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STARTUP COST AND ECOSYSTEM A CHALLENGE TO SMALL ALLIED AND AGRI-STARTUPS IN INDIA

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Abstract:

Now a day Start-ups play vital roles in enhancing innovation in a society. Innovations give direction to startups for easier solutions to complex problems. The entry of entrepreneurs and startups in agricultural sectors enrich the technology in these sectors in India. The advanced technology in these sectors improved the productivity. The research explained the startup cost and ecosystem challenges faced by agriculture startups and entrepreneurs in Odisha. Agriculture startups are gone through various costs to market their products which itself a great challenge to Indian Farmers. Research based on the ecosystem challenges to both allied and agri-startups in rural area. Most vital costs as challenges are studied and verified to know the extent of relationship to the marketable yield. Demographic variables role in various costs which affect the marketable yield.

Introduction:

Startups are the simpler form to do great things by a series of small things unified together. Today India is experiencing the disruptive innovations in startups to solve several issues in different fields. The entry of startups is not only creating new opportunities for employ requirement but also have a challenge to ecosystem of the society in which they exist.

In order to promote innovations in the society Startups has a vital role. These startups emerged with novel ideas and with less staff and with more hours of work in a day but still have modern approach to compel to find innovative ways to solve various issues. Now days startups give solution to farmers in various ways and can able to reduce the burden. The entry of entrepreneurs and startups has changed the way to lead the agriculture through disruptive innovations in India.

Developed countries with a knowledge-based citizen enhance startup ecosystem in terms of investment and actively designing long-term economic policy to secured future. The same should be reflected to prompt the underdeveloped and developing countries to diversify investment in various startups by innovation, creating employment opportunities and maintain economic growth, encouraging competition among companies for better economic system, promoting research based innovation system and encourage a sense of proactivity within the society. Startups play an important role to reshape the world and encourage new startups to come forward for innovation and creativity. In order to enhance the economic growth entrepreneurship plays a key role and with their small ideas bigger innovative solutions can be made to change the future.

With increase in population quantity and quality of food enhanced which in turn gave pressure to the performance of farms. Agri-tech startups created their own identity through

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solutions to various problems related to agricultural value chain, product and service. Govt. directly or indirectly has to take initiatives to flourish agri-startups in India. India already created reputation in global arena through strong base of startups. Today India has to move forward to push agri-startups worldwide.

Literature Review:

Covid 19pandemic has brought unprecedented impact on economy, society, business performance, people welfare and their social behavior across the nations (GDA, 2020, Di Vaio et al., 2020, Boin, 2009, Pinillos 2021 and Quarantelli, 1988) and performance of the global economy severely affected. As a result, the cloud of uncertainty hovered on growth of startups and Small Scale Business (SSB) which further accentuated by trade restriction and stringent lockdowns (Gregurec et al., 2021, Roy et al., 2020). The severity of Covid 19 affected startup business due to lack of adequate availability of resources (Mainly on labor, capital, market etc.) and increased vulnerability during the crisis. As per Beatrice 2020, the vulnerability arises as most of startups rely on personal investors, friends and financial institution which a step back from investment during the crisis. (Kuckertz, et al., 2020) suggested in his work that the startups are successfully utilising the available inputs as a quick response to challenges but their development and innovations are at huge risk. Further startups are widely recognized for an efficient resource handler, their role in fight against Covid 19is indispensable (Almeida 2020, Bhooshan and Kumar, 2020) and also are unsung heroes during the Covid 19 crisis (Maritz et al., 2020).Many startups in India suffered from amid liquidity crisis, unavailability of investor funds and weak demand in market have tailored their products, changed their technologies and invested in portfolios for long-term growth potential (Bhooshan and Kumar 2020, Sedláček and Sterk, 2020). Certainly, for startups business the crisis is expected to bring in upward economic flow (Evans and Bahrani, 2020 and Kuckretz et al., 2020).Thus, it is clear startups have adopted resilient crisis management strategies and now require a better coping mechanism and government policy measures to reinvigorate the spirit of entrepreneurship. Further Covid 19 is viewed as a once in century crisis (Economic Survey 2020-21), metaphorical black swan event in effect a surprising, unpredictable and evolving (Winston 2020, Haematology, 2020 and Whitworth 2020) which has greater significant in changing the global political economic environment. While many studies (Kuckertz, et al., 2020 and Ebersberger and Kuckertz) marked this as the opportunity to overhaul policy levers and is also a blessing in the disguise for entrepreneurship in India (Verma and Kumar, 2021). In fact, for agriculture, pandemic comes as an opportunity (Apostolopoulos et al., 2021) to move away from business as usual approach while promoting startups and sustainable agri-food system to accelerate green innovations (Galanakis et al., 2020) powering Atmnirbhar Abhiyan and also achieving $ 5 trillion economy (Singh et al., 2020) as agriculture shares nearly 20 percent (with present GDP share). Amid Covid 19 disruption in 2020, the sector is inspiration and is the only sector with positive growth rate (3.4%) in the pandemic year 2020-21 and contributed about 19.9 percent after 17 years to country's GDP (Economic Survey 2020-21) and 44% of workforce still directly or indirectly depend on agriculture. With their innovation, agriculture startups expected contribute ad sustain the growth while creating adequate employment opportunities to the youth.

