

How can entrepreneurs based in tier-2 indian cities be more visible to investors

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Startups based in tier-2 cities are often not bestowed with the best of facilities when it comes to communities, events and resources that are available in cities like Bengaluru, Mumbai and other hotspots. In spite of that, there are startups like Milk Mantra, ShopKirana who are trying to chart their way into the ecosystem with the support from accelerators and investors.

Speaking on what goes into an investor's mind before he decides to place some money on a startup based in a tier 2 city in India, Munish Jauhar , CEO/Founder of GrayCell Technologies Exports, spoke about how a good startup doesn't have to find its roots in metropolitan and the ways in which entrepreneurs could increase their visibility in this space.

How can one increase his visibility?

“ Startups should make good use of online platforms such as LetsVenture, AngelList etc. The core team should also make it a point to attend relevant start up events happening in India (my emphasis is on relevant and not an and every event), in order to network with the correct stakeholders. Startup competitions, hackathons are another good way to showcase capability. Social media should be correctly leveraged for greater outreach. However the founders must be careful and not spend all their time trying to attract investors rather than building a great company.”

Munish has so far invested in eight tier 2 city startups apart from a host of other startups abroad and in India, which include Travel Khana, Wow Momo , Online RTI and more.

Munish thinks the biggest constraints for startups located in tier 2 cities are access to talent and access to capital to scale the business.

“ In an ideal world it should be the investors who are scouting for great start-ups and not vice versa, a great start up no matter where it is located will be discovered. However nowadays ‘ Startup’ has become a buzzword so the corresponding numbers of startups has also drastically increased,” he said.

“ Since I generally invest at an early stage in all cases regardless of wherever the start-up is based the one thing I look at is the team. Post that, I do look at the idea/concept. For me a start-up’s location is not a deterrent per se because of the early stage investment,” Munish said.

Cities to watch out for -- Jaipur, Kochi and Chandigarh

Kochi, Chandigarh and Jaipur both are well known Tier-2 cities for IT services outsourcing so hence they make for fertile breeding grounds for start-ups because there is access to talent, infrastructure etc. Kochi runs the Kochi Start-up Village initiative. I am personally aware that in both Jaipur and Chandigarh we have very active entrepreneurial and start up ecosystems and more well-known bodies such as the local TiE chapters are also doing their bit. Both cities have active Angel Networks as well now which not only provide funding but mentoring as well. We have also seen successful companies come out of these cities such as CarDekho, CultureAlley, Jugnoo amongst others.