

This booklet is based on the inputs taken from experts on the Live Show "In Conversation with Sumit".

---

IMPACT OF COVID-19  
ON

# STARTUPS & BUSINESSES

---

A Guide to understand the Post COVID Era and plan your startup accordingly

**AUTHORED BY**

**SUMIT SRIVASTAWA**

"FOUNDER & CEO, STARTUP CHAUPAL

# ABOUT STARTUP CHAUPAL

Startup Chaupal is a unique amalgamation of mentoring and investment opportunities that is available for the startups irrespective of their stage of formation or business stage. With a plethora of services like sector-specific mentoring, incubation and co-working space, investment and funding rounds, we provide all the solutions for the needs of startups under one roof.

Established in 2017, with a mission to assist and guide the student entrepreneurs in their quest for setting up their startups, we have grown from strengths to strengths by adding various value-added service to her portfolio during the past 3 years. Around 50 startups and founders are already actively engaged with us and taking advantage of the rich experience of our mentors and world class facilities. to passthrough our three stages of Gen-Start, Gen-Grow and Gen-Scale

***“The era of B2B, B2C, C2C or C2B business models is past, in future, only H2H (Heart – to – Heart) will matter”***

# GENESIS OF THE BOOKLET

Current crisis, which has been scientifically named as Covid-19, is an unprecedented situation, for which, no business, no entity, old or new, small or big could be prepared or had any contingency plans in place. Older or bigger organizations have a slight advantage over the startups in these times, and that is the advantage of experience and a cushion of better financial position.

As we interact with numerous startups and their founders on a daily basis, it was realized that, due to their relatively younger age and the inexperience that stems due to it, many startup founders are confused and confounded at this moment. Belief in self and the business model is on a shaky ground, and the self-doubt and pessimism are rearing their heads in their thought processes. As is our mission, to handhold and guide our startups from ideation to execution, Team - Startup Chaupal went into a huddle to find solutions to these problems of startups and provide a guidance in these troubled times. Out of the numerous interactions with the experts and the veterans of this field, emerged these learnings which are being presented to you in the form of this report, which, we believe, would assist in allaying your fears and show you a path to tread on during this crisis time and emerge victorious at the other end.

# **COVID19: CRISIS OF FAITH FOR STARTUPS**

Covid-19 or Corona Pandemic as it is being called, is a disruption in the life of human beings, the scale of which can't be gauged by looking at fragmented sections of life. This crisis can only be understood in its entirety by measuring its effects on all the aspects of human existence.

As most of the founders of startups are quite young in their age, there has been no reference – point for them to access this situation or devise the counter-measures to survive this crisis.

With nature of the startup business arena filled with uncertainties and pressure of excelling and succeeding in this cut-throat business world, the founders of these startups are at a loss to absorb these pressures and create a sensible course of action to navigate through this time.

The founders express their problems in many ways, that we believe is only a manifestation of something much deeper inside. According to them, their problems range from the loss of customers to suppliers, pressure of ROI delivery to raising next round of fund, maintaining the operations of the business to government restrictions on external supply chains. Actually, it is 'a crisis of faith', a situation where they are not sure about themselves, their path, their targets, their destination, their planning, their capabilities to navigate through, their chances of survival in these times.

# **THE WISDOM WILLOW: THOUGHTS OF EXPERTS ON CURRENT CRISIS**

As the author interacted with various experts on different aspects of the current situation; specifically their outlook about this situation, how they are coping with or mitigating this disaster, how they look at the business and world post – Covid, suggestions for startups and founders and their opinion on a few sectors and their future in the Post – Covid world, various new point-of-views emerged out of the discussions that are being presented here.

For the ease of reading and understanding, the gist of all the discussions has been segregated into the discussion headings and put in this report in the consolidated format. The complete discussions are available on the youtube channel of Startup Chaupal, with all the links available on the last page of this report.

