

“A STUDY OF VENTURE CAPITAL AND ANGEL INVESTMENT TO TURN INDIA INTO GLOBAL ECONOMIC POWER – ISSUES, CHALLENGES & FUTURE OPTIONS”

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1. Introduction to research :

The venture capital and angel investments have become an alternative to the banks and financial institutions for all most of the startup's in India. The present research is to find whether these NEW alternatives (venture capital companies , individual angel investors and angel investment firms- groups) to the OLD cumbersome procedural traditional financial (state finance, banks, individual money lenders and co-operative financial institutions) will help and are tending towards preparing “FUTURE India” to be the future global economic power. If so what are preparations to be done by the young entrepreneurs and start-up aspirants on one hand and the financial and allied institutions offering venture capital and angel investments on the other hand and equally supported by venture and angel investment consultants (individuals , groups – firms) as supporting force as a third force bring the helping hand of progress to the start-up firms and new ideas to grow into successful ventures and companies shaping the future India which is compatible in global market . The research will study how far these venture / angel investments have been able reduce the risk factors of the young entrepreneurs and start up firms in their entrepreneurial efforts in budding their new ideas into a reality. The research will study how far these upcoming projects are helping the economic growth of the nation and is the research question of the thesis.

1.1 Research frame work :

The research will study on a comparative basis and frame work the major factors (and parameters of research) between the traditional lending financial institutions (SFC's and Banks) with the venture and angel options now available from a decade in abundance to new enterprisers as a new option of funding (finance) for the project :-

1. The procedural issues in applying for finance or funding.
2. The number of meetings with financial (funding) institutions and it's officials for finalizing the finance (loan or fund sanction)
3. The level of risk factors to the new firm.
4. The profit sharing burden to the firm with the financier or fund releasing institutions.
5. The disbursements of funds (finance) in each stage of project (the convenience level b/w loan and fund option)
6. The level of leverage in releasing the fund in lumpsum or higher amount at each stage (the level of faith).
7. The documents requirements. (b/w loan or fund option)
8. The collateral security requirements for funds. (b/w loan or fund option)
9. The personal guaranty bonds requirements. (b/w loan or fund option)

10. The interest and principal payment terms (absent in venture and angel funds – but if there are deviations of funds by entrepreneurs settlement issues and conditions of agreement signed to angels and others with entrepreneurs) .
11. The complex and compounded penalty interest terms in case of default in payment schedules because of project delays or market conditions. (absent in venture and angel funds but if there are deviations of funds by entrepreneurs settlement issues and conditions of agreement signed to angels and others with entrepreneurs).
12. The rescheduling of loans in case of continuous default because of project delays or market conditions. (absent in venture and angel funds , but requirement of additional years of surrender of shares – repurchase to entrepreneurs in case of project requirement) .
13. The sharing of management (board) of the firm with funding institution (absent with financial lending institutions, but interference level from recovery and other scrutiny officers of financial institutions).
14. The sharing of each decision process of firm with funding institution's representative in board (absent with financial lending institutions, but interference level from recovery and other scrutiny officers of financial institutions in any deviations in product or process of industry)
15. The level of harassment of recovery officers or the fund representative on board.
16. The return of complete ownership option at end of fund or finance period (at the end of completion of loan by firm handing over all documents to the firm or the end of period of funding by way of equity re-purchase from venture –angels co from the owners of firm).
17. The return of documents (after clearing loan – closure of fund period) of property and the company related aspects from financial or funding institutions (shares) .
18. The additional loan - fund availability at each stage of growth of company by institution (in the period of success and profits by the entrepreneurs).
19. The additional loan - fund availability at each stage of growth of company by institution (in the period of failure and losses to counter by diversifications and new additional associated plans and projects for modernization etc.. from the firm).
20. The closure issues of the firm in case of complete failure of project or the product in the market. (the level of inconvenience and problems to entrepreneurs)
21. The refinance (new funds) for new projects with a successful project completion history (first venture) of the entrepreneurs for their new innovative ideas and plans.
22. The refinance (new funds) for new projects with an unsuccessful project completion history (first venture) of the entrepreneurs for their new innovative ideas and plans as new project submission to the funding or finance .
23. The overall stress level of the entrepreneurs (in funding options v/s loans)

Additional information focused is:

- I) *Whether there is growth of number startup's and new ventures in the new environment of venture or angel investor's availability.*
- II) *Whether there is growth (or decrease) of the number of startup's and new entrepreneurs opting for banks or other financial institutions at present period of availability new finance or fund options (for entrepreneurs)*
- III) *Whether there is conducive environment in present political, social and economic conditions with the venture and angels for entrepreneurs for growth and diversification issues.*
- IV) *Whether there is overall successful and positive environment for the entrepreneurs to startup, growth and diversification plans with present angel and venture companies available to entrepreneurs.*
- V) *Whether any major issues are settled positively between the investors and entrepreneurs in case of major differences of options with the operational issues for ongoing venture/ angel invested projects (entrepreneur).*

This thesis and research is a sincere effort in analyzing the components of venture capital and angel investments scenario in India and study of the input of these in the development of our country in shaping it as a emerging future global economic power.

