

Project Report On  
**(Impact of covid-19 on startups)**

Submitted by  
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Roll NO: **210**

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Project Guidance by  
Professor: **(DIPIKA GUPTA)**



**UTTARI BHARTI SABHA'S**  
**RAMANAND ARYA D.A.V COLLEGE OF COMMERCE AND SCIENCE**  
**DATAR COLONY, BHANDUP (EAST)**

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***Certificate***

This is to certify that **(POOJA BAHNUSHALI)** has worked and duly completed her Project Work for the degree of Master in Commerce under the Faculty of Commerce in the subject of **(Impact of covid-19 on startups)** and her project is entitled, **(Impact of covid-19 on startups)** under my supervision.

I further certify that the entire work has been done by the learner under my guidance and that no part of it has been submitted previously for any Degree or Diploma of any University.

It is her own work and facts reported by her/his personal findings and investigations.

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***Declaration by learner***

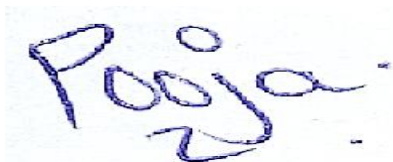
I, the undersigned (**POOJA BHANUSHALI**) declare that the work embodied in this project work hereby, titled (**Impact of covid-19 on startups**), forms my own contribution to the research work carried out under the guidance of (**DIPIKA GUPTA**) is a result of my own research work and has not been previously submitted to any other University for any other Degree to this or any other University.

Wherever reference has been made to previous works of others, it has been clearly indicated as such and included in the bibliography.

I, here by further declare that all information of this document has been obtained and presented in accordance with academic rules and ethical conduct.

Name of the learner: POOJA BHANUSHALI

Signature:

A handwritten signature in blue ink that reads "Pooja" with a stylized flourish underneath.

**Certified by**

Name of the Guiding Teacher: DIPIKA GUPTA

Signature:

**Acknowledgment**

To list who all have helped me is difficult because they are so numerous and the depth is so enormous.

I would like to acknowledge the following as being idealistic channels and fresh dimensions in the completion of this project.

I take this opportunity to thank the **University of Mumbai** for giving me chance to do this project.

I would like to thank my **Principal, Dr. Ajay M. Bhamare** for providing the necessary facilities required for completion of this project.

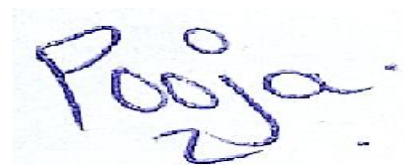
I take this opportunity to thank our **Coordinator (DIPKA GUPTA)**, for her moral support and guidance.

I would also like to express my sincere gratitude towards my project guide **(DIPKA GUPTA)** whose guidance and care made the project successful.

I would like to thank my **College Library**, for having provided various reference books and magazines related to my project.

Lastly, I would like to thank each and every person who directly or indirectly helped me in the completion of the project especially **my Parents and Peers** who supported me throughout my project.

**Signature of the Student**

A handwritten signature in blue ink that reads "Pooja". The signature is stylized with a long horizontal stroke and a small loop at the end.

**(POOJA BHANUSHALI)**

# INTRODUCTION

## Impact of covid-19 on startups

COVID-19 has adversely impacted the overall investment sector. While businesses across all sectors can sense the repercussions of COVID-19, start-ups have particularly been one of the most vulnerable, and in fact, are facing various formidable challenges both, from a business as well as from an operations' perspective. Most start-ups have witnessed a decline in supply and or demand, except for those start-ups that are engaged in the supply and, or delivery of 'essential services', educational technology, gaming or streaming services. Notwithstanding the above, glitches in the supply chain network have either way presented challenges for all start-ups. However, the start-up ecosystem has been continuously striving to adapt to the present situation as flexibly as possible, by focussing on the need to innovate and diversify their business techniques and its operations.

In the past couple of years, the start-up ecosystem in India has emerged as a reckoning force, largely attributable to the efforts of the stakeholders, and the initiatives implemented by the government to facilitate the growth of the start-ups. It is suggestive that the value of investments in India have fallen to \$0.33 billion in March 2020 from \$1.73 billion in March 2019, which indicates a fall of nearly 81.1%<sup>4</sup>. There has been a total fall of 50% in the number of companies funded - presently, 69 firms in March 2020, in contrast to 136 firms in March, 2019<sup>5</sup>. Further sources suggest that sometime between mid-February, 2020 & end of March, 2020, a number of investors have also pulled back from closing current funding rounds<sup>6</sup>. Thus, one of the major challenges faced by the start-ups has now become sourcing funds, which has resulted in cash flow issues, for many.

The lock-down has not only impacted the daily business operations, but it has also forced a good-many start-ups into preparing for contingency plans to limit workforce

and to cut down employee salaries. Various start-up founders have also taken pay-cuts to limit the losses faced.

With the discovery of the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) in late 2019 and very recently with the subsequent pandemic of COVID-19, society and economies worldwide are experiencing an unprecedented exogenous shock . Although the occurrence of a pandemic caused by a new virus is unsurprising for virologists, the infection control measures such as social distancing taken to slow the spread of COVID-19 exert tremendous pressure on large parts of a nation's economy. Most actors central to shaping the economy would admit to the current pandemic being a metaphorical black swan event, that is, a surprising, unpredictable event of great significance and severe consequences that dramatically changes the political and economic environment. While such events could be interpreted as opportunities, the unprecedented lockdown of large parts of society arising from the COVID-19 crisis marks the current situation out as an acute crisis. SARS-CoV-2 triggered a twofold crisis: The COVID-19 pandemic has placed an unprecedented burden on many health systems worldwide, and the infection control measures have caused an economic crisis by bringing a vast amount of economic activity to an abrupt halt. Moreover, while many other past crises have hit humanity at a specific point in time and regionally (e.g., hurricanes like Katrina in 2005) or developed over a longer period of time with global effects (e.g., the 2008 financial crisis), the COVID-19 pandemic has developed globally and the necessary countermeasures put in place have hurt economies suddenly.

## OBJECTIVES

- COVID-19 Start-up Assistance Scheme
  - a. After recognising the numerous financial and operational challenges faced by start-ups, the Small Industries Development Bank of India ("**SIDBI**"), which also operates as an implementing agency for the 'Fund of Funds' for start-ups, has promulgated a 'COVID-19 Start-up Assistance Scheme' (hereinafter "the Scheme") which is intended to provide assistance to certain eligible start-ups that have successfully demonstrated the ability to implement innovative measures so as to ensure business continuity amidst the COVID-19 crisis, and has also ensured employee safety as also financial stability.
- Eligibility criteria under the Scheme includes the following start-ups that have:
  1. at least 50 employees
  2. a positive net worth
  3. received funding through SEBI registered alternate investment funds or VC/PE/Angel funds that invest in start-ups
  4. a minimum turnover between INR 20-60 crores ( for the Financial year 2019 and Financial year 2020)
  5. been incorporated for less than ten years; and meets the requirement of the promoters and, or founders of the start-up having invested their own capital in the businesses.

As per the scheme, the start-ups that were EBITDA positive in December, 2019 or, project a positive EBITDA for the quarter ending June, 2020 would also be included.

Furthermore, under the Scheme, working capital loans of up to INR 2 crores at an interest rate of 10.5% would be provided to eligible start-ups for a period extendable to 36 months.

- Start-ups face significant challenges during COVID-19

Most existing start-ups face significant challenges due to the COVID-19 crisis, as they are more vulnerable than older incumbents to the shock brought by the pandemic. They tend to engage in high-risk activities compared with other small and medium-sized firms (SMEs), face constraints in accessing traditional funding, and have a formative relationship at best with suppliers and customers. They also often crucially rely on a small founding team, and this can further increase their vulnerability to labour supply shocks during the pandemics.

At a time marked by significant economic uncertainty and with their revenues affected by containment measures and significant drop in demand, start-ups become even more financially fragile and need support for their short-term liquidity needs, critical for their survival.

In many countries, policy responses aimed at shielding the economy from the crisis are already targeting firms' financial fragilities, especially for SMEs. These include measures to sustain short-term liquidity needs, such as loan guarantees, direct lending, grants or subsidies.

- Are we in the middle of a crisis?

Well, the impact is perceivable at every point in our economy's graph.

The GDP of India is forecasted to take a massive hit in the upcoming months. We are on course to an all-time fall in the growth percentage.

