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Mindset and motivation: Why entrepreneurs start up

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Abstract
This study investigates key factors influencing entrepreneurial entry, planning, execution, and survival across sectors like manufacturing and trading. Using a mixed-method approach, the research identifies financial independence (38%) as the main motivation, especially in trading ventures. Formal planning is more common in manufacturing (75%) than trading (48%), showing sectoral differences in strategy. Prior work experience aids in funding and execution, while personal traits like confidence (56%) and risk-taking (40%) help overcome challenges. Social support (76%) emerged as a vital factor in reducing risk and improving sustainability. Challenges such as fear of failure and market uncertainty were notably higher among younger entrepreneurs. Startups faced initial hurdles like customer acquisition and financial constraints, with non-legacy founders reporting stronger network resistance. Notably, 67% viewed the startup ecosystem as increasingly supportive. Experienced entrepreneurs emphasized qualities like persistence and self-belief, reinforcing the role of effectual learning. The findings support theories of necessity entrepreneurship, human/social capital, and offer valuable recommendations for policy, mentorship, and educational support to strengthen the startup ecosystem.

Keywords: Entrepreneurship, motivation, mindset, financial independence, planning, risk-taking, social support, startup challenges, human capital, startup ecosystem

1. Introduction
Entrepreneurship has emerged as a powerful force in shaping global economies, transforming ideas into enterprises, and generating employment opportunities. In recent decades, there has been a noticeable surge in the number of individuals stepping into the entrepreneurial world—not solely out of necessity but also driven by intrinsic motivations, social influences, and the aspiration to create something meaningful.

This study aims to explore what truly drives individuals to launch their ventures, focusing on the psychological, social, and contextual dimensions of entrepreneurial motivation. By examining the mindset and motivational triggers behind startup formation, we seek to understand the factors that differentiate necessity-driven entrepreneurship from opportunity-driven initiatives.

The research is grounded in key theoretical frameworks, including necessity vs. opportunity entrepreneurship, effectuation theory, human capital theory, and social capital theory. Through survey-based primary data collection, this paper identifies patterns in motivation, planning, personal traits, and social ecosystems, offering insights into how these variables impact startup success, adaptability, and resilience.

2. Startup Culture: Origin, Evolution, and Global & National Trends
2.1 Origin and Evolution of Startup Culture
The concept of startups is not entirely new. However, startup culture as we understand it today began gaining global attention in the late 20th century, particularly with the rise of Silicon Valley in the 1970s and 80s. Fuelled by the digital revolution, venture capital funding, and a risk-tolerant ecosystem, Silicon Valley became the birthplace of legendary startups like Apple, Microsoft, and later Google and Facebook.

This culture emphasized innovation, disruption, agility, and flat hierarchies, diverging from the rigid corporate structures of the industrial age. Startups were not just businesses—they became symbols of ambition, creativity, and individual impact, attracting entrepreneurs worldwide.

2.2 Why Startups Gained Momentum

Startups rose to prominence due to a confluence of factors:

- Technological advancement (internet, mobile, AI, etc.)Lower entry barriers due to open-source tools and digital platforms.
- Access to funding via angel investors, incubators, and VCs.
- Changing work preferences, with younger generations seeking autonomy and purpose.
- Global problems needing local innovations, e.g., sustainability, education, healthcare, etc.

Moreover, the COVID-19 pandemic accelerated digital transformation, pushing many professionals into freelancing, home-based enterprises, and technology-driven startups.

2.3 International Trends

Globally, startup ecosystems have flourished, especially in

- United States (Silicon Valley, Austin, New York).
- Israel (Tel Aviv - cybersecurity and agritech hub).
- United Kingdom (London - fintech and edtech).
- China (Shenzhen and Beijing - e-commerce and AI).
- Germany (Berlin - SaaS and mobility).

Key international trends include

- Rise of unicorns (startups valued at $1B+).
- Focus on sustainable and impact-driven ventures.
- Globalization of venture capital and accelerator programs.
- Growth in remote-first and digital-native startups.

2.4 Startup Trends in India

India has witnessed a startup boom, especially after the launch of the Startup India initiative in 2016. Factors contributing to this growth include

- A large young demographic
- Government support, ease of doing business reforms
- Widespread internet and smartphone penetration
- Growing culture of innovation and problem-solving

Some key statistics

- India is now the 3rd largest startup ecosystem in the world.
- As of 2025, India has over 100 unicorns, majorly in fintech, edtech, healthtech, and D2C brands.
- Tier-2 and Tier-3 cities like Jaipur, Pune, and Kochi are becoming emerging startup hubs.