2. Introduction to research :

The subject matter of research is to conduct research on “ a study of venture capital and angel investment to turn India into global economic power – issues , challenges and future options” as the name of the thesis itself unequivocally suggest is to find, understand and analyze the role of and growth of venture capital investment and angel investment options coming up for new startup's, new entrepreneurial ideas and projects coming in Indian market by young engineers, management students and degree holders (as an alternative to banks and state finance for new projects) . The study is focused to bring out useful results, suggestions and conclusions as guide-stone for the government, planners, venture and angel investment companies, technical and management institutions and upcoming entrepreneurs in India. The study would like bring out and show the responsibility of the above said stake holders of India's development and growth in making India a global economic power of future world.

2.1. The independent and dependent variables of research :

The comparative survey is being taken into on the basis of the traditional financing –funding aspects with the new venture and angel funding with a empirical survey of venture managers, angel investors , venture consultants and entrepreneurs to arrive at research conclusions on these research parameters :

The success of venture, angel and SFC's funding (independent) *as independent parameter* -With the level of performance entrepreneurs and research parameter (dependent) “turn India into a global economic power” – development of the entrepreneurs and success of these firms and startup's

As dependent parameters - with comparative frame of reference study strengths, weaknesses and critical success factors (if any) between the venture, angel v/s SFC's & banks working in India.

The stratification is strictly is noted down for macro and micro understanding of the system useful for final analysis and conclusions.

2.2. Research Objectives: As the title of the research speaks out that the overall objective of the present research is to study and to find and understand and analyze the find and understand and analyze the role of and growth venture capital investment and angel investment options coming up for new startup's and new entrepreneurial ideas and projects coming in Indian market by young engineers and management students and degree holders in building India into a global economic power envied by developed and third world countries . A SWOT analysis is made with reference to each objective and hypothesis of research.

2.3. The main objectives of study:

The specific major objectives of the research could be listed as follows:

- 1) To study the present scenario of venture capital and angel investments in India.
- 2) To study on a comparative frame work the traditional finance rising options available for entrepreneurs (like banks and state finance institutions) with the venture and angel investments in India.
- 3) (The comparative frame work will be studies under the twenty three parameters mentioned in the introduction to research)
- 4) To study whether the overall success rate of the venture capital and angel investments in India in the development of the nation.
- 5) To study to find solutions and methods to solve the any problems arising in the areas of venture and angel investment to new entrepreneurs.
- 6) To study any other related aspects with regard to subject matter of research to helpful to arrive at final conclusions of the thesis.
- 7) To arrive at suitable findings and conclusions and to arrive at integrated model of venture and angel investments to make India future's global economic power on a SWOT analysis frame work as direction to government and all other stakeholders of the economic development of nation.

2.4 Research Hypothesis.

The Researcher has conducted a preliminary sample study by way of discussions and interviews with the selected venture capital companies, individual angel investors and firms, the entrepreneurs who have taken funding option or finance from institutions and with the inferences of the pilot survey researcher has designed the following NULL hypotheses : Null hypothesis framed for the present research is as follows:

1. **Ho₁** The options of venture capital is significantly NOT a better option of fund (finance) rising than the traditional state finance institutions for entrepreneurs .
2. **Ho₂** The options of venture capital is significantly NOT a better option of fund (finance) rising than the traditional banks for entrepreneurs.
3. **Ho₃** The options of angel investments is significantly NOT a better option of fund (finance) rising than the traditional state finance institutions for entrepreneurs.
4. **Ho₄** The options of angel investments is significantly NOT a better option of fund (finance) rising than the Banks for entrepreneurs.
5. **Ho₅** The options of venture capital for fund (finance) rising for entrepreneurs are NOT facing any significant and specific problems and issues which needs solutions.

6. Ho6 The options of angel investments for fund (finance) rising for entrepreneurs are NOT facing any significant and specific problems and issues which needs solutions.

The following hypothesis and alternative hypothesis have been framed by the initial survey to be investigated by primary and secondary research survey to find solutions and useful suggestions related to the subject matter of research which are useful to the upcoming entrepreneurs of India.

3. Research methodology:

3.1 Research methodology design and structure format :

The research uses the modified DR.BHRGAV.SVR methodology design and structure . The following methodology design is used by research : the steps can be put as under.

