Report On
Bangladesh Startup Ecosystem: Challenges & Problems faced by Startup Business

By
Student Full Name: Khalid Bin Sayed
Student ID: 20104087

An internship report submitted to the Brac Business School in partial

fulfillment of the requirements for the degree of
Bachelor Of Business Administration

BRAC Business School
BRAC University
24 January, 2025

Declaration

It is hereby declared that

1. The internship report submitted is my/our own original work while completing degree at BRAC University.

2. The report does not contain material previously written or published by a third party, except where this is appropriately cited through full and accurate referencing.

3. The report does not contain material which has been accepted or submitted, for any other diploma or degree at a university or other institution.

4. We/I have acknowledged all main sources of help.

Student's Full Name & Signature:

Khalid Bin Sayed

20104087

Supervisor's Full Name & Signature:

Name: Dr. Mohammad Enamul Hoque

Position: Assistant Professor

BRAC University

Name: Sayla Sowat Siddiqui

Position: Assistant Professor

BRAC University

Name: Professor Mohammad Mujibul Haque

Position: Dean, Brac Business School

BRAC University

Letter of Transmittal

Dr. Mohammad Enamul Hoque

Assistant Professor

Brac Business School

BRAC University

Kha 224 Bir Uttam Rafiqul Islam Avenue, Merul Badda, Dhaka

Subject: Submission of Internship Report

Dear Sir,

I, Khalid Bin Sayed, would like to inform you that I am writing this report and my topic is "Bangladesh startup ecosystem: Challenges & Problems faced by startup business." I have successfully finished my internship from X Angel Limited where I had gotten the opportunity to work in the operations, investment and marketing departments under the supervision of the manager. In this report I have provided an in-depth overview of the company and its different department and operational method.

I would like to sincerely thank my peers and professors who have helped me and supported me to finish this report.

Sincerely,

Khalid Bin Sayed

Student ID: 20104087

BRAC Business

School BRAC

University Date:

24/01/2025

Executive Summary

In this report, I have shared my experience of working at one of the best alternative investment firm in the country. As an intern at X Angel Limited, I have gained a lot of experience and knowledge about the real-life work culture and the day-to-day operations of the company.

I have also provided an in-depth overview of the company. I have also mentioned the different departments of the company and how they affect the day-to-day operations. I have presented how X Angel Limited's, operates in the alternative investment in Bangladesh. I also have provided a SWOT & PESTEL analysis.

Finally, I have picked a research topic to relate to the field I have majored in which is Finance and have tried to research about the Bangladesh startup ecosystem: Startup challenges & problems. My research mainly focuses on the Bangladesh startup business or startup entrepreneurs' problems & challenges. I managed to interview four participants and based on their answers did an in-depth analysis which helped me come up with some solutions in the problem challenges faced by startup businesses in Bangladesh. Upon further analysis I found that my findings have aligned with previous reports by researches. I have been able to complete my research and come up with references for future researchers based on the limitations and difficulties I have faced.

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Chapter 1: Overview of Internship

1.1 Student Information

Name: Khalid Bin Sayed

Student ID: 20104087

Program: Bachelors of Business Administration

Major: Finance

1.2 Internship Information

1.2.1 Company Details

Period: 26th September, 2024- 26th December, 2024 Company Name: X Angel Limited
Department: Operations, Research & Development, Cofounder Bangladesh and marketing departments
Address: XIC Point, Holding No. Kha- 213/2, 213/3 and 213/5, Bir Uttam Rafiqul Islam Sarani, Middle Badda, Dhaka

1.2.2 Internship Company Supervisor's Information

Name: Kazi Shahidul Islam

Position: Campaign Manager

Email:

shan@bluebees.ventures

1.2.3 Job Description

Company/Job Context: XAL is a reputed Alternative Investment firm licensed by Bangladesh Securities and Exchange Commission (BSEC). The main core function of the role involves financial, business, market and governance analysis and reporting on companies in various life cycles. In addition, the personnel are required to undertake multidisciplinary assignments across the operations, investment and marketing departments.
I was given the opportunity to complete my internship at X Angel Limited, one of the most renowned Investment Firm Licensed by Bangladesh Securities and Exchange Commission (BSEC). I have been benefited greatly by being a part of this organization culture and had a

great time during this internship period. As an intern I was given the task of handling the below tasks (X Angel Limited, 2025)

- Undertake fundamental analysis, identify business drivers, and develop valuation model on diverse asset classes
- Provide insight and assumptions in a cross-functional team to develop strategies
- Conduct in-depth analysis of macro and micro-economic perspectives;
- Regularly analyze risks and dispense disciplined guidelines to manage risks across investments;
- Responsible for assisting with fund operation, portfolio reporting, and database maintenance;
- Prepare documentation, internal policies, and manage data rooms of the company;
- Synthesize data from portfolio companies, markets, and sectors;
- Analyze cash flows, forecast budgets and work closely with cross-functional teams in execution;
- Assisting in the coordination across finance, compliance, and the broader team to fulfill funds
- operational requirements;
- Provide back-office support to the internal teams;
- Assist the investors, portfolio companies, and group’s concerns;
- Assist with managing talents, branding and nurturing a positive culture.

1.3 Internship Outcomes

1.3.1 Students contribution to the company

My internship as a Finance Intern at X Angel Limited, I made it a priority to contribute meaningfully and maximize my impact throughout the duration of my role in X Angel Limited. I was mainly assigned with the Cofounder Bangladesh project research and development as an analyst. In this project I did strategic planning, execution, project management, communication, branding and marketing. During my internship period at X Angel Limited, I embraced challenges and took on extra responsibilities to demonstrate my capability under pressure. I have managed operational tasks, handled billing processes, and directly engaged with candidates. My proactive approach earned my supervisor's trust, leading to additional responsibilities in operations and communication. I also believe that I did make a certain amount of contribution to the company.

1.3.2 Benefits to the student

My three-month period internship at X Angel Limited, I had the opportunity to connect my academic knowledge with practical experiences in the corporate world. This experience has taught me how a company operates across its various departments and gave me a deeper understanding of the professional environment. I have also taken some essential tasks, which has not only boosted my confidence but also made me feel like a part of the organization.

I have also learned how to communicate professionally, including maintaining a confident posture and strong eye contact, which has helped me to build better relationships. Working in the team has taught me the value of collaboration. It also helped me to learn the importance of teamwork and achieving shared goals as a team.
Additionally, I have also gained valuable insights into venture capital (VC) and private equity (PE) funds, as well as how investment firms like X Angel Limited maintains their departments for maximum productivity.

Open communication culture at X Angel Limited allowed me to enhance my interpersonal skills and learn conflict management within a large organization like X Angel Limited. I have also realized that the most importance of building a strong professional network. I have also strongly believed that it will be a valuable step in my career. In the end, this internship opportunity was a significant learning experience that has prepared me to take on future challenges with confidence and positivity.

1.3.3 Problem/Difficulties

I felt like there was a lack of healthy competition which has slightly affected my productivity while working at X Angel Limited. I was unable to see how all the departments work closely due to the lack of time. I did not get enough knowledge about every single department. As an intern working at the operations and marketing departments, I felt like I needed to be more involved into the investment to understand more information about how they work. HR department is central to all the companies under X Index Companies. I face some problems with some HR issues because of the centralized HR department. I have also faced some challenges while working in X Angel Limited due to some management gaps between all the employees in X Angel Limited. X Angel Limited is an independent company. X Angel Limited is controlled by the board directors who are also the board of director of all the companies under X Index Companies. Because of the central board of directors sometimes it was hard to get clear management decision in X Angel Limited. X Angel Limited has a smooth, healthy work environment and despite slight difficulties I thoroughly enjoyed my internship time in X Angel Limited.

1.3.4 Recommendations

X Angel Limited is one of the renowned alternative investment firms in Bangladesh. Employees at X Angel Limited try to maintain a well-defined culture of collaboration and friendship, as well as workplace fun and pride in their accomplishments. Working at X Angel Limited is something that I will cherish all my life. X Angel limited has given me the opportunity to learn about the organization cultures and practices and the diverse group of people who are a part of this workplace. Gaining such an amazing experience will always be memorable to me. It will help me in my professional life in the future. The experience I have gained and the time I have spent in X Angel Limited has been exceptional and the top management, workers and staff have been extremely kind and welcoming.

Chapter 2: Organization Part

2.1 Introduction

Access to quality capital and the right network is a challenge for entrepreneurs, especially in Bangladesh. To execute a category defining idea with the right team can be unfathomable at the early stages of a company. Keeping that in mind, Mr. Mazher launched an Alternative Investment firm called ‘X Angel Limited’ for providing capital as well as strategic support to emerging entrepreneurs. His experience in working at Merrill and in building companies from the scratch to IPO at Index Agro Industries Limited will immensely help investors' to properly navigate in building sustainable business (index-companies, 2022).

2.2 Overview of the Company

XAL or X Angel Limited is a reputed alternative investment firm licensed by Bangladesh Securities and Exchange Commission (BSEC). X Angel Limited was founded in 2017 by X Index Companies (XIC). X Angel Limited is an independent company managed by the board of directors. Board of directors are also the board of directors of XIC or X Index Companies. X Angel Limited invests in unique founders and companies with a long-term vision. X Angel Limited recognizes that building a successful company takes time, effort, and patience. X Angel Limited investment philosophy goes beyond driving solid products in attractive markets, simultaneously creating a positive impact across societies and the environment.

2.2.1 (Focus Area)

- Driven Founders: Backing founders with a distinct vision and unwavering conviction to succeed brilliantly in their domain
- Sector Agnostic: We're experienced in diverse sectors and open to work with innovative, high-growth companies in emerging sectors
- Discovery: Our multiple investment vehicles help to explore most suitable investment approach for business model and founders

2.2.2 Values and Taglines

X Angel Limited is a widely recognized alternative investment firm licensed by Bangladesh Securities and Exchange Commission (BSEC). There aren’t many alternative investment firms that are well known in Bangladesh. X Angel Limited has several key principles and these key principals are integrity, commitment, respect and excellence.

2.3 Management practice

2.3.1 Leadership Style

X Angel Limited is an alternative investment firm and X Angel Limited follows multiple types of leadership style. X Angel limited follows a hybrid of transformational, transactional and democratic leadership style, which is ideal for an investment firm like X Angel Limited.

Transformational leadership: Transformational leadership type of leaders motivates & inspires their team to achieve targeted goals and leaders focus on transforming their organization by encouraging innovation, fostering a culture of learning and growth. Transformational leadership types of leadership style help to increase the morale of team also motivate them for focusing on long term vision (Cherry, 2022).

