

Do Younger Entrepreneurs Perform Better in the Bengaluru Startup Ecosystem?

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Abstract

A common misconception prevalent in today's world is the belief that young entrepreneurs are considerably more successful than their older counterparts. This paper quantitatively analyses 20 unicorn startups (a valuation exceeding \$1 billion) exclusively coming out of Bengaluru, the Silicon Valley of India between the years 2011 and 2021, and the 35 or so entrepreneurs associated with them disproving this above-mentioned false statement in the process (given that unicorns could be considered the textbook definition of a successful startup). Additionally, this paper infers that there is no correlation between age of the entrepreneur(s) and time taken for a company to achieve unicorn status.

Keywords : Bengaluru-based startups, entrepreneurial age, unicorns, unicorn startups

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A common belief in today's entrepreneurial ecosystem is the myth that young entrepreneurs are considerably more successful than their older counterparts. However, this is extremely misleading and in most cases, objectively false. This misconception could be the result of substantial media coverage of so-called young entrepreneurs, that is, entrepreneurs younger than 25 years of age. However, people tend to forget that these stories achieve headline status due to the fact that achieving success at a young age is more of an exception than the norm (Hall, 2018). In fact, a 2018 independent study conducted by the Harvard Business Review strongly indicated that the average age for a successful startup founder in the United States was 45, with more experienced entrepreneurs generally being more successful (Azoulay, Jones, Kim, & Miranda, 2018), it is not a stretch to conclude that most nations with an established startup culture and entrepreneurial ecosystem would follow similar trends when considering the age of a successful founder.

Despite this fact, many in India still cling onto the belief that for one to become a successful entrepreneur, they must start extremely young, thereby creating an artificially inflated ecosystem which resembles a socio-economic “rat race”. It should be noted that despite India having a historically strong and complex business ecosystem (Medhora, 1965), the country is relatively new to the modern iteration of an entrepreneurial system (Prabhu & Jain, 2015). This infantile state could be a major factor behind a national fever to start “early”. Additionally, the introduction of new governmental initiatives like the Ministry of Commerce and Industry's *Startup India* could have unintentionally fuelled the unsubstantiated belief that successful entrepreneurs start off young (Rani, 2017).

This paper analysed the twenty unicorn startups (private companies with a valuation exceeding a billion US dollars) based in Bengaluru to determine whether young entrepreneurs were more successful when compared to their older counterparts. This was restricted to the founders of these unicorn businesses. This study restricted the data to Bengaluru (and avoided any other location) to avoid bringing in external cultural and social factors that might skew the inferences one way or the other.

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Methodology and Analysis

The founders of 20 recorded current and former (now publicly traded companies) Indian unicorn startups located (or founded) in Bengaluru from the period of 2011 to 2021 (Venture Intelligence Unicorn Tracker, n.d.) were considered for this quantitative analysis. The city of Bengaluru was selected for this study since Bengaluru could be considered the Indian equivalent of Silicon Valley (Omar, 2019) with its strong IT entrepreneurial development culture. The list of unicorn companies considered are shown in Table 1.

A graphical representation of the number of Bengaluru-based startups achieving unicorn status by year is shown in Figure 1.

It should be noted that Glance InMobi is a subsidiary of InMobi. Additionally, Ola Electric is a subsidiary of Ola. From the list of unicorns, we managed to obtain the age of 35 individual entrepreneurs associated with the said startups. The ages of these entrepreneurs when they started their companies is illustrated in Figure. 2. An observation that could be made is that most co-founders of the same unicorn company were from similar age groups and tended to have similar educational backgrounds.

From this, we can identify that only about a quarter of all entrepreneurs behind unicorn startups in Bengaluru were under 25 when they started their successful company. Many of these people were in the age group of 25 to 35 years (60% of these entrepreneurs), making their entrepreneurship their second or third job as indicated in many of their LinkedIn profiles. The age of these entrepreneurs at the time their startups achieved unicorn status is illustrated in Figure 3.

Table 1. List of Unicorn Startups Being Considered

| Company | Founding Year | Year Achieving Unicorn Status | Age of Company when Achieving Unicorn Status |
|---------------|--------------------------------|-------------------------------|--|
| InMobi | 2007 ("InMobi", n.d.) | 2011 | 4 |
| Mu Sigma | 2004 ("Mu Sigma", n.d.) | 2013 | 9 |
| Flipkart | 2007 ("Flipkart", n.d.) | 2012 | 5 |
| Ola | 2010 ("Ola", n.d.) | 2015 | 5 |
| Quikr | 2008 ("Quikr", n.d.) | 2015 | 7 |
| Byjus Classes | 2011 ("BYJU's", n.d.) | 2018 | 7 |
| Swiggy | 2014 ("Swiggy", n.d.) | 2018 | 4 |
| Udaan | 2016 ("Udaan", n.d.) | 2018 | 2 |
| BigBasket | 2011 ("BigBasket", n.d.) | 2019 | 8 |
| Ola Electric | 2017 ("Ola Electric", n.d.) | 2019 | 2 |
| Lenskart | 2010 ("Lenskart", n.d.) | 2019 | 9 |
| Postman | 2014 ("Postman", n.d.) | 2020 | 6 |
| Unacademy | 2015 ("Unacademy", n.d.) | 2020 | 5 |
| RazorPay | 2013 ("Razorpay", n.d.) | 2020 | 7 |
| Dailyhunt | 2007 ("Dailyhunt", n.d.) | 2020 | 13 |
| Glance InMobi | 2016 ("Glance", n.d.) | 2020 | 4 |
| Digit | 2013 ("Digit Insurance", n.d.) | 2021 | 8 |
| Meesho | 2015 ("Meesho", n.d.) | 2021 | 6 |
| Groww | 2016 ("Groww", n.d.) | 2021 | 5 |
| ShareChat | 2015 ("ShareChat", n.d.) | 2021 | 6 |