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The study enlightened the impact of covid 19 on startups business, identify the strategies adopted to cope-up with it and to know the major government policy initiatives adopted by the startups to overcome the covid 19 crisis.

As per Jennifer Bouey (2020), if this pandemic is prolonged and market demand dries up, it may force small and medium enterprises (SMEs) to lay off workers in the wake of the lack of visible revenues, which will further hamper demand in the market. Our survey reveals that about 4% of the start-ups will not be able to sustain their current venture if the pandemic is prolonged for another six months to a year.

Start-ups in their seed phase are the most vulnerable because they usually arrange funds from various investors like personal, friends and banks, as funding agencies are not ready to invest (Beatrice Kessler 2020).

These start-ups are likely to be affected adversely and deserve special attention, as they are in a sensitive and fragile stage of their business lifecycle (Baker et al 2020). Even with the resilient crisis-management strategies that start-ups are adopting at individual levels, better coping mechanism and government-initiated policy frameworks to redesign, rework or reinvent the technologies and protocols in a post-covid-19 scenario are required, thereby creating the paradigm for a new normal within a minimum response time. However, the empirical understanding on the functioning and challenges of agri-start-ups is virtually absent in India.

Startup funding in India involves various sources, including venture capital (VC), private equity (PE), angel investors, government institutions, and even global investors. Notable examples include Vendantu.com, Flat chat, road runner, near buy, and Shopclues.com. In 2015, angel investors also contributed $196 million to Indian startups.

Raising Money

Between 2010 and 2014, Indian startups raised around $3.2 billion, but in 2015 alone, they successfully raised $4.9 billion. This year saw 390 Indian startups securing funding from 490 active investors, with a 6.5 times increase in seed-stage VC funding.

Mismanagement of Burn Rate

As competition intensifies, many startups prioritize scaling quickly, necessitating external funding. However, some focus more on raising investment than generating revenue. This approach can lead to financial instability when fundraising stalls. In 2015, the startup attrition rate increased by 25%.

Gestation Period, Acceleration, and Deceleration

Indian startup support institutions can be divided into inclusive and exclusive ones. Inclusive support, exemplified by organizations offers assistance to any startup. Exclusive support, as seen in Microsoft Ventures, provides services to selected startups.

Incubated startups receive a gestation period of 24 to 30 months, while acceleration programs offer mentoring, networking, and market access for around 3 to 4 months. Some startups, however, feel the influence of external organizations trying to control, manage, or take advantage of them.

Various Startup Costs

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Starting a business in India involves various costs, including living expenses, workspace expenses, incorporation costs, and hiring costs.

Cost for People

India boasts a large talent pool, but startup hiring can be challenging. Much of the available talent requires training, and the best talents are often drawn to MNCs. There's also a significant movement of top management employees from established companies to startups.

Cost for Infrastructure

Early-stage Indian startups often prefer co-working spaces, which offer mentorship programs, events, collaboration opportunities, and flexible usage plans. Setting up a dedicated office entails additional costs, making it less advisable for early and growth-stage startups.

Life expectancy of startups associated to cost

Around one-third of Indian startups fail within the first five years. India experiences low exit rates, according to iSPIRT and Signal Hill analysis.

