

## SUPPLY CHAIN STARTUPS IN INDIA: A DESCRIPTIVE STUDY

\*Dr.P.Krishnapriya, \*\*Dr. B. Giri Murugan, \*\*Dr. Praveena Devi

\* Assistant Professor, KL Business School, KoneruLakshmaiah Education foundation (Deemed to be University), Guntur- 522302 Andhra Pradesh, India, [krishnapriyaghanta@kluniversity.in](mailto:krishnapriyaghanta@kluniversity.in)

\*\* Assistant Professor, KL Business School, KoneruLakshmaiah Education foundation (Deemed to be University), Guntur- 522302 Andhra Pradesh, India, [skbgiri@yahoo.co.in](mailto:skbgiri@yahoo.co.in)

\*\* Assistant Professor, KL Business School, KoneruLakshmaiah Education foundation (Deemed to be University), Guntur- 522302 Andhra Pradesh, India, [praveenadevi86@gmail.com](mailto:praveenadevi86@gmail.com)

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### Abstract

*Supply chain startups in India are a rapidly growing sector, with a significant impact on the Indian economy. This descriptive study examines the key trends, impact, and challenges of supply chain startups in India. The study finds that supply chain startups are focusing on technology, last-mile delivery, and rural markets to improve the efficiency and transparency of supply chains. They are also creating new jobs and opportunities, and boosting the growth of the Indian e-commerce sector. However, supply chain startups in India also face a number of challenges, including access to capital, competition from established players, and regulatory challenges. The study recommends that the government and industry can play a role in supporting the growth of supply chain startups by providing access to capital, reducing regulatory hurdles, and promoting collaboration between startups and established players. By supporting the growth of supply chain startups, the government and industry can help to create a more efficient and competitive supply chain sector in India.*

**Key Words:** Start Ups, supply chain, E commerce, Industry

### Introduction

Supply chain management (SCM) is a critical function for businesses of all sizes. It involves the planning, coordination, and execution of all activities involved in the flow of goods and services from suppliers to customers. The Indian supply chain sector is highly fragmented and inefficient. This is due to a number of factors, including the country's vast size and complex geography, its diverse economy, and its relatively underdeveloped infrastructure.

In recent years, a number of startups have emerged in India with the goal of disrupting the traditional supply chain sector. These startups are using technology and innovative business models to improve the efficiency, transparency, and reliability of supply chains. This study provides a descriptive overview of the supply chain startup sector in India. It examines the key trends, drivers, and challenges in the sector. It also discusses the impact of supply chain startups on the Indian economy.

## Objectives Of the Study

The objectives of this study are to:

- Provide a descriptive overview of the supply chain startup sector in India
- Examine the key trends, drivers, and challenges in the sector
- Discuss the impact of supply chain startups on the Indian economy
- Formulate recommendations for the government and industry to support the growth of supply chain startups in India

By achieving these objectives, the study aims to contribute to a better understanding of the supply chain startup sector in India and its potential impact on the Indian economy. The study also aims to provide useful insights for government policymakers, regulators, industry leaders, investors, startup founders and entrepreneurs.

## Review of literature

The literature on supply chain startups in India is still relatively limited, but there is a growing body of research on the topic. Some of the key findings from the literature include:

The supply chain startup sector in India is growing rapidly. According to Tracxn, there are over 2,900 logistics tech startups in India. This growth is being driven by a number of factors, including the rise of e-commerce, the increasing complexity of supply chains, and the need for innovation. Supply chain startups in India are focusing on a variety of areas, including technology, last-mile delivery, and rural markets. Many supply chain startups are using technology to improve the efficiency and transparency of supply chains. Others are developing innovative solutions to improve last-mile delivery and to reach rural markets.

Supply chain startups in India are facing a number of challenges, including access to capital, competition from established players, and regulatory hurdles. Despite these challenges, supply chain startups are playing an increasingly important role in the Indian economy. A Cross Case Comparative Analysis (2023) by Joglekar and Joglekar examines 10 Indian supply chain startups and finds that they are focusing on the transportation driver and are using technology to improve the operational area of supply chain management.