- a) The subject – Broad (title fixation)
- b) Exhaustive Literature survey
- c) Finding research GAP.
- d) From research GAP arrive and Design the concept of research.
- e) Identify Independent and dependent variables and intermediate variable (if any).
- f) Conceptual frame work (in words)
- g) Conceptual model of research (which have to tested).
- h) Arrive at objectives and hypothesis of research.(and limitations)
- i) Data collection, tabulation of results, statistical analysis and interpretation.
- j) Suggestions and conclusions.
- k) Scope for further research.

3.2 Primary and survey methods : The research has designed (above noted) null hypothesis with regard to the objectives of the research detailed above on the basis preliminary survey, discussions and interviews with entrepreneurs, the venture capital institution's officers and executives, angel investors and the venture capital consultants. The study has selected two hundred and fifty entrepreneurs and fifty venture capital institution's officers, fifty angel investors and ten fund and investment consultants for the study and the data was collected randomly by circulation of questionnaires to randomly selected entrepreneurs and executives in India.

The methodology also include besides this random sample survey of the respondents of research , the secondary survey of literature Books, literature journals, literature based research records and research magazines, conference proceedings were sourced as additional information from web sources.

The secondary data such as text-books, national and international, research records and research magazines, conference proceedings are used to understand the basic aspects of the venture capital, angel investors and the problems of Indian entrepreneurs in India and the recent research papers published addressing the same issue and subject matter of the research is reviewed to make a solid foundation for research.

3.3 Data collection and analysis methods: The primary data collected out of questionnaire survey ,discussions , interviews and the data collected by survey would be stratified, averaged, studied and after a proper analysis through a suitable statistical test and the interpretations would be drawn .

- The primary survey data is collected by from fifty venture capital company officials and fifty angel investors, ten consultants two hundred and fifty entrepreneurs are interviewed with questionnaires.
- The data is collected is also stratified on the basis of parameters of venture v/s traditional SFC's & banks, angels v/s traditional state finance and banks is made .
- The data is stratified under the classification of respondent's entrepreneurs, venture capital company officers and angel investors are made.
- The fund / finance consultants are consulted with general interview to understand the scenario with an unbiased opinion on the investment and fund rising scenario for entrepreneurs in India to make their projects live and operational.

<u>The stratification of data of respondents selected for the research is as follows :</u>				
<u>Table Sample Size</u>				
<u>entrepreneurs</u>	<u>venture officers</u>	<u>angels</u>	<u>consultants</u>	
250	50	50	10	Total = 360
Multi dimensional questionnaire with general questions with options for all four funding options available for entrepreneur like – venture, angel, SFC's and banks. The sample size will reflect as 360 -- 360 numbers is near to Pearson's formula calculation of the sample size.(which will be 370) . As per the report, there are 10,000 active small scale units owned entrepreneurs in Mysore district.				

The samples are randomly selected to get real results on the basis of the perceptions of these respondents on the Indian's entrepreneurship and their fund-finance rising option's (venture, angel, SFC's and banks) parameters on a comparative frame work with SWOT analysis and to study the success rate of the present funding options -available in finance option replacing the traditional state and banking finances to industrial ventures.

4. Significance of the study:

The study would contribute significantly in understanding the venture capital and angel investment scenario in India and how it has helped in the economic development of our country. The study would though light on the different finance and fund availability options to upcoming entrepreneurs and developing industries. The study would also try to understand how these new options (venture capital and angel investments) of fund rising with minimized risk of business to encourage new ventures, startup's and new ideas convert themselves into large industries helping the growth of india into a global economic power. The details of the research, the conclusions and suggestions will not only help entrepreneurs, venture capital company officers and angel investors, but will also help the policy makers in government to shape India's future. so this is a significant study and research.

This study will be useful because the research will make a SWOT analysis of fund rising options on the comparative frame work to give the pro's and con's of all fund – finance options availability so that the entrepreneurs can choose the options according to their business plans, it's risks, the need of funds etc..

The study will also go into the framing of “new model of fund-finance frame work to turn India into a global economic power” as a guide line for policy makers, entrepreneurs, venture capital company officers, angel investors, banks and other lending financial institutions to be more responsible to shape India – our country as the future new global economic, social and political power in the world. All the above reasons and importance of study shows the significance of our research as the subject matter of study is based on the value system and patriotism towards our nation and development of its future.