Estimated Timeline

A rough timeline for Indian startups can be summarized as follows:

- 0-1 years: Gestation, incorporation, seed funding
- 1-3 years: First employees, initial customers, business model adjustments
- 3-5 years: Growth and Series A funding
- 5-10 years: Scaling and Series B funding

A. Startup Expenses

These are charges that must be paid up front before you launch and begin to make money. These ought to be divided into one-time and recurring costs. It will be a precise estimate of cost to begin any firm by dividing them up in this manner. Most frequent expenses occur in both categories:

i. One-Time Expenses: The one-time cost related to both allied and agri-startup are mostly related to start up permits and licenses and besides that corporation fees, designing logo & website, printing brochure & business card, signage and finally down payment on rental property.

ii. Ongoing expenses: Various expenses will occur during the operations of the both allied and agri-businesses are “Rent, Payroll, Taxes, Legal services, Loan payments, Insurance payments, Utilities and Marketing costs”.

These are but a few of the various expenses you might have to take into account. Some costs will fluctuate between being fixed and variable, while others will operate as fixed costs. You'll be able to keep better track of your spending and spot any organic cost-cutting opportunities over time if you have them laid out in this manner from the beginning.

B. Startup Assets

Startup assets are outflows related to long-term assets bought to launch any business. Money in the bank is the most important startup asset; you might also need to invest in the starting inventory, computers or other tech equipment, office equipment, office furniture and vehicles.

Estimation of Cost

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It's essential to add up your possible assets, costs, and starting capital in order to estimate your total startup costs. You can create these estimations using one of two possible approaches. The most conventional approach as the worksheet method, is making separate worksheets for starting financing and starting charges.

i. The traditional method — Startup worksheet

A startup worksheet used in the traditional method uses to plan any initial financing in startup. It includes lists of startup expenses.

ii. The Live Plan method — Consolidated estimates

Live Plan proposes is a different technique to evaluate startup initiation costs. Live Plan's estimates start when a startup initiates expending rather it debuts and begins to incur income, which is the major difference between conventional techniques and live plan. As the launch date and pre-launch spending are not separated therefore there will be no particular startup table. The most common financing options considered by startups are:

Investment: what someone invests in the business. It appears on the balance sheet as paid-in capital in the end. This is the traditional idea of a startup investment: buying stock in a firm and taking a financial risk in the goal of making a profit afterwards.

Accounts payable: debts that are unpaid or have a deadline for repayment based on your balance sheet. This typically refers to credit card debt. Your balance sheet's opening balance is determined by this sum.

Current borrowing: The standard debt, borrowings from bank, borrowings for Small business administration and other current borrowings are all coming under current borrowing.

Other current liabilities: additional liabilities that are not subject to interest. This is where any loans received from friends, family, or founders.

Long-term liabilities: Long-term debt or long-term loans.

Research Gap

Developed countries have higher marketable yield than India. As Indian firm's marketable yield is mostly 30% to 50% lesser than developed countries. Low productivity in the agricultural startup is mostly based on the average size of the firm, less developed infrastructure, less utilisation of updated firm technology, over fertilisation and pesticides reduced soil fertility of the soil. Indian farms are small and have limited access to resources like financial services, credit facilities, expert support, services related to education or irrigation solutions.

The marketable yield directly gives impacts on farmer's cash flow and induce ability to respond rightly on fluctuations in the market in the short-term. In the long-term the marketable yield confined a farmer's ability to invest in the right way to increase productivity and reduce risks associated with the crops.

The study is focussed on the cost and ecosystem challenges faced by agriculture startups and entrepreneurs in Odisha. As per the literature review few research has completed in the sectors like textile, cement, engineering, automobile, tyre, consumer durables, luggage, instrumentation, chemicals and healthcare According to the expectation, agriculture startups are not able to market their products and maintain appropriate cost and ecosystem due to the lack of knowledge of Indian

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farmers. Even Farmers are less proactive to understand the need of the appropriate cost distribution for profit maximisation. Both the agriculture and allied startups have unable to use right resources nor do they use right research platforms to market the farmers' products to maintain the ecosystem. The research gaps exactly try to focus the following issues, which need to be addressed:

- Various costs associate with the operations of Agriculture Startups
- Agriculture ecosystem issues related to marketability of the finished products

Objectives

Cost and ecosystem differs from startup to startup as the operations are different. The study objectives broadly considered the challenges in cost and ecosystem in the allied and agri-startup in Odisha. The objective is also to verify costs associated with the allied and agri-startups and its relationship with the marketability of the rural products in Odisha.

Hypothesis

The research gap has given direction to hypotheses which has formulated for the study. As per the hypothesis statistical model related to the relationship of independent variables and dependent variables associated with the value chain system of agri-startups and allied startups. The following three hypotheses formulated.