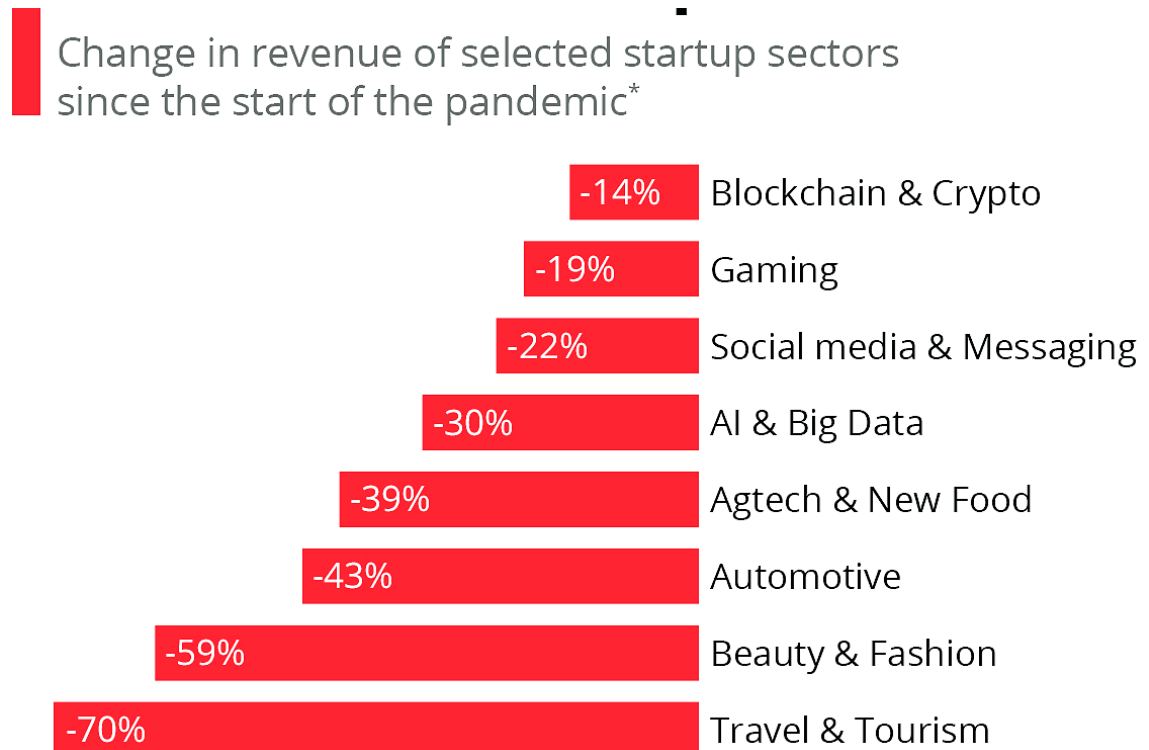
With the latest COVID 19 relief packages in the picture, we are uncertain about the overall deficits that will surface ahead.

Investment groups, venture capital firms and other big names are restraining themselves to make any further investments.



People working in private enterprises have started to develop a sense of insecurity all across the globe and those who have not, are headed in that direction.

Amid speculations of an extended lockdown, even if it's contained to some key states and areas, the gravest of concerns have been the survival of those lowest in the economic food chain, the smallest of ventures and the startup ecosystem.



\* Worldwide (between December 2019 and June 2020).

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- People working in private enterprises have started to develop a sense of insecurity all across the globe and those who have not, are headed in that direction.
- Amid speculations of an extended lockdown, even if it's contained to some key states and areas, the gravest of concerns have been the survival of those lowest in the economic food chain, the smallest of ventures and the startup ecosystem.

Coronavirus spread is a major concern for the entire human race. Countermeasures like the nationwide lockdown are necessary to save lives but are equally damaging for the newly conceived business houses.

Growth stage startups fall the lowest in the economic food chain and such a time is undeniably a concern worthy matter. Layoffs, salary cuts and other revenue hits are just the tip of the iceberg. The real damage is what we'll witness in the aftermath.

Those who are to receive financial rounds of investment are expecting a delay in such payouts and the ones looking for new investments lay stranded in the middle. According to Rajan Anandan, MD, Sequoia Capital; tougher times ahead for startups in India. Late-stage investors are assessing the coronavirus impact and the decision for new investments has become a secondary concern for the time being.

Apart from the direct consequences, there are other factors including, a sudden retreat of foreign investments, uncertainty about the ongoing situation and much more.

#### Foreign Investment under Coronavirus outbreak

Indian startup sector majorly depended on foreign investments and most of them from China. Foreign investments grew substantially in the previous year, from 2 Billion \$ in 2018 to over 3 Billion in the last year.

And which was expected to grow subsequently, is vanishing in thin air and this is one of the biggest Coronavirus business impact.

Apart from China, a number of foreign investors have turned away from further investments for now. Investors from US, that also fill in for a huge need are already in stress positions and to expect an inflow of capital is the last thing there should be.

With no clear sight ahead, expected delays in further funding from overseas investors, the fate is uncertain for a number of growth-stage startups in India.

So how do we cope with the situation at hand? We need productive work from home culture, provisioning insights and a support mechanism forecasting better-yielding results way ahead, along other contingency plans to tackle the bumps ahead.

Among these, productive work from home schedule is the most important right now.

How to work from home productively?

Among the various schedules put into play for recovery, the most talked-about one right now is a productive work-from-home regime. Many growth or profit stage startups, corporates, MNCs are looking forward to cost-cutting logistics like working from home for their employees.

Apart from a minor lag in productivity, this prevailing work from home culture is getting highly sought after to make a substantial difference in the overall cost of operations by a number of enterprises.



# Hypothesis

## **Challenges for innovative startups created by the COVID-19 lockdown**

### **Prior research on challenges facing startups in a crisis scenario**

Beyond the humanitarian tragedy of the COVID-19 pandemic, the virus is also having a growing impact on local economies and the global economy. Fears surrounding the unforeseeable effects of COVID-19 have already significantly influenced the world's top economies and many economists are now forecasting recession (GDA, 2020). A crisis such as the COVID-19 pandemic threatens the functioning and performance of a business . Turbulence affecting a business might arise from disturbed structures, routines, and capabilities . Unfortunately, to manage a crisis well, preparation is essential, and few startups would have been prepared for a crisis of the magnitude of the COVID-19 pandemic. The limited number of studies on resilience in the context of entrepreneurship and crises mainly focus on the pre-crisis period and on the skills or resources that entrepreneurs and organizations build up to resist or adapt to crisis events . Generally, the specific characteristics of innovative startups should enable them to be better prepared to cope with the COVID-19 crisis than other types of firms. Being innovative is a precondition of being resilient, as innovative businesses tend to constantly and continuously anticipate and adjust to a broad range of crises . However, businesses do not always recognize the actual threat that a potential crisis event entails and the majority of startups will not have been prepared for the events of the last four months. We know from research on the effects of hurricane Katrina and its aftermath that a failure to prepare can have dramatic consequences, particularly for small businesses that are vulnerable to interrupted cash flows, lack of access to capital for recovery, and face problems accessing federal assistance and also serious infrastructure problems

### **Challenges of the COVID-19 lockdown in Germany for its innovative startups**

Given that data on the immediate effects of the COVID-19 crisis and the subsequent lockdown in many economies are not available, we resort to a qualitative research design

on the adversity facing innovative startups during lockdown. Our results show that startups face immediate and tangible consequences of the COVID-19 outbreak especially in the form of reduced sales while fixed costs remain; a combination that threatens startups' liquidity and long-term survival.

## Entrepreneurial crisis management as a response to the COVID-19 lockdown

### Prior research on entrepreneurial crisis management

Resilience is an essential concept in entrepreneurial crisis management it not only describes an organization's ability to continue functioning throughout a disruptive event but the conceptual aspect of the term also considers which resources were accumulated prior to a crisis and then deployed throughout it and during the aftermath . Crisis management is employed to foster resilience and will be of utmost importance during the COVID-19 crisis. Crisis management is employed to minimize the impacts of a crisis and, if done well, can quickly restore functionality to organizations suffering from the effects of disrupted or weakened systems . The few studies on crisis management in entrepreneurship research predominantly assess the actions that entrepreneurs or organizations take to mitigate the potential negative consequences of a crisis , among which are changes in sales, marketing, and employment practices. Small businesses in particular tend to excel at adaptability and flexibility and we should expect them to demonstrate that in response to the COVID-19 crisis. Crisis management in the entrepreneurial context is thus closely related to the concept of bricolage , and rather than suggesting rigid processes to address the challenges presented by COVID-19, it seems more appropriate for innovative startups to embrace iterative and flexible approaches such as effectual logic . Findings from research on the 2012 Emilia earthquakes in Italy illustrate this point: The resilient entrepreneurs were those who created change and opportunities with the resources available at the time, thus clearly following one important effectual principle.

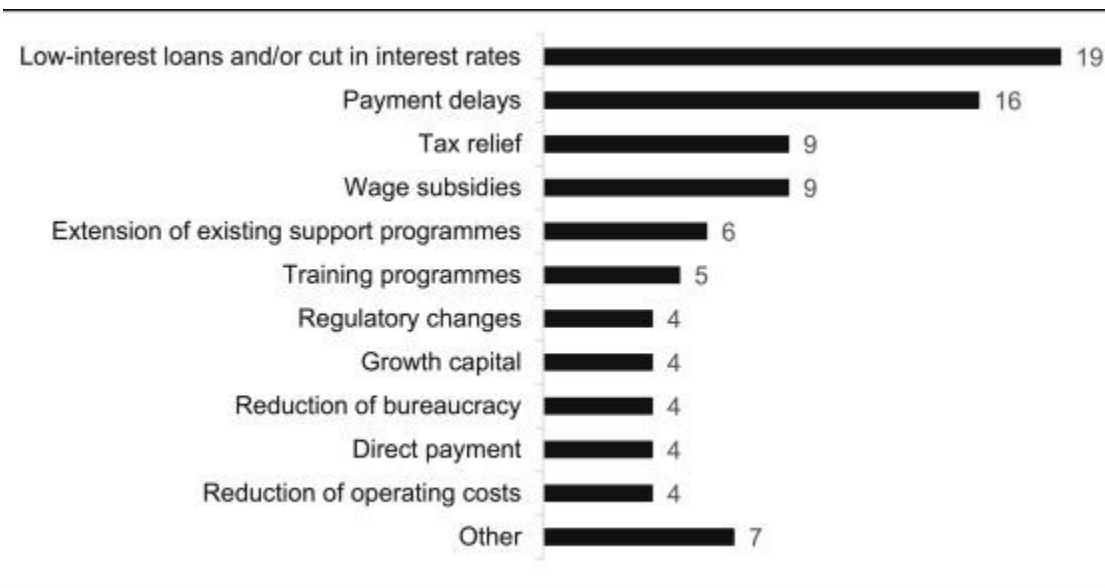
## Economic policy responses to the COVID-19 lockdown