2.5 Cultural Shift and Entrepreneurial Mindset in India

Unlike earlier generations that prioritized stable jobs, today's youth are increasingly risk-taking, purpose-driven, and self-motivated. The rise of entrepreneurial icons, media coverage, and mentorship programs has created a pro-startup cultural wave across educational institutions and professional networks.

Startups are now not only seen as business opportunities but also as platforms to drive social impact, reflecting a deep cultural and motivational shift.

In essence, India's startup ecosystem is being nurtured through a combination of mindset change, technological empowerment, educational reforms, and supportive policies. The collaborative effort between the government, private sector, and academic institutions has laid a strong foundation for an entrepreneurial revolution, making India one of the most promising startup landscapes globally.

3. Supportive Factors behind the Growth of Startup Culture

Startup culture thrives not in isolation but due to a synergistic ecosystem that includes economic, technological, educational, and sociocultural factors. The following are key supportive factors

3.1 Access to Technology and Digital Infrastructure

- The widespread availability of affordable internet (thanks to initiatives like Digital India) has enabled even tier-2 and tier-3 city entrepreneurs to create and scale digital startups.
- The rise of cloud computing, AI, fintech, and low-code/no-code platforms has reduced the dependency on large capital or infrastructure.

Example: Platforms like Zoho, started in Chennai, leveraged cloud technology to provide enterprise solutions globally.

3.2 Changing Social Mindset and Youth Aspirations

- There is a cultural shift where the younger generation now values independence, purpose, and innovation over traditional job security.
- The image of the entrepreneur is now aspirational, thanks to successful role models like Byju Raveendran (BYJU's), Vijay Shekhar Sharma (Paytm), and Falguni Nayar (Nykaa).

3.3 Access to Capital and Funding Opportunities

- Angel investors, venture capitalists, crowdfunding platforms, and government funding have significantly eased access to financial support.
- Incubators and accelerators like Y Combinator, Sequoia Surge, and T-Hub mentor and fund early-stage startups.

Example: OYO Rooms secured early-stage funding from Lightspeed Venture Partners and SoftBank, propelling it to global expansion.

3.4 Presence of Educational Institutions and Incubation Centers

- Colleges and universities are establishing entrepreneurship cells (E-Cells) and business incubators, fostering innovation and mentoring students.

Example: IIT Madras Incubation Cell has supported 200+ startups in deep tech and healthcare.

3.5 Globalization and Market Access

- Startups today can easily sell to a global audience using e-commerce, SaaS platforms, and digital marketing.
- Platforms like Amazon Global Selling or Shopify help Indian brands reach international customers.

Example: boAt, an Indian audio brand, scaled globally using strong branding and e-commerce channels.

4. Government Initiatives Supporting Startup Culture in India

The Indian government has recognized the importance of startups for economic growth, job creation, and innovation. Below are key government policies and schemes that support the startup ecosystem:

4.1 Startup India Initiative (Launched in 2016)

- Flagship mission to promote a startup-friendly environment.

Benefits offered

- Self-certification for compliance with 9 labor & environmental laws
- 3-year tax holiday
- Easier public procurement norms
- Startup India Seed Fund Scheme (SISFS) with ₹945 crore corpus

Example: Agri-tech startup DeHaat benefited from this scheme and now works with over 1 million farmers.

4.2 Digital India Mission

- Aims to empower citizens with digital tools and connect rural India.
- Supports digital entrepreneurship, especially in sectors like fintech, edtech, and e-commerce.

Example: Udaan, a B2B platform connecting small retailers to wholesalers, thrived under Digital India's infrastructural support.

4.3 Atal Innovation Mission (AIM)

- Implements Atal Tinkering Labs and Atal Incubation Centers to encourage innovation among school and college students.
- Promotes grassroots entrepreneurship and problem-solving thinking.

Example: AIM-supported incubator AIC-JKLU in Jaipur nurtures sustainable and tech-driven startups.

4.4 Make in India Initiative

- Promotes manufacturing startups and self-reliance.
- Supports startups in defense, electronics, textiles, and renewable energy sectors through incentives and production-linked schemes.

Example: ideaForge, a drone manufacturing startup, supplies drones to the Indian Army under "Make in India".