Hypothesis I

- H_0 = Relationship exists between the variations in types of cost with success of startup
- H_1 = Relationship does not exist between the variations in types of cost with success of startup

Hypothesis II

- H_0 = Relationship exists between success rate and the types of startup
- H_1 = Relationship does not exist between success rate and the types of startup

Hypothesis III

- H_0 = Relationship exists between the challenging variables with success of startup
- H_1 = Relationship does not exist between the challenging variables with success of startup

Research Methodology

This research is an empirical research uses the survey method to get a proper insight into the problems in the cost and ecosystem of various agri and allied startups. For developing the paper interaction has taken place with the investors those are with either agri-startups or allied startups. Various categories of investors have considered knowing the exact impact of the business environment on startup costs and ecosystem of their startups. Equal importance has been given to both primary and secondary data and primary data through questionnaire are collected from the various categories of startup investors from different parts of state Odisha (present eastern part of India). The selection of various districts of Odisha were based on the proximity of the first district Khordha and other districts like Cuttack, Puri, Berhampur, Sambalpur and Balasore are taken. Stratified random sampling techniques and convenient sampling methods were used to see the different types of startup owners as per their size and volume from different locations.

Analysis

The data analyzed here are based on the opinion or the response given the various starup

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owners. Their opinions are measured through the various statistical instruments designed in the questionnaire format.

Validity

A pilot survey conducted among 10 different types of startup owners to validate questionnaire and to study the feasibility of the questionnaire. Again few academicians are considered to validate the questionnaire and to evaluate the various form of questions along with the scale used in the questionnaire. Sample size determination has taken place by considering the total number of agri-startup and allied startup owners in Odisha.

Demography

A total of 250 startup owners are available in village area of highly established six districts of Odisha (Khordha, Cuttack, Puri, Berhampur, Sambalpur and Balasore) who are running allied and agri-startup. The sample size came with the margin of error of 0.05 is 154. As per the simulation studies the normally distributed indicator variables with a required sample size for a simple factor analysis model is 150 (Muthén and Muthén, 2002). This research work considered only 151 respondents for the study.

In the table-1 the details about the demographic profile for this research represented of in terms of gender, age group, education, types of startups and family annual income.

Table-1

Demographic Variables	Frequencies	Respondents' Number (N)	Percentage
Gender	Male	132	87.42
	Female	19	12.58
	Total	151	100.00
Age Group	Below – 30	15	9.93
	31-40	78	51.66
	41-50	48	31.79
	Above 50	10	6.62
	Total	151	100.00
Education	Higher Secondary	22	14.57
	Graduate	60	39.74
	Post Graduate	51	33.77
	Professional Degree	18	11.92
	Total	151	100.00
Types of Startup	Agri-Startup	93	61.59
	Allied-Startup	58	38.41
	Total	151	100.00

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Average Monthly Income	Less than Rs.2,00,000	40	26.49
	Rs.2,00,001 – Rs.4,00,000	46	30.46
	Rs.4,00,001 – Rs.6,00,000	45	29.80
	Above Rs.6,00,000	20	13.25
	Total	151	100.00

Source: Field Investigation

Relationship of types of finance and success of startups:

The startups of allied and agribusiness are classified on the basis of the variations in expenses types like land/lease expenses, labour expenses, water expenses, technology expenses and transport expenses to verify the success relationship with the various types of expenses. F-test conducted to verify the relationship of variations in expenses types with the success of allied or agribusiness startups. The table-2 shows the following results as F-value of 4.394 at 0.004 levels of significance. The significance p-value here is 0.005 which is lesser than 0.05.

Table-2

ANOVA					
Success					
	Sum of Squares	**df**	**Mean Square**	**F**	**Sig.**
Between Groups	2.834	4	0.968	4.394	0.004
Within Groups	32.888	147	0.233		
Total	35.682	151			

From the ANOVA table-2 the p-value < 0.05 hence, Null Hypothesis rejected. There is a relationship of variations in types of expenses with the success of the venture like Agri-startup or Allied startup.

H0 = Relationship exists between the variations in types of cost with success of startup

Success based on types of startup

The success or failure of a startup is based on the types start up i,e. allied or agri.The success and failure of different startup organization data tested through the chi-square test to evaluate the final result. Both observed data and expected data verified through the table-3.