### Prior research on economic policy responses to crises

While crisis management on the micro level is largely the task of entrepreneurs themselves, policymakers are called upon to support entrepreneurs in their endeavors to deal with crises such as COVID-19, meaning that policymakers conduct crisis management on the macro level as they aim to strengthen the resilience of businesses, including startups, and to support their individual crisis management actions. Interestingly, research has shown that regions that exhibit a high level of entrepreneurship pre-crisis are well positioned to deal with exogenous shocks. An entrepreneurial region is characterized by the resilience of its enterprises and entrepreneurial activity can contribute to restructuring and adaptation in the aftermath of the crisis. Fieldwork by Grebe and Storr (2018) conducted following hurricane Katrina and the tornadoes in Tuscaloosa, Alabama, and Joplin, Missouri, illustrates how post-disaster entrepreneurs contribute to recovery through actions such as supplying necessary resources to disaster victims while leveraging social capital to navigate extreme uncertainty. Such people are motivated by high place attachment, and address both commercial and societal goals. It is very likely that in the aftermath of the COVID-19 crisis we will see regions coping differently with the consequences of drastic lockdown measures, and some will benefit from their entrepreneurial potential. Whether this becomes possible depends on how innovative entrepreneurs can be. From a policymakers' perspective, it would however be unwise to rely solely on entrepreneurial initiative to fix the economic damage triggered by lockdown measures; instead, it should be a key priority of policymakers in the short-term during the COVID-19 crisis to guarantee that innovative startups can call on sufficient resources. New legislation, however, might not be the method of choice. Drawing on in-depth interviews with Greek entrepreneurs, Williams and Vorley (2015) suggest that changes to institutions have constrained entrepreneurial activity rather than enhanced it, and that effect was more pronounced in the midst of crisis. In any case, external assistance for affected regions prior to, during, and in the aftermath.

### International policy responses to the COVID-19 pandemic

we conducted a quantitative analysis of the international media discourse (see Appendix 4 for our methodological approach). The international media reports in English we identified cover policy measures being called for or implemented to support SMEs and startups in 40 countries. Among them are countries such as Namibia or Nepal, which at the point of data collection reported fewer than 100 cases of COVID-19. We differentiate between those measures called for by stakeholders such as entrepreneurs, scholars, or lobbyists (40.98% of all coded measures) and policy measures announced by government or central banks (59.02%). Interestingly, the latter outweigh the former, which suggests most governments reacted promptly and in a resolute manner to the COVID-19 crisis. We find a plethora of immediate responses to the COVID-19 crisis specifically to support SMEs addressing the current threats around decreasing revenues, mounting costs, and illiquidity. Fig. 2 provides an overview of the number of countries announcing the various measures to protect SMEs and startups. Overall, most measures represent short-term aid; the most popular policy measure announced or implemented by governments worldwide is to enhance a firm's financial capital by reducing loan interest rates or improving loan availability.



The rapidity of the outbreak and spread of the Covid-19 pandemic meant that most countries (87.80%) looked for measures to provide immediate relief and few have

progressed beyond that stage. Nevertheless, the first calls for long-term measures resolving more fundamental system-imminent problems are emerging (in 17.07% of the countries). An example is the Chinese call to generally secure the accessibility of financial capital for innovative startups. Among the measures being called for, some US opinion leaders advocate not losing sight of sustainable development goals and thus suggest economic government aid be tied to adherence to measures to ameliorate climate change. If governments succeed in providing immediate relief to entrepreneurs under pressure, in a way that remains in line with the long-term objectives of “promoting health, equity, and environmental protection” the COVID-19 crisis may even contribute to a better future. Across all countries, we observe that the policy measures discussed or announced are usually available to businesses in general (82.93% of the countries). In 63.41% of the countries we find measures designed to specifically meet the requirements of SMEs. However, countries announcing policy measures explicitly addressing startups are the exception (26.83%).



## **IMPORTANCE AND SCOPE OF THE STUDY**

Impact of covid-19 on startups is the topic I choosen. I choosed this topic as this pandemic has created a lot of problem globaly. It has affected human life economically and physically .

Physical expect is known for everyone but economically still some points are unknown.

Huge companies have suffered loses everyone knows but the loses faced by startup companies are unknown.

That is why i chose the topic so we can understand the impact of covid-19 on startups.

It will help us to understand the challenges they faced and the precautions we can use to avoid challenges and problems and also can find solution to the same time.

## **THE PROBLEM**

The discovery of the coronavirus (SARS-CoV-2) and the spread of COVID-19 have led many governments to take drastic measures. The lockdown of large parts of society and economic life has come as an exogenous shock to many economic actors, not least innovative startups. This rapid response research combines a qualitative research design informed by entrepreneurial ecosystem actors with an analysis of policy measures called for, announced, and reportedly implemented in the international press. Interviews from an entrepreneurial ecosystem offer a first-hand account of the adversity startups face during a crisis and how by utilizing bricolage responses they cope, and the analysis of policy measures can serve as an inspiration to design support initiatives to protect startups from the consequences of the current lockdown and to alleviate the effects of future crises.

The lockdown measures as a response to the spread of the new coronavirus threaten the existence of many innovative startups. Our rapid response research first illustrates the challenges entrepreneurs face as a consequence of the crisis. Second, we illustrate how entrepreneurs are dealing with the effects of the crisis and what they are doing to protect their ventures. Finally, we present measures that could be utilized by policymakers to assist entrepreneurs facing challenges. The research conducted suggests that while startups are successfully leveraging their available resources as a first response to the crisis, their growth and innovation potential are at risk. Therefore, policy measures should not only provide first aid to startups by alleviating the pressure caused by constrained cashflow, but also involve long-term measures embedded in and supported by the wider entrepreneurial ecosystem to ensure rapid recovery and growth.

### **Problems Associated With Online Teaching and Learning**

There are a number of technologies available for online education but sometimes they create a lot of difficulties. These difficulties and problems associated with modern technology range from downloading errors, issues with installation, login problems, problems with audio and video, and so on. Sometimes student finds online teaching to be boring and unengaging. Online learning has so much of time and flexibility that students never find time to do it. Personal attention is also a huge issue facing online learning.

Students want two-way interaction which sometimes gets difficult to implement. The learning process cannot reach its full potential until students practice what they learn. Sometimes, online content is all theoretical and does not let students practice and learn effectively. Mediocre course content is also a major issue. Students feel that lack of community, technical problems, and difficulties in understanding instructional goals are the major barriers for online learning . In a study, students were found to be not sufficiently prepared for balancing their work, family, and social lives with their study lives in an online learning environment. Students were also found to be poorly prepared for several e-learning competencies and academic-type competencies. Also, there is a low-level preparedness among the students concerning the usage of Learning Management Systems.

#### Concerns and commentary

There were concerns as to where would the government find the funds to fight coronavirus and keep the economy alive. Experts suggested measures such as looking into norms, tax payments and income support to those in the unorganised sectors.<sup>1</sup> direct cash transfer scheme for the most vulnerable is also being considered, as has happened in other countries.

On 8 April 2020, the managing director of Bajaj Auto, wrote in an opinion piece in the Economic Times that the "lockdown makes India weak rather than stronger in combating the epidemic," and that the current "arbitrary" lockdown was totally unsustainable and a "recalibration" is needed. Rajiv Bajaj writes that "India may have to sell itself out of the coronavirus crisis". Post the economic package criticised the "shock tactics" of the Modi government during the COVID-19 pandemic, the same "shock tactics" that were seen during demonetization

The Press Information Bureau brought out a fact check that stories about a financial emergency being imposed in India are fake. A financial emergency has never been imposed in the history of India as yet. Numerous companies are carrying out measures within their companies to ensure that staff anxiety is kept at a minimum. has been conducting video townhall meetings, Tata Group has set up a task force to make working from home more effective and the task force at Siemens also reports on the worldwide situation of the COVID-19 pandemic

### **Economic danger versus health risk**

"India risks economic hara-kiri [suicide] if lockdown extended for much longer." (11 May 2020)

"Lockdown extensions aren't just economically disastrous, as I had tweeted earlier, but also create another medical crisis" (25 May 2020)

In March, Adar Poonawalla CEO of Serum Institute of India said that "the economic danger of the outbreak was exponentially greater than its health risks". On 29 April, Indian billionaire NR Narayana Murthy said that if the lockdown continues, India may see more deaths due to hunger than from the pandemic.

### **Supply chains and logistics**

Following the lockdown, certain essential supply chains broke down. Britannia Industries supporting the lockdown, urged the government to ensure inter-state movement of the raw material for the food processing industry was not hampered. The Managing director of Britannia stated that "if even one link in the supply chain is broken, the country could run out of stocks of packaged food in the next 7-10 days." Although inter-state travel has been banned, it doesn't apply to essentials, and in places like Maharashtra the state police are yet to streamline the process, disrupting supply chains. Vidya Krishnan writes in The Atlantic that due to the lockdown even movement of medical goods were affected.