Transactional leadership: Transactional leadership type of leaders focused on the role of organization, performance & supervision; leaders provide solid instruction & expectations and also gave reward and punishment depending on the team's performance. Leaders focus on achieving short term specific goals. Transactional leadership type of leaders focusses on achieving accountability, specific goals and clear structure (Cherry, 2022).

Democratic leadership: Democratic leadership type of leaders encourages their organization employees to participate in decision making and leaders promote a sense of collaboration & ownership between employees and leaders are flexible. Democratic leadership type of leaders improves morale, satisfaction and problem solving in the organization (Shinde, 2024).

X Angel Limited is operated by the board of directors. The board of director makes all the decision of X Angels Limited. X Angel Limited follows the direction and guidelines provided by the board of directors. X Angel Limited team can provide their own thought towards the decision making and can gave suggestions, which is welcomed by the board directors. X Angel Limited employees work independently by the guidance of the directors. X Angel Limited provide service related with the investment. Due to the close direction by the directors X Angel Limited employees are motivated, encouraged and highly productive in their work. X Angel Limited employees are focused on their set objective both long term and short-term vision set by the board of directors. The board of director keeps a close eye over X Angel Limited's performance and provide reward according to performance of X Angel Limited. Due to the hybrid leadership style followed by the X Angel Limited's leaders XIC is very successful in their sector.

2.3.2 Human Resources and Administration

The task or job of the human resource & administration department is to maintain personal records of all the employees & gather all payroll data. HRM is also responsible for recruiting deserving individuals who will bring values to the company. X Angel Limited don't have any separate HRM department. The HRM department of X Angel Limited is central and the HRM departments of X Index Companies are same for the companies. The central HRM department design training programs & compensation packages to help increase employee's productivity impacting in the achievement of the organizations objectives and focus area. The HRM department of X Angel Limited is central and connected with all the sister concerns, and all the issues in the organization related to management of employees & other administrative issues. The HRM act as a bridge between the focus are and objective of the organization and the wellbeing of the employees.

2.3.2.1 Recruitment and Selection Process

Recruitment in X Angel Limited is an important part as its open a door for potential performer who are fit for the organization. At X Angel Limited, in the first step of recruitment process it is checked whether the candidates have achieved to a point which is necessary recruitment needed by the organization. X Angel Limited check every candidate's profile and it’s thoroughly checked to see if they have the necessary skills, experience and qualification. X Angel looks for candidates who are energetic and have potential to lead in the workplace and come up with a solution. X Angel Limited also consider candidates who can take pressure in work and perform well. X Angel Limited strongly values integrity and commitment in the workplace.

For the entry level jobs they choose fresh graduates and place them under respective teams where they can work to their full potential. For their operation manager position they usually prefer candidates who have at least two years of experience. For the senior positions they hunt for in house talent as they want their employees to grow within the organization. But most of the time they look for qualified people within the sector for their vacant senior level positions. As for the assessment, it’s taken to analyze the candidate’s analytical ability which is then followed by a final interview. Finally depending on the candidate result and performance they are chosen and offered a job at X Angel Limited.

X Angel Limited believes in equality and make sure that their recruitment process is fair and maintain transparency. X Angel Limited appoints employees solely on the basis of their competencies, skills and irrespective of their race, ethnicity and religion. X Angel Limited embrace a very wide range of diverse individuals.

2.3.2.2 Training and Development

X Angel Limited places a high value on its employee’s personal and professional development. X Angel Limited provide their employees with appropriate environment and resources which will help them to grow and learn. X Angel Limited have training and development programs which help employees strengthen their knowledge and skills. X Angel Limited have two kinds of programs. The first is job related program where an employee are assigned to a supervisor who helps the employee to understand the workplace culture. And also provide training and development program which help the employee to strengthen their knowledge and skills. This program is for both fresh graduated employees and experience employees.

Secondly another program is for the senior level employees. This program mainly focuses on developing and improving the skills of the existing employees so that they can be well prepared for senior positions. So by consulting with their supervisor employees can sort out what training program is best suited for them and organization provide the training program.

2.3.2.3 Compensation System

X Angel Limited offer numerous compensation packages. One of these packages includes free launch and also provides transportation facilities. X Angel Limited also provides overtime pay, medical allowances. X Angel Limited also provide tour package for employees. X Angel Limited also gives festival bonuses to the employees depending on the different kinds of festivals that the wide range of diverse employees. X Angel Limited compensation program where employees are rewarded based on the skills, they possess. This mostly refers to the top-level managers, administration and sales people. All of the employees of X Angel Limited compensate well in order to retain these top talents.

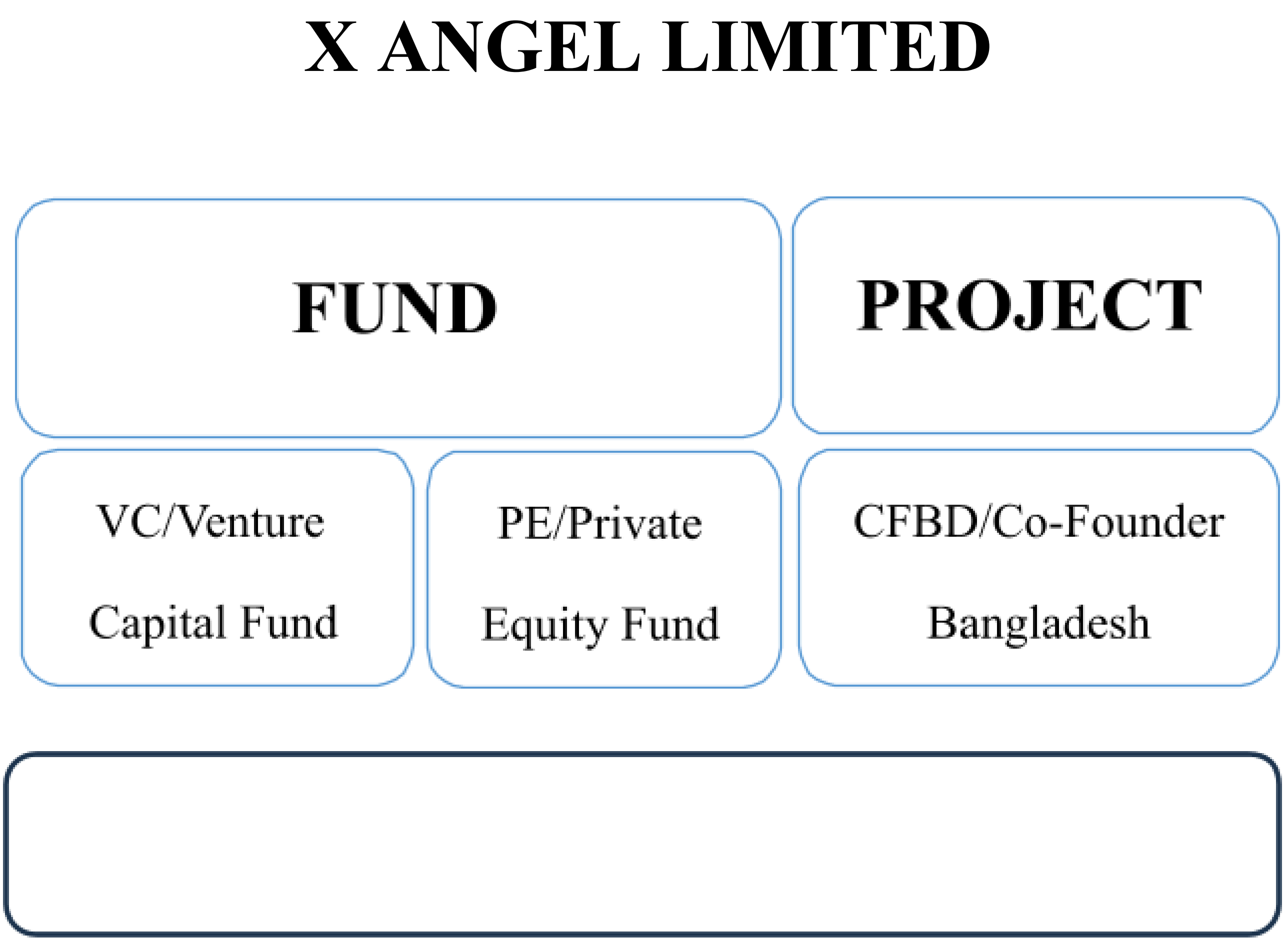
2.4 Marketing Practices

X Angel Limited follows STP marketing strategy for their funds, which means segmentation of funds, target market selection and positioning of funds. X Angel Limited analyzes the market place and identifies gaps and opportunity to figure out the target market and accordingly position their offering to fully satisfy their client needs and wants.

2.4.1 Segmentation of Products (VC & PE with CF BD-New Project of XIC)

X Angel limited has a two different fund and one type project. They are: Funds:

- VC or Venture Capital Fund
- PE or Private Equity Fund Project:
- Co-Founder Bangladesh



2.4.1.1 VC Fund/Venture Capital Fund

Venture capital funds are pooled investment funds that manage the money of investors who seek private equity stakes in startup and small- to medium-sized enterprises with strong growth potential. These investments are generally characterized as very high-risk/high-return opportunities (Chen, 2024) (Angel LIst, 2025).

X Angel Limited fund manager name is X Angel Asset Management Limited. X Angel Limited manage venture capital fund of Sandhani Life Insurance Company Limited. The total value of the fund is 100 crores. X Angel Limited managed Sandhani Life Insurance Company Limited venture capital fund from 12-March-2023.

Venture capital or VC is an important source of funding for highly developing startups around the world. VC plays an important role in excessive economic productivity and job creation. World's largest companies like Alibaba, Alphabet, Apple, Amazon, Facebook, Microsoft, Tencent, Tesla, etc. started their journey by venture-backed companies. Venture capitalists has provided funding and guidance for these world’s largest company. According to many sources its seen that half of the US Initial Public Offering from VC investors.

Startups gives a higher earning than normal return because these startups are risky and due to this venture capitalists invest in risky startups. For the past few decades, the startup industry has been seeing a tremendous innovation & growth. Today, VCs have been investing a lot more than ever now against the past decades. Many things can be meant by venture capital funds. There are any types of traditional funds that invest in a portfolio of companies over long term, to single deal SPVs. to rotating funds which accept quarterly commitments.