Table-3

Startup-type * Achievement Cross-tabulation					
			Achievement		**Total**
			Failure	**Success**	
		Count	36.0	24.0	58.0

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Startup-type	**Allied-Startup**	**Expected Count**	22.3	35.7	58.0
	Agri-Startup	**Count**	24.0	69.0	93.0
		Expected Count	35.7	57.3	93.0
Total		**Count**	58.0	93.0	151.0
		Expected Count	58.0	93.0	151.0

Table-4

Chi-Square Tests					
	Value	**df**	**Asymp. Sig. (2-sided)**	**Exact Sig. (2-sided)**	**Exact Sig. (1-sided)**
Pearson Chi-Square	18.162[a]	1	.001		
Continuity Correction[b]	17.686	1	.001		
Likelihood Ratio	18.188	1	.001		
Fisher's Exact Test				.000	.000
Linear-by-Linear Association	19.025	1	.000		
N of Valid Cases	151				
a. 0 cells (0.0%) have expected count less than 5. The minimum expected count is 22.28.					
b. Computed only for a 2x2 table					

The Pearson chi-square test value of 18.162 came with the p-value of 0.00 in the table-4 is less than 0.05. This shows the rejection of null hypothesis and the acceptance of alternative hypothesis. i.e.

H1 = Success of a startup is related to types of startups allied or agri-startups

F-Test:

F-test carried out and represented in ANOVA table, where the validity of the regression equation to fit the data is available (i.e., predicts the dependent variable). In the table-5 the output of the ANOVA analysis is to verify the group means which are statistically significant. The result has shown in the table-5 that the significance value is 0.199, which is less than 0.05 and Hence F-test is not statistically significant.

Table-5

(F-test to study the validity of the variables)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	10952.861	5	2251.572	69.831	.009[b]
	Residual	4926.877	146	34.265		
	Total	17618.747	151			

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a. Dependent Variable: Marketable Yield
b. Predictors: (Constant), land/leased expenses, transport expenses, electricity and water expenses, technology expenses and labour expenses.

As p-value is more than 0.05 hence null hypothesis is accepted. Thus it is proved that there is a relationship of various types of expenses with the success of the startups.

Regression Analysis

The table-6 has shown below isa simple correlation with R value is 0.875 which shows a very high degree of correlation and the R^2 value is 0.765 indicates how much of the total variation in the dependent variable like marketable yield in startup can be explained by the independent variable, different kinds of expenses like land/leased expenses, transport expenses, electricity and water expenses, technology expenses and labour expenses for manufacturing. Theses independent variables like all the expenses can able to explain 76.5% of the dependent variable.

Table-6
(Regression variables correlation for factor fitness)

Model Summary									
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Change Statistics				
					R Square Change	F Change	df1	df2	Sig. F Change
1	0.875[a]	0.765	0.687	5.79351	0.765	71.011	5	145	0.000
a. Predictors: (Constant), land/leased expenses, transport expenses, electricity and water expenses, technology expenses and labour expenses.									

Table-7

Coefficients-a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0.461	0.211		1.790	0.091
	Types of Expenses	-0.069	0.041	-0.144	-1.776	0.061
	Types of Startups	0.288	0.081	0.287	3.714	0.000
a. Dependent Variable: Success or Failure of the allied and agri-startup						

As the significance value (0.091, 0.061 and 0.000 respectively) is either 0.05 or nearer to 0.05 so both the constant and independent variables are significant. The coefficient values of both the independent variables are -0.069 and 0.288 respectively. This values show that the various kinds of expenses associated in the cost and ecosystem of the startup which is limited affected to the dependant variable (success).

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Success of the Startup = 0.461 – 0.069 (Types of Expenses) + 0.288 (Types of Startups)

So success of the startups are partially depending upon the different kinds of expenses like land/leased expenses, transport expenses, electricity and water expenses, technology expenses and labour expensesfor manufacturing for the types of startups like allied or agricultural startups.

Model-I

Model being developed with the various costs associated with the startup especially allied and agri-startup. The costs are mostly Land/lease cost (where the startup constructed), Labour cost (the labours daily wages for different startup activities), Water / Electricity costs (Water and electricity expenses during the operation of startups), Technology costs (Technology being taken to pay the charge to the party) and finally transportation Cost (transportation expenses for carrying out raw material and finished products to different locations). This model gave the relationship of the marketable yield with the various costs associated with it for both allied and agri-startups. The higher or lower success rate of success in both the startup association with the cost is studied here.

