

Wanna be an Entrepreneur? Start in the 20s

Fewer responsibilities, greater willingness to take on risk tend to work in favour of youngsters

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If you don't start up in your twenties, you are less likely to do so in your thirties. The age profile of start-up founders in India shows a dominance of 20-somethings, a pattern that venture capitalists and angel investors attribute as much to the restlessness and risk appetite of youth as to the inability of older peers in letting go of the trappings of successful corporate careers.

"The proportion of entrepreneurs launching start-ups in the country would be highly skewed towards the age bracket of twenties and early-thirties," says Sasha Mirchandani, founder and managing partner at Kae Capital and the founder of Mumbai Angels, which invests in start-ups. Confirms Padmaja Ruparel, president of the Indian Angel Network: "The majority of our investee companies are start-ups launched by entrepreneurs below (the age of) 30."

The portfolio of Indian Angel Network, the country's first and largest network of angel investors, includes Aurus Net-

work Infotech, Druva, Gamiana, Hashcube, Stayzilla, TaxSpanner and Unbxd, all of which were founded and launched by entrepreneurs below the age of 30.

Fewer responsibilities and a greater willingness to take on risk tend to work in favour of young entrepreneurs in taking the plunge. Alok Mittal, managing director of venture capital firm Canaan Partners, started his first business when he was in his twenties.

"It is easier to turn an entrepreneur in that age bracket as one has not built a

high-paying jobs — good salaries, perks and stock options — is holding back mid-level executives from turning entrepreneurs. "The compensation and perks have killed entrepreneurial behaviour," says K Sudarshan, managing partner-India, EMA Partners. "Everyone wants to create wealth while in a job." Hence, he adds, even when they want to, executives keep postponing their move into entrepreneurship, which, compared to jobs, has greater potential to create wealth, but also comes with greater uncertainty.

"Young leaders are used to a certain lifestyle," says Purvi Sheth, CEO of Shilputsi Consultants, a search firm. "Earlier, it was alright to move from Bandra to Andheri. Today, it matters. Very few people have the gumption to give it all up to become an entrepreneur." Adds Sudarshan: "You either have people coming out of campuses and becoming entrepreneurs or you have entrepreneurs in their 50s."

At the other extreme from the young entrepreneurs is someone like Manoj Chacko, who quit as executive VP, commercial, at Kingfisher Airlines last month and is looking to "make a serious attempt" at entrepreneurship at 42. "When you reach a stage in corporate life where you have achieved most of what you wanted to and have a sense of financial security, you start looking at creating value not just for yourself, but for others," he says. "That's probably the stage people like me have reached."

Most of the activity, however, is at the younger end. It helps that the start-up eco-

Hungry for More

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 **Start-up ecosystem today is more receptive of young entrepreneurs than in the past, both in terms of the kind of business ideas that are finding traction and the amount of funding available**

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PADMAJA RUPAREL
President, Indian Angel Network

system today is more receptive of young entrepreneurs than in the past, both in terms of the kind of business ideas that are finding traction and the amount of funding available. Venture capitalists feel Internet 2.0 models are more tailored to young entrepreneurs. "These entrepreneurs are inexperienced, but are innovative and radical in their approach," says Niren Shah, managing director, Northwest Venture Partners. "They have great products and a technical mindset, and look to build solutions for consumers. We are keen to back such people." Mirchandani of Kae Capital invested in Mynta and InMobi — two companies whose founders were in their late-twenties or early-thirties when they started them.

"Although these entrepreneurs were young, they were highly educated, and had clear, articulated plans. They were willing to take risks to jump into entrepreneurship," he says. Adds Ruparel of Indian Angel Network: "A lot of young entrepreneurs have worked or studied abroad. This exposes them to the global entrepreneurial ecosystem, which is far more exciting and challenging. They come back, hoping to start something on their own." Even if they fail, they still have age on their side. "They feel they have their whole life ahead of them and can always fall back on their degree to find a job if they fail," she adds.

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lifestyle that requires continuous financial support, there are fewer personal liabilities, and one is alright with salary cuts," he says. Adds Mirchandani: "Their ability to take risks is much higher as they have fewer professional and personal responsibilities, and they can deal with the situation of living off meagre or irregular finances, which start-ups grapple with."

In the current Indian context, ironically,

Many Want to Set Up Stores Here

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Apple is famously secretive about its out-

In January, the government allowed foreign single-brand retail companies to set up stores in India with full ownership, albeit



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