On 29 March the government allowed the movement of all essential as well as non-essential goods across the country during the lockdown. The milk and newspaper supply chains are also allowed to function.

### **Salaries**

The Prime Minister on 19 March urged businesses and high income segments of society to take care of the economic needs of all those who provide them services. During the live telecast, he also appealed to families to not cut the pay of domestic help. Following the lockdown, the government circulated advisories and directives ordering companies to keep paying employees among other things The Ministry of Finance issued an Office Memorandum on 23 March 2020

wherever such contractual, the casual and outsourced staff of Ministries/Departments and other organization of Government of India is required to stay at home in view of lockdown order regarding COVID-19 prevention they shall be treated as "on duty" during

such period of absence and necessary pay/wages would be paid accordingly. These instructions shall apply until April 30, 2020.

A few days later worries grew as to how wages could continue being paid and if the directive was legal or not. There were also concerns raised by migrant workers regarding the implementation of the orders as many daily-wagers have no records of being sacked or salaries being paid or deducted; the concerns also expand to uncertainty in the government's ability to enforce minimum wages under lockdown when it couldn't even do so during normal times

On 15 May, the Supreme Court announced that the government should not take "coercive action" against employers for not paying wages during the lockdown. The court was commenting on 29 March government order

Migrant workers and labour force

Main article: Indian migrant workers during the COVID-19 pandemic

Due to the lockdown, daily-wage workers (the urban poor and migrant laborers) were left with no work. At the same time, the lockdown restrictions put a stop on the movement of buses and trains. Large numbers of migrant workers ended up walking back to their villages.

Soon after a central government directive in late March, state governments set up 21,000 camps to house over 660,000 migrants and stop the exodus. Over 500 hunger relief centres were set up by the Delhi government by the last week of March By 5 April 75 lakh people were being provided food across the country in food camps run by the government and NGOs. As of 12 April, 37,978 relief camps and 26,225 food camps had been set up. Migrants in such camps in Kerala were provided with medical essentials such as masks, sanitizers, and medicines.

Soon after the nationwide lockdown was announced in late March, FM Sitharaman announced a ₹1.7 lakh crore (US\$24 billion) spending plan for the poor. This consisted of cash transfers and steps to ensure food security.<sup>[294]</sup> To help provide jobs and wages to workers, the average daily wages under the MGNREGA were increased to ₹202 (US\$2.80) from the earlier ₹182 (US\$2.60), as of 1 April. On 14 May, FM Sitharaman further announced free food grains for the migrant workers, targeting 80 million migrant workers by spending ₹35 billion (US\$490 million).

Railways transported 48,00,000 migrants back to their homes in the special trains allocated for them between 1 and 27 May. While this service was not initially free, with additional charges over the normal fares the central government later made the Railways offer an 85% subsidy on the train fares, and the state governments funded the remaining 15%. In the same time period, a total of 91 lakh migrants traveled on both trains and buses. The governments of Uttar Pradesh, Madhya Pradesh and Gujarat sought to temporarily revise their labour laws in early May with the purpose of attracting industries and investments. Labour unions criticized this as being harmful to the migrant workers while giving more authority to the employers.

On 20 June 2020 the government launched the Garib Kalyan Rojgar Abhiyaan for the welfare of migrants. In July, *Livemint* reported that companies were having difficulties in bringing back the workforce. Even after incentives, many laborers are reluctant to travel back to urban areas.

# LITERATURE REVIEW

## Online Learning or E-Learning

Rapid developments in technology have made distance education easy (McBrien et al., 2009). “Most of the terms (online learning, open learning, web-based learning, computer-mediated learning, blended learning, m-learning, for ex.) have in common the ability to use a computer connected to a network, that offers the possibility to learn from anywhere, anytime, in any rhythm, with any means” (Cojocariu et al., 2014). Online learning can be termed as a tool that can make the teaching–learning process more student-centered, more innovative, and even more flexible. Online learning is defined as “learning experiences in synchronous or asynchronous environments using different devices (e.g., mobile phones, laptops, etc.) with internet access. In these environments, students can be anywhere (independent) to learn and interact with instructors and other students” (Singh & Thurman, 2019). The synchronous learning environment is structured in the sense that students attend live lectures, there are real-time interactions between educators and learners, and there is a possibility of instant feedback, whereas asynchronous learning environments are not properly structured. In such a learning environment, learning content is not available in the form of live lectures or classes; it is available at different learning systems and forums. Instant feedback and immediate response are not possible under such an environment (Littlefield, 2018). Synchronous learning can provide a lot of opportunities for social interaction (McBrien et al., 2009). Amidst this deadly virus spread such online platforms are needed where a video conferencing with at least 40 to 50 students is possible, discussions with students can be done to keep classes organic, internet connections are good, lectures are accessible in mobile phones also and not just laptops, possibility of watching already recorded lectures, and instant feedback from students can be achieved and assignments can be taken (Basilaia et al., 2020).

The COVID-19 pandemic has had an uncertain impact on the global economy, especially for entrepreneurs and small and medium-sized enterprises that have

suffered significant consequences. However, resilience has emerged as an entrepreneurial skill that allows companies to adapt and grow stronger in the face of challenges. Therefore, this paper conducted a literature review to identify the factors that comprise resilience to strengthen training programs for entrepreneurial skills. This study aims to lead to future empirical studies that will provide more understanding and equip professionals with the skills to adapt to crises.

#### Design/methodology/approach

A systematic literature review was performed, analyzing studies related to entrepreneurship, resilience and crises. In total, 30 empirical studies were analyzed to determine the facts of the crises, the methodologies used and the actions taken to address them.

#### Findings

The review identified resilience factors such as attitudes adopted toward the crisis, the characteristics of the business and the entrepreneur, the relationships with institutions, human and social capital and strategic management. These factors can be considered in training programs for resilient entrepreneurs and by the different actors in the entrepreneurial ecosystem, including the universities and public policymakers, who support them.

#### Originality/value

This study provides a literature review that focuses on identifying the resilience factors of entrepreneurs who confronted past crises to know how to apply them to overcome the current situation and contribute to post-COVID-19 entrepreneurship. This paper hopes that the findings motivate others to conduct further empirical studies on entrepreneurship and resilience in times of crisis, especially in developing countries and emerging economies. Review in *Journal of Entrepreneurship in Emerging Economies*.



- As homes function simultaneously as school, office and living space, parents are finding themselves in a bind.
- Parents are finding it difficult to focus on different aspects of their child's overall development.
- Here's a closer look at some of the major challenges parents are facing during the Covid-19 pandemic.

The Covid-19 pandemic has shaken up families all over the world. As homes function simultaneously as school, office and living space, parents are finding themselves in a bind. Even though parents now have more time for their children, the pressure to juggle multiple roles is stressful and they are unable to devote time to parenting.

As children and parents stay confined to their homes, parents are finding it difficult to focus on different aspects of their child's overall development.

Let's take a closer look at some of the major challenges parents are facing during the Covid-19 pandemic.

#### 1. Helping children with online classes and schoolwork

The Covid-19 pandemic has made parents the de facto homeschool teachers and tuition teachers. Unfortunately, they are finding it difficult to keep their children on track and help them with assignments.

The difficulty becomes multifold if the children happen to be in different grades. Ensuring that children attend the online classes as per the timetable, complete their homework and send it to the teacher and prepare for the next day's class has been a cause of worry for many parents.



## 2. Dealing with children's fears and stress

Since the Internet and the media is flooded with the Covid-19 news regarding the rapid increase in cases and the death toll, it is easy for young children to panic.

In such a situation, parents are facing challenges while addressing their child's fears and questions regarding the pandemic. They have to explain everything to the child while taking extra care of their emotional well-being.

## 3. Keeping healthy routines

As the pandemic drags on and the burden of household and professional work continue to increase, parents are neglecting their normal daily routines. As a result, children tend to follow the same haphazard habits and routines.

It has become especially difficult for parents to maintain a strict routine for their children, with fixed times for meals, studying and sleeping.

For young children, routine brings welcome predictability and they stay enthusiastic throughout the day. But in the current situation, parents are unable to restore structure and as a result, children tend to lose interest in everything and become aggressive.

#### 4. Managing behaviour problems

While children remain confined to their homes during the pandemic, they are unable to meet their friends, play outdoors or enjoy an evening in the park. As a result, they get stressed and tend to misbehave to vent out their frustration.

Temper tantrums, aggression and increased clinginess are some of the ways young children may express their frustration.

Parents are facing difficulty in dealing with this stressful situation to reassure the children and help them cope with the situation.

#### 5. Keeping children engaged

Covid-19 is not only a virus but a situation that is mentally and psychologically draining. People are unable to socialise and meet their loved ones. Not only adults but children are also finding it difficult to adapt to this situation.

Since schools have come to a halt, parents of young children are having a tough time keeping them engaged in meaningful activities. The role of parents, which has always been important, is critical in this situation.

Many parents are not equipped with the proper teaching resources and hence, are unable to teach effectively. As a result, children are missing out on an important phase of their learning journey and overall development.

The pandemic will pass soon. However, the true test of time is how well you are able to navigate it and help your children stay positive and healthy. This is a time for love, support and care as you stretch to help your young ones learn and grow and, perhaps, even equip them with the necessary skills to prepare them for the future.