Startups in the supply chain ecosystem: an organizing framework and research opportunities(2022) by La Rocca et al. discusses the role of startups in the supply chain ecosystem and identifies a number of research opportunities in this area.

Do accelerators work? If so, how? (2020) by Hallen et al. examines the effectiveness of startup accelerators and finds that they can help startups to raise capital, develop their products and services, and reach new markets. The 5 biggest bottlenecks that will keep your

startup from growing (2019) by Hasan identifies the five biggest bottlenecks that startups face: access to capital, customer acquisition, hiring talent, product-market fit, and execution.

These studies provide valuable insights into the supply chain startup sector in India. However, there is still a need for further research on this topic. Areas for future research include:

- The impact of supply chain startups on the Indian economy
- The challenges faced by supply chain startups in India and how to address them
- The role of government and industry in supporting the growth of supply chain startups in India

Overall, the literature on supply chain startups in India is still in its early stages of development. However, the existing research suggests that the sector is growing rapidly and is playing an increasingly important role in the Indian economy. Further research is needed to better understand the impact of supply chain startups on the Indian economy and the challenges they face.

### **Growth of Supplychain Start up's**

The supply chain startup sector in India has grown rapidly in recent years. According to Tracxn, there are over 2,900 logistics tech startups in India. This growth is being driven by a number of factors, including:

- The rise of e-commerce: The growth of e-commerce in India is creating a huge demand for efficient and reliable logistics services. Supply chain startups are playing a key role in meeting this demand.
- The increasing complexity of supply chains: Indian supply chains are becoming increasingly complex, as businesses expand their operations and reach new markets. Supply chain startups are helping businesses to manage this complexity by providing innovative solutions.
- The need for innovation: The traditional Indian supply chain sector is inefficient and fragmented, and there is a need for new technologies and solutions to improve its performance. Supply chain startups are meeting this need by developing innovative solutions.
- Focus on technology: Many supply chain startups are using technology to improve the efficiency and transparency of supply chains. For example, some startups are using artificial intelligence (AI) and machine learning (ML) to optimize inventory levels and transportation routes. Others are using blockchain technology to track the movement of goods and ensure traceability.

- Focus on last-mile delivery: Last-mile delivery is a major challenge in India, due to the country's vast size and complex geography. Many supply chain startups are developing innovative solutions to improve last-mile delivery efficiency. For example, some startups are using drones and electric vehicles to deliver goods in congested urban areas.
- Focus on rural markets: Rural India is a huge market for goods and services, but it is often underserved by traditional supply chains. Many supply chain startups are developing solutions to improve the delivery of goods and services to rural areas. For example, some startups are setting up micro-warehouses in rural areas to store and distribute goods.

Here are some examples of successful supply chain startups in India:

- Delhivery: Delhivery is a leading Indian logistics company that provides a range of services, including last-mile delivery, warehousing, and e-commerce fulfillment.
- Ecom Express: Ecom Express is another leading Indian logistics company that provides a range of services, including e-commerce fulfillment, supply chain management, and last-mile delivery.
- BlackBuck: BlackBuck is a logistics tech startup that provides a digital platform for shippers to connect with truckers.
- Rivigo: Rivigo is a logistics tech startup that provides a full-stack logistics solution for businesses.
- FarEye: FarEye is a logistics tech startup that provides a SaaS platform for real-time visibility and orchestration of supply chains.

These startups are playing a key role in improving the efficiency and transparency of supply chains in India. They are also helping to create new jobs and opportunities, and they are boosting the growth of the Indian e-commerce sector.

### **Impact of supply chain startups on the Indian economy**

Supply chain startups are having a significant impact on the Indian economy. They are helping to improve the efficiency and transparency of supply chains, which is leading to lower costs and better customer service. Supply chain startups are also creating new jobs and opportunities, and they are helping to boost the growth of the Indian e-commerce sector.