4.5 MSME Support Schemes

- Credit Guarantee Fund Scheme for Startups (CGSS)
- MUDRA Loans for micro-entrepreneurs
- Udyam Registration for simplifying startup formalities

Example: Local manufacturing startups in Ludhiana and Surat often benefit from MSME registration and Mudra loans, giving them working capital to expand.

4.6 National Startup Awards

- Recognizes high-performing startups across sectors.
- Encourages innovation and impact-focused ventures.

Example: Niramai Health Analytix, a breast cancer detection startup, won national recognition, gaining investor interest and social trust.

4.7 State-Level Initiatives

Many states have also launched **regional startup policies**:

- Kerala Startup Mission (KSUM).
- T-Hub (Telangana).
- Startup Odisha.
- Startup Punjab.

These offer local grants, infrastructure, mentorship, and exposure.

Example: T-Hub in Hyderabad has incubated 1000+ startups, providing co-working spaces, corporate connects, and investor access.

5. How Startups Are Boosting Economies

Startups have become the engines of modern economic transformation, playing a pivotal role in national and global development. Unlike traditional enterprises, startups are characterized by high-growth potential, innovation, and agility, which allow them to respond swiftly to market needs and contribute significantly to various dimensions of economic health. Here are the key ways in which startups are boosting economies

5.1 Employment Generation across Sectors

Startups are significant contributors to job creation, offering employment to a broad spectrum of the population—from highly skilled tech professionals to blue-collar workers. In developing economies like India, where youth unemployment is a growing concern, startups provide an avenue for absorbing skilled and semi-skilled labor, including gig and freelance roles.

According to a NASSCOM report, India's startups generated over 650,000 direct jobs and several million indirect jobs by 2023, playing a crucial role in reducing unemployment.

Furthermore, startups foster new job categories in emerging fields such as artificial intelligence, data science, user experience design, digital marketing, and blockchain technology—fields previously unexplored in traditional businesses.

5.2 Driving Innovation and Industry Disruption

Startups challenge existing paradigms by introducing disruptive technologies, innovative business models, and customer-centric solutions. Their capacity to experiment and pivot quickly enables them to identify gaps in existing systems and propose alternative, often more efficient solutions.

For instance, platforms like Zerodha transformed the stock brokerage industry by offering zero-commission trading, while BYJU'S revolutionized learning by combining pedagogy with gamified digital tools.

Innovation through startups also spills over to traditional industries, compelling larger firms to adapt, invest in R&D, or acquire disruptive startups to remain competitive—thereby uplifting the overall innovation ecosystem.

5.3 Contribution to GDP and National Income

As startups scale, they contribute to national income through tax revenue, exports, and capital formation. By creating value chains, attracting investments, and generating economic activity, they strengthen the country's Gross Domestic Product (GDP).

In India, startups in fintech, agritech, healthtech, and logistics are expected to contribute over $1 trillion to the GDP by 2030, as projected by Invest India. Moreover, startup-led innovation often results in productivity gains across sectors, reducing inefficiencies and optimizing resources.

5.4 Promoting Regional and Inclusive Development

Unlike traditional industries concentrated in urban clusters, startups are emerging from tier-2 and tier-3 cities, bridging regional disparities in economic growth. Digital

infrastructure and policy support have enabled entrepreneurs from places like Indore, Jaipur, Bhubaneswar, and Coimbatore to launch scalable ventures.
This decentralization of entrepreneurship leads to

- Increased local employment.
- Reduced migration to metros.
- Development of supporting infrastructure in underdeveloped areas.

Startups like Koo App (Bengaluru) and DeHaat (Patna) demonstrate how ventures from smaller cities are gaining national and global traction.

5.5 Enhancing Global Competitiveness and National Branding

By competing in global markets, startups position their countries on the innovation map. Nations known for vibrant startup ecosystems—like the US, Israel, and increasingly India—gain reputational capital, attracting investors, trade, and partnerships.
Startups showcase the entrepreneurial strength and intellectual capital of a country, becoming brand ambassadors of its technological and creative potential. Successful unicorns like Flipkart, Freshworks, and Zoho have become symbols of India's capabilities on the global stage.

5.6 Facilitating Social and Financial Inclusion

Many startups operate in mission-driven sectors, offering last-mile delivery of services in education, healthcare, finance, and agriculture—particularly in underserved regions.