Life cycle of the venture capital funds have a long lifespan and almost every portfolio companies often take many years to exit. Fund structure of the venture capital funds generally fall under the premise of the fund manager. Fund manager invest in new companies over a period of two to three years, by allocating capital. Almost all of the companies enter the venture capital fund within 5 years and within 10 years investors get their capital return. Of course, there are some big differences in practice with the investment period and the payback period (Chen, 2024). Licensed investors usually invest in venture capital funds. There are some exceptions, as an investor is an individual/entity which meets one of the criteria below:

Individual investors have a net worth of more than $1 million and the value of the main residence is not included. To become a venture capital investor, personal income should be more than $200k or total income should be more than $300k in the past two years. Individuals’ investors have to hold a series 7, 62, or 65 license. An accredited investors with high investment or net worth requirements may be classified. Qualified buyers provide the access to investment opportunities, which reserved exclusively for qualified buyers (Chen, 2024).

Most of the venture capital funds have a minimum investment amount and the minimum investment size can vary greatly depending on the fund. Fund investment thesis how much capital they hope to raise, etc. SPVs on Angel list have a minimum investment of just $1,000. Meanwhile a larger capital commitment is generally required for Rolling Funds and Traditional funds. From many analyses, its seen that an average check size for angel investors are between $25,000 to $100,00.

Creating a legal entity required for establishing a venture capital fund must raise from LPs. By working with the startups before managing venture funds, venture capitals mainly gain investment experience. Venture capitals create an investment network which can help venture capitals to raise money. For an example, investors may have some personal portfolios and personal networks of founders who can rely on them for advice. Venture capitals are closely related to the individuals, organizations and systems. All these involves in managing their investments. Many starting funds of people needs support on legal and compliance issues such as securities, employment, tax and company law from venture capitals (Chen, 2024).

Venture capital fund structure of a management company is a business entity comprised of the general partners of a joint venture. Operations of the enterprise are responsible to manage their funds. Fund management company collects fees and pay expenses. Generally, the trademarks and brands of the fund is owned by the fund management company. According to the United Stated tax code, new general partners are the most commonly have single member companies. Meanwhile multiple members in a company are considered as partnership and a limited partnership must have at least one general partner. Managing funds and filing and signing tax returns are the responsibility of general partner. General partner has unlimited liability with respect toward the partnership and the limited partners of the fund are the investors in the fund. Meanwhile the portfolio companies fund has investments in various companies. Requirements may vary depending on the venture capital fund documents (Tax code, 2025). To set up and run a venture capital fund proper documents are needed. Fund documents required for the limited partnership agreement identifies the general partners of the fund and general rights and limited partnerships are listed by the fund document agreement. This will provide the details about how the fund will operate. Fund's terms of an LPA may be standardized for all the fund participants or it may be customized for a certain limited partners according to the side document and other separate agreements (Chen, 2024)..

Startups are backed by venture capitals at a particular stage, industry and geography, meanwhile venture capital funds usually invest on specific options. Invest in companies by venture capitals are typically have an initial time window of investment is 1 to 3 years. One fund will be the "lead" investor in the general fundraising round for startups. Due to this lead investor will often negotiate the price of the round and other important terms. Other funds and individual angel investors may choose to participate.

According to venture capitals typically make a return when one of three things can happen to one of their portfolio companies in terms of return. Mainly portfolio companies go public through initial public offerings on public stock exchanges. The fund manager of the mergers/acquisitions of portfolio companies sells shares of the fund to Portfolio Company to another entity. Before distributing returns to investors, a fund any wait for all the positions to exit. Sometimes when a liquidity event occurs fund may wait to distribute returns. Limited partners may take home the remaining returns after paying the fees and interest charged.
Usually balance of the return is generally 70 percent to 80 percent. Venture capital and private equity two and twenty is a common fee and here two means 2 percent of the committed capital. 2 Percent is a standard management fee and twenty means 20 percent of the profits earned by the fund (Chen, 2024)..

2.4.1.2 PE Fund/Private Equity Fund

Private equity funds are closed-end funds and an alternative investment class. Private equity funds capital is not listed on a public exchange. Private equity funds allow high-net-worth individuals and a variety of institutions to invest in and acquire ownership in companies (Baldwin, 2024) (Knickerbocker, 2024).

X Angel Limited fund manager name is X Angel Asset Management Limited. X Angel Limited manage private equity fund of Sandhani Life Insurance Company Limited. Total value of the fund is 200 cores. X Angel Limited managed Sandhani Life Insurance Company Limited private equity fund from 12-March-2023.

Private equity investors investing in companies create funds by raising capital from limited partners once they have reached their fundraising goals. They close the fund and invest in promising companies. Private equity investors invest in struggling companies and it still shows growth potential signs. Company usually makes a profit, when a private equity firm sells one of their portfolio companies to another company/investor. The distribute returns to LPs who has invest in the company's funds (Baldwin, 2024) (Knickerbocker, 2024).

Investors who are currently working in the private equity firms are known as private equity investors. Fundraising is important in private equity firm and as well as they identify companies which present good investment opportunities. Pitch book tracks investors around the world and which includes more than 17,000 primary investor type as of June 2024 was private equity (Knickerbocker, 2024) (Baldwin, 2024).

There are three key strategies for private equity investing below. Many private equity investors are now trying to optimize and implementing actual investment strategies. Current market uncertainty in terms of buying a stock purchase occurs when an investor purchases the majority stake in a company (Baldwin, 2024) (Knickerbocker, 2024).

Buyout

- Leveraged buyout is the most common type of deal in private equity fund.
- 66% of all private equity deals in 2021 are accounted by LBO and LBO deal average size in 2021 was at $101 million in leveraged stock purchases investors (Baldwin, 2024) (Knickerbocker, 2024).
- Buy a controlling stake in a company using a large amount of equity and debt. Companies will have to pay it back (Baldwin, 2024) (Knickerbocker, 2024).
- Investors work to improve profitability so that debt repayments are lower and company's financial burden (Baldwin, 2024) (Knickerbocker, 2024).

Growth

- In a company a minority stake is sometimes acquire by investors. Instead of buying majority shares and they want to expand the company to grow further (Baldwin, 2024) (Knickerbocker, 2024).
- Growth type of investment is similar to venture capital investing. It does not use debt and allocates only a small amount of capital and these investments typically sit as intersection of venture capital and private equity (Baldwin, 2024) (Knickerbocker, 2024).
- Some profitability proven that companies are still growing and 11 percent of all private equity deals in 2021 accounted by growth financing, average deal size was $30 million (Baldwin, 2024) (Knickerbocker, 2024).

Mezzanine

- Bridges the gap between debt and equity within private equity and mezzanine is a unique strategy. Mezzanine loans are taken out on their own and sometimes when it occurs in conjunction with another transaction usually an LBO (Baldwin, 2024) (Knickerbocker, 2024).
- Company receives mezzanine financing from a private equity group the company will be paying the debt and which includes some embedded equity. Debt can be converted into equity (Baldwin, 2024) (Knickerbocker, 2024).

Private equity company is a type of investment company and private equity invest in those businesses with which goal is increasing their value over time. Due to this company was then eventually sold at a profit as like venture capital firms. Private equity firms receive capital from limited partnerships to invest in promising private companies. Owning 50 percent and more when they invest in companies and private equity firms differ from venture capital firms in that they have a majority stake.

Private equity firms own almost majority ownership in multiple entities and company together. Company's corporate group is called its department and the business itself is called a departmental company (Baldwin, 2024) (Knickerbocker, 2024).
Management fees and performance fees are collected by private equity funds and these may vary from fund to fund. Fees collecting structure generally follows the 2-20 rule (Baldwin, 2024) (Knickerbocker, 2024).
Management fees are calculated as an percentage of assets under management/AUM and around 2 percent of these fees are intended to cover daily costs and overhead and it happens regularly (Baldwin, 2024) (Team C. 2., 2024).

Calculated as a percentage of investment profits and typically 20 percent fees are intended to promote greater compensation. These fees are paid to employees to reward their achievements (Baldwin, 2024) (Knickerbocker, 2024) (Team, 2024).

In traditional industries private equities often invest in mature businesses and private equities use the funds received from LPs. Private equity investors invest in promising companies and generally, they hold a majority share more than 50 percent. Private equity firms sell one of their portfolio companies to another company/investor and private equity and LP investors receive 20 percent while LPs receive 80 percent returns are distributed (Baldwin, 2024) (Knickerbocker, 2024).

2.4.1.3 CF BD/Co-Founder Bangladesh Project

Co-Founder Bangladesh is a new project taken by X Index Companies. X Angel Limited is managing this project. Co-Founder Bangladesh is a project related with the startup ecosystem of Bangladesh. A unique co-founder creation platform empowering scale up businesses by providing facilities and want to give a positive impact on ecosystem.

A network bridge between Angels and Entrepreneur in Bangladesh. Launch track/ Traction track.

- Comprehensive ecosystem offering funding, mentorship, networking, and educational resources
- A holistic ecosystem providing funding, mentorship, networking, and educational resources.
- Supports entrepreneurs from concept to commercialization
- Empowers entrepreneurs from idea inception to successful commercialization.
- By connecting the startups with angel investors, venture capitalists, and industry experts passionate about new ventures
- Brings up startups together with angel investors, venture capitalists, and industry experts who are passionate about fostering new ventures.
- We help founders at their earliest stages regardless of their age we support founders in their earliest stages, regardless of age.
- We give startups a huge fundraising advantage we provide startups with a significant advantage in fundraising.
- Offerings of Co-Founder Bangladesh - detailed with brief bullets
- Mentorship / Gaudiness
- Market Insight: Gain access to detailed and relevant insights and analyses of entrepreneurial ecosystems in emerging markets
- RESILIENCE PROGRAM: The Resilience Program is designed to support companies in crisis management and providing them with the survival framework, access to extensive partner and investor network.
- Tech support/ Operations: Co-Founder Bangladesh will provide entrepreneurs with a skilled tech team / operations team for their startup
- Networking: Co-Founder Bangladesh will provide market access to the entrepreneurs by their angel network
- Program: Mentorship Programs, Startup Boot camp (2-3 days)
- Funding: Co-Founder Bangladesh offers a variety of funding options to startups with new and meritorious ideas, innovations and technology

2.4.2 Target Market Selection

X Angel Limited offer early-stage venture capital. X Angel Limited focus on investing and funding to early-stage startups. X Angel Limited target niche market where there are less competitive rivals. X Angel Limited choose this market by analyzing investment stage, scalability potential, risk appetite and strategic industry. There are only 29 fund managers in Bangladesh-by-Bangladesh Securities & Exchange Commission. And X Angel Limited is one of them. X Angel Limited invest in unique founders and companies with a long-term vision, recognizing that building a successful company takes time, effort, and patience. X Angel Limited investment philosophy goes beyond driving solid products in attractive markets, simultaneously creating a positive impact across societies and the environment.