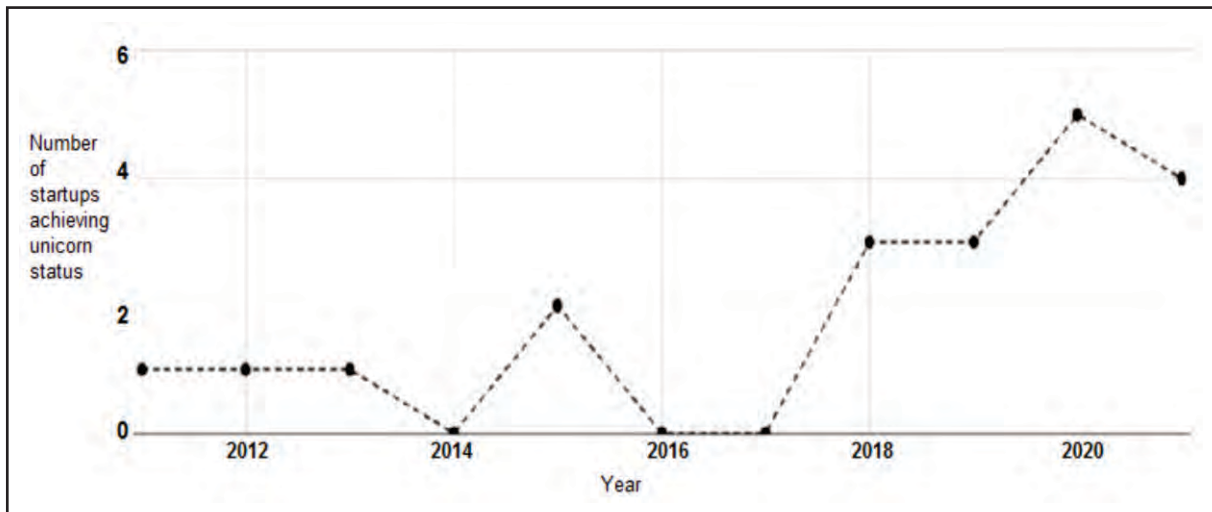


Figure 1. Number of Bengaluru-based Startups Achieving Unicorn Status

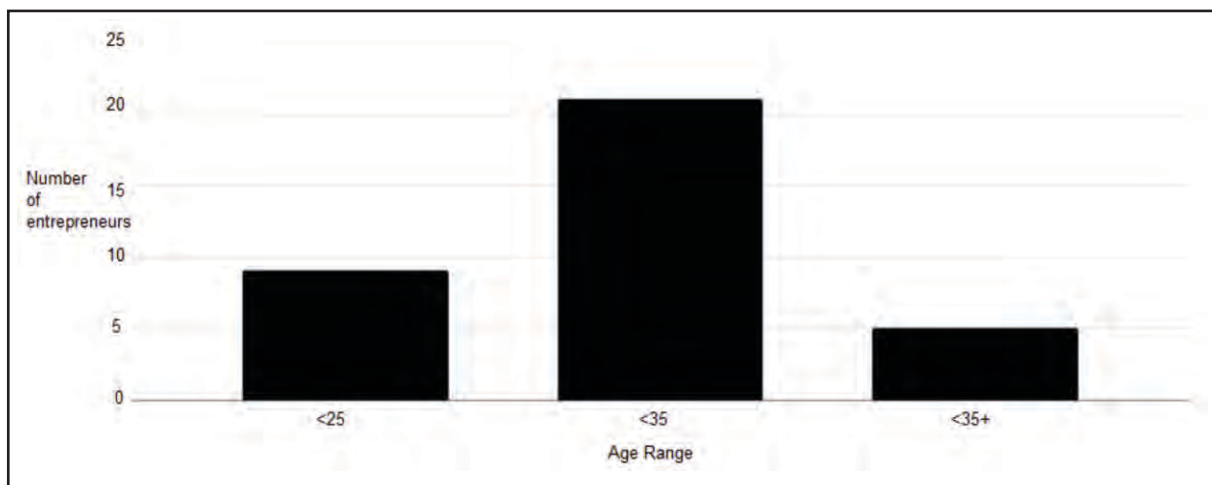


Figure 2. Age Distribution of Entrepreneurs At the Time of Starting Their Companies