- EdTech startups bridge learning gaps in rural schools.
- HealthTech startups enable telemedicine for remote populations.
- FinTech startups provide banking and insurance services to the unbanked.

Such initiatives not only drive business success but also contribute to nation-building through inclusive growth.

5.7 Attracting Foreign Investment and Strengthening Capital Inflow

A thriving startup ecosystem attracts significant foreign direct investment (FDI) and venture capital funding from global institutions. These inflows:

- Strengthen the country's forex reserves
- Improve capital availability
- Create cross-border collaboration opportunities

In 2023 alone, Indian startups raised over $25 billion in funding, according to Tracxn, with major contributions from firms like SoftBank, Sequoia, Tiger Global, and others.

6. Limiting Factors Hindering Startup Growth

Despite the impressive progress, startups face critical barriers that impede growth, sustainability, and scalability. Recognizing and addressing these challenges is essential to building a robust and inclusive entrepreneurial ecosystem.

6.1 Limited Access to Early-Stage Capital

One of the most pressing issues for new startups is the difficulty in accessing seed and early-stage funding. Many promising ideas fail to materialize due to:

- Lack of collateral or formal records
- Investor risk aversion
- Geographic biases (favoring metro-based startups)

Entrepreneurs from tier-2 or non-tech backgrounds often struggle to pitch effectively or access credible funding channels.

6.2 Regulatory Complexity and Compliance Burden

Despite improvements in the Ease of Doing Business index, startups still face multiple regulatory hurdles, including:

- Complex tax structures (e.g., GST filing for small ventures).
- Sector-specific approvals and licenses.
- Delays in government clearances.

These bureaucratic inefficiencies can demotivate founders and divert focus from innovation to paperwork.

6.3 Talent Shortage and Skill Mismatch

Startups often struggle to attract and retain high-quality talent, especially when competing with MNCs offering better pay and security. Additionally, there exists a skill gap in areas like product management, UX design, data analytics, and sales.
This leads to

- Reduced execution capacity.
- Over-reliance on a small founding team.
- High employee turnover.

6.4 Infrastructure Deficiencies

While digital infrastructure is improving, physical infrastructure in many regions remains inadequate. Issues such as:

- Unstable internet.
- Poor transport/logistics.
- Limited co-working spaces.
- Power outages.

Create operational challenges for startups, especially in rural or semi-urban areas.

6.5 Market Saturation and Competition Pressure

The low entry barrier in sectors like food delivery, e-commerce, and education leads to oversaturation, resulting in

- Intense price competition
- High customer acquisition costs
- Thin margins and early burnouts

Without differentiation, startups risk being outcompeted or absorbed by market leaders.

6.6 Fear of Failure and Cultural Mindset

In many societies, particularly in traditional communities, entrepreneurial failure is stigmatized. This creates psychological barriers, especially among first-generation entrepreneurs, leading to

- Risk aversion
- Over-reliance on safe career options
- Low self-confidence in pursuing business ideas

6.7 Lack of Global Market Access and Mentorship

Many startups have the potential to scale internationally but are limited by

- Regulatory barriers in cross-border trade
- Lack of exposure to international markets
- Absence of mentorship from global experts

This results in stunted growth despite product-market fit.

6.8 Unsustainable Scaling and Valuation Hype

In the rush to raise funds, some startups scale prematurely without achieving operational stability or market validation. Valuation-focused growth can

- Lead to poor unit economics
- Create funding dependency
- Result in collapse when investor sentiment shifts

The post-2021 startup funding correction globally exposed such vulnerabilities.

7. Review of Literature

1. **GEM Global Report (Global Entrepreneurship Monitor, 2022)**
   The GEM report emphasizes the crucial role of startups in job creation, innovation, and economic development globally. Countries with strong entrepreneurial ecosystems like the USA, Israel, and Singapore showcase high early-stage entrepreneurial activity and startup survival rates. The study highlights that government support policies, funding accessibility, and cultural acceptance of entrepreneurship significantly affect startup success.

2. **World Bank Report on Entrepreneurship (2021).**
   This report investigates how startups contribute to GDP growth and employment across developing nations. It identifies that in low-income countries, the formalization of startups and regulatory ease are primary drivers of economic contributions. Countries with streamlined business registration processes (e.g., Rwanda) saw increased startup registrations and improved local economies.