Model-I

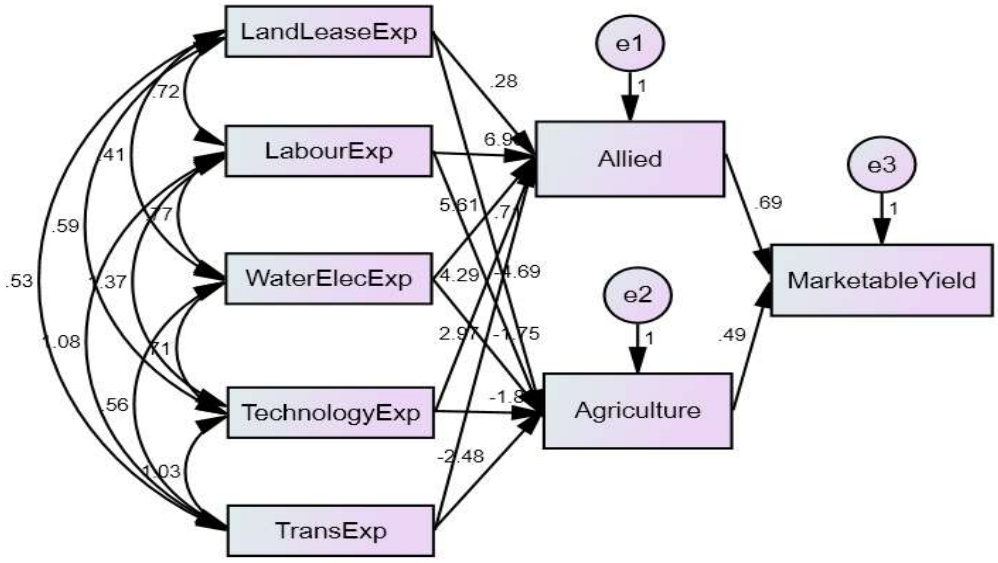


Table-8

Acronym	Explication	Accepted fit	Reference
Likelihood Ratio	P-value = 0.09	**≥ 0.05**	Joreskog & Surbom (1996);
Relative X2	(X2/df)	**≤ 2** = acceptable fit	Tabachnick & Fidell (2007);

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CMIN/DF	Chi-square divided by Degree of Freedom = 19.399/6 = 3.2331	≤ **3** = acceptable fit ≤ **5** = reasonable fit	Kline (1998); Marsh & Hocevar (1985);
GFI	Goodness of Fit Index = 0.933	**1** = perfect fit ≥ **0.95** = excellent fit ≥ **0.9** = acceptable fit	Kline (2005); Hu & Bentler (1998);
AGFI	Adjusted Goodness of Fit Index = 0.922	≥ **0.90** = acceptable fit	Tabachnick & Fidell (2007);
CFI	Comparative Fit Index = 0.925	**1** = perfect fit ≥ **0.95** = excellent fit ≥ **0.90** = acceptable fit	West et al. (2012); Fan et al. (1999);
RMSEA	Root Mean Square Error of Approximation =0.012	≤ **0.05** = reasonable fit	MacCallum et al (1996);
RMR	Root Mean Squared Residual = 0. 058	≤ **0.05** = acceptable fit ≤ **0.07** = acceptable fit	Diamantopoulos & Siguaw (2000); Steiger (2007);
SRMR	Standardized Root Mean Squared Residual = 0.038	≤ **0.05** = acceptable fit	Diamantopoulos & Siguaw (2000);
CN	Critical N = 256.012	≥ **200** = acceptable fit	Joreskog & Sorbom (1996);

Here the regression analysis was conducted to determine the hypothesized statistical model fits the actual data set or not. A number of 'goodness-of-fit' statistics were used on the five independent variable and one dependent variable model derived by means of regression analysis. The RMSEA, CFI, GFI and AGFI are four good indices to verify that a model is adequate. For the CFA with hardware related issues to students and teachers CFI=0.925, GFI=0.933 and

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AGFI=0.922 respectively which are acceptable for goodness of fit. The RMSEA value lesser or equal to 0.05 indicates a 'close fit', where more values than 0.1 indicates rejection of the model (Browne & Cudeck 1989). Issues related to the various costs in production in startup cases the CFA RMSEA value is 0.012 which is less than 0.05 therefore accepted for good model. The model can be the appropriate fit of the cost model.

