Impact of COVID 19 on Deeptech Startups – Survey Report

A survey to get a pulse on how startups are tackling the ongoing crisis and what are their plans for the coming few quarters.
Survey to assess Impact of COVID 19 on Deeptech Startups

After 4 weeks of lockdown, a survey was taken up to understand the impact of deeptech startups.

- How much of planned operations happened?
- Financial conditions & Cash flows
- Areas of impact (parts of biz)
- New things tried by startups during lockdown
- Areas where startups need help
- Gut feel for next few months

Key outcomes from the survey...
Only 30% of the startups operating per plans. Most facing short term cash flow/revenue issues.

The operations are not usual as nearly 70% startups are on the lower side (<=50%) of the scale of normal/planned operations continuing during lockdown. Only 30% of the startups are able to run with their routine planned strategies with more than 80% adherence.
75% are struggling with sales. Markets not receptive.

The most of the areas affected extend over from Sales, Biz development, New markets or initiatives field validations and Product & Tech development.

Nearly 75% are struggling with sales, Business-as-usual and further business development.

As a survival strategy, exploring new markets or verticals is also challenging with 53% of startups striving.

The very initial steps in a Startup journey, product development and technology refinement is suffering as a result of the Lockdown.
Most common ask is for Corporate connect/market access

A majority of startups, around 60% are seeking assistance in finding Alliances/Joint GTM and another 50% looking for Corporate connect (mentoring and prospecting) followed by Technology/Research connect, Strategy and Domain mentoring.
Surprising: 36% startups found new opportunities

Around 30% of startups are facing short term cash flow squeeze (Revenues good, but cash flow impeded. 3 months), 33% struggling with short term revenue impact (affects revenues and cashflows. 3 months. lower by 25%) and another 33% are tackling with severe pressures on sustainability for both short term as well as long term.

On the contrary, nearly 36% of these found newer opportunities and improved prospects due to Lockdown, as after-effect of COVID-19. These startups are more commonly have emerging/deep technologies as their differential advantage working in the favour.
Final word: Good that 80% startups are optimistic on Future

Nonetheless, Startups are hopeful and anticipating for improved prospects in the coming months as seen from the survey, around 80% lying towards Extremely optimistic side of the scale and feel that their plans will grow as planned or better.
CALL TO ACTION POINTS

As a result of Survey, a first-hand indication of the areas in which startups are struggling and the kind of help they seek from the ecosystem. Some key results where Startups are facing difficulties are:

• New strategies for running Operations as usual
• Disruption in Market and sales
• Hiring the right talent
• Finding Alliances/Joint GTM
• Seeking support through
  ✓ Corporate Connect
  ✓ Technology Mentoring
  ✓ Funding

Post survey as per the feedbacks received, CIE reformed its initiatives and now coming up with Resilience Unlocked 2.0. It started on 5th May 2020 and in addition to the initiatives going on under phase 1, the focus is on

• Strategy Mentoring
• Series of Webinars
• Online Hiring Portal
• Round Table Sessions with founders
• Fire Up Founder Perspectives
• Support for startups through
  ✓ Corporate Connect
  ✓ Root Node
  ✓ EIR Programs
CIE IIITH is on a mission to foster Deeptech startups and be a scaffold to innovation and research-led technology transfer through Entrepreneurship. The mission now extends to help startups retain momentum during dire circumstances and the Global crisis of COVID-19.

www.cie.iiit.ac.in
#ResilienceUnlocked

A startup support initiative by CIE-IIITH