3. **Ernst & Young - Global Startup Ecosystem Report (2020).**
   EY emphasized that startups are primary disruptors in the global economy, especially in tech, health, and fintech sectors. They noted that startup hubs like Silicon Valley, Tel Aviv, and Bangalore thrive due to strong mentorship networks, access to venture capital, and government incentives.

4. **India Startup Ecosystem Report by NASSCOM (2023).**
   NASSCOM outlines India's rapid emergence as the 3rd largest startup ecosystem globally. The report attributes this growth to government programs like Startup India, increasing VC funding, and the digital penetration of rural areas. It also notes challenges such as regulatory bottlenecks and limited access to advanced tech infrastructure in Tier 2 and 3 cities.

5. **KPMG India Report on Innovation and Startups (2022).**
   This report highlights the role of Indian startups in transforming traditional sectors like agriculture, education, and logistics. With over 70,000 startups registered by 2022, the report stresses the importance of innovation hubs and incubators supported by the government and corporates.

6. **Dr. V.K. Gupta (IIM Bangalore, 2020).**
   In his study on "Startup Ecosystems in Emerging Economies," Dr. Gupta explores the comparative startup environments of India, Brazil, and Indonesia. He finds that while talent availability is similar, bureaucratic delays and lack of investor confidence hinder the Indian startup ecosystem compared to Brazil.

7. **OECD Report on Startup Support Policies (2021).**
   The OECD highlighted policy frameworks supporting startups in member countries. It observed that countries offering tax benefits (e.g., UK's EIS scheme), R&D subsidies, and entrepreneur visas attract more high-potential startups. The report recommends integrating startup education into the national curriculum.

8. **Dr. S. Ramesh (Delhi University, 2021).**
   His research titled "Government Intervention and Startup Culture in India" examines the impact of schemes like MUDRA, Atal Innovation Mission, and Make in India. He concludes that while these schemes are ambitious, execution and follow-up mechanisms need improvement to ensure long-term sustainability.

9. **Startup Genome Ecosystem Report (2023).**
   This global report maps over 280 cities for startup success metrics. Bangalore and Delhi NCR have been ranked in the top 40 globally. Factors such as access to global markets, mentorship networks, and innovation funding are cited as major contributors to their rise.

10. **Dr. Shweta Sharma & R. Mehta (2022) - Journal of Entrepreneurship and Innovation.**
    This Indian research paper evaluates the role of academic institutions in fostering entrepreneurial mindset among youth. It notes that universities with dedicated incubation centers, entrepreneurship cells, and industry tie-ups create more successful student-led startups.

11. **McKinsey Global Institute Report (2021).**
    The report concludes that startups have the potential to contribute nearly 20-30% to job creation in developing economies if given proper policy and infrastructural support. It emphasizes data-driven policymaking, access to credit, and skilling as foundational blocks.

12. **NITI Aayog Report on Women Entrepreneurs (2022).**
    This national-level study reveals the rise of women-led startups in India, with notable growth in Tier 2/3 cities. It recognizes the efforts of initiatives like Women Entrepreneurship Platform (WEP) and calls for more gender-specific funding, mentorship, and safety-net policies.

8. Need for the Study

While global reports extensively analyze startup

ecosystems, there is a lack of focused research capturing the ground realities of Indian entrepreneurs—their motivations, challenges, and success factors. Studies like GEM (2022) and NASSCOM (2023) highlight India's growth as a startup hub but often overlook first-hand insights into what drives or hinders entrepreneurs at the grassroots level. Existing literature, including Dr. Gupta (2020) and OECD (2021), primarily examines policy frameworks, leaving gaps in understanding behavioral aspects like confidence, risk-taking, and family support.

Additionally, despite initiatives like Startup India and MUDRA, entrepreneurs—especially in Tier 2/3 cities—continue facing regulatory bottlenecks and uneven access to mentorship and funding (NASSCOM, 2023; KPMG, 2022). This study bridges these gaps by linking macro-level policies with micro-level experiences, offering actionable insights for policymakers and aspiring entrepreneurs alike. By analyzing real-world hurdles (e.g., funding, customer acquisition) and success traits (e.g., resilience, networking), the research provides a practitioner-centric perspective essential for fostering a more inclusive and supportive startup ecosystem.

9. Research Methodology

9.1 Research Design

The study adopts a descriptive and analytical research design. It aims to describe the current scenario of the startup ecosystem and analyze the factors (cultural, governmental, and economic) influencing its role in economic growth.