5. Limitations of research:

As the research and survey is limited to the analysis of entrepreneurs and venture capital companies and in India only and the state finance institutions, banks and other lending institutions were not included in research is the first limitation of the research. As the research and survey is limited to the analysis of only fifty venture officers and fifty angel investors and 250 entrepreneurs is an additional limitation of the research. The research and survey is limited to the analysis of respondents selected from 50 v.c companies, 50 angel investors and 250 startup companies in India where there are millions of companies and lakhs of entrepreneurs and thousands of V.C firms and angel investors in India will be one more limitation of the research. The time period of research is also an additional limitation of research. The parameters chosen for study is around twenty five and there may be umpteen number of other parameters connected with the subject matter of this study will also is an limitation of this research. But the researcher is confident that despite these limitations the thesis would be useful to the nation as a guiding force to policy makers and all other stakeholders of development to empower our nation.

6. Findings, Suggestion And Conclusion

This section presents the highlights of the research and major findings, suggestions with regard to the research study of the role of these NEW alternatives (venture capital companies, individual angel investors and angel investment firms- groups) to the OLD cumbersome procedural traditional financial (state finance, banks, individual money lenders and co-operative financial institutions) will help and are tending towards preparing “FUTURE India” to be the future global economic power and empowerment of Indian entrepreneurs, ceo of start-ups and upcoming middle scale industries to develop the corporate strategies in this competitive and globalised era and draw the final conclusions. This research's outcome of suggestions is recorded in this section which could be applied for any other any sector like health care, infrastructure development, wellness, education in the India to help and empower India as the future global (educational, healthy, world class commutable) power of the world for successful utility of the such a research suggested new model of training method and philosophy.

6.2 Major findings:

The thesis **“Role of type five leadership, emotional intelligence and transaction analysis empowerment and training to managers to face the challenges of globalised business world”**- has the following research journey before arriving at major findings, suggestions, and final conclusions for the thesis.

6.2.1 The research journey:=The thesis is to find how to empower and equip and arrive at meaningful interpretations of the survey ,suggestions and conclusions to improve the efficiency and effectiveness of entrepreneurs development in India to be a global economic leader in this upcoming future international economic scenario so that there will be brain drain from developed countries into India. This analysis is based on primary traditional survey of selected respondents in the survey organisations were selected from units at India and before arriving at the major findings of the research.

The secondary data such as text-books, management journals – national and international, research organization records and research magazines, conference proceedings are used to understand the basic aspects of the venture capital and angel investment also reviewed of recent research papers published addressing the same issue and subject matter of the research.

6.2.2 Major findings and suggestions of the thesis with reference to each objective of research:

The major findings of the research with regard to each objectives are detailed as follows:

(I) First objective of research: To study the present scenario of venture capital and angel investments in India.

Findings with regard to objective :The research survey showed that the conditions look very favourable in reducing risks and fears in the minds of the entrepreneurs with regard to closure of unit and other aspects , but needs great improvement in the sense that there is need of more liberal , faster , effective and efficient operations of these modes of finances with added research suggested models to bring real empowerment of the Indian entrepreneurs to bring faster results to take the units to face world economic situations and competitions.

(II) Second objective of the research findings: To study To study on a comparative frame work the traditional finance rising options available for entrepreneurs (like banks and state finance institutions) with the venture and angel investments in India.

(The comparative frame work will be studies under the twenty three parameters mentioned in the introduction to research)

Findings on the objectives : The research survey showed that ***that there is just above average level (statistical survey show the peak of distribution in between high and medium level) of these parameters of the research (detailed distribution analysis is given in schedule and the overall results for each parameter is given below under each head)*** in survey units. . They need to go along way for designing entrepreneurship and empowerment programme for all stake holders if the new finance mode need to take forward the nation to be the most progressive and fall in line with other developed countries in the present global scenario.

The level of satisfaction level in the feedback summary si given below :
The likert scale values – Very High High Medium Low Very Low

1. The procedural issues in applying for finance or funding - **Medium**
2. The number of meetings with financial (funding) institutions and it's officials for finalizing the finance (loan or fund sanction)- **Medium**
3. The level of risk factors to the new firm.Reduced (satisfaction level – **High**)
4. The profit sharing burden to the firm with the financier or fund releasing institutions. Reduced (satisfaction level – **High**)
5. The disbursements of funds (finance) in each stage of project (the convenience level b/w loan and fund option) time Reduced (satisfaction level – **High**)
6. The level of leverage in releasing the fund in lumpsum or higher amount at each stage (the level of faith). (satisfaction level – **High**)
7. The documents requirements. (b/w loan or fund option) - **Medium**
8. The collateral security requirements for funds. (b/w loan or fund option) not required ((satisfaction level – **High**)
9. The personal guaranty bonds requirements. (b/w loan or fund option) not required ((satisfaction level – **High**)
10. The interest and principal payment terms (absent in venture and angel funds – but if there are diversions of funds by entrepreneurs settlement issues and conditions of agreement signed to angels and others with entrepreneurs) .
(Satisfaction level – **Medium**)
11. The complex and compounded penalty interest terms in case of default in payment schedules because of project delays or market conditions. (absent in venture and angel funds but if there are diversions of funds by entrepreneurs settlement issues and conditions of agreement signed to angels and others with entrepreneurs). not required ((satisfaction level – **High**)
12. The rescheduling of loans in case of continuous default because of project delays or market conditions. (Absent in venture and angel funds, but requirement of additional years of surrender of shares – repurchase to entrepreneurs in case of project requirement). not required ((satisfaction level – **High**)
13. The sharing of management (board) of the firm with funding institution (absent with financial lending institutions, but interference level from recovery and other scrutiny officers of financial institutions).
(Satisfaction level – **Medium**)
14. The sharing of each decision process of firm with funding institution's representative in board (absent with financial lending institutions, but interference level from recovery and other scrutiny officers of financial institutions in any deviations in product or process of industry)
(Satisfaction level – **Medium**)
15. The level of harassment of recovery officers or the fund representative on board.
(Satisfaction level – **Medium**)