2.4.3 Positioning

X Angel Limited has designed their offering in a way where they can make a place in the target market. Due to this X Angel Limited have used positioning strategies to differentiate their service which has create a value of X Angel Limited.

2.4.3.1 Service differentiation

X Angel Limited provided several services to its clients. X Angel Limited provide various type of service. These services are venture capital, private equity, incubation and cofounding. X Angel Limited provide internal services and external services alongside advising. X Angel Limited offer both paid service and free service. Through these services X Angel Limited has managed to position their product (funds) in the market and have managed to gain maximum market interest. X Angel Limited is thinking to bring online services to their client in near future to saving them from the hassle of travelling to the market place.

2.4.4 Market Channels

X Angel Limited maintain both of the traditional and modern channels to connect with the startups, investors, and the broader business community. X Angel Limited depends mostly on relationships within the startup ecosystem, they also get also referrals from other investors, founders, and industry insiders play a big role in sourcing deals. X Angel Limited team likely attends local events to meet entrepreneurs and build partnerships. X Angel Limited attend in startup pitch events & conferences to find promising companies. X Angel Limited provide incubation to discover early-stage startups. X Angel Limited collaborate with local organizations to support and invest in the country’s startup ecosystem. In the world of venture capital firms, reputation is everything. X Angel Limited most likely depends on positive feedback from portfolio companies and partners to enhance their brand.

2.4.5 New Project Development (Co-Founder Bangladesh)

X Angel Limited is trying to come up with innovation and uniqueness in their project development. Recently X Angel Limited have been maintaining a project called Co-Founder

Bangladesh and they will be offering many unique possibilities to the startup ecosystem of Bangladesh. This project will inspire many talented entrepreneurs and fresh graduates to come up with a business idea. And this project will be providing guidance, funding, pitching opportunity and to get familiar with the startup ecosystem of Bangladesh. Co-Founder Bangladesh is still an ongoing developing project by XIC and X Angel Limited. It will be launched soon I near future to bring a revolution in the startup ecosystem of Bangladesh and will bring a great opportunity for the entrepreneurs of Bangladesh. This project will provide all the thing that are missed by other cofounding program in Bangladesh. Co-Founder Bangladesh also have the possibility to become an entity.

2.4.6 Branding Activities

X Angel Limited uses internal connection between many other companies to make a name for them in the industry. X Angel Limited is trying to keep a strong image for them. X Angel Limited uses their clients to deliver their massage in the market. X Angel Limited also provide services and also work with many reputed companies to keep a good relationship with various industry and also it helps them to gain a brand value in the market. X Angel Limited also uses word of mouth to develop their brand image in the market. X Angel Limited attend many seminars, startup program etc. to keep their brand image in a positive position and also gaining many information about various sectors and also provide them services.

2.5 Financial Performance and Accounting Practices

2.5.1 Financial Performance

Table 2.1: Alternative Investment Fund

SL	Name of the Fund Manager	Name of the Fund	Nature of the Trustee	Name of Trustee	Fund Corpus (Tk.Crore)	Registration Date
1	X Angel Vision Venture Capital Fund	X Angel Asset Management Limited	Venture Capital Fund	Sandhani Life Insurance Company Limited	100.00	12-Mar-2023
2	X Angel Vision Venture Capital Fund	X Angel Asset Management Limited	Private Equity Fund	Sandhani Life Insurance Company Limited	200	12-Mar-2023

(BSEC, 2015)

X Angel Limited accounts and finance department keeps extensive documentation for all their transactions in the database. But due to being a private company they did not disclose the information public. X Angel Limited initial financial statements and annual reports are kept in accurate income growth, volume growth, balance sheet, cash flow, revenue growth. X Angel Limited always follows the accurate accounting and financial reporting standards. X Angel Limited financial statements are prepared and information are private entirely.

X Angel Limited Follows the International Financial Reporting Standards or IFRS, the Companies ACT 1994, and Exchange Rules 1987. X Angel Limited follows International Accounting Standards or IAS to compile the statement of financial position, the statement of profit or loss and other comprehensive income.

2.5.2 Operations Management

The operations management team successfully approves loans, supervises the manufacturing process, and allocates resources.

2.5.3 Information System Practices

Employees of X Angel Limited uses goggle sheet, goggle docs, goggle slides, Ai and other DSE & BSEC authorized software. This software's are essential for maintain confidential data and all the data are stored in companies' computer network system. So that all the employees can view it. There are some limitations in case of accessing the data for the data protection and to keep the track.

2.6 Industry and Competitive Analysis

2.6.1 SWOT Analysis

X Angel Limited's SWOT analysis focuses on the company's strength, weakness, opportunity and threat. The SWOT analysis is shown below:

Strengths:

The alternative investment sectors in the Bangladesh are developing as people are looking for new ways to grow their wealth beyond traditional investments like stocks and bonds. The possibilities in venture capital, private equity and real estate, with the rise of startups in Bangladesh due to vast opportunity. Now a days there is our important need for investment which can strengthen new ideas and businesses. X Angel Limited has a great golden opportunity as an alternative investments firm. For sometimes government has been motivating entrepreneurship, offering support and incentives. Due to these support from government, it has created a more approving environment for X Angel Limited alternative investment firm. X Angel Limited's alternative investments allow their investors to invest in different asset types, also XAL offers a opportunity to diversify portfolios. X Angel Limited is trying to provide guarantee to their clients in terms of investment in agro, ecommerce, hospitality, ceramics, food and beverage, tech, poultry, garments sectors.

Weaknesses:

X Angel Limited's alternative investment markets in Bangladesh are still developing. There are some uncertainties, especially in terms of regulatory changes and political instability. The regulatory environment for X Angel Limited alternative investments in Bangladesh is still evolving. Due to the new sector X Angel Limited faces challenges in terms of compliance and attracting established investors.

People of Bangladesh are still not aware of alternative investment options and due to this lack of knowledge can limit growth in this area. Investments such as private equity and real estate can be illiquid. Some areas of Bangladesh still lack the necessary infrastructure to fully support large-scale alternative investments and this may limit the scope of available opportunities for X Angel Limited.

Opportunities:

Due to the growth of Bangladesh's startup ecosystem grows, the demand for venture capital and angel investments has been increased. Which have created a good opportunity for alternative investment firms such as X Angel Limited to get involved early. X Angel Limited has also potential to expand beyond Bangladesh into other emerging markets in the region and this may bring both local and international investors. By Working with the international investors X Angel Limited could bring in more capital and expertise, helping local firms scale and diversify their investments. Due to this more investors will look forward to make a positive social impact with their money and there's a chance for X Angel Limited alternative investment firms to tap into this growing trend. As if the government continues to improve the regulations for private equity and venture capital, it could create a flexible environment for X Angel Limited alternative investments.

Threats:

Economy of Bangladesh's is like any other economy and face risks such as inflation, political instability this may affect the performance of alternative investments. Now a days people feel more comfortable with traditional investments such as stocks, bonds and therefore, convincing them to switch to alternatives can be a challenge for X Angel Limited. Sudden changes in laws and taxes may affect X Angel Limited alternative investment operations.

This makes it more difficult to attract capital or manage funds. X Angel Limited alternative investments sector is still relatively new in Bangladesh and due to these investors may be reluctant to participate. As this sector has a lot of perceived risk and lack of familiarity with the market. Also, not many people are qualified professionals in areas such as venture capital and private equity in Bangladesh and this can make it difficult for alternative investment firms to build strong teams.

2.6.2 PESTLE Analysis

X Angel Limited (XAL) PESTLE analysis focused on X Angel Limited's political, economic, social, technological, legal and environmental. The PESTLE analysis is shown below:

Political

X Angel Limited maintains their venture capital and private equity funds. X Angel Limited also maintains government-influenced venture capital and private equity funds by maintaining government policies. X Angel Limited invests in startups through venture capital investment, but it depends on the current government. If the government provides proper, stable support toward long-term investment, XAL will invest depending on the situation. Unstable government support discourages XAL to invest in long term investment. Also, XAL is trying to collect and maintain international venture capital and private equity funds, but this requires the support from the government. If the government provides support, then XAL will collect and maintain international venture capital and private equity funds.

Economic

X Angel Limited follows Bangladesh Bank interest rates set by Bangladesh Bureau for XALs cost leverage and financing for the portfolio. X Angel Limited uses Bangladesh Bank inflation rates set by Bangladesh Bureau to predict the actual return on long-term investment. X Angel Limited, an alternative investment firm, follows the Bangladesh Foreign Exchange Regulation Act, 1947, for foreign transactions to reduce currency risk (The Foreign Exchange Regulation Act, 1947). Depending on the market growth, economic stability, interest rate, inflation, etc., XAL can maintain the venture capital and private equity investments. If these are not suitable, then it affects the venture capital and private equity investment to provide positive returns; rather, the fund manager faces difficulties in maintaining venture and private equity funds in the market.

Social:

X Angel Limited (XAL) alternative investment firm follows all the rules and regulation guidelines of the Bangladesh Securities and Exchange Commission (BSEC) for private placement and public offering (Bangladesh Securities and Exchange Commission, 2015). X Angel Limited alternative investment firm follows the Socially Responsible Investment (SRI) issued by BSEC for investment and helps to focus on investing. XAL avoid investing in sectors which may not be propre got society.

Technological:

X Angel Limited alternative investment firm follows the rules of Bangladesh Digital Security Act, 2018 for maintain investors data against cyber threats. X Angel Limited alternative investment firm follows Bangladesh Banks anti-money laundering (AML) for investment in digital platform and transaction (Cyber Security Act, 2018). X Angel Limited alternative investment firms block chain technology are overseen by the Bangladesh Securities and Exchange Commission (BSEC) regulations.

Legal:

X Angel Limited alternative investment firm follows all the rules, legal framework set by the Securities and Exchange Ordinance, 1969 and the Company Act, 1994. By maintain this regulation provided by BSEC, X Angel Limited made reporting and investor protection by transparency. X Angel Limited also disclose periodic reporting and auditing by BSEC issued rules and regulation (Bangladesh Securities and Exchange Commission, 2015) (Act, 1994).

Environmental:

X Angel Limited alternative investment firm follows the regulations in investing in sectors such as energy, agriculture, infrastructure and for these sector investment XAL need to maintain the environmental law set by the Environment Conservation Act, 1995. XAL usually don't invest in this sector.