A common thread to all the discussions, where all the experts agreed is that, ‘this is a time to reassess the capabilities and direction of the business, a time of opportunities that will open new possibilities and avenues for startups; this is not the time to sit idle and mourn over the loss of some sales; better times are about to come’.

# **ON CURRENT SITUATION OF BUSINESS**

This is a unique time, in the sense that nobody could have predicted it, and no business could have prepared any contingency plan for the same. So, if you are not prepared and were caught off-guard, don't be too hard on yourself. Remember, everybody is losing money and taking some losses in this situation.

## **WHAT SHOULD FOUNDERS DO IN THIS TIME**

This is the time to prepare yourself and your company for bigger and better things that will happen once this crisis is over. Utilize this time to revisit, revise and re-analyse the business model and the cost structure of the company. Reach out to all your customers and let them know that you are there for taking care of their business needs. Upskill and upgrade your self with programs and courses that will help in your business and your life in future.

## **WHAT ABOUT COMPANY'S FINANCES**

Running a business requires hard decisions to be taken, and the founders must take some unpopular decisions to ensure the survival of the business or the organization. Stop, or minimize the cash outflow from the business, and cut down on the expenses related to all the non-essential activities of your business.

Defer the salary payments, partially, for a few months in order to ensure the financial viability of the business. If there is no other way out, retrench a few non-core employees, who are not critical for the business.

## **WHERE IS THE MONEY FOR FUNDING & INVESTMENT**

Founders in the startup ecosystem have developed this false myth that investments have dried up in the current situation and there are no investors right now who would want to invest their money into any kind of startups at this juncture. According to all the experts, nothing could be far from truth. While traditional investors might be holding back on their investments, the entrepreneurial investors are investing aggressively in the current market. The investors are always there in the market and they keep scouting for the opportunities to invest into profitable ventures, specially in times like these, when the valuations are low, and they could easily strike a good bargain and make handsome profits for their venture funds.

# HOW IS THE BUSINESS GOING TO CHANGE

The fundamentals of the business world are going to change once this crisis is over because this pandemic is bringing a change in the behaviour of the general public that will persist post crisis also. Businesses that can serve their customers without coming into their direct contact, i.e. businesses with successful and practical online models would be more in demand, specially in the fields of health management, medical testing etc. As more and more businesses adopt online models and work from home modules, there would be a huge demand for technology products and services that would help them create sustainable business models and processes. For startups, in general, profitability would be a crucial defining factor, and not 'burn rate' which was considered a criterion of growth till now.

Changed business models and customer preferences would open up new possibilities and pain points for the founders to step in and devise a business around these possibilities and pain points.

# **WHICH MARKET WOULD GROW NOW**

This crisis would further dent the 'Globalized' world and speed up the fragmentation and localization processes that had gained some popularity in past few years. As unemployment would rise and the GDP growth rate dip, countries would focus on serving their populations through indigenous products and companies. Startups that can procure and produce locally would gain in this situation. As the migration to bigger cities would reduce and the technology bridge the gaps between these cities and Tier III – V cities, these Tier III – V would be the markets that would witness a boom in their spending capacity and generate opportunities for the startups.

# **WHAT ARE THE GOVERNMENT & INDUSTRY BODIES DOING**

Government of India, along with the State Governments and the various industry bodies like CII, FICCI, RAIN, TIE are working towards creating a safety net for the startups, where the Governments are launching various kinds of finance and other support schemes for the startups and other MSME businesses, the details of which can be taken from MSME and other Official Websites. The other industry bodies are also working in their own capacity to train, counsel and prepare the founders to handle the problems arising out of this situation in a more effective manner.

# **THE SECTORAL ANALYSIS**

This crisis would create a differential advantage for some sectors, while create more hurdles for some sectors. A discussion with the experts on this topic threw some interesting insights, which are summarised as below:

## **Health & Hygiene**

A sunshine sector of the future that will grow leaps and bounds with new products and solutions being generated for general public and specialists' consumption.

## **Education**

Only those businesses would survive and grow who can transform their classroom business model into an online model successfully and turn the education business into Edtech business.