16. The return of complete ownership option at end of fund or finance period (at the end of completion of loan by firm handing over all documents to the firm or the end of period of funding by way of equity re-purchase from venture –angels co from the owners of firm).(Satisfaction level – **High**)
17. The return of documents (after clearing loan – closure of fund period) of property and the company related aspects from financial or funding institutions (shares) .(Satisfaction level – **High**)
18. The additional loan - fund availability at each stage of growth of company by institution (in the period of success and profits by the entrepreneurs).
(Satisfaction level – **High**)
19. The additional loan - fund availability at each stage of growth of company by institution (in the period of failure and losses to counter by diversifications and new additional associated plans and projects for modernization etc.. from the firm).(Satisfaction level – **high**)
20. The closure issues of the firm in case of complete failure of project or the product in the market. (the level of inconvenience and problems to entrepreneurs)
(satisfaction level – **medium**)
21. The refinance (new funds) for new projects with a successful project completion history (first venture) of the entrepreneurs for their new innovative ideas and plans. (satisfaction level – **Very High**)
22. The refinance (new funds) for new projects with an unsuccessful project completion history (first venture) of the entrepreneurs for their new innovative ideas and plans as new project submission to the funding or finance.
(Satisfaction level – **high**)
23. The overall stress level of the entrepreneurs (in funding options v/s loans)
Stress lowered (satisfaction level – **high**

III third objective of the research findings : To study whether the overall success rate of the venture capital and angel investments in India in the development of the nation .

Findings on the objectives : The research survey showed that *the present level the success rate is between medium and high and needs great improvement and proactive steps from policy makers and all stake holders of the entrepreneurship development and mentoring process in India to see real and highly visible results .*

These aspects were assessed by the Additional information collected by results:

- I. Whether there is growth of number startup's and new ventures in the new environment of venture or angel investors availability.**
- II. Whether there is growth (or decrease) of the number of startup's and new entrepreneurs opting for banks or other financial institutions at present period of availability new finance or fund options (for entrepreneurs)**

IV Fourth objective of the research's findings :To study to find solutions and methods to solve the any problems arising in the areas of venture and angel investment to new entrepreneurs

Findings on the objectives : The research survey showed that angel and venture consultants are doing a great job in solving the problems arising in the issues between the investors and entrepreneurs . most of the case the entrepreneurs need to come down in the issues for solution and the investors have a upper say on the issues (as per the entrepreneurs).The government , the venture and angel investors with the entrepreneurs fuelled with greater enthusiasm and energy need to pull up their socks and draw new strategy to improve upon the speed of the operations of registration of start-up's , dgted licences , testing certifications etc.. to bring faster growth of the startup's to bring a vertical growth for nation .

V Fifth objective of the research's findings :To study any other related aspects with regard to subject matter of research to helpful to arrive at final conclusions of the thesis.

Findings on the objectives : The research survey showed that *that there are many issues like the board management sharing , the close monitoring of fund utility , when a hr problem arise between -there is no proper mode of solution between them, etc are discussed in the further pages.* These results show the importance of the research and subject matter.

6.2.3 Major findings and suggestions of the thesis with reference to each hypothesis of research: The major findings of the research with regard to each hypothesis are detailed as follows:

(I) First Hypothesis of research: Hypothesis -1: Ho1. Ho1 The options of venture capital is significantly NOT a better option of fund (finance) rising than the traditional state finance institutions for entrepreneurs.

Findings with regard to hypothesis: The survey revealed that this Hypothesis is disproved on the basis of overall results. The options of venture capital is significantly a better option of fund (finance) rising than the traditional state finance institutions for entrepreneurs .