- Article by Beas Dev Ralhan, Co-Founder & CEO, NextEducation India Pvt Ltd

Challenges facing individuals and researchers: suicide in India in the COVID-19 pandemic

The COVID-19 pandemic has had considerable impact on the mental health and wellbeing of individuals. Researchers suggest a spike in deaths by suicide during the COVID-19 pandemic. This has emphasized the importance of identifying changes to the risk of suicide and working towards its prevention by extending more help to the distressed people.

There are numerous reasons responsible for the mental health impact of the pandemic in India. Many daily wage labourers and migrant workers have lost their jobs due to the lockdown, have little to sustain their livelihoods, are starving to death and in general are very stressed.

Stigma is another reason that adds to the mental health treatment gap. The way communities view individuals who are either affected or are at increased risk of COVID-19 infection is critical to whether they seek treatment or not. This has caused increased levels of stress and anxiety among the discriminated.

Even before the pandemic, good quality data including timely data on cause of death was not available in India. Reporting of deaths by suicide is often not captured accurately by the National Crime Records Bureau, because of mental health stigma. Due to fears of involving the police and the bureaucracy; family members often avoid mentioning the true cause of death.

An essential point to consider is whether the quality of data related to suicides is even worse now, given that there seems to be an increase in under-reporting and that there is even less monitoring, because most of the administration is focused on managing the pandemic.

It is imperative that mental disorders in communities should be identified and managed using strategies that are easy to implement. This can be done using technology-enabled solutions that can be scaled up through suitably trained primary

health-care workers and to make mental health care more accessible to larger sections of the community.

The Indian Government should strengthen policies specific to the treatment and management of suicide cases (especially attempted cases).

A stronger effort needs to be made to streamline the process of collating information about suicides, both in rural and urban areas and using confirmation from verbal autopsy or other robust methods. These efforts might help in understanding the number and nature of suicides more accurately, especially in such challenging times. More counselling centres and/or helplines should be provided. Family counselling and additional support needs to be given to people with alcohol and substance use disorders.

# DATA COLLECTION AND ANALYSIS

## COVID-19/Coronavirus

### Facts and Figures

COVID-19 is the official name for the coronavirus disease 2019. It is caused by the SARS-CoV-2 coronavirus, which had not previously been identified in humans. The global number of cases has now surpassed 100 million, and the disease has claimed more than 2.1 million lives. The pandemic continues to put health systems under severe strain, but regulators have started to approve safe treatments, and several countries have launched their vaccination programs.

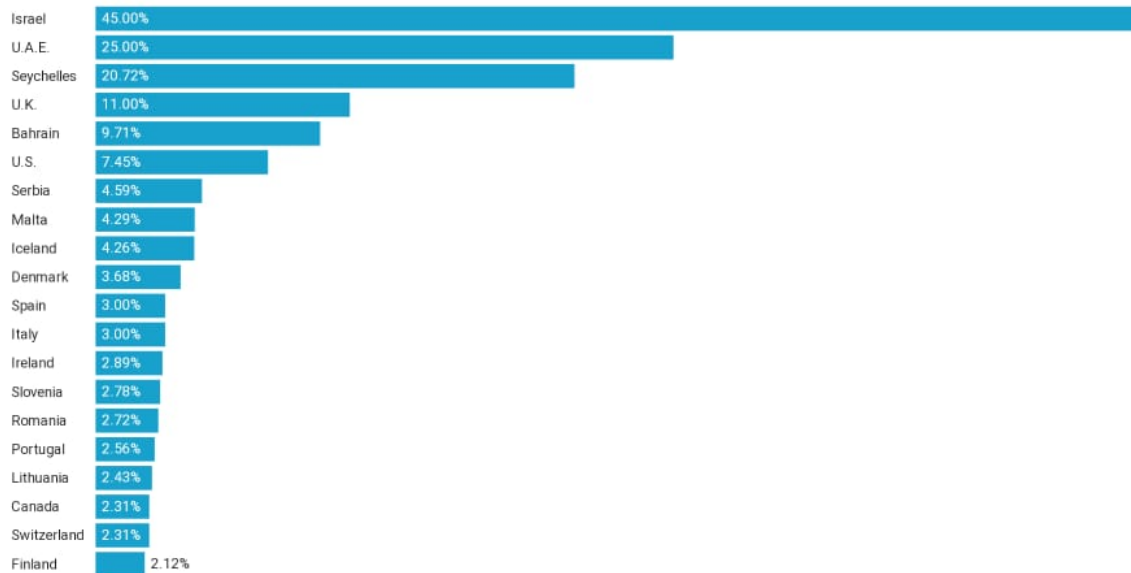
#### Key figures for the most impacted countries worldwide

as of January 27, 5:57 GMT	Total infections	Active infections	Recoveries	Deaths
World	100,839,430	25,804,891	72,867,372	2,167,167
USA	26,011,222	9,808,357	15,767,413	435,452
India	10,690,279	177,223	10,359,305	153,751
Brazil	8,936,590	919,017	7,798,655	218,918
Russia	3,756,931	511,888	3,174,561	70,482
UK	3,689,746	1,927,100	1,662,484	100,162
France	3,079,943	2,786,685	219,152	74,106
Spain	2,733,729			56,799
Italy	2,485,956	482,417	1,917,117	86,422
Turkey	2,442,350	94,495	2,322,511	25,344
Germany	2,163,113	242,723	1,866,000	54,390

There has been an urgent need to accelerate the development of **vaccines** since the start of the pandemic. The World Health Organization reports that there are currently more than 60 COVID-19 vaccine candidates in clinical trials. National health regulators have already approved the use of some vaccines. Pfizer and BioNTech have jointly developed one of the first vaccines to be approved, and rollouts have started in countries worldwide.

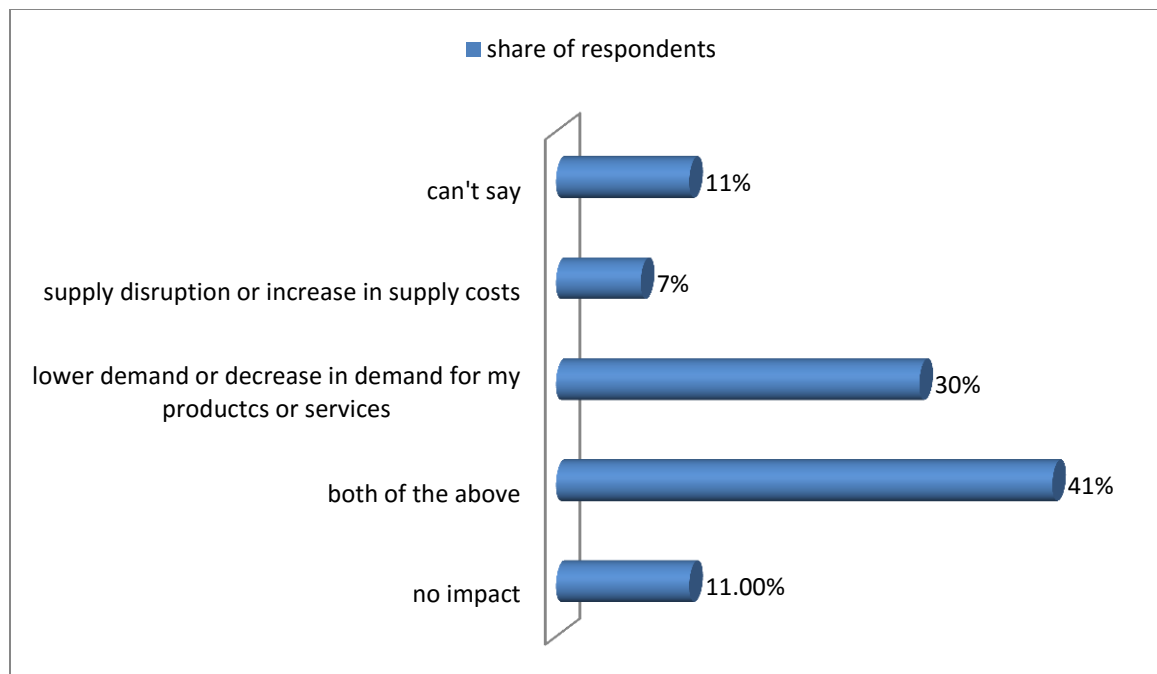
However, it is critical to continue tracking genetic changes to ensure the virus is not mutating enough to resist vaccine-induced immunity – new variants of the virus have already been identified in the UK, South Africa, and Brazil.

### Percentage of population vaccinated against COVID-19 as of Jan. 27, 2021



According to a survey conducted to understand the impact of the coronavirus COVID-19 on Indian startups and SMEs, a majority of respondents stated that it would have an impact. About 30 percent of respondents felt that it would decrease demand for their products or services.

The country went into lockdown on March 25, 2020, the largest in the world, restricting 1.3 billion people.



