

LEADERSHIP IN START-UPS AND SME'S: CHALLENGES, OPPORTUNITIES AND STRATEGIES

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Abstract:

The role of leadership in start-ups and outlines a model of when, why and how leadership behaviour of founder-CEOs influences start-up performance. Transformational leadership has a significant and positive effect on start-up performance; today leadership is neglected by most entrepreneurs and is not considered a motivation for founding a business. The objectives of the study are to understand the shared leadership within high growth SME, start-ups, the shared leaders learning to lead process and its strategic decision- making process. The shared leadership practice has enhanced the leader's leadership skills and capabilities through the leader's teamwork and knowledge collaboration within the complex nature of the organization. There are three interesting emerging themes from the study findings that give a different perspective on the literature of shared leadership practice including early delegation of administrative team, friendship element as a basis for shared leadership team set up and additional leaders to the existing shared leadership team. The survival strategies of SME s in the industrial platform to recognize sustainability-related policies, specifically, the necessity for a robust theoretical examination on the survival strategies of SMEs in the field of global challenges. Recent research has confirmed that the development of start-ups is indeed connected to leadership. A review revealed that entrepreneurial leadership, as opposed to mainstream leadership theories, is more suitable to explain the complex leadership process in start-ups growth and development. The current study investigated the relative influence of vertical versus shared leadership within new venture top management teams on the performance of start-ups using two different samples. Vertical leadership stems from an appointed or formal leader of a team (e.g., the CEO), whereas shared leadership is a form of distributed leadership stemming from within a team. Transformational, transactional, empowering, and directive dimensions of both vertical and shared leadership were examined. The paper examines the leadership in start-ups and SME 's, their strategies and challenges in the Leadership.

Keywords: *Leaderships, Entrepreneurial Leadership, Empowering, Survival Strategies, Start-Ups*

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Introduction:

Leadership development is a crucial success factor for start-ups to increase their human capital, survival rate, and overall performance. Firms develop the leadership capabilities of their workforce to increase their firm competitiveness and performance. Leadership development refers to the development of social capital by improving workplace relationships, collective meaning, and interpersonal competence. Start-ups will mainly use experiential learning methods and developmental relationships to advance their leadership capacities. Our research is to forecast the leadership development methods taken by the start-ups and also their pros and cons.

Literature Review:

[1] **Deepal Joshi & Sarla Achuthan** (2018) delves into a very significant issue from the start-ups i.e. leadership and summarizes the leadership lessons several leadership theories such as transformational leadership,

complexity theory, entrepreneurial leadership, and contingency leadership. It explores the possible characteristics of successful high-tech entrepreneurs, human resources skills required, and significance of relevance of ideas in the Indian context.

- [2] **Michael D. Ensley, Keith M. Hmieleski, Craig L. Pearce (2006)** investigated the relative influence of vertical versus shared leadership within new venture top management teams on the performance of start-ups using two different samples. Vertical leadership stems from an appointed or formal leader of a team (e.g., the CEO), whereas shared leadership is a form of distributed leadership stemming from within a team.
- [3] **Michael Yang (2016)** aims to build a rich holistic picture of how entrepreneurial leaders do this, without the use of financial means or hierarchical power and to study leadership in start-ups, especially how they enlist and retain people (labour), in the early prefunding stage, when money and power are limited.
- [4] **Lisa Prommer, Victor Tiberius, Sascha Kraus (2020)** engaged in foresight and explore which leadership development techniques will be most relevant for start-ups within the next five to ten years. According to the expert panel, the majority of start-ups will engage in leadership development over the next decade. Most start-ups will aim to develop the leadership capabilities of their workforce as a whole and use external support.
- [5] Linjuan Rita Men, Yufan Sunny Qin, Renee Mitson (2021) explores how startup leadership communication influences employee outcomes and tests how startup CEO charismatic leadership communication, which is characterized by envisioning, energizing, and enabling behaviors help nurture quality employee relationships with the startup and engage startup employees.

Research Objectives:

- To understand the leadership strategies followed by the start-ups
- To determine the challenges faced by the start-ups
- To assess the opportunities gained by the start-up by following leadership methods
- To analyze the overall performance of the start-ups by the leadership skills

Research Methodology:

This research study on leadership in start-ups uses secondary data. The data is collected through websites, articles related to start-ups. Also took some start-ups companies in a particular city to study about their leadership and drawbacks. Considering these data we will conclude our research on leadership in start-ups.

