces its difficulties in population, infrastructure, health care, education, etc. Startups now have great potential to tackle a range of issues. India's population is extremely diverse, and its middle class is expanding with its consumer base which supports the argument for a robust services and goods economy. Startups should look at banks because they have benefited the most from the size of our population.

The government of India's digital push will advance data and connectivity to new heights. Since data is now more widely available, startups will find it simpler to access markets, regions, and even established companies. Secondly, Deglobalization about which the Critics can claim that this will be difficult, but every coin has two sides; for some, it will be difficult, while for others, it will be an opportunity. We are supporting the idea of manufacturing in India rather than anywhere else in the world as part of the deglobalized world. This is a chance for Indian start-ups, but more crucially, there will be less brain drain because foreign companies will prefer to hire from India, which will result in a larger talent pool available for start-ups. Although deglobalization may harm larger corporations, who may scale back operations and become more frugal, it may also present opportunities for start-up companies to fill the void because India has a more closed economy than China and we do export a significant amount of goods to other countries.

The prospects and difficulties for start-ups in India are both enormous. To overcome these obstacles, the government and start-ups will need to work together. The following are some potentials for startups they create the most jobs, are required less capital, and are an effective tool for promoting balanced regional growth. Startups are actively supported and promoted by the government. Money and subsidies are provided by the government. Not only that but the government purchases goods, machinery, and supplies made by new businesses.

### The Startup Expansion Measures in Haryana for Aspiring Entrepreneurs

The government of Haryana is concentrating on adopting a proactive approach to assist new company enterprises and make it simple to conduct business in Haryana. To achieve this goal and establish Haryana as a top investment location, the state has implemented several policy initiatives. The sector-specific policy for entrepreneurs and start-ups, which was introduced in 2017, establishes the fundamental basis for a robust and successful startup ecosystem in the state. In

the global business arena, many Indian entrepreneurs have been successful in making a lasting mark. The state government is putting its attention on developing a comprehensive plan that takes into account innovation as the basis of the economy to grow the startup ecosystem in the state. To promote efforts and create an environment that encourages entrepreneurship, the state government has, for its part, made several noteworthy moves.

One of India's most significant industrial states is now the state of Haryana. It has made major advancements over the years to establish a place in the high-tech industries of engineering, electronics, automobiles, textile, and others. Although the state's industrial sector is strong, the startup sector in this area is expanding quickly, allowing Haryana to improve its startup environment. Haryana serves as the home location for many modern company owners. The Haryana government is attempting to unleash the potential of young entrepreneurs by giving them the sturdy infrastructure they need and lax regulatory requirements.

The Department of Industrial Promotion and Domestic Trade (DPIIT) recognized 3910 startups with headquarters in Haryana, according to a study published in 2022. In addition, 14 unicorn companies, including Zomato, Policy Bazaar, Delivery, Cars 24, etc., are headquartered in Haryana out of India's 101 unicorn businesses.

### Haryana's Definition and Start-up Eligibility

- a) Startup refers to an Indian entity (private, public, proprietary, or partnership firm) In India as a limited company (as defined in the Limited Partnership Act, 2008), a company (registered under Section 59 of the Partnership Act, 1932) or a private limited company (as defined in the Companies Act from 2013).
- b) The entity must be registered with the DPIIT and designated as a startup, and its registered office must be in Haryana.
- c) The entity's annual revenue has never exceeded 100 crores of rupees since formation or registration.
- d) The Entity is working to produce innovative products, methods, or services.
- e) With the caveat that an entity created through the division or reconstruction of an existing business is not regarded as a "Startup."

### Under The Haryana Entrepreneur and Startups Policy 2022, various fiscal support has been provided for startups such as:

1. For 7 years 50% net State Goods and Services Tax (SGST) refund.
2. Up to Rs. 5 lakh Rental Lease assistance payment is provided.
3. For 100 budding start-up companies, the state government provides grants of up to 10 lakh rupees.
4. Startups can get financial assistance by being reimbursed 100% of their actual costs up to a limit of 25 lac. for domestic and global patent registration.
5. For cloud computing and storage costs of up to 2.5 lakhs per startup every year for five years, 75% of the cost will be borne by Haryana data centers.
6. The State Government provides support up to Rs. 2.5 lakhs for National Acceleration Programs and Rs. 5 lac for international programs.

7. State Government provides financial assistance to incubators for mentoring assistance up to Rs 25 lac per year or Rs 2.5 lac per incubator.
8. Incubation Centre, Industry Associations can avail financial support up to Rs. 50 lac for holding fairs, exhibitions, and seminars.
9. Incubators will get 100% exemption for 12 years / 10 years / 7 years for assisting with the startup competition.
10. Financial support of Rs. 4 crores to build an IT startup warehouse, a new mobile app development center, and Rs. 1 crore per annum for 3 years of supporting recurring expenditure at a prospective location.
11. Awarded up to Rs. 50 lakh per incubator to set up incubation centers in government universities and other institutions.

Other than that, in the new policy, the state government has emphasized on to organize dedicated business development programs in 22 districts across Haryana every six months to educate and create awareness among budding innovators, entrepreneurs, and school and college students about their potential to grow and succeed in a startup ecosystem.

### Recommendations

1. The state government might increase capital spending, especially for district-specific infrastructure development.
2. For extensive development, infrastructure should be designed using a cluster-based strategy.
3. The growth of start-ups is accelerated by Skill development and capacity-building initiatives, such as the Chip to Startup program (C2S).
4. To communicate sector advancements, a district-level system of regular communication between entrepreneurs (both established and up-and-coming), lenders, and interested government authorities may be implemented. Radio or television can be used as a platform for the dissemination of successful rural entrepreneurs' experiences.
5. The social media platform can also broadcast to raise awareness and give aspiring business owners essential information.
6. To increase the capacity to absorb loans, capacity-building initiatives such as skill development, entrepreneur support, market matching, etc., may be made continuously.
7. To foster future entrepreneurs, skill and entrepreneurship development programs may be incorporated into the study material of schools and colleges as a long-term project.
8. A single window system that has to be enabled already exists for regulatory permissions. It might be covered under the State Government's Public Service Guarantee Act, which might facilitate quick project launch clearance.
9. A level playing field for entrepreneurs to advertise their products will be created via the rationalization of the state's tax system.

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