2.7 Conclusion

From the beginning in 2017 to today, X Angel Limited has grown into one of the leading alternative investment firms. X Angel Limited uphold a unique image in the industry and has a strong value in the alternative investment market. While prioritize the values of investors XAL maintain their customers funds with the best and most effective service. As XAL has gained a lot of experience, XAL is trying to become an AMC or asset management company and grow more in the market of Bangladesh. The SWOT analysis uphold some of the opportunity and threats. X Angel Limited has a lot of opportunity in the alternative market which why XAL is trying to take the full advantage. XAL also have the data archive and proper team to gather more funds and provide advice toward their customers.

The PESTEL analysis uphold the XAL or X Angel Limited marinating of the laws made by BSEC. XAL also follows all the rules and regulation to operate as an alternative investment firm to maintain funds and provide quality service toward customers. As due to the XAL maintain all the rules and regulation investors will have a confident in trusting XAL. And this help XAL to maintain their image by maintain the regulation.

Chapter 3: Project Part

Bangladesh startup Ecosystem: Challenges & Problems faced by startup Business

3.1 Introduction

This part of the research consists of the literature review, objective and talks about the significance of the research. Furthermore, chapter three also consists of the methodology, finding and analysis and finally conclusion and recommendation.

3.1.1 Background of the study:

Table 3.1: Bangladesh Startup Ecosystem 2019-2020 (Wing, 2024)

SL	Description		Notes
1	Active startups	1000+	
2	New startup every year	200+	
3	Active angels	200+	Boosted by angel network
4	Active accelerator & incubators	20+	
5	Local investment	40%	USD 6Mn
6	Most popular sector		Fin-tech, Ride-sharing, Logistics
7	Employment created	1.5Mn +	By startup ecosystem
8	Global VC Fund	USD 200Mn +	Bought in the last decade
9	Alternative Investment Fund	USD 80Mn +	Registered in Bangladesh
10	Global rank	98	According to global startup ranking
11	Local VC firms	25+	
12	Corporate tax rate	25%-35%	
13	Average time to setup new startups	15-30 Days	
14	Global innovation index	23.31	

Major cities like Dhaka, Sylhet and Chattogram are the main focus of startup ecosystem. in 2019 to 2020 a remarkable development in fin-tech, ride-sharing and logistics sector was one of the major sectors which have received a lot of investment from local, global investors. Bangladesh startup ecosystem ranked in 98th global startup ecosystem. Angel network in the startup ecosystem has increase a lot and also 20+ active accelerator, active incubators in the ecosystem. Active accelerator & incubators have been providing supports to startups through various startup development programs, investments. Because of the development in the startup ecosystem around USD 80+ alternative investment fund has registered.

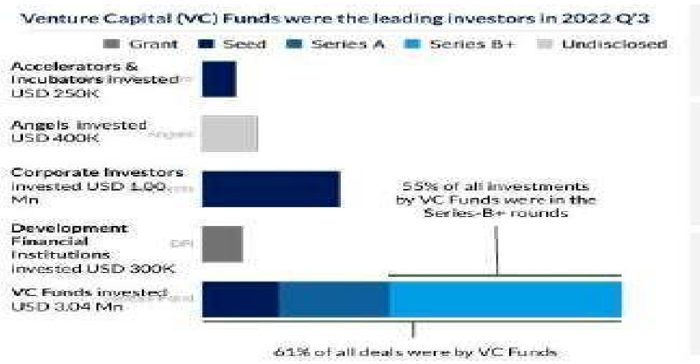
Active 1000+ startup have received 40 percent local investment and average 15 to 30 days' time to setup new startups. Due to the 23.31 global innovation index around more than 200 million USD worth of global VC fund was bought in the Bangladesh market. Also, more than 25 plus local VC firms established in the market and startup ecosystem have created more than 1.5 million employments. In the end every year more than 200 plus startups have joined in the ecosystem (Wing L. A., 2020).

Table 3.2: Bangladesh Startup Ecosystem 2020-2021

SL	Description		Note
1	Active startups	1200+	
2	New startups every year	200+	
3	Active angels	200+	Boosted by angel network
4	Active accelerator & incubators	30+	
5	Startup investments	USD 459Mn +	Investment in the last decade
6	Employment created	1.5Mn +	By startup ecosystem
7	Startup investment	USD 166Mn +	Raised by startups in 2021
8	Alternative Investment Fund	USD 80Mn +	Registered in Bangladesh
9	Global investment	USD 435Mn +	Bought in the last decade
	Most popular sector		Fin-tech, Logistics, Healthcare

Global startup ecosystem shows that Asias startup ecosystem has around 42 percent of the global unicorn. Asias market value have been around 960 billion USD. This have resulted 30 percent increase on the last 5 years in startup ecosystem (Wing L. A., 2024) (Wing L. A., 2022).
In 2020 to 2021 a remarkable development in fin-tech, logistics and healthcare sector was one of the major sectors which have received a lot of investment from local, global investors. Angel network in the startup ecosystem has increase a lot and also more than 30+ active accelerator, active incubators in the ecosystem. Active accelerator & incubators have been providing supports to startups through various startup development programs, investments. In this time alternative investment fund hasn't registered (Wing L. A., 2022)..
There has been an increase in active startups more than 1200 and every year more than 200 startup are been added to the startup ecosystem. For the last few decades startups have been receiving more than 459 million USD and startups has been able to raise more than 166 million USD. During this period ecosystem has increased the amount of registered alternative investment fund more than 80 million USD in the Bangladesh market. This rapid development in the startup ecosystem have brought more than 435 million global investments in the last few decades (Wing L. A., 2022).

Figure 3.1Leading investors in 2022 Q’3



Startup ecosystem have been receiving investments from accelerators & incubators, angel investors, corporate investors, development financial institution and venture capital investment. All these investors are investing in startups which are in pre-seed, seed, series A, series B+. Investors mostly investing startups in seed stage and some investors also investing in series A, series B+. Venture capital investors are investing in seed, series A and series B+ around 3.04 million USD. This covers over 61 percent of the VC investors deals and 55 percent investment from venture capital are going to startups in series B+. Meanwhile accelerators & incubators investing 250k USD in startups in seed stage, angel investors investing 400k USD in startups in undisclosed stage, development financial institution investing around 300k USD in startups in grant stage and corporate investors investing around 100 million USD in startups in seed stage (Wing L. A., LightCastle Partners, Bangladesh Startup Investment Report 2022: A Year in Review, 2023, p. 9).

Table 3.3: Bangladesh startup ecosystem
From 2022 Q4 to Q1 2023

Description	2022 Q4	2023 Q1	2023 Q2	2023 Q3	2023 Q4
Startup deal volume	USD 11.47Mn	USD 36.55Mn	USD 6.8Mn	USD 4Mn	USD 22.2Mn
Startup deal count	122 Deals	20 Deals	11 Deals	6 Deals	7Deals
Startup early-stage funding	67%	76%	80%	67%	75%
Startup late-stage funding	33%	24%	20%	33%	25%
Locally raised investment for startups	USD 1.44Mn	11.83Mn	USD 1.6Mn	USD 3.4Mn	USD 216K
Starup average ticket size	USD 955K	USD 2.09Mn	USD 622K	USD 674K	USD 3.1Mn

Startup ecosystem in 2022 quarter 4 have received investments from investors around 11.47 million and successfully investment deals were 112. Investors have invested 67 percent in early-stage startups and invested 33 percent in late-stage startups. Startups have raised around 1.44 million USD locally by investors and startups received average 955K USD investment from investors (Wing L. A., 2022) (Wing L. A., 2023).

Startup ecosystem in 2023 quarter 1 have received investments from investors around 36.55 million and successfully investment deals were 20. Investors have invested 76 percent in early-stage startups and invested 24 percent in late-stage startups. Startups have raised around 11.83 million USD locally by investors and startups received average 2.09 million USD investment from investors (Wing L. A., 2022) (Wing L. A., 2023).
Startup ecosystem in 2023 quarter 2 have received investments from investors around 6.8 million and successfully investment deals were 11. Investors have invested 80 percent in early-stage startups and invested 20 percent in late-stage startups. Startups have raised around 1.6 million USD locally by investors and startups received average 622K USD investment from investors (Wing L. A., 2022) (Wing L. A., 2023).
Startup ecosystem in 2023 quarter 3 have received investments from investors around 4 million and successfully investment deals were 6. Investors have invested 67 percent in early-stage startups and invested 33 percent in late-stage startups. Startups have raised around 3.4 million USD locally by investors and startups received average 674K USD investment from investors (Wing L. A., 2022) (Wing L. A., 2023).
Startup ecosystem in 2023 quarter 4 have received investments from investors around 22.2 million and successfully investment deals were 7. Investors have invested 75 percent in early-stage startups and invested 25 percent in late-stage startups. Startups have raised around 216K USD locally by investors and startups received average 3.1 million USD investment from investors (Wing L. A., 2022) (Wing L. A., 2023).

Startup ecosystem have received investments in 2023 quarter 1, quarter2 and quarter 3. Some of these investors were:

Figure 3.2: Startup ecosystem notable investors in 2022

- Quarter 1 of 2023 investors: SBK, Startup Bangladesh Limited, red digital etc.
- Quarter 1 of 2023 investors: Alsa, SBK, Orbit, Genting ventures, Dallas etc.
- Quarter 1 of 2023 investors: DIVC, Seedstars, IDLC, Startup Bangladesh Limited.

Table 3.4: Bangladesh startup ecosystem
2024

Description	2024 Q1	2024 Q2	2024 H1	2024 H2
Startup deal volume	USD 5.3Mn	USD 14Mn	USD 44.5Mn	USD 19.3Mn
Startup deal count	8 Deals	14 Deals	35 Deals	22 Deals
Startup early-stage funding	USD 2.3Mn	USD 2.4Mn	USD 6.8Mn	USD 4.7Mn
Startup late-stage funding	USD 3Mn	USD 11.7Mn	USD 33.7Mn	USD 14.7Mn
Locally raised investment for startups	USD 303K	USD 6.2Mn	USD 13.4Mn	USD 7.9Mn
Starup average ticket size	USD 661K	USD 1Mn	USD 1.3Mn	USD 879K

Startup ecosystem of Bangladesh have been seeing a decrease in investment during year 2024 from quarter1 to quarter 2 and from first half and second half of year 2024.