The study utilizes both primary and secondary data, combining qualitative and quantitative research methods to ensure a comprehensive understanding of the topic.

9.2 Objectives of the Study

1. To analyze the primary drivers and challenges of entrepreneurship (Covers motivations, fears, and operational hurdles from your data)
2. To evaluate the role of personal traits and external support in business success

9.3 Data Collection Methods

Primary data was collected through questionnaires from startup stakeholders.

Secondary data was taken from government reports, journals, and trusted websites.

9.4 Sampling Method

- **Sampling Technique:** Purposive Sampling
  (Participants are chosen based on their relevance to the startup ecosystem.)
- **Sample Size:** 50 respondents
- **Geographical Area:** Focused on the Punjab state

9.5 Tools of Data Collection

A structured questionnaire is used as the main tool, comprising both closed-ended and Likert-scale questions.

9.6 Key Themes in the Questionnaire

- Awareness and benefit from government startup schemes.
- Sources of funding and financial support.
- Cultural and family support in business decisions.
- Major challenges faced in launching and sustaining startups.
- Perception of economic impact created by startups.
- Support received from academic, incubator, or mentoring institutions.

10. Limitations of the Study

- **Sample Size Constraint:** The study is based on a limited sample of 100, which may not capture the full diversity of India's startup landscape.
- **Geographical Limitation:** The focus is on selected regions; hence, findings may not reflect the situation in rural or less-developed areas.
- **Self-reported Data:** Responses may carry personal bias or exaggeration, especially in self-evaluations of success or government support.
- **Time Constraints:** Due to limited research time, the longitudinal performance of startups is not tracked.
- **Dynamic Ecosystem:** The startup ecosystem evolves rapidly; thus, findings may become outdated quickly without ongoing research.

11. Analysis & Interpretation

1. Why People Start Businesses

- **Finding:** Most (38%) wanted financial freedom, while 22% continued family traditions.
- **What It Means:** Money is the biggest motivator, especially for trading businesses. Family legacy matters most in manufacturing.

2. Planning Before Starting

- **Finding:** 56% had a business plan, especially in manufacturing.
- **What It Means:** Complex businesses (like factories) need more planning than small shops.

3. Work Experience Matters

- **Finding:** 29% had no experience, but manufacturers often had relevant skills.
- **What It Means:** Experience helps in technical fields but isn't always needed for trading.

4. Key Traits for Success

- **Finding:** Confidence (56%) and risk-taking (40%) were most valued.
- **What It Means:** Believing in yourself and taking chances are more important than formal education.

5. Family and Community Support

- **Finding:** 76% said support was very important.
- **What It Means:** Having backing from loved ones makes starting easier, especially for family businesses.

6. Biggest Fears

- **Finding:** Young entrepreneurs feared failure (24%), while others worried about money (22%).
- **What It Means:** Newcomers doubt themselves, while experienced folks focus on practical risks.

7. Early Struggles

- **Finding:** Finding customers (31%) and money (24%) were top challenges.
- **What It Means:** Everyone struggles to get buyers and funds at first.

8. Lack of Support
- **Finding:** 20% got little help from family/friends, mostly young or non-family startups.
- **What It Means**: Breaking away from traditional paths can feel lonely.

9. Is It Easier to Start Now?
- **Finding:** 67% think today's environment is better, especially younger people.
- **What It Means:** The internet and new tools help beginners more than before.

10. Advice for New Entrepreneurs
- **Finding:** "Work hard" (33%) and "believe in yourself" (22%) were top tips.
- **What It Means:** Action and confidence matter more than fancy plans.

11. Findings

1. Primary Motivational Drivers
- The majority (38%) pursue entrepreneurship for financial independence.
- Necessity-driven entrepreneurship is dominant, especially in trading.
- Passion-led ventures still exist, showcasing diverse entrepreneurial mindsets.

2. Role of Formal Planning
- 56% created formal business plans; highest among manufacturers (75%).
- Planning is more prominent in complex sectors, aiding strategic clarity

3. Prior Work Experience
- 29% of entrepreneurs had no relevant prior experience.
- Manufacturing entrepreneurs showed 50% alignment in prior experience.
- Lack of experience correlates with higher funding difficulties.

4. Critical Personal Traits
- Confidence (56%) and risk-taking (40%) are seen as key personal assets.
- Confidence plays a role in overcoming fear and hesitation during startup

5. Social Support Systems
- 76% rated social support as "very important".
- Family, mentors, and peer networks help reduce perceived entrepreneurial risks.