More than 70% of start-ups have had to terminate full-time employee contracts since the start of the COVID-19 pandemic;

Many entrepreneurial businesses have pivoted to meet new needs for goods or services borne out of the crisis;

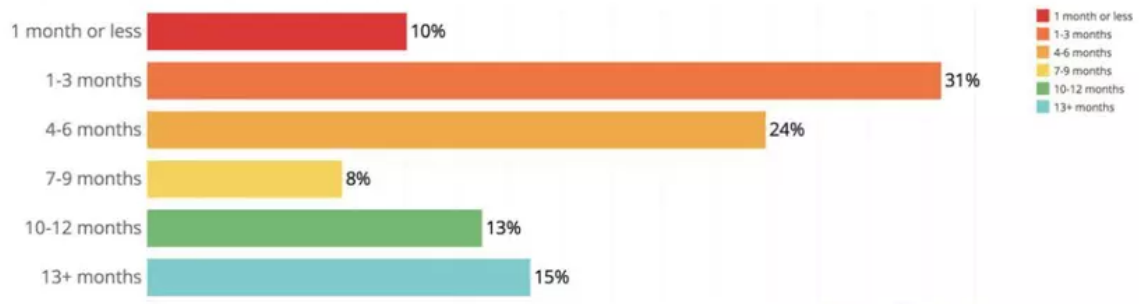
The way entrepreneurial business models and approaches are affected by the pandemic will have an impact on how entrepreneurship is perceived as a job choice in the future.

The onset and spread of COVID-19 have left few people, if any, unaffected. Governments the world over have been repeatedly tested and stretched. They have set new rules and norms to try to re-establish confidence and give economies a chance of survival.

Less noticed and discussed, however, is the impact of the pandemic on entrepreneurial businesses. As sources of finance dry up, more than 40% of new ventures will fall into the so-called “red zone” with only enough cash for three months or less of normal operations.

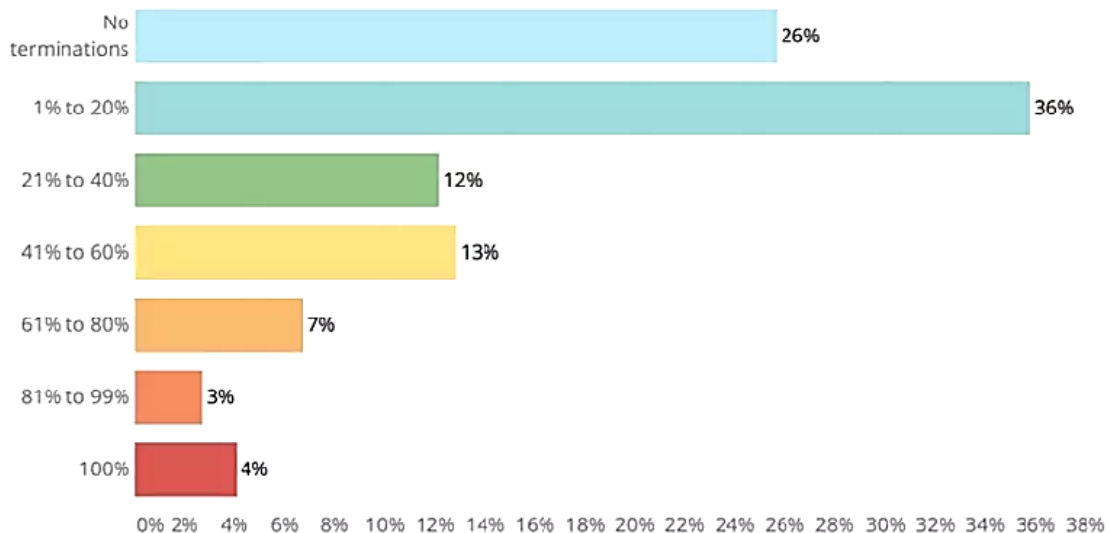


### Months of Runway as of Today



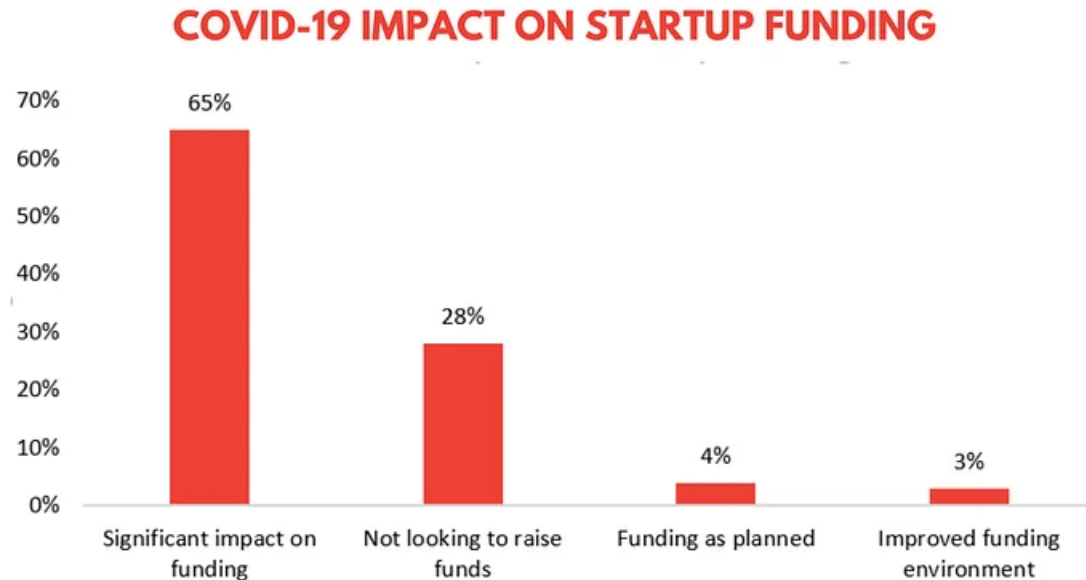
Since the beginning of the crisis, more than 70% of start-ups have had to terminate contracts of full-time employees.

### Termination of Full-Time Employees



Yet, while a large number of start-ups have suffered during the pandemic, COVID-19 has also led to an increase in entrepreneurial activity. Companies and individuals across the world have rallied to respond to, and where possible, tackle this crisis. From organizers of music festivals overseeing pop-up morgues to automotive companies pivoting manufacturing to much-needed ventilatorst here has been a surge in creativity. People and companies have devised new ideas to respond to existing or emerging needs insufficiently addressed by governments and incumbent institutions.

The picture of how entrepreneurs and their systems have been affected is more nuanced than we might, at first, believe, but understanding it is important: how it's being (re)shaped today will have long-lasting effects.



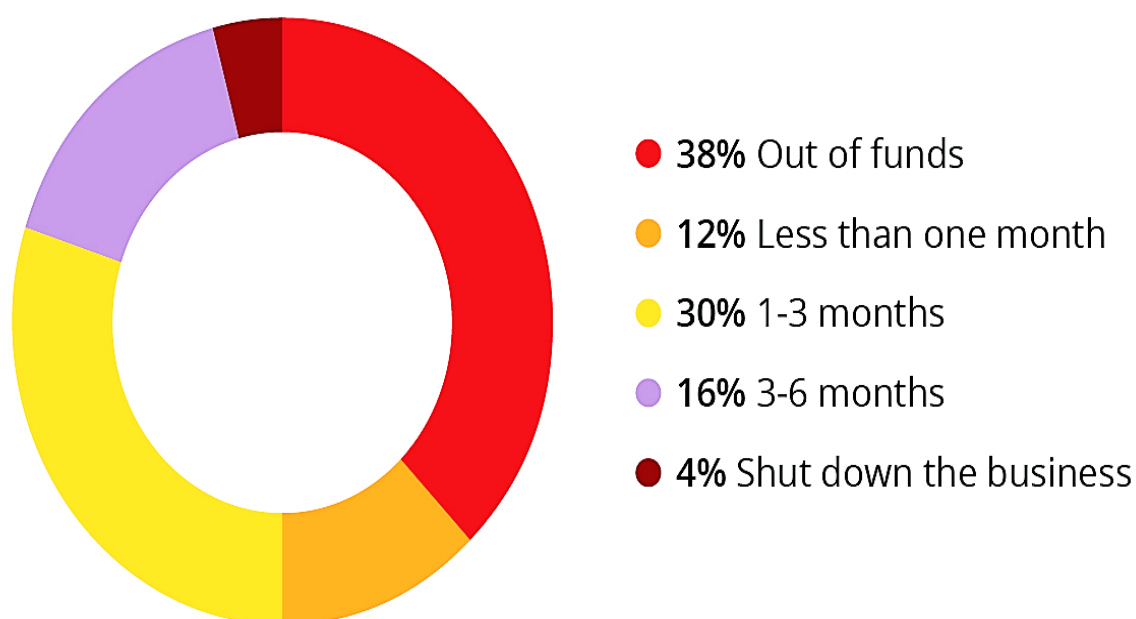
At least 65 percent of startups are facing “significant negative impact” on funding due to the COVID-19 crisis, with most early-stage startups facing a major funding crunch. Government support needed Two-thirds of all startups surveyed believe that the COVID-19 impact will last up to a year, with a majority seeking immediate government support in the form of favourable policies, easing regulations, partnership opportunities, and reimbursements on immediate fixed costs, among others.

#### Half of Indian Startups in Serious Danger Due to COVID-19

According to a new survey by Local Circles, 38 percent of Indian startups as well as small and medium enterprises are already out of funds because of the COVID-19 pandemic. 12 percent said they had less than a month of cash to go. In April, 27 percent of startups had said they were out of money while 20 percent said they had less than a month of cash reserves. 4 percent of respondents to the survey said they had already shut their business down, showing that while the situation is not as dire as predicted in April, the situation for Indian startups and SMEs is in fact deteriorating.

Around two thirds of participating companies said that as a result of the crisis, they were cutting down on costs across the board, slashing marketing, human resources and operating budgets as well as deferring tax payments. The same share of businesses said they had not benefitted from the government aid packages so far.

