

Start-up storm, govt initiatives mark ITscape

DRIVING SUCCESS Software services and product-driven industry have been on track this year, to register a double digit growth in the fiscal 2015-16

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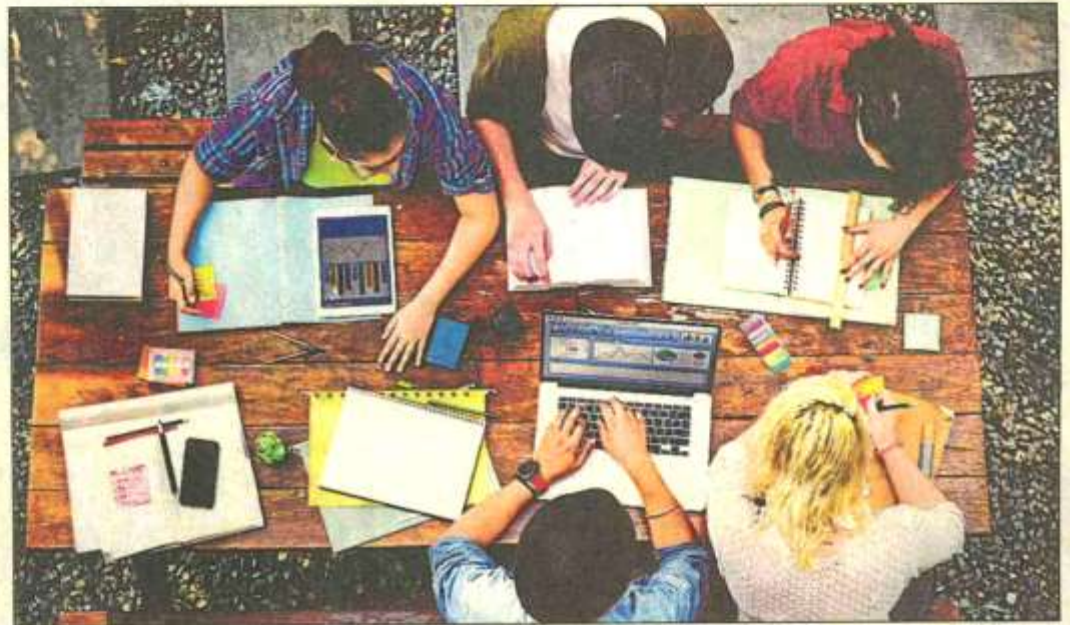
Even as disruptive technologies rolled out game-changing products and software majors vied for more outsourcing, the start-up revolution and the government's Digital India initiative dominated the Indian IT industry landscape in 2015.

The software services and product-driven industry have been on track this year to register again a double digit (12-14 per cent) growth in fiscal 2015-16. But the surge in start-ups and the Digital India plan have redefined the rules of the game," industry body Nasscom president R. Chandrashekhar said.

If convergence of information and communication technologies (ICT) spawned new platforms for vendors to offer more products and cloud-based services, techno-geeks and young entrepreneurs joined the party by developing a host of applications apps for enterprises.

The National Association of Software Services and Companies (Nasscom) had initiated an ambitious programme in 2013 to incubate about 10,000 domain-specific start-ups across the country by 2020 for rolling out software products, solutions and apps for individual and enterprise users in India and the world over.

With Bengaluru emerging again as the country's start-up capital, thanks to the ecosystem this tech hub had built over the years, the tech-savvy Karnataka government has declared a start-



■ The tech revolution has helped techno geeks and young entrepreneurs. SHUTTERSTOCK

up policy and set up two warehouses in the city in partnership with Nasscom to incubate hundreds of them.

"If the Digital India initiative takes off, the start-up ecosystem will thrive with over 100,000 new-age firms in the next 10 years, employing 3.5 million people and targeting a value of \$500 billion," former Infosys director and Manipal Global Education Services chairman TV Mohandas Pai said.

Though Pai believes that only 10 percent of the start-ups would succeed, indicating a very high failure rate, they will be a major source of job creation, investments and new apps.

HIGHLIGHTS:

- Software services and exports to post 12-14 percent growth
- Geeks develop new applications for internet users & verticals
- Nasscom to incubate 10,000 start-ups by 2020
- Karnataka declares start-up policy, sets up two warehouses
- Digital India will trigger start-

up boom and create jobs

- Start-ups are risk prone and many are bound to fail
- Digital India to benefit traditional and new-age companies
- IT bellwethers spur export growth despite cuts in tech spend
- Currency volatility impacts operating margins of export firms

"The government has a key role in facilitating growth of start-ups and in making them open, operate and shut down in case of failure, as many of them fail as elsewhere in the world," Chandrashekhar observed.

According to Nasscom, about

18,000 start-ups, with a combined valuation of \$75 billion, employ around 300,000 across the country.

"The ecosystem has the potential to grow by 10-fold in the next 10 years, with the valuation going up to \$500 billion," Pai noted.