A study by PwC found that the Indian logistics sector could contribute up to 10% of India's GDP by 2025. The study also found that the Indian logistics sector could create up to 22 million jobs by 2025.

The growth of the supply chain startup sector is playing a key role in helping the Indian logistics sector to achieve these targets. Supply chain startups are developing innovative solutions to improve the efficiency and transparency of supply chains, which is leading to lower costs and better customer service. This is making Indian businesses more competitive and helping to boost the growth of the Indian economy.

### **Indian Government support to supply chain startups**

The Indian Government is providing a number of initiatives to support the growth of supply chain startups. These initiatives include:

- **Financial assistance:** The government provides financial assistance to supply chain startups through various schemes and programs, such as the Startup India Seed Fund Scheme, the Atal Innovation Mission, and the National Science and Technology Entrepreneurship Development Board (NSTEDB). These schemes provide funding for early-stage startups, product development, and commercialization.
- **Regulatory support:** The government is simplifying the regulatory environment for supply chain startups through initiatives such as the National Single Window System, which streamlines the process of obtaining various clearances and licenses. The government is also working to reduce the regulatory burden on startups by exempting them from certain requirements and providing them with extended deadlines.
- **Infrastructure support:** The government is developing new infrastructure and upgrading existing infrastructure to support the growth of the supply chain sector. For example, the government is developing a network of industrial corridors and logistics parks, which will provide supply chain startups with access to modern facilities and support services.
- **Skill development:** The government is providing skilling and training programs to develop the workforce required by the supply chain sector. For example, the government has launched the Pradhan Mantri Kaushal Vikas Yojana to provide skill training to millions of youth. The government is also working to develop specialized training programs for supply chain professionals.
- **Ecosystem support:** The government is working to create an ecosystem that is conducive to the growth of supply chain startups. This includes promoting collaboration between startups, academia, and industry. The government is also working to attract foreign investment into the supply chain sector.

In addition to these initiatives, the government is also providing support to supply chain startups through various other programs and initiatives, such as the Startup India Hub, the Invest India portal, and the Startup Intellectual Property Protection (SIP-PRO) scheme.

The government's support for supply chain startups is essential for the growth of the sector and its contribution to the Indian economy. Supply chain startups have the potential to revolutionize the way goods and services are moved and stored in India. They can also help to create millions of jobs and boost the growth of the Indian economy.

Examples of government support to supply chain startups in India:

- The Startup India Seed Fund Scheme has provided funding to over 1000 startups, including many supply chain startups.
- The Atal Innovation Mission has supported the development of several innovative supply chain solutions, such as a drone-based delivery system and a blockchain-based supply chain management platform.
- The National Single Window System has helped to reduce the time and cost required for supply chain startups to obtain the necessary clearances and licenses.
- The Pradhan Mantri Kaushal Vikas Yojana has provided skill training to millions of youth, including many who are now employed in the supply chain sector.
- The Startup India Hub has provided mentorship and support to thousands of startups, including many supply chain startups.

The government's support to supply chain startups is still in its early stages, but it is growing. The government is committed to supporting the growth of the sector and its contribution to the Indian economy.

## Conclusion

The supply chain startup sector in India is growing rapidly and is having a significant impact on the Indian economy. Supply chain startups are using technology and innovative business models to improve the efficiency, transparency, and reliability of supply chains. They are also creating new jobs and opportunities, and they are helping to boost the growth of the Indian e-commerce sector.

The Indian government is providing a number of initiatives to support the growth of supply chain startups. These initiatives include financial assistance, regulatory support, infrastructure support, skill development, and ecosystem support. The government's support for supply chain startups is essential for the growth of the sector and its contribution to the Indian economy. Supply chain startups have the potential to revolutionize the way goods and services are moved and stored in India. They can also help to create millions of jobs and boost the growth of the Indian economy.

The future of the supply chain startup sector in India looks bright. With the government's support and the growing demand for innovative supply chain solutions, supply chain startups are well-positioned to play a leading role in the Indian economy.



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