Startup ecosystem startups in 2024 quarter 1 raised investment around 5.3 million USD for 8 successful deal. Investors invested in early-stage startups around 2.3 million USD and some investors also invested in late-stage startups around 3 million USD (Wing L. A., 2024). All these startups have been able to raise investments for startups around 303K USD and the average startup investment size around 661K USD (Wing L. A., 2024a) (Wing L. A., 2024a) (Wing L. A., 2024)..
Startup ecosystem startups in 2024 quarter 2 raised investment around 14 million USD for 14 successful deal. Investors invested in early-stage startups around 2.4 million USD and some investors also invested in late-stage startups around 11.7 million USD (Wing L. A., 2024). All these startups have been able to raise investments for startups around 6.2 million USD and the average startup investment size around 1 million USD (Wing L. A., 2024a) (Wing L. A., 2024a) (Wing L. A., 2024).
Startup ecosystem startups in first half of 2024 raised investment around 44.5 million USD for 35 successful deal. Investors invested in early-stage startups around 6.8 million USD and some investors also invested in late-stage startups around 33.7 million USD (Wing L. A., 2024) (Wing L. A., LightCastle Partners, 2023).. All these startups have been able to raise investments for startups around 13.4 million USD and the average startup investment size around 1.3 million USD (Wing L. A., 2024a) (Wing L. A., 2024a) (Wing L. A., 2024).
Startup ecosystem startups in second half of 2024 raised investment around 19.3 million USD for 22 successful deal. Investors invested in early-stage startups around 4.7 million USD and some investors also invested in late-stage startups around 14.7 million USD (Wing L. A., 2024). All these startups have been able to raise investments for startups around 7.9 million USD and the average startup investment size around 879K USD (Wing L. A., 2024a) (Wing L. A., 2024a) (Wing L. A., 2024).

Figure 3.3: Startup ecosystem investors in 2024

Startup ecosystem in 2024 accelerators/ incubators, venture capital, angel investors, non-equity organizations have been investing to develop the startups in the market. There has been a decrease in investors than the past few years in the ecosystem. even so startup have received 100k USD investments from the accelerators/ incubators and startup have received investment from the venture capital around 18 million USD. Startups have been receiving investments from non-equity organization around 70K USD and startup received invest around 584K USD investment (Wing L. A., 2024) (Wing L. A., 2024a) (Wing L. A., 2024a). All these investors were in year 2024 was:

- Venture capital investors: SBK, ADB ventures, Orbit and Startup Bangladesh Limited, Village capital etc.
- Grant/ No-equity investors: BINIYOG BRIDDHI
- Angel investor: John Buckley
- Accelerators/ Incubators: Open Campus accelerator

Figure 3.4: Startup ecosystem investors in 2022

Startups have received investment in 2022 of 79.9% and around 89.4 million USD. Bangladesh ecosystem startups have received investment from accelerators & incubators around 4.55 million USD and angel investor invested around 2.51 million USD during 2022. Startup has received around 350K USD investments from grants, impact investors and startups also have received investment around 14 million USD at 2022 from the corporate investors (Wing L. A., LightCastle Partners, Bangladesh Startup Investment Report 2022: A Year in Review, 2023) (Wing L. A., LightCastle Partners, 2023). All these investments were from:

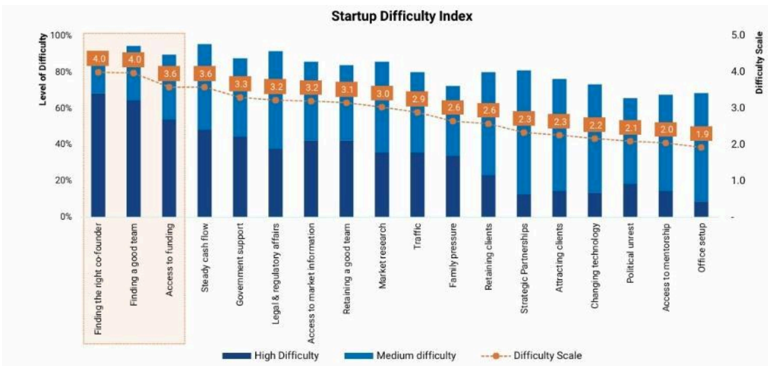
- Accelerators & Incubators: SURGE, SM Accelerate
- Angel Investor: Bangladesh Angel
- Grants, impact investors: BINIYOG BRIDDHI
- Corporate investor: Ecom Express
- Venture capital: GoAhead, SBK, VERGE, Hyper, IDLC, VALAR, Keystone etc.

Figure 3.5: Startup ecosystem entrepreneurs support program, development partner, investors, accelerators & incubators, private sector & association, government initiatives

Startup ecosystem has been increasing the number of entrepreneurs support program, development partner, investors, accelerators & incubators, private sector & association, government initiatives. All these partners, development program has been increased during 2021 to 2022 (Wing L. A., 2023, p. 12). Currently due to this development startup ecosystem startup have been receiving more support, investments and opportunity rather than past years (Wing L. A., 2023).

- Development partners and Government initials: BIDA, Startup Bangladesh Limited, ICT ministry, USAID etc.
- Academica and Universities & Support: Daffodil University, Dhaka University, CoSpace, ULAB, Light Castle Partners, turtle venture etc.
- Investors & Competition: SBK, IDLC, Bangladesh Angels etc.
- Accelerator and Incubators & Private sector and Association: GP accelerator, YY ventures, airtel, Y gap, BYLC venture, JCI, Accelerate Asia etc.

Figure 3.6: Startup difficulty index



3.1.2 Problem statement

Bangladesh startup ecosystem has been developing in a noticeable way in recent years, also there is an increasing number of entrepreneurs in different sectors. After all these developments many startup entrepreneurs and startup business face different type of challenges that effects the startups entrepreneurs and startup business growth and sustainability. Due to the lack of proper supportive infrastructure, limited access to funding, governmental hurdles and lack of skilled human resources. Emerging new or existing entrepreneurs and startup business faces these key issues and also some different issues effecting the startup business or entrepreneurs.

Various type of startup business or entrepreneurs in Bangladesh are struggling to secure investments. Because of the venture capital market poor development and lack of proper government policies and incentives, this have increased the problem more for entrepreneurs or startups. Many startups or entrepreneurs sometimes find it difficulties to maintain the lack of regulatory environment. And these regulations can be time consuming or complex. Many startups or entrepreneurs suffers from the proper mentorship, lack in networking opportunity and proper training programs and these programs are essential to help new business or startup entrepreneurs to build their business.

This research search for the main challenges and problems faced by entrepreneurs or startup business in Bangladesh. By analyzing and identifying the main problems or issues, this study aims to provide a deep insight into the proper systematic barriers. And these barriers prevent the noticeable growths of startups, also provide logical recommendations to improve the overall startup ecosystem and support the new emerging or existing startups in the Bangladesh for long term success.

Many research upholds some of the problems and challenges faced by startups or entrepreneurs, but those research or data don’t provide enough information to improve the entrepreneurs or startups. And this research doesn’t provide any solutions for those problems. Due to the lack of information this research will showcase the challenges, problems and also provide the solutions for the issues faced by entrepreneurs or startups.

3.1.1 Objective

Based on the literature review it can be seen that there is a gap in current literature that very few studies have been conducted in relation to the Bangladesh startup ecosystem and challenges problem faced by startup business. Therefore, this research prepares the following objective:

- To identify the challenges and problems of startup business
- To explore more about Bangladesh startup ecosystem
- To provide solution for the challenges faced by startup business

3.1.1 Significance

This study will be significant for few reasons. Firstly, this research is going to explore the challenges and solution in the Bangladesh startup ecosystem. The startup ecosystem makes contribution to the economy not only in Bangladesh but all around the world. Hence finding out the Bangladesh startup ecosystem startup challenges problems and solution for startup business. This will help the startup business founder or entrepreneurs and eventually for the whole country, to utilize this startup ecosystem to its maximum potential to enhance the country’s economy and more create employment opportunity. Furthermore, this research will also contribute to developing startup ecosystem to solve the startup business problems challenges and improve the startup ecosystem of Bangladesh since it will improve countries economy. Therefore, this study will be extremely significant as the global startup ecosystem is moving forward and will be important aspect in the Bangladeshi startup ecosystem startup business.

3.1.1 Literature review

Due to the increasing development in the global startup ecosystem, it has attracted the interest of researcher's analysis of the challenges & success faced by the startup business. This literature review focuses on existing research and explore more about startup problem challenges. This literature showcase challenges problems faced by startup ecosystem and solution to overcome these obstacles with a core focus on Bangladesh developing ecosystem (Wing L. A., 2024). Asians' startup ecosystem has developing in fast rate and Bangladesh startup ecosystem also thriving. Bangladeshi startup ecosystem is getting fun from global and local investors. This research is going to show the situation of startup condition of Bangladesh for past few years (Wing L. A., LightCastle Partners, Bangladesh Startup Investment Report 2022: A Year in Review, 2023). It also showcases the growth of startup in Bangladesh and shows the immerging investors, VC, accelerator incubator and other related organization to improve the startup ecosystem. Bangladesh startup ecosystem startup business faces many types of challenges problems which can lead to the failure of startups if its not solved (Rahman, 2021). If these problems challenges are solved in time and get proper backup it will help to increase the startup business success which can benefit the economy. By analyzing the Light Castle Partner startup ecosystem reports and from interviews we can identify the problems challenges and give a proper solution (Wing L. A., 2023). After analyzing the available Bangladesh ecosystem reports, its shown that a rapid development in the Bangladesh startup ecosystem. According to the ecosystem reports a noticeable focus was on the early-stage startups. According to the ecosystem reports Bangladesh currently trying to build a vibrant startup ecosystem (Kader, 2022). Different types of program policies are organized by various organization to support startups. Many private sectors have been setting up incubators, accelerators, and angel investor networks to help entrepreneurs (ISLAM, 2023). Also it is seen that many startups has poor business models and improper execution have been one of the main causes of underperforming startups in Bangladesh (Rashid, 2024). StartupBlink report has stated that, Venture Capital and Private Equity Association of Bangladesh (VCPEAB) and eGeneration managing director Shameem Ahsan told Prothom Alo standards and investment are big issues for startups. Most investment in South Asia goes to India, and Pakistan enjoys Middle East-based investments while Bangladesh enjoys no privileges of these region-based forums, and in that case, more local investment assistance is necessary (Afrin, 2024).

3.1 Methodology

Research is generally three type and they are qualitative, quantitative and mixed.

Bangladesh startup ecosystem is developing day by day in a noticeable way. But the startup or entrepreneurs are facing problems & challenges which is an obstacle for their development. By using qualitative research method, this research goal is to uphold the in-depth understanding of the entrepreneurs, startups problems & challenges facing in the startup ecosystem. This research will identify the challenges & problems faced by the startup or entrepreneurs in the Bangladesh startup ecosystem. This research will explore the startup ecosystem and also will be providing solutions for challenges & problems faced by entrepreneurs or startups.