(II) Second Hypothesis of research: Hypothesis -2: Ho2. Ho2 The options of venture capital is significantly NOT a better option of fund (finance) rising than the traditional banks for entrepreneurs.

Findings with regard to hypothesis: The survey revealed that this Hypothesis is disproved on the basis of overall results. The options of venture capital is significantly a better option of fund (finance) rising than the traditional banks for entrepreneurs.

(III) Third objective of research: Hypothesis -3 : Ho3 Ho3 The options of angel investments is significantly NOT a better option of fund (finance) rising than the traditional state finance institutions for entrepreneurs.

Findings with regard to hypothesis: The survey revealed that this Hypothesis is totally disproved on the basis of overall results and The options of angel investments is definitely significantly a better option of fund (finance) rising than the traditional state finance institutions for entrepreneurs. This shows wide opportunities for present entrepreneurs of India to develop their new ideas into a working business or a enterprise.

(IV) Fourth Hypothesis of research: Hypothesis -4: Ho4 Ho4 The options of angel investments is significantly NOT a better option of fund (finance) rising than the Banks for entrepreneurs.

Findings with regard to hypothesis: The survey revealed that this Hypothesis is totally disproved on the basis of overall results and The options of angel investments is significantly a better option of fund (finance) rising than the Banks for entrepreneurs. This shows a wide opportunities for present entrepreneurs of India to develop their new ideas into a working business or a enterprise.

(V) Fifth Hypothesis of research: Hypothesis - 5: Ho5 Ho5 The options of venture capital for fund (finance) rising for entrepreneurs are NOT facing any significant and specific problems and issues which needs solutions.

Findings with regard to hypothesis partially proved on the basis of overall results shows that The options of venture capital for fund (finance) rising for entrepreneurs are facing some significant and specific problems and issues which needs solutions. If these problems could be solved this new funding option will go a long way to develop the nation as the thirds economic force of the world.

(VI) Sixth Hypothesis of research: Hypothesis - 6 : Ho6 Ho6 The options of angel investments for fund (finance) rising for entrepreneurs are NOT facing any significant and specific problems and issues which needs solutions.

Findings with regard to hypothesis: The survey revealed that this Hypothesis is partially -proved on the basis of overall results and the options of angel investments for fund (finance) rising for entrepreneurs are facing some significant and specific problems and issues which needs solutions. These problems need to be tacked immediately for speedy entrepreneurs development in India – which will have a great significant change and improved economic growth of India. This will help the startup's to face global changing and challenging market scenario and the risky business situations.

6..2.4 Other important findings from the statistical survey :

In the statistical survey many opinions were expressed about in the last part of questionnaire by the respondents are discussed and summarized. The different suggestions and comments of venture managers, angel investors and basically entrepreneurs interviewed through questionnaire survey .are summarized as follows:-

1. The venture capital managers opined that the clarity fo the project is not presented in the meetings.
2. The angels opined that the startup's ideas come raw , needs to be smoothed and should make a clear market sample study before presentation and meeting for finance.
3. There is need for good projects in innovations, modifications and change of present technology systems is in the offing rather than very new ideas without any clarity of execution of the process of development of the product .
4. There government needs to arrange training and motivational training plans for the management and technology colleges and universities to bring new entrepreneurs to create an awareness of new system of finance (angel and venture) and it's critical requirements of project presentations.
5. Some respondents opined that the venture and angels are very strict and want only 100% success rate projects and are not always ready to take risk in new ideas .

5.3. Major Suggestions with regard to the research :

1. The research suggests that though the venture financed market conditions look very favourable in reducing risks and fears in the minds of the entrepreneurs with regard to closure of unit and other aspects, but needs great improvement in the sense that there is need of more liberal, faster, effective and efficient operations of these modes of finances with added research suggested models to bring real empowerment of the Indian entrepreneurs to bring faster results to take the units to face world economic situations and competitions needs improvement and liberal attitude from all stake holders to make the idea an enterprise.
2. The research suggests that there is need to go along way for designing entrepreneurship and empowerment programme for all stake holders if the new finance mode need to take forward the nation to be the most progressive and fall in line with other developed countries in the present global scenario.
3. The research survey suggest that though the present level the success rate is between medium and high level – it definitely needs a great improvement and proactive steps from policy makers and all stake holders of the entrepreneurship development and mentoring process in India to see real and highly visible results
4. The research survey suggest that though the angel and venture consultants are doing a great job in solving the problems arising in the issues between the investors and entrepreneurs, in most of the case the entrepreneurs need to come down in the issues for solution and the investors have a upper say on the issues (as per the entrepreneurs). There should be equitable mode of settlement of issues rather than giving a last say of entrepreneurs in this matter.
5. The research suggests that The government, the venture and angel investors with the entrepreneurs fuelled with greater enthusiasm and energy need to pull up their socks and draw new strategy to improve upon the speed of the operations of registration of start-up's, dgtd licences, testing certifications etc.. to bring faster growth of the startup's to bring a vertical growth for nation.
6. The research survey suggest that there are many issues where clear conditions have to be brought about in the venture and angel agreements w.r.t many issues like the board management sharing, the close monitoring of fund utility, when a hr problem arise between -there is no proper mode of solution between them, etc
7. The research suggest a there a need of entrepreneurs and venture board members need to work like family or a single entity with complete support and commitment to make India see visible results of new and less risky mode of funding options for enterprises.