### Self-declared cash reserves of Indian startups and SMEs\* (as of June 2020)



Around the world, the COVID-19 pandemic has changed the way we think about life and work. India remains in lockdown as field operations have been shut down and work-from-home is implemented across the board. Much of the fintech startup ecosystem will have to wait and watch to see how the situation unfolds after the official lockdown is over.

## Digitalization wave

We will see digitalization happening across the board, from processes, to how employees interact with each other, to how the banks, fintechs, and other players reach their customers. Let us look at a few examples:

Functioning of microfinance institutions (MFIs) and non-banking financial institutions (NBFCs): MFIs and NBFCs have traditionally been driven by physical methods of cash collection, physical verification and onboarding of new customers. With the new normal of curtailed physical interactions, these institutions will seek ways to transform their physical and manual processes into automated and digital ones. They will look toward fintechs, especially start-ups, as they can support the MFIs and NBFCs in making this change with lower costs and quicker turnaround.

### E-commerce and its effect on payment fintechs

A major bulk of revenue for fintechs that work in payments comes from transactions in the e-commerce industry. E-commerce platforms like Flipkart and Amazon India sell a mix of non-essential and essential items. Because of the COVID-19 pandemic, these online retailers have recently stopped selling non-essential items in the short to mid-term, or between a few weeks and a few months. Since the essential items that are now sold on these platforms have low margins, the private digital payment companies or payment fintechs in India will see their revenues shrink. This will be because their margins ride on the volumes and values of transactions. With essential services being sold more frequently, despite higher volumes being sold, the effect on the margins on these low-priced goods will have a more drastic impact on their revenues.

### Hit on short-term savings

With the uncertainty around the availability of food and essential items in the market, many people will switch from savings to keeping money (cash or digital) readily available to spend at short notice. This behavior will lead to a decrease in the usage of short-term savings instruments for the near future

## How will the COVID-19 pandemic affect the Indian fintech startup ecosystem



## Adding it up

### COVID-19 IMPACT ON STARTUPS



Sr.No	Name of Respondent	Address (workplace)	Age	Gender	Type of Business	Impact on Business	Solutions they thought	Solutions got achieved	Money invested (Profit/Loss)	Any new ideas
1]	Hetal Bhambhani	Thane	25	Female	Interior Designer	Ongoing projects got uphold.	Thought of doing work from home	—	Loss	Can work as free-lancer
2]	Sanit Singh	Ghatkopar	30	Male	General Store.	Issues here forced due to less transport	Thought of using internet facility & doing delivery.	Started online selling & delivery in nearby areas	Profit	Will spread the selling business globally
3]	Riya Gai	Brandup	26	Female	Salon	As of fear customer got less.	Thought of keeping offers & to work using PPE kits	Kept offers & wore PPE kits.	Loss	—
4]	Yashvi Kharat	Dadar	30	Female	Cake shop	Financially faced problem as items outside food.	Kept offers, spread awareness & started delivery & made things using safety measures	All solutions got good response.	Profit	Thought of entering into chocolate business.
5]	Rahul Velsuvarana	Nahur	23	Male	Clothing shop	Less customers visited shop	Kept offers, thought of online platform.	Started online selling & delivery to near by areas	Loss compare to earlier	Thinking of working on global network
6]	Jigar Yadav	Vidya Nagar	32	Male	Medical store.	Sale of health products boosted & shortage took place	Online selling & home delivery	Achieved & received great response to online platform	Profit	—

Sr.No.	Name of Respondent	Address (Workplace)	Age	Gender	Type of Business	Impact on Business	Solutions they thought	Solutions got achieved (response)	(Profit/Loss) Money invested	Any new ideas
7)	Prigamithya Karkkhaire		28	Female	Event Management	Wedding, Party, cancelled ok got	Online arrangement for wedding, party	Online party arrangements	Loss	-
8)	Anjana Bhada	Thane	25	Female	Fashion Designer	Less problems were faced, later as compared to beginning	Online platform working.	Online selling & delivery got achieved.	Nor Loss/ Nor Profit	Can work as teacher.
9)	Naveesh Trakur	Mulund	35	Female	Electronic Shop	Sale of TV, laptop & computers get got boost	offer & sale were kept along with renting of electronic items	Rent idea got good response	Profit	-
10)	Yug Marc	Diva	30	Male	Coaching Classes	Physical attendances teaching to student got affected	Online lectures were started	Online lectures started	Nor Profit Nor Loss	-

## CONCLUSION

It has become challenging for most businesses to keep their financial wheels turning during the lockdown period due to less revenue churn and the general uncertainty in the global financial environment.

Unfortunately, the impact on startups or small businesses can be way more brutal as they have scarcer cash reserves and a smaller margin for managing sudden slumps. The ripple effect of this shutdown will have a key impact on India's economy, as all business sectors get affected resulting in low revenue generation due to an eventual halt/slump on the sale of products and/or services. It is expected that India's growth rate in FY20-21 will be down to 2% from a range of 4.7%-5.2% as was predicted earlier by the rating agency ICRA

Through these interviews, we have come to the conclusion that the very nature of business has been challenged, due to the virus, lockdown and panic. Those startups that require a physical element have either slowed down or are stagnated, whereas online businesses have benefited from the unfortunate COVID-19.

Every company we have talked to is dealing with the working from home situation in the same manner. The outcome of the remote working situation also depends on how your company has been designed to function.

A common measure being taken by the companies we have talked to is salary cuts to mitigate the losses. Our key takeaway is that resilience and talent retention are at the centre of the top managers' considerations. And that each type of business has taken actions to support their staff as much as possible.

There are optimal and creative technology solutions employed by these Indian startups operating in different industries. They should help them stay productive during #COVID-19. All have acknowledged that this is just the beginning and how the long term will play out is yet to be seen.



COVID-19 outbreak has forced a change in the nature of work globally. We are witnessing a digital transformation in the way business is conducted with many companies encouraging their employees to work from home or indeed under government mandate to work remotely.

India is no exception. Although adaptation to working from home policies are challenging on many fronts, particularly from #fraud prevention and cyber threat point of view, an up-side to this situation is that it forges a link among us that supports everyone in these demanding times.

Many companies in India and around the globe are leveraging their technical abilities to bring optimal solutions to deal with the unprecedented outbreak.

Those startups that require a physical element have either slowed down or are stagnated, whereas online businesses have benefited from the unfortunate COVID-19. There are optimal and creative technology solutions employed by these Indian startups operating in different industries. Startups contribute to fight COVID-19

The Indian startup industry is doing every bit to help the community at large. Founders from the e-commerce industry, health & fintech firms and a number of sectors including real estate firms are doing every bit needed to help counter the COVID situation.

Taking the fight right to the virus, the startups of India are continuously developing technological support for the world, spreading awareness about the preventive measures, or simply providing help on the ground zero. Which has been taken up wholeheartedly by these small teams and businesses all across the nation, from food to shelter and entertainment, the startups have been helping all hands on deck amid this crisis.

Major eCommerce portals have started delivering groceries and essential commodities only to help ease up the system in place. OYO Rooms has turned many of its hotels into makeshift hospitals and isolation centres. Restaurants, F&B aggregators and other portals getting restaurant food to your home are all abidings of WHO specified safety precautions.

To help further, many of these firms have come up with relief packages of their own and contributed largely from their own pockets.

A new consortium of tech startups named “Startups VS COVID 19” has emerged as the one making the most impact. Started off with a strength of 60 entrepreneurs is a 600+ body in just a matter of days. They are actively helping the COVID vaccine research with tech support for telemedicine, building multistage testing procedures, scaling the manufacturing of test kits and the healthcare infrastructure. They also have further plans to counter the pandemic if it scales to a more devastating stage 3 in our nation.

Most affected sectors by COVID-19 outbreak

Even with the coping mechanisms at play, there are a few sectors that may take a massive hit due to the COVID-19 outbreak. From direct consequences to channelled impacts these industries that have taken the worst hit by Coronavirus outbreak.

#### 1) Travel Startups

Coronavirus Outbreak & Its Impact On travel Startups

With travel advisories and nationwide lockdown underway, travel startups are likely to endure the most.

With no existing leads, refunds to previously made bookings and uncertainty about the near future, there's very less the travel startup sector can do to hold grounds amid coronavirus outbreak.

#### 2) Real Estate Startups

Coronavirus Outbreak & Its Impact On Real Estate Startups

Real estate is another sector that is experiencing Coronavirus business impact. Universally, the startup sector depends highly on on-field sales and peer to peer delivery of information. Amid the coronavirus scare, this mechanism has come to halt completely.

Potential buyers are refraining from any investment due to the current economic folio. Those who avail these services on a recurring basis are withdrawing continuity. Most of the real estate startups are facing hard times amid these tough times.

### 3) Marketing Startups

coronavirus outbreak and its impact on marketing startups

Marketing, which is often debated to be a less essential service is also under duress of economic slowdown. Ad Agencies and marketing individuals are left out of the essential requisites of any operation as they are secondary support mechanisms for any given firm.

Making them more prone to damage in the prevailing situation, the marketing industry is bracing up for a tougher time ahead.

Coronavirus business impact is turning out to be devastating for the entire world. Coping mechanisms are put into play, but an impact is inevitable, to say the least. We are heading into rough waters, but with togetherness and support, we shall sail through safely. So let's pledge to make things easier for the entire world around and let's come out of this calamity together.