Findings:

Considering some start-ups companies and analyzing their leadership.

1. Cars24

- CARS24 is an Indian multinational online **used car** marketplace headquartered in **Gurgaon**. CARS24 was founded in 2015 by Vikram Chopra, Mehul Agrawal, Gajendra Jangid and Ruchit Agarwal as a platform to buy and sell used cars.
- Cars24 Moto is a service which allows customers to sell used two-wheelers such

as **motorbikes, mopeds and scooters** on its platform. It also launched a service offering vehicles inspection services at the customer's location in place of their branch.

STRATEGIES:

1. Online Platform Enhancement:

Continuously improving the online platform for a user-friendly experience to attract more buyers and sellers.

2. Technology Integration:

Embracing technology such as AI and machine learning for efficient valuation, fraud detection, and customer engagement.

CHALLENGES:

1. Vehicle Inspection and Valuation:

Ensuring accurate and fair vehicle inspections and valuations, a critical aspect of the used car buying and selling process.

2. Logistics and Operations:

Efficiently managing the logistics and operational challenges associated with inspecting, buying, and selling used cars.

OPPORTUNITIES:

1. Digital Transformation:

Capitalizing on the increasing trend of digital transactions and leveraging technology for a more seamless customer experience.

2. Financial Services Integration:

Offering or partnering with financial institutions to provide financing options for used car buyers.

2. EzSwype:

- EzSwype is one of the top PCI-DSS certified financial technology service providers in India started in 2013. Headquartered in Gurugram, provides integrated payment solutions that enable ease in all types of payment transactions.
- Started in 2013, have come a long way in past 5 years, right from being certified for compliance (PCI-DSS). EzSwype has always focused on fuelling merchant needs for an excellent POS payment system and had grown multi-fold in last 2 years.
- Mission of EzSwype is to enable anyone to accept payments, anywhere and anytime.

STRATEGIES:

1. Partnerships and Alliances:

Collaborating with banks, financial institutions, and other businesses to expand the reach and services offered.

2. Security Measures:

Implementing robust security measures to ensure the safety of financial transactions and build

trust with users.

CHALLENGES:

1. Security Concerns:

Addressing the constant challenge of cyber security and protecting against fraud and data breaches.

2. Regulatory Compliance:

Navigating complex and evolving regulations in the financial and payment sectors.

OPPORTUNITIES:

1. Collaboration with Fin tech Ecosystem:

Partnering with other fin tech companies and start-ups to create a collaborative ecosystem and offer comprehensive solutions.

2. Block chain and Crypto currency Integration:

Exploring the potential of block chain technology and crypto currencies in the payment industry.

3. Livspace:

- **Livspace** is a home interior and Renovation Company headquartered in Singapore, provides interior design and renovation services in Singapore and India. The company was founded in 2014 by Anuj Srivastava and Ramakant Sharma
- In December 2015, the company introduced its private label of modular kitchens and wardrobes and rolled out services in Bengaluru, New Delhi and Mumbai. The start-up later opened four offline design stores with virtual reality setups in Bengaluru, Delhi, Gurugram and Mumbai.
- Livspace launched its Singapore operations in 30 October 2019, and partnered with IKEA Singapore. Livspace launched its operations in India in 2014. The India head-quarter is situated in Bangalore. It has two services for the customers, namely Livspace Select (for modular products) and Livspace Vesta (full home interiors).

STRATEGIES:

1. Customer-Centric Approach:

Focusing on customer satisfaction through personalized services, efficient project management, and responsive customer support.

2. E-commerce Integration:

Exploring opportunities to integrate e-commerce features for the purchase of home decor and furniture directly through the platform.

CHALLENGES:

1. Project Execution and Quality Control:

Ensuring consistent quality in project execution, especially when dealing with various contractors and vendors.

2. Competitive Landscape:

Facing competition from other interior design and home renovation platforms in the rapidly evolving market.

OPPORTUNITIES:

1. Customization and Personalization:

Offering personalized design solutions to cater to specific customer preferences.

2. Smart Home Integration:

Exploring opportunities in the integration of smart home technologies in design and renovation projects.