This research will use the qualitative research design to gather detailed and valid data regarding the challenges & problems faced by entrepreneurs or startups in Bangladesh. Qualitative research design will provide valid experiences, opinions and situations of the entrepreneurs or startup founders involved in the startup ecosystem. The research questions are prepared after doing an in-depth analysis of the startup ecosystem. All these questions will contain issues related with the entrepreneurs' challenges and problems faced in the startup ecosystem.

In this research qualitative data collection methods are used. A semi structured interview is conducted with the entrepreneurs, startup founders. In these interviews necessary questions were asked which will answer all the problems and challenges faced by the entrepreneurs or startup founders. Later this interview response is analyzed to identify the issues which are affecting the entrepreneur or startup in the startup ecosystem.

In this report some startup ecosystem reports, news articles, website articles will be analyzed to understand the startup ecosystem entrepreneurs problem & challenges, some government initiatives for the startups or entrepreneurs in Bangladesh. And this will help to determine the proper problem & challenges of the startup ecosystem. 4 different startup founders or entrepreneurs will be interviewed to analyze their situations, issues that they are facing. Also try to identify different sector entrepreneurs to analyze the problems and challenges.

This research will be keeping the data given by participants confidential, and participant identity will be anonymized in the research report. All the participants will be informed about this research purpose and objective, so that they can withdraw if they want. Due to the availability of the research data source is limited. This research only focuses on the startup or entrepreneurs problems & challenges, so many other parts related with the startups may not present the whole entrepreneurs or startups in Bangladesh.

This qualitative research main goal is to provide an in -depth analysis of the entrepreneurs or startups challenges and problems, such as access to funding, lack of industry expertise, complex policy etc. Also, in the end this research will also prove a logical solution or recommendation for all the challenges and problems, so that it can support the growth of the entrepreneurs or startup founders. Also, it will be helping to increase the growth of the startup ecosystem of Bangladesh.

3.1.1 Interview

There are many types of data collection methods such as interviews, observation, focus group discussion, semi-structure interviews, structured interview etc. Due to the time short this study will be adopting both structured interviews (Boswell, 2024) A structured interview is another synonymous term for a standardized interview, a patterned interview, or a planned interview. It's one of the instruments used by researchers with which to gather data by posing predetermined questions in a systematic order (Damyanov, 2023).

Structured interviews are usually conducted if a lot of data needs to be compiled, easy to categorize, and quantifiable for statistical analysis of responses. While structured interviews tend to be tailored to the researchers' interests, they make it much easier to discover an audience's trends or patterns in their response data. Not only that, but they also save on the collection and the analysis of the data.'

3.1.1 Interview Questions

- What have been the main problems in managing funding for your startup and what are some of the steps your startup have taken to overcome them?
- Does your founding team have the correct combination of skills and vision, or not? If not, how would you address the gaps?
- Did the local policies or regulations interfere with your operational and growth activities?
- Have you ever faced any setbacks due to the leadership's failure in properly directing the

teams under them? If so, how did you overcome those issues?
- What will you do when you have limited personnel with little bearing over operations and workload?
- Would you consider that your team has been given enough freedom in innovation and effective performance? Why that or so?
- Here, could you walk me through your own working environment as it currently is, and maybe what are the major improvements you would suggest instead?
- Have you ever faced any serious obstacles resulting from poor understanding of the market, and what methods did you apply to avoid them?
- What level of difficulties have you encountered in organizing one robust effective management team?
- What might be the balancing immediate operational needs and a developing sustainable strategic plan?
- What particular steps have you taken to bring in or engage industry experts as advisors, mentors, or partners?

3.2 Finding & Analysis

In this research we will be able to identify the startup ecosystem problems faced by the startup business. It will uphold the major problem that effects the startup business. And it will also help to come up with solutions to overcome the problems faced by startup business.

Startup ecosystems are formed when individuals within startups during their different stages of establishing and various organizations in that location. This ecosystem creates and scale up new startup companies (Deeb, 2019).

These kinds of organizations can further be divided into universities, funding organizations, support organizations like incubators, accelerators, co-working spaces etc., research organizations, service provider organizations like legal, financial services etc. and large corporations (Fisk, 2019). The new products, patents, venture capital funding are more often characterized in the emerging startup ecosystems ((Team, 2024) (Mashroor, 2024).

Start-up ecosystems in Bangladesh have been rapidly developing. Bangladesh startup ecosystem serving as a major engine of economic growth, job generation and innovation within the last ten years (Deeb, 2019). There are few Bangladesh startup ecosystems local issues, creating infrastructure, and also generating employment. There are enterprises which serve an important purpose in creating jobs for youth, also a target of the Sustainable Development Goals (Fisk, 2019). Meanwhile Bangladesh startup ecosystems is linking the country to investment opportunities and bringing it in touch with global partnerships (Mashroor, 2024) (Fisk, 2019).

3.2.1 Problems

3.2.1.1 Funding issues

Participant 1 (Bluebees manager/founder): As a founder of bluebees have faced challenges in securing funding at such a pre-embracing stage also not showing enough traction. Bluebees had a significant revenue has evade us, and this has caused many investors to want concrete proof of demand in an investment before they would willingly make it. Blubees focuses has been early customer acquisition and their testimonials to prove the need for a product or service. During pitch competition participation has enhanced bluebees visibility and credibility. As a founder of bluebess we cannot boast the entire amount in funding and we have attracted interests. This inters attraction has been a discussion in terms with a few angel investors. Due to the delayed funding has really drained out on the quick scalability stages of blubees operations. Blubess has a fust based growth but due to the slow funding it has been a great problem for all part of blubees.

Participant 4 (Nilam.xyzs founder): Nilam also have been facing issues in funding we needed. Nilam had to convince a few investors who, unlike many others, did not grasp what market they were investing into. Nilam target market is big enough for a niche market like

ours to yield proper returns. Various types of argument that nilam have practically come up with which would involve more sharpening of the pitch, providing more data on the unsettled demand of the market and our solution to address it to the investors. As a founder of nilam investors who understand nilam industryare quite well so that it takes us to find a suitable group of backers. Due to the delay in getting funds and so we have to redesign our approach over and over. This issue has impacts in nilams confidence in that we have to counter the same issues multiple times due to dealing with early customers.

3.2.1.2 Lack of right founders

Participant 2 (Trippegate founder): Yes, you are right, i don't think we have that perfect mix-on-board mix of founding skills, especially in areas related to marketing and service providing. But do the expert trippegate technical team is very brilliant. Due to the lacks in trippegate employees with deep expertise and experience in growth and customer acquisition. Trippegate have started hiring key individuals with the experience but Trippegate needs expert in such areas as the first step toward resolving the deficiency. Meanwhile, trippegate tried to brought in advisors to help the team with many challenges that may arise and provide valuable insights where Trippegate team might be lacking. But in the end due to the lack in other founder proper insights in the trippegate business and this has led to the fall down of trippegate. And currently now trippegate has been in a tough situation. Trippegate is facing losses due to the lack of proper founders and many of the founder are not interested to improve this business as they are not expert in it.

Participant 3 (Kittersland founder): As one of the founders of kittersland I can say that both skill and vision gaps have hindered our business. And due to some sufficient technical competencies. kittersland experience some gaps to leadership and strategy development.
Almost most of our founders and top management are not familiar with kittersland industry. This lacking has led to the lack of strategic decision to perform in the market. This also has impacted kitterslands future decision on becoming a scaled-up startup and dominate the market. And the due the lack of other founder knowledge in this sector kittersland has been in a pretty much hard situation to keep the growth from dire situation.

3.2.1.3 Complex policy

Participant 3 (Kittersland founder): As founder of Kittersland local taxes and business registration regulations made it very difficult to scale up. To have the licenses and permits, this process has been too slow compared to the expectation and Due to this delaying, some of kittersland service launches. Few regulatory hurdles have been a specific slowdown in kittersland growth. As founder we need to face many issues as we have to maintain many policies and it has limited many of our activity. And this has let to the slow down and complexity in the kittersland growth. As well we sometimes can not provide our services to our clients due to this complex policy.

Participant 4 (Nilam.xyzs founder): In the journey of nilams local import and export regulations have been some significant barriers as an startup in scale. Due to various tariffs, restrictions on cross-border transactions, and mounds of paperwork have aggravated and complicated international expansion plans has a quite problem for nilam. Due to nilam manager and top management late decisions nilams delayed scaling up in operations beyond local borders, international trade laws pose challenges in sourcing products and expanding market reach. And now these has led to nilams downfall in the market.

3.2.1.4 Misguide from manager

Participant 2 (Trippegate founder): Trippegate had an issue in leadership direction at the very beginning. Trippegate vision-strategic directions made by the manager were not understood by the whole team members which really caused confusion and misaligned efforts. This misguided decision made my manager of trippegate resulted in duplicated work and missed opportunities because different team members were working towards different objectives Due to trippegate manager misalignment decision making has generated inefficiencies and delays in execution and leaves the team frustrated with vague expectations. Because of trippegate manager has led to a more complex situation, trippigate has loosed the trust of the investors, stakeholder in the market.

3.2.1.5 Lack of manpower

Participant 4 (Nilam.xyzs founder): Nilam has a small team; our automation has been used as much as possible. Nilam have settled into resources such as project channels to organize work and communicate. Due to the job load for our small team members are a lot to do it on time. Our small team has managed to maximize the output. To reduce the issues, we tried to rely on various software but we lack in propre manpower to operate those and this has impacted our nilams performance in short or long term. And due to this nilam has been facing a great problem in the industry as in this sector manpower as such is needed.

3.2.1.6 Lack of freedom to work

Participant 4 (Nilam.xyzs founder): In the early stages of nilam, it has very hands-on and micromanaged everything from point to point. Nilam has been limited and the decision- making process became slower because everything in nilam had to pass through the top management. Due to this, nilam team have to rely on the decision of the top managemnt. The whole team has to adjust according to the top management decision. As a result, the team is being demotivated and can to take decision in time which result in delay of making proper decisions. And it led nilam to in many problems in the competitive market. So as the team can not work freely which has led to employe dissatisfaction and we are loosing many talented manpower for the lack of working environment. Nilam employees have to maintain the strict rule and policy in working which most of the times effect the performance and growth of nilam.