6.4 The major conclusions:

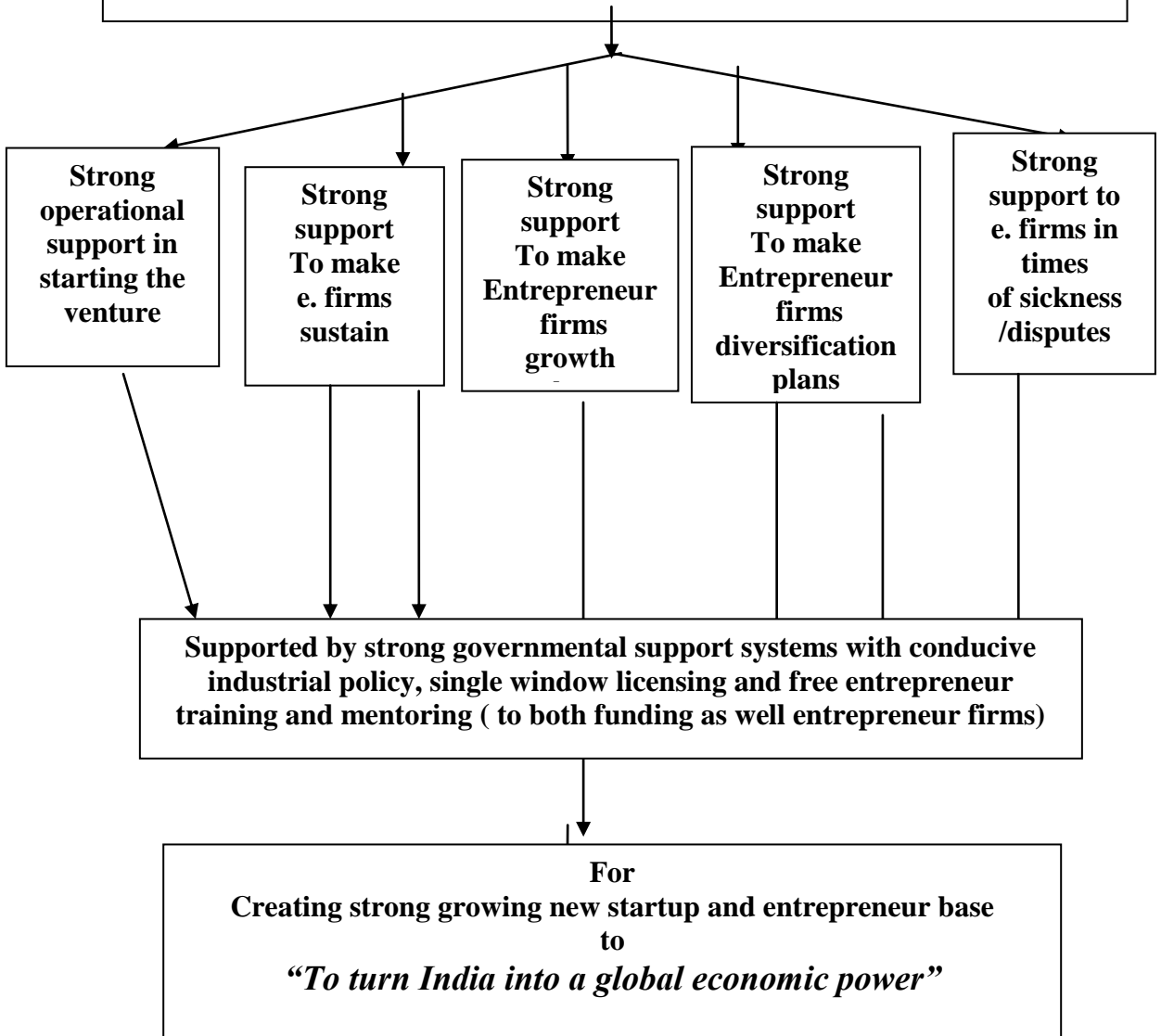
1. The research conclude that venture and angel investments in startups's and upcoming enterprises is significantly a better option of fund raising for the entrepreneurs compared to state fiancé corporations, banks, and other private mode of finances to business in India. But needs education, awareness of it's presence, requirements, qualities and limitations.
2. The research concludes that there are wide opportunities for present entrepreneurs of India to develop their new ideas into a working business or a enterprise in the new lesser risk based funding options.
3. The research conclude that there are some significant and specific problems and issues arising before and after funding from this new option - which needs immediate and amicable solutions. If these problems could be solved with good human relations handling from all stake holders (parties of funding) this new funding option will go a long way to develop the nation as the thirds economic force of the world.