Findings:

The demographic profile of the start-ups of both allied and agri-startups are like male of 87.42% and female of 12.58%. Respondents in the category of age are 51.66% from 31-40 Yrs, 31.79% from 41-50 Yrs. and rest 16.56% from above 50 Yrs. Education wise the owners of start-ups are 14.57% of higher secondary, 39.74% of graduate, 33.77% of post graduate and rest 11.92% of professional degree qualifications. Finally, the income generated from the start-ups are like 26.49% earning less than Rs.2Lac per month, 30.46% earning Rs.2L-4L, 29.80% earning per month Rs.4L-Rs.6L and rest 13.25% earning per month above Rs.6L.

Here the relationship of the increase or decrease in various types of costs with the success rate of the startups studied through the data collected from the various start-up owners. In the F-test the p-value is more than 0.05 and the data are parametric in nature. ANOVA table shows in table-2 reflected the F-value of 4.394 with the significance value 0.004 which is less than 0.05, hence null hypothesis rejected. This F-test result proves that there exists the relationship of variations in cost with the success rate of the allied and agri-start-ups.

Every business runs through a type of supply chain with a strong value chain support. Various kinds of costs related to production and marketing associated with the startups or entrepreneurship. The most common expenses as taken in the research are land or lease cost, transport cost, electricity & water cost, technology adoption cost and labour cost. The successful cost and ecosystem model is based on those types of costs. F-test conducted to verify the relationship exists between the success of the start-ups with the various kinds of. In table-5 F-value came 69.831 with the level of significance of 0.009 which is more than 0.05 hence Null hypothesis accepted. As null hypothesis accepted which means there is a strong relationship of the various costs with the success of the allied and agri-startups.

Again the study has evaluated to verify the extent of correlation coefficient with the dependant variable success of the business through regression analysis. Table-6shows the R square value is 0.765 means 76.5% of the dependent variable change can be explained by the independent variable like types of expenses and types of startups. Table-7 shows the significance of constant and both the independent variables (0.091, 0.061 and 0.000 respectively). The coefficient values of both the independent variables are -0.069 and 0.288 respectively. These values show that the various kinds of costs in the value chain system has substantially affected to the dependant variable (success of the startup organisation). This can be otherwise termed as the success of the startup is substantially depending upon the dependent variables like land or lease costs, transport costs, electricity & water costs, technology adoption costs and labour costs respectively.

Startup Manufacturers:

It was found that the degree of involvement of the independent variables is like various

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costs to the dependent variable like success of startup through regression analysis. It is understood the success of the startup is adequately depending upon the land or lease costs, transport costs, electricity & water costs, technology adoption costs and labour cost respectively. It can be generalised that giving more time to the revenue model by cutting various unnecessary costs in various head is wise decision for the success of the business which will enhance the marketability of the product in various markets.

There exists the relationship of types of expenses with the success of the startups. Start-up owners should wisely distribute and minimise the various costs to limit financial support from the third party. So proper business plan designing related to various cost optimisation is essential from the initial stage and a proper revenue model.

Conclusion:

Conclusion can be drawn on few issues to be resolved to get the right result or success. The first issues or challenges related to the expenses associated with the various kind of costs like land or lease costs, transport costs, electricity & water costs, technology adoption costs and labour costs which are associated with the costs of the startups to increase the marketability for the product and enhance the chance of success. This implies that startup owners have to maintain the proportionate of various costs which may be higher or lower depending upon the growth and sustainability of the start-up businesses. They have to take very much careful decisions regarding the increase or decrease of various costs to get growth and sustainability.

Limitations and Implications for further Research:

Today's most of the challenges are the limitations to the research work. As the respondents (Startup owners or startup investors) had gone through the various cost and marketing challenges in the form of new technologies both in agri-startups and allied startups therefore the opinion may vary with the course of time.

The future research can also address the issue of the rural startup holder especially allied and agri-startup owners such as issues with various kind of funding and new expenses incurred like absolution and adoption of technology, social changes in the market derived a new cost. The future researcher may vary with the schemes launched by government for environmental change.

This research has made an important contribution to cost reduction and appropriation for the success of a startup organization in rural areas. Further research is needed to explore the similar kind of startups in urban area and semi-urban areas with various costs. Future research should focus on the financial management of startups related to the cost associated in every aspect of the value chain and optimal model for minimize the cost of production. Future research could also have made to explore the impact of various innovations in technology and methods to minimize the cost and make a better ecosystem.

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