4. Greenhandle:

- Greenhandle is a B2B firm that works to reinvent the packaging industry in India by moving away from plastic and other non-biodegradable materials. The start-up provides ecological printed, un-printed, promotional and non-promotional products.
- Greenhandle is founded in 2015 by Ashish Singh, Pritesh Makani and Amit Kumar.
- Mission of Greenhandle is to Use technology to simplify the problems faced by businesses day-to-day from buying to selling the packaging products.

STRATEGIES:

1. Curated Eco-Friendly Product Offering:

Offering a diverse range of curated eco-friendly and sustainable products on the online platform.

2. Supply Chain Transparency:

Emphasizing transparency in the supply chain to build trust with consumers who prioritize ethical and sustainable practices.

3. Collaborations with Sustainable Brands:

Forming partnerships with eco-friendly brands and manufacturers to strengthen the product offering and support sustainability initiatives.

CHALLENGES:

1. Consumer Awareness:

Overcoming challenges related to low consumer awareness about sustainable products and their benefits.

2. Price Sensitivity:

Addressing concerns related to the potentially higher prices of sustainable products compared to conventional alternatives.

OPPORTUNITIES:

1. Growing Demand for Sustainable Products:

Capitalizing on the increasing global demand for environmentally friendly and sustainable products.

2. Participation in Green Initiatives:

Participating in or supporting environmental initiatives, which can enhance the company's brand image and attract environmentally conscious consumers.

5. BookEventZ:

- BookEventz is India's leading network of trusted venues that provides best in class services to clients for Wedding, Parties and Corporate events.

- BookEventZ started in 2012 by Shriti Chhajed under the legal name Urban Online Services Pvt Ltd.
- Mission of BookEventz is to ensure that every guest has a wonderful event experience.

STRATEGIES:

1. Diverse Venue Offerings:

Providing a wide range of venues for various events, including weddings, conferences, parties, etc., to cater to diverse customer needs.

2. Customer Engagement and Loyalty Programs:

Implementing strategies to engage customers and encourage repeat business through loyalty programs or discounts.

3. Marketing and Branding:

Implementing effective marketing strategies to increase brand visibility and attract more users to the platform.

CHALLENGES:

1. Competition:

Facing competition from other online event planning platforms and traditional venue booking methods.

2. Quality Assurance:

Ensuring the quality and reliability of the venues and services listed on the platform to maintain customer trust.

OPPORTUNITIES:

1. Customized Event Planning:

Offering personalized event planning services to cater to specific customer preferences and themes.

2. Partnerships with Event Vendors:

Forming partnerships with event vendors, caterers, decorators, and other service providers to offer a one-stop solution.

6. Mad Street Den:

- Mad Street Den is a Computer Vision and Artificial Intelligence Company building the AI architecture of the future.
- Founded by a Neuroscientist - Designer duo, Ashwini Asokan and Anand Chandrasekar in 2016.
- The company's mission is to build models of generalizable intelligence on scale that can be deployed through meaningful applications across industries to billions of people across the globe.

STRATEGIES:

1. AI Technology Development:

Continuously investing in research and development to enhance and expand their AI and computer vision technologies.

- ##### 2. Industry-Specific Solutions:
- Offering tailored solutions for specific industries, such as retail, fashion, or healthcare, to address unique needs and challenges.

CHALLENGES:

1. Data Privacy and Security:

Ensuring compliance with data privacy regulations and addressing concerns related to the security of AI applications.

2. Talent Acquisition:

Attracting and retaining top talent in the field of AI and computer vision to maintain a competitive edge.

OPPORTUNITIES:

1. Customization for Businesses:

Offering customizable solutions to businesses, allowing them to integrate AI technologies into their existing processes.

2. AI in E-commerce and Retail:

Leveraging AI for applications in e-commerce, retail analytics, and customer experience enhancement.

Conclusion:

From the above findings we inferred that each start-ups follows certain leadership methods to overcome their barriers and creates more opportunities to reach out the people with their quality product or services and changes their strategies according to the people's need and brings customer satisfaction, thus increasing their revenue and profits. Leadership is most important either for a start-ups or business to achieve the goal and to stay competitive.

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Cite This Article: K, Tarunya M. & Dr. S. D. Uma Mageswari (2024). *Leadership in Start-ups and SME's: Challenges, Opportunities and Strategies*. In *Educreator Research Journal*: Vol. XI (Issue II (Special Issue-I), pp. 136–142). DOI: <https://doi.org/10.5281/zenodo.12739918>