6.5.final conclusions:

6.5.1. coneptual model of the reserech tested though the objective and hypothesis testing and found correct and applicable for indian econmomic conditions. The research has suggested a integrated suggestion in form of new-model was successfully tested and ratified by the research.

“The new model of new funding –venture and angel for Indian entrepreneurs“

“The new model of venture and angel funding for Indian entrepreneurs for vertical growth and success firms and country “



The conceptual frame work of research

First identified the following research parameters when were successfully tested through the broad and specific objectives and hypothesis testing philosophies:

The intendment parameters identified were as follows:

The Venture, Angel And SFC's Funding Options

The broad dependent parameter:

The Level of Successful Funding operations To Entrepreneurs

With the specific Dependent Parameters:

- Operational Success Of Funding Companies
- Increase Of Number Of Startups And New Entrepreneur Venture In India (I.E Growth Numbers Of New Startups And New Entrepreneur Firms)
- Support Of These Funding Companies In Attending And Addressing To The
- Starting The Entrepreneur Firms
- Sustainability Challenges Of Entrepreneurs
- Growth Challenges Of Entrepreneurs
- Diversification Challenges Of Entrepreneurs
- Conducive Support In The Times Of Disputes
- Conducive Support In Times Of Sickness Of The Entrepreneurs And Their Firms.

With A SWOT Analysis To Find Critical Success Factors 's Of The System

(The Subjective broad concept and objective of research : - “ To Turn India Into A Global Economic Power” By Successful Support For The Development Of The Entrepreneurs And Success Of These Firms And Startup's .Study Strengths , Weaknesses And Critical Success Factors (If Any) Between The Venture, Angel And SFC's Working In India.)

The research model outcomes :

The model suggest that following are the necessary ingredients for a successful implementations of the venture and angel funding in Indian economy which assure the whole process of entrepreneur development from incubation to successful operation, growth and diversification of the firms are as follows:

- **Strong operational support in starting the venture**
- **Strong support To make e. firms sustain**
- **Strong support To make Entrepreneur firms growth**
- **Strong support To make Entrepreneur firms diversification plans**
- **Strong support to e. firms in times of sickness /disputes**
- **strong governmental support systems with conducive industrial policy**
- **strong support of single window licensing to start and diversification plans**
- **strong support for export licensing and incentive and export subsidy for new startups.**
- **IT exemption for first five years of operation .**
- **and free entrepreneur training and mentoring (to both funding as well entrepreneur firms)**

The above factors when undergoes proper planning , process and implementation then it creates strong growing new startup and entrepreneur base to “ to turn India into a global economic power”

6.5 Final conclusions of the research :

The research concludes that the development of India as economic as a world leader is long path to trend Even with the new venture and angel funding options,the entrepreneurship training programmes and proactive support of present government . It needs a total transformation and turnaround plan for the process of new investment – funding process Which will more speedier, more entrepreneur friendly, brings justice to all parties and which is equitable With and additional input of “ innovative methods of entrepreneurship and development programme” From school level to the post graduation to bring a wave of enterprise development in the educated lots (who always want retire with as a software engineer in India or abroad and have a settled career life after their single management or engineering degree) To shape the future of the country by developing Innovative ideas into world class industrial unit(and as a business leader with faster vertical growth, expansion and diversification)to make India best economically developed strong nation of opportunities which will invite a reverse brain drain to our country.

6.6 Final word and scope for future research:

The future of country will depend on the growth of new industries which can sustain and grow in the highly competitive and risky business world of today. The venture capital managers, angel investors, entrepreneurs and consultants are doing a great job to maximum extent to bring a change in the country's economic scenario . The entrepreneurs are bringing their basic inputs of their new ideas, dedicated work, enterprising ability, risk bearing capability, a inborn "urge" to become an entrepreneurs and are getting a favourable environment of funding , monitoring and mentoring now in India. This has created a great change and new hope of India's economic, social and educational development and growth.

There is wide scope for future research of same subject in other countries, other sectors and other non-business organisations and new funding and finance options and future research can find how this new system of funding can be made and become more and more effective for progress and growth of enterprises in India.

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