6. Pre-Launch Anxiety
- Fear of failure (24%) and lack of market knowledge (20%) are major concerns.
- Younger entrepreneurs are more prone to these fears.

7. Operational Challenges
- Customer acquisition (31%) and funding (24%) are the top initial hurdles.
- Funding shortages lead to increased pivoting in strategies.

8. Social Network Resistance
- 20% of respondents experienced discouragement from their social circles.
- Resistance is significantly higher in non-family-business startups.

9. Startup Ecosystem Perception
- 67% believe the ecosystem has improved, especially among digital-savvy youth.
- Digital infrastructure and policy reforms are seen as enablers.

10. Advice to Future Entrepreneurs
- Persistence (33%) and self-belief (22%) are recurring themes.
- Majority (55%) give behavioral guidance over technical advice.

12. Recommendations

1. Encourage Structured Entrepreneurial Planning

Government programs and incubators should promote structured business planning, especially in low-barrier sectors like trading.

2. Offer Targeted Skill Development

Implement pre-entrepreneurship training programs to bridge experience gaps, focusing on financial literacy, market research, and operations.

3. Promote Confidence and Risk Management

Organize personality development and confidence-building workshops to nurture entrepreneurial self-efficacy.

4. Strengthen Social Capital and Mentorship

Establish formal mentor networks and peer groups to offer emotional and strategic support to first-time entrepreneurs.

5. Address Funding Barriers

Launch micro-funding schemes or partner with angel investors to support early-stage businesses, especially those lacking prior experience.

6. Reduce Youth Anxiety through Exposure

Introduce school/university-level entrepreneurial clubs and pitch sessions to expose young minds to real-world challenges.

7. Support Non-Legacy Entrepreneurs

Tailor outreach campaigns that specifically empower first-generation entrepreneurs and dismantle societal resistance through awareness drives.

8. Digital Infrastructure Expansion

Enhance accessibility to digital platforms, tools, and training for entrepreneurs in non-urban areas to equalize opportunities.

9. Facilitate Knowledge Transfer

Create forums and content where experienced entrepreneurs can share lessons and stories with newcomers to promote community learning.

10. Policy Support for Early-Stage Challenges

Simplify compliance procedures, offer early-stage tax

benefits, and create online marketplaces to solve initial customer acquisition issues.

12. Conclusion

This study delves into the intricate motivations, strategies, and challenges faced by first-generation entrepreneurs across varied sectors. The findings reinforce the dominance of necessity-driven motivations, especially financial independence, in entrepreneurial entry. However, passion and family legacy also play vital roles, particularly among younger and legacy-connected participants.

A significant number of respondents emphasized the role of formal planning, especially in complex sectors like manufacturing, while trading businesses exhibited more agility and emergent strategy patterns. Prior work experience notably impacted funding access, echoing the relevance of human capital theory.

Traits like confidence and risk-taking emerged as essential, shaping both mindset and execution. Furthermore, social support systems served as a strong buffer against fear, especially in the pre-launch phase. Initial challenges such as customer acquisition, funding constraints, and social resistance were common, but evolving startup ecosystems and digital infrastructure offered new opportunities.

Finally, the wisdom shared by seasoned entrepreneurs—centered on persistence and self-belief—reflected an effectual, behavior-focused learning approach. Overall, the study bridges entrepreneurial theory with real-world evidence, offering a grounded view into the psyche, struggles, and strategies of modern-day entrepreneurs.

13. Recommendations

a) **Enhance Entrepreneurial Education:** Introduce practical entrepreneurship modules in higher education, especially around planning, funding, and market research.
b) **Sector-Specific Mentorship Programs:** Create industry-focused incubators that cater to the unique needs of sectors like manufacturing, trading, and services
c) **Support for First-Generation Entrepreneurs:** Offer special funding schemes and community-building programs for those without family business backgrounds.
d) **Mental Health and Confidence Building Workshops:** Address psychological barriers such as fear of failure and risk aversion through structured workshops.
e) **Leverage Digital Platforms:** Promote digital marketing and e-commerce adoption to reduce operational challenges like customer acquisition.
f) **Strengthen Ecosystem Linkages:** Foster partnerships between government schemes, private incubators, and entrepreneurs to boost access to resources and reduce institutional barriers.

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