Participant 3 (Kittersland founder): kittersland have built enough autonomy in the work environment but it is a fine. Meanwhile kittersland want to encourage the innovative spirit of team members by allowing them to suggest ideas and lead projects. This step has resulted in some great creative solutions. But the lacks of resource limitations make times so challenging that kittersland priorities often change very suddenly causing confusions. Due to issues kittersland team members feel shackled following imposed processes set by the leaders of kittersland. But in the kittersland had to avoid many things to keep up in the industry which has resulted in lack of freedom for the team.

3.2.1.7 Lack of proper working environment

Participant 1(Bluebees manager): Bluebees performance in current working environment is pretty fast and collaborative, but mostly communication lags somewhere. Although blubees has a small team, everyone has to act multiple roles at times which had led to miscommunication. Blubees had continued to focus much of internal stroking activities through daily stand-ups. Due to the absence of structured communication in blubees has caused time to time delays in decision-making. As for this issues this had left staff feeling out of the loop on important changes. Because of this significantly issues has been the down fall for blubees moral in the work environment.

3.2.1.8 Lack of proper market insight

Participant 1(Bluebees manager): From the start of blubees we have been overestimated the size of our market. By thinking that there would be a higher demand for blubees actual product and services. But due to the unaffordable inventory, and excessive marketing.
Blubees through by carefully analyzing the industry reports and listening to customer voices will help blubees to understand that the niche market place. Blubes has acted by the moving forward to a very small specialized segment of different customers and they have showed a greater leaning toward our product and service.

Blubees first unrealistic drain in cash flow, non-sold stock, slowed down how quickly the company could grow. But bluebees decided to stick with the small target market and tried to improve in this market which is a great issues for blubees.

Participant 3 (Kittersland founder): Most of the challenges kittersland faced and these includes misplacing of kittersland target audience. As a founder of kittersland we thought that our product would really suit our target market. The real issue in kittersland marketing campaigns and product features were not designed for that specific crowd. But kittersland did extensive surveys, focus groups, and interviews to get a better understanding of who kittersland target market really is. As a founder of kittersland we improved our branding and changed service features to suit this audience much better. Even so it didn’t bring kittersland a good things to the business. kittersland had a slow acquisition of customers resulting in lower revenues during the initial stages. This has resulted in kittersland slow down growth to a halt.

3.2.1.9 Lack of management & team

Participant 4 (Nilam.xyzs founder): As founder of nilm we have faced problems in managing the members of the management team and which has been one of the primary challenges. As nilam need a right experience and vision of members are required. Nilam cannot provided a competitive salary in terms with bigger entities. Moreover, this makes it difficult for nilam to attracting senior talents. Due to the management team decision-making delaying and thus it has created more work for me as a founder of nilam.

As founder oif nilam have been focusing on acquiring high-potential candidates but without experience. Nilam had a mentorship programs have also been initiated also by pairing members from our nilam team with a mentor-a seasoned advisor-to fill the expertise void.
Nilam don't have the experienced leaders and which has slowed our ability to scale but it also have forced me to spend more time on the operational details instead of strategic growth.

3.2.1.10 Lack of strategic issues

Participant 4 (Nilam.xyzs founder): As a founder of nilam.xyz, nilam's team is very proficient in performing day-to-day activities. Nilam. yz is much inexperienced in strategizing for the long term and it had become complicated to formulate a sustainable growth plan and leave everything controlled. Moreover, we tried to get external mentors and advisors who can give us strategic insights. Further. Nilam have initiated few practices of quarterly reviews and this tracks the progress of long-term goals. Nilams internal expertise in strategy like capable of preventing fragmented planning and missed opportunities for operations optimization. Due to the involvement of advisors and internal quarterly reviews has helped to align nilam wth a little better with growth objectives.

Participant 2 (Trippegate founder): As a founder of trippegate we faced some issues in balancing short-term operational demands with long-term aspirations over the next few years. There are so few of us now in trippergate and at our pace. Now trippegate has becomes all too easy to dive into the immediate tasks of customer service, and cash flow management.
But unfortunately, we didn't have much time left to focus on building a sustainable strategic plan for trippegate. To overcome these issues, we have started to designate a day in every month for strategy sessions for trippegate. In this meeting our team decide daily operations to evaluate our long-term vision.

We have been trying to ensured that all of our customers are satisfied with our services and are able to achieve trippegate short-term objectives by concentrating on trippegate operations. But due to our lack on seeing the future obstacle on long term, due to this we had faced a lot of issues.

3.2.1.11 Lack of industry expert

Participant 2 (Trippegate founder): Trippegate is an emerging startup but we don't have enough things at our disposal to call a high-profile industry experts to join us as our advisors, mentors. And due to this lacking of a proper mentor we have been facing a quite burdensome time. As to attract an expert mentor our startup had to pay a good amount and provide a equity as they already have been successful. But as a startup we aren't we able to provide. I had to focus on my network to find industry expert who will be as passionate as we are about our mission to advise us free of charge. We have tried to made a couple of rounds to industry events and startup meet ups in order to make a good connection with possible mentors. But it was a great challenge for us, as its difficult to gain well-informed decisions in certain areas, leading to a lot of trials and errors without spending anything.

Participant 4 (Nilam.xyzs founder): On our journey nilam has struggled to find poper experts who had experience with the niche ecommerce industry as we were targeting. But the existing mentors had more generic expertise, which wouldn't be necessarily to address nilams needs. To overcome with this problem, nilam started enrolling into specialized accelerator programs and industry forums where we could have access to experts with hands-on experience in our market. But in the end, we were unable to connect with the proper industry expert.

3.3 Solution

1. Increase the number of initiatives like Bangladesh Angels, Orange Corner Bangladesh, GP accelerator, YY Venture and BYCL Ventures by connecting the start-ups to local and global investors from around the world and within Bangladesh. Various types of government agencies in Bangladesh who work for startup ecosystem provides grants and seed funds to early-stage startups. Many Bangladeshi organization actively arrange demo days, investor pitch contests to bring start-ups on the position to connect with potential investors. This type of startup ecosystem related organization who work for startup ecosystem, train startups on various types of funding such as venture, grant, crowd funding and also helps startups to approach investors. These types of organization help startups on terms of tax incentives to investors who put their hands into startups for an investment-friendly initiative.
2. To solve the problems of startups various types of initiative like innovating platforms which will connect the potential co-founders with different crucial skills and similar visions. Also, various types of training programs should be organized so that it can impart the very basics of a startup business idea. Due to this it may make startup business successful and scale further. Also, by providing a one-on-one networking sessions between an aspiring entrepreneur and a professional/investors in the industry.
3. By providing a scope with government partnership to make startup registration easier, reduce regulatory hurdles, and increase accessibility to services. Also, by creating or arranging a establish body within the ICT Ministry to handle complaints related to policy. Also, by conducting various type of workshops to educate startups on compliance and regulatory requirements in the startup ecosystem.
4. Planning a proper managerial development program such as leadership training programs which helps startups managements to make strategic decision-making. Also training programs in communication within team management. A management board should be encouraged to create by the startup consortium which purposed to enlist internationally recognized sectoral expert, professionals to advise on the key startup decisions.
5. By build a program through schools like universities for startup improvement. Who will be working with the organizations like BASIS, YY Venture and BRAC for the up- skilling of youth in startup-specific roles. By also making an awareness Via Equity Shares Program to attract proper talent for startup business.
6. By encouraging various modern workplace practices such as like telecommuting and flexible working hours for startups with investors. Gathering startup leaders to create a flexible and innovative work environment for startup in startup ecosystem now and for the future. Also, if regularly survey and feedback loops are conducted for employee dissatisfaction can help startups.
7. By create a reasonable co-working spaces-expanding the hubs like GP Accelerator workspace, which may subsidize the co-working spaces across cities. Also, by granting startups to enhance their working spaces, startups will be able to get an opportunity to Working with property owners towards acquiring low-cost rentals of office spaces. This will be a great help for startups.
8. To conduct effective market analysis startups should learn how to be done properly through development programs. Also, by partnering and connecting with the organizations such as BASIS, e-commerce platforms to provide local market data for startups. Startups should be to encouraged to integrate continuous customer feedback into the process of developing products.
9. Also, by conducting scheduled workshops on proper organizational structures along with a team dynamic within startups. So that startup can match up with mentors who specializing in organizational development and have opportunity to pair them with founders. Meanwhile creating networks where startups can learn, improve from each other's experiences.
10. If startups provide training on defining the objectives, allocating resources, and managing risks. These things will present the good and bad case experiences of Bangladeshi startups to learn practical lessons in the ecosystem. Startups should be providing discounted consulting services for strategic planning with in their management and marketing analysis.

11. According to startup ecosystem building a database of Bangladeshi and traditional professionals, experts who are willing to be mentor of startups. Also, by partnering with the established corporations to offer expertise through Corporate-Startup Challenges. The industry leaders regularly can provide important organize talks and webinars to startups.

3.4 Future Scope for Research

Although this research has many significant outcomes that will be extremely helpful for the different future research and organizations. There were few certain limitations that came along with it. Firstly, this research was done as a part of an internship report which was meant that there was a time limitation of only four months. For this research I was only able to take the interview of four participants. As I was unable to reach out to enough participants in such a short period of time. This was qualitative research and went toward with the deep analysis.

Future researchers can also carry out this research and instead of having a time shortage, they can invest more time on it. Instead of four months they can utilize one year or over two years. They can also have more participants which will make the information gather more than accurate. As this research had a qualitative research approach, if researchers want, they can also go for mixed method.

3.1 Summary and conclusion

This research paper consists of chapters that consist of overview of the internship, the organization part and finally the project part. The main topic of the project is Bangladesh startup Ecosystem: Challenges & Problems faced by startup Business. And how to improve the Bangladesh startup ecosystem by identifying the challenges problems faced by startup entrepreneurs. Therefore, the aim of this study was to figure out what causes the problems in startup business. As global startup ecosystem is moving toward a new era of global startup ecosystem. Due to this Asia's startup ecosystem also have seen a great improvement and growth. Bangladesh startup ecosystem startup business is growing in a great degree. This research specially focuses on identifying the Bangladeshi startup ecosystem startup business challenges problems and proving solutions for those startup entrepreneurs or business. So that it can help the startup business to overcome the challenges problems also understand about the global startup ecosystem and Bangladesh startup ecosystem. For this research, the interview of 4 participants have been conducted. After talking to them problems challenges are identified after doing the research deeply. It has also seen that after solving the problems challenges and understanding the Bangladesh startup ecosystem it can help to improve the startup business entrepreneurs and startup related economy. In the end this startup ecosystem will help to improve the quality of startup business and create a good amount of employment opportunity. These things can improve the economy of the country.

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