## SUGGESTIONS

It has become challenging for most businesses to keep their financial wheels turning during the lockdown period due to less revenue churn and the general uncertainty in the global financial environment.

Unfortunately, the impact on startups or small businesses can be way more brutal as they have scarcer cash reserves and a smaller margin for managing sudden slumps. The ripple effect of this shutdown will have a key impact on India's economy, as all business sectors get affected resulting in low revenue generation due to an eventual halt/slump on the sale of products and/or services. It is expected that India's growth rate in FY20-21 will be down to 2% from a range of 4.7%-5.2% as was predicted earlier by the rating agency ICRA. So, during such testing times, startup entrepreneurs will have to adapt to a new set of rules and be mindful of the following aspects to alleviate risks and to survive the slowdown caused by the impact of COVID19.

**Tracking expenses against the revenue status** During this contagion, it is of utmost importance for businesses to conduct a proper assessment of their fixed and variable expenses as well as the actual revenues. This assessment will give a clear picture of where a company stands financially and help the entrepreneurs in planning ahead in the current disconcerted market. This strategy can be implemented even when the pandemic effect settles.

**Checking the feasibility of the business model** Considering the market is changing every week (and for the worse), it is imperative to reconsider the business model and reassess where your business stands as per your assumptions concerning the revenue and cost. This is also a crucial time to track current financial metrics and cash flow. Be mindful of what your runway is. Businesses need to evaluate the impact on new sales, collections, credit cycles and potential bad debts. Plan policies for next 3 months/ 9 months/ 18 months Since, it is difficult to gauge how long this epidemic will last, it is important to be prepared for all scenarios. If we consider it as a 3-month problem, an instant halt on variable expenditures like hiring, marketing, travel, etc. can help. However, if the crisis continues for 9 months to a year, entrepreneurs will have to reconfigure their business strategy to reduce the variable expenses, renegotiate fixed.

expenses (rent, salaries, equipment lease payments, etc.), and focus only on the crucial essentials for survival. It may be a good idea to revisit sales strategy selling online versus in-person. Analyze if you need to cut back or scale up on marketing costs. Some serious reconsiderations would be required if the effect of the pandemic continues for 18 months or beyond.

Businesses will need to strategize, communicate, and act with compassion. They would require a revision of sales revenue goals and product timelines along with a new operating plan. In that case, entrepreneurs and leaders will have to keep the communication transparent as much as possible with their investors and employees.

Be patient in securing investments Every business needs capital to run and the question that crosses the mind of every founder/entrepreneur in these difficult times is from where they will get the capital. There are many funds who have enough capital to deploy for the coming years and they may not shy away from it.

However, we might witness a dip in VC/HNI funding in the short run. Investors will be more vigilant and may take longer than usual to make funding decisions after following stringent diligence procedures. But there is nothing to worry about because if we look at the previous economic downfalls, we can notice the market eventually bounce back after the end of an epidemic crisis.

In order to extend the runway, businesses can even approach existing investors for additional funding. Since, they are already invested and have their skin in the game; they are more likely to help out during this time.

This is the time when understanding the gravity of the situation and turning it favorable for the business is all that matters to let it sail smoothly in these difficult times. Here are a few tips to stay connected and afloat during the shutdown:

#### 1. Communicate transparently with your customers

We are all in this together, so the ideal way is to stay transparent with your consumers about what your business is going through. Customers can empathize with companies facing a crisis, as long as the communication is transparent. Communicate with customers to understand their perception of the product/solution offered by you.

## 2. Maintaining healthy relationship with contracted parties

It is understandable that it might be difficult to pay out vendors/suppliers during the lockdown. However, it would be helpful to give your vendors, suppliers, landlords' etc. sufficient notice in case there is going to be any delay in payments so that they can also be prepared and there is no bitterness in this already difficult time.

## 3. Managing employees & related optimization

For large companies considering layoffs, the primary option should be to cut the salaries of the higher paid exec/employees to try to retain the people who can least afford to lose their jobs employed. However, when the time comes to make the tough call, do it with compassion look out for government directives, and offer extra compensation as and when required. Such implementation should be carried out only once and not in stages such that it does not affect employee morale.

## 4. Keep Your Team Engaged

Your team relies on you so keep them updated about every development. As a promoter, it is your responsibility to keep your team members engaged and stay connected with them through video conferencing tools like Zoom and Google Hangouts. It is very important to maintain high spirits within the team and understand the general mood within your remote workforce.

## 5. Communication to stakeholders

Consult with your investors or external experts to plan the right form of communication with stakeholders, most importantly customers and employees. Have an honest conversation on the situation and its impact on your business with your entire leadership team. Any negative message should be delivered with utmost empathy along with transparent reasons.

In these difficult times it is important to stand united and help one another in whatever way we can. Stay safe and stay healthy. Please remember that some of the best initiatives are built in trying times. Like all difficult situations, this too shall pass!

Covid-19 virus pandemic and the ensuing countrywide lockdown has pushed most businesses to a grinding halt. Startups are no less impacted.

While some of the sectors like logistics, edtech, dark kitchens and consumer goods have either largely remain untouched or are in fact thriving, most others need to prepare well to deal with the long-term economic impact coronavirus will leave on their businesses. During an online conference, 'How are Startups Gearing up for the Post-covid World', organised by Entrepreneur India, four seasoned entrepreneurs share how are they trudging through the crisis and preparing for the post-covid world.

#### Mix Bag of Gains and Losses

For Mobikwik, an online payments and digital wallet company, the lockdown has meant a mixed bag of gains and losses. On one hand the platform has seen a surge in new users but on the other hand transaction values have taken a hit.

“Because of the lockdown, payment for a lot of essential services, like mobile, DTH services and broadband connections and gas and electricity bills cannot be made over the counter with cash. So, the lockdown has essentially forced a lot of people to enter the digital payments ecosystem, which obviously benefits fintech startups like us,”

“But at the same time, big ticket purchases like for travel—from flight to train to cab bookings—everything has come to a halt. Similarly, e-commerce purchases barring groceries and medicines has also stopped. So, this has impacted digital payments substantially,” he added.

For Prashant Tandon, co-founder and CEO of IMG, an online pharmacy, this crisis has turned out to be a structural positive disruption from a business perspective. “We are seeing unprecedented demand right now,” he said. But, fulfillment of orders is a major challenge. “Logistics is greatly hampered due to unavailability of workforce as a lot of people have gone back to the villages,”

#### Opportunity in Adversity

A lot of startups are seeing new opportunities emerge in this crisis. For those who are not, they are innovating to reengineer their business models or are collaborating with other businesses to help the latter cater to the current demand.

For instance, Zoomcar, a self-drive car rental startup, is working around B2B use cases to diversify. “We are collaborating with all the emergency essential services providers such as large food tech, logistics and health tech players and government services to branch out our business,”

Tandon of IMG sees the current crisis as demonetisation moment for healthtech. “I think this is the time when all the value proposition of digitally delivered healthcare is clearly appreciated. And it's not on the way only in the consumer side but the behavioural change actually is of the rest of the ecosystem, be it institutions, doctors, hospitals, insurance companies and pharma companies. Even more profoundly for the government or the regulator. So, all of them are now waking up to the fact that this is how consumers are going to engage with health care, and how quickly they need to adapt to this kind of a new reality,” he said.

“It's a very significant structural shift in favour of digital health and a lot of healthcare businesses will have to move very fast and figure out their own digital strategy.”

**Qualitative Growth over Quantitative** Many experts have time and again criticized growth in terms of numbers that startups focus on these days. Covid-19 crisis may change that, believes Tandon. “This is a phase where people will look at fundamental economics and where the primary optimization lever will move from growth to sustainability and stronger economics across the board,” he said.

This shift will be driven by the fact that the capital markets will demand this move, Tandon said. “Everyone now needs to be aware of where the next stage of financial support or capital will come from.” Morgan too believes focus will shift to ensuring quality and overall stellar unit economics. “Now, focus will have to go towards quality because especially in the mobility space, quality directly translates into better unit economics,” he said.



“Companies can take advantage in these times to ensure quality. For zoomcar, we've always had a very intense focus on IoT in terms of vehicle monitoring, driver behaviour monitoring. So, coming out of this type of crisis when people start to come back onto the road, we will focus on doubling down on this,” he explained.

#### Gearing up For Post-Covid World

Tandon said that for IMG the biggest challenge for the next few months amidst the Covid-19 crisis will be cost rationalisation and fundraise. “The big challenge will be making sure that we keep our burn under control, economic strong and runways clear,” he said.

With transaction values going down despite increase in volumes, fintech companies as well as other financial institutions will face a big challenge of spurring consumption of users. “FinTech, especially digital credit, also benefits from the aspirational consumption of companies as well as of consumers. The aspiration to spend more by traveling, upgrading your phone etc will be low among consumers as they will be focused on saving, at least in the short term,” said Singh.

However, he still sees gain for fintech industry from the Covid-19 crisis. “Overall, digitization will lead to huge growth of fintech players.”

#### Boosting Employee’s Morale

Raghav Joshi, CEO, Rebel Foods believes that for most startups across industries one of the biggest challenges right now is how to handle employee morale at this point in time. “It's important startups ensure that their employees are duly motivated at a time when hikes and bonuses may or may not happen in the short term,” he said.

Companies should figure out ways to not only keep their teams engaged and motivated but also to step up their efforts as there is no additional hiring happening,