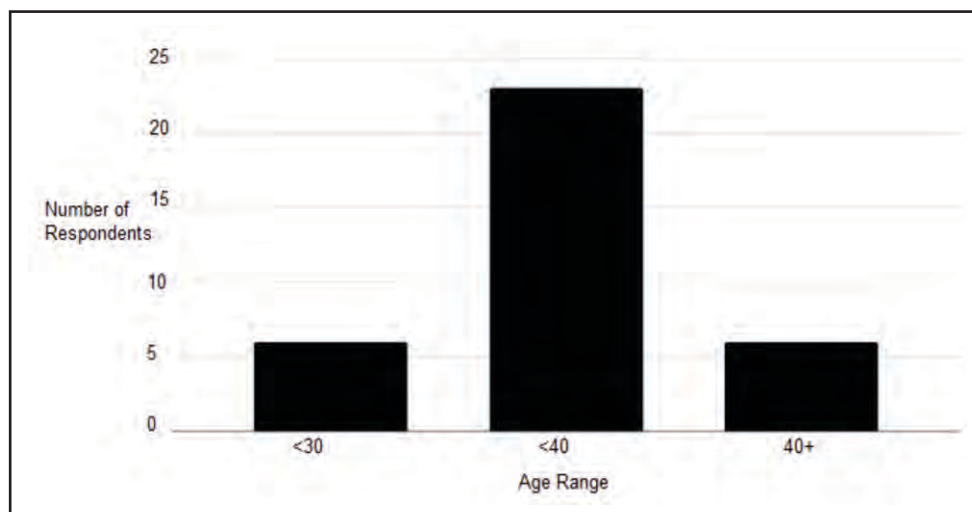


Figure 3. Age Distribution of Entrepreneurs At the Time of Starting Their Companies Achieved Unicorn Status

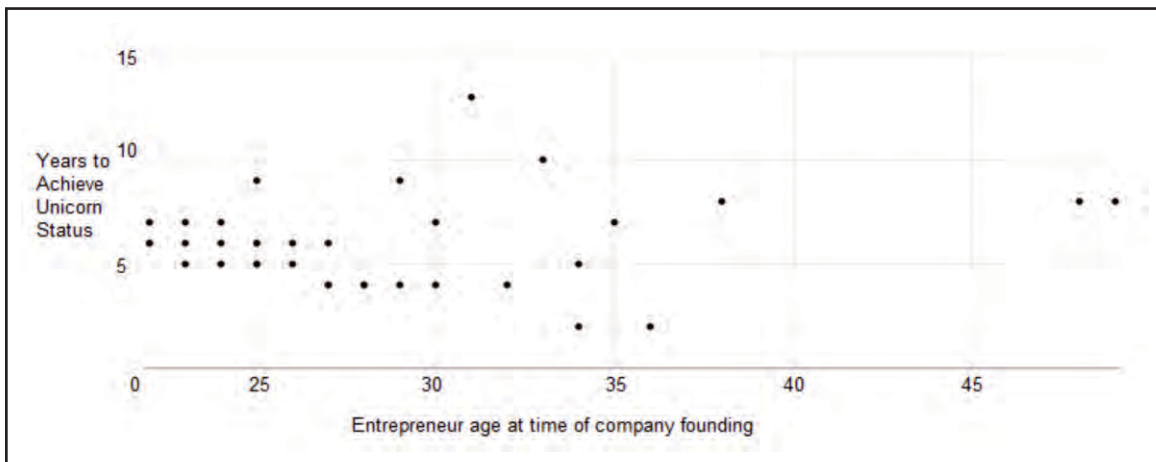


Figure. 4. Age of Entrepreneurs When Starting Their Company and the Number of Years It Takes for the Said Company to Achieve Unicorn Status

It should be noted that no entrepreneur was under 25 when his startup achieved unicorn status. Also, a majority (more than 65%) of these entrepreneurs were in their thirties when they became owners of unicorn companies. On the basis of Figure 1 and Figure 2, it can be inferred that most Bengaluru-based successful entrepreneurs (those who run unicorn companies) started their startup career in their late twenties to early thirties, and reached their peak in early to late thirties.

Additionally, there seemed to be no identifiable correlation between age of the entrepreneur when starting the company and how long it took for their company to reach unicorn status in Bengaluru. This is illustrated in more detail in Figure 4.

Conclusion

Based on the above quantitative analysis, we can conclude that most successful Bengaluru-based entrepreneurs start their business ventures in their late twenties to early thirties and reach the peak of their career (their startups reaching unicorn status) in their early to late thirties respectively, thereby discrediting the myth that young entrepreneurs (those younger than 25) are more successful than their older counterparts.

Limitation and Future Scope of Study

The limitation of the study was that the sample size was small, and any identifiable personal information of the entrepreneurs considered in this study could not be revealed. In future, the study can be extended to a larger sample.

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About the Author

Adithya Vikram Sakthivel is the Co-Founder of Project Blueberry, a specialized website to assist entrepreneurs. He has an educational background in Electronics and Communications Engineering and has considerable experience working in the Indian startup ecosystem, private equity and venture capital, and product management in relation to web-based applications.