## **Fintech**

As more and more customers coming online, this sector would also grow, but the biggest hurdle would be the generation of trust in online money transactions and fast redressal of customer grievances arising out of such transactions.

## **E-Commerce**

Again a sunshine sector that would grow leaps and bounds, especially in the smaller cities and towns of the country who have seen a supply-chain disruption of this magnitude for the first time in their life.

## **Agriculture**

Those businesses that can utilize technology to come closer to their customers and remove the middle-men would thrive in the future. Safeguarding the interests of the farmers and other producers, while following a plethora of government regulations could be a little challenging.

## **Fitness & Wellness**

Again, a business that needs to devise contact-less and at-home solutions for the customers to survive and grow using technology and internet penetration in the Indian market is the need of the hour.

## **Electric Vehicles**

This sector would rise as the customer consciousness towards the mother nature and its preservance is gaining importance, but the reduced need to travel on an overall basis could dampen the growth rate of this sector.

## **Manufacturing**

One of those sectors that will have to bear losses in these times. However, a move towards robotics and automation may save the day for these businesses since that would reduce the human contact and safeguard the businesses against any such future calamity.

## **Telecom**

This sector would gain majorly as increasing 'work from home' and online meetings culture would increase the demand for faster networks with reliable services.

# **Supply Chain & Logistics**

As localization would grow, dependency on longer and deeper supply chains would reduce, thus leading to a loss to this sector, where the growth opportunity would lie in the hyper-local context and capabilities in that area.

## **FROM THE AUTHOR**

The day Lockdown was announced, I started working with Leaders to understand, 'How the Life will be Post COVID specially for Startups.' I invited many guests and got very valuable inputs from them. I would like to thank all of them from the core of my heart. This booklet is an outcome of the discussions with these experts. I have tried to cover most of the points which were discussed, and I am sure that it would assist Entrepreneurs in coping and strategizing for the Post COVID Era.

I humbly present the Names of all the Luminaries who obliged me with their presence on my show and shared their invaluable insights.

01. Mr. Maheveer P. Sharma, President, TiE Global
02. Dr. Ajay Data, Founder & CEO, Data Xgen Tech.

03. Mr. Abhinav Sinha, Co-Founder, Eko India
04. Mr. Rajeev Chawla, President, IamSMEofIndia
05. Mr. Saurabh Jain, VP, PAYTM
06. Mr. Amit Singal, CEO, Startup Buddy
07. Mr. Mukesh Mallik, Founder & CEO, ProjectGK
08. Mr. Gaurav Hazra, Sr. Director, NASSCOM
09. Mr. Suresh Mansharamani, Founder, Tajurba
10. Mr. Yogesh Chaudhary, Owner Jaipur Rugs
11. Mr. Anil Chhikara, Founder, Startup India  
Foundation
12. Mr. Rahul Narvekar, Partner, Scale Ventures
13. Mr. Avelo Roy, Director, Kolkatta Ventures
14. Mrs. Mugdha Sinha, Secretary, DST, GoI
15. Mr. Mandhar Joshi, Angel Investor, UAE
16. Ms. Shobhana Parruc, Founder Founder's Click
17. Dr. Unnat Pandit, Program Dir., AIM-NITI Ayog
18. Mr. Sushil Sharma, Founder, Marwari Catalysts
19. Mr. Vivek Dahiya, Co-Founder, Boudhik Ventures

I am sure you will find this booklet informative and helpful.

Sumit Srivastawa  
Startup Chaupal



127, PAWAN VIHAR, JAGATPURA, JAIPUR

[WWW.STARTUPCHAUPAL.COM](http://WWW.STARTUPCHAUPAL.COM)

E: [CONNECT@STARTUPCHAUPAL.COM](mailto:CONNECT@STARTUPCHAUPAL.COM)

---

[WWW.STARTUPCHAUPAL.COM](http://WWW.STARTUPCHAUPAL.COM)