

Why don't we have enough hardware startups today?

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The National Association of Software and Services Companies (NASSCOM) came out with its annual report on the startup ecosystem this week, following which Entrepreneur India caught up with NASSCOM President Chandrashekhar Rentalato discuss some key metrics.

Why aren't there enough hardware startups today?

Clearly as a country, we are at a disadvantage when it comes to manufacturing. This has been known for some time. If you look at the world today, in a lot of the electronic hardware there is over capacity and China is a very established and strong player, commanding more than 40 percent global share. Whereas India has barely shared about 1 percent share. There are many reasons for that and there are a lot of disadvantages for India in manufacturing.

In software our position is well known and well established globally. But now we've come to an interesting phase of evolution in technology where increasingly the value in hardware is in its software. It's in the design; it's in the embedded software, where the true value of any piece of hardware lies. If you take any Apple device, the value lies in the software, the hardware itself provides very little addition.

If we can leverage the strengths that we have in design today and in software and use that to innovate hardware, then I think that offers one possibility. However, that by itself does not solve the manufacturing disadvantage per say, because even after you design and innovate a good product, you still have to manufacture it.

The first step at least in innovating a product out of India, even if they are to be manufactured in China or elsewhere, could be a key element in successful strategy in Make in India in areas like electronics.

Why are we seeing high-profile exits of well-renowned executives?

Without mentioning any one specific company, Chandrashekhar said that high profile exits that when a company hits a rough patch, they need to be prepared for challenges both externally and internally. " If the company is facing a challenge in weathering a storm then that could lead to an exit because either the prospects are not seen that bright or differences in opinion on strategy to deal with these challenges," he said.

India's largest eCommerce firm lost its fourth top-level executive for the year yesterday with the exit of Sanjay Baweja, who served as the chief financial officer of the company for nearly 2 years.

Chandrashekhar was the Chairman, Telecom Commission and Secretary, Department of Telecommunication till March 2013. During his career in Government, he held a wide variety of key assignments many of them relating to the ICT sector, both in the Government of India and the State Government of Andhra Pradesh