

Is Bootstrapping Right for You? Challenges and Advantages of the No-VC Route

Bootstrapping is often romanticized as the purest form of entrepreneurship. Venture funding is often romanticized as the fastest path to scale. The truth is more practical: neither path is automatically superior. The right choice depends on the founder's goals, market, temperament, business model, and definition of success.

Limesh Parekh's journey with Enjoy IT Solutions offers a grounded view of bootstrapping. His company faced severe losses, rebuilt patiently, and became profitable without chasing valuation headlines. The lesson is not that every founder should avoid VC. The lesson is that founders must understand what kind of business they want to build before choosing the money path.

Bootstrapping is not easy. But for some founders, it creates a kind of strategic freedom that funding cannot always offer.

What Bootstrapping Really Means

Bootstrapping means building and growing primarily through customer revenue, internal cash flow, and disciplined spending rather than external venture capital. It does not mean never borrowing money, never taking support, or growing slowly by default. It means the business is accountable first to customers and sustainability.

In a bootstrapped company, revenue is not just validation; it is fuel. The company must sell, serve, collect, and manage cash carefully. Every decision has to respect survival.

This can be stressful. But it can also create a deep understanding of customers, pricing, costs, and operations.

The Advantage: Profit Over Valuation

Venture-backed companies often optimize for growth, market capture, and future valuation. Bootstrapped companies usually have to optimize for profit and cash discipline earlier. That changes decision-making.

A bootstrapped founder cannot burn endlessly to acquire unprofitable customers. They cannot ignore service costs. They cannot build features forever without monetization. They must ask practical questions:

Will customers pay for this?

Can we serve them profitably?

Will this improve retention?

Can this team size support the workload?

Are we collecting money on time?

These questions may sound conservative, but they build business muscle. A company that survives through customer revenue learns to respect real value.

The Challenge: Slower Resources

Bootstrapping can limit speed. Without external funding, hiring may be slower, marketing budgets smaller, and product development more constrained. Competitors with funding may outspend the company in visibility, discounts, or expansion.

This is one of the hardest parts of the no-VC route. Founders must be patient without becoming passive. They must choose

focus over noise. They may need to win through sharper positioning, better service, niche expertise, and stronger relationships rather than pure spending power.

Bootstrapping demands creativity because money cannot solve every problem.

The Advantage: Decision Freedom

External capital comes with expectations. Investors may expect rapid growth, a large market narrative, aggressive hiring, or a future exit. For many companies, that pressure is useful. For others, it can distort decisions.

A bootstrapped founder has more freedom to build according to personal values and customer needs. They can choose steady growth, profitable segments, long-term employees, and sustainable service models. They can avoid chasing metrics that look impressive but weaken the business.

Limesh's approach reflects this philosophy. The focus is not on looking large. It is on building a durable company with strong values, customer trust, and profitability.

The Challenge: Emotional Pressure

Bootstrapping can be emotionally heavy. When losses happen, there may be no investor cushion. When payroll is due, the founder feels it directly. When the company must choose between spending and saving, the decision is personal.

Limesh's story includes a major loss and a team shrinking dramatically. That kind of experience tests conviction. Bootstrapping founders need resilience because survival is not theoretical. It is lived every month.

The no-VC route requires a temperament that can handle uncertainty without constant external validation.

The Advantage: Customer Discipline

A bootstrapped company cannot fake customer value for long. If customers do not pay, the company struggles. This creates discipline. The founder must understand pain points, pricing, service expectations, and retention deeply.

This can make the company stronger over time. Instead of building for investor presentations, it builds for customer outcomes. Instead of optimizing for vanity traction, it optimizes for revenue that stays.

Customer-funded growth is slower, but it can be more honest.

When Bootstrapping May Be Right

Bootstrapping may suit founders who:

Want control over long-term decisions.

Can start with a focused customer segment.

Have a business model that can generate revenue early.

Are comfortable growing steadily.

Prefer profitability over valuation narratives.

Have strong cost discipline.

Want to build around personal values and culture.

Can survive without large upfront capital.

This path is often stronger for service-led SaaS, niche B2B products, consulting-to-product transitions, or markets where trust and implementation matter deeply.

When VC May Be Better

Bootstrapping is not always ideal. Venture capital may be useful when the market requires speed, network effects, heavy R&D, large infrastructure, or rapid land-grab growth. If competitors can dominate through scale before a bootstrapped company catches up, funding may be strategic.

The key is honesty. Founders should not reject VC out of pride or chase VC out of fashion. They should choose based on the business model.

The Exit-First Trap

One of Limesh's warnings is that founders sometimes start thinking about exit before building the product or solving the core problem. This is dangerous whether the company is funded or bootstrapped.

An exit is an outcome, not a foundation. The foundation is customer value, product strength, process, team, and economics. If founders optimize for the exit too early, they may neglect the business itself.

Bootstrapping naturally pushes attention back to fundamentals because survival depends on them.

The Bottom Line

Bootstrapping is right for founders who value control, customer-funded growth, profitability, and long-term durability. It is challenging because resources are limited and pressure is direct. But it can build strong companies when paired with focus, patience, and disciplined execution.

The no-VC route is not a badge of superiority. It is a strategic choice. The best founders choose the path that matches the business they truly want to build.

FAQs

Is bootstrapping better than VC funding?

Not always. Bootstrapping offers control and discipline, while VC can support speed and scale. The right path depends on the business model.

What is the biggest challenge in bootstrapping?

Limited resources, slower growth, and direct cash pressure are major challenges for bootstrapped founders.

Why do some founders prefer bootstrapping?

They may value decision freedom, profitability, customer focus, and long-term culture over valuation-driven growth.

Source Note: Based on The Thrive podcast episode featuring Limesh Parekh of Enjoy IT Solutions: <https://www.thethrive.in/podcasts/from-inr-2-crore-loss-to-crm-success-limesh-parekhs-bootstrapped-journey-from-bhilad/>

Beyond Discounts: How to

Master SaaS Negotiation and Onboarding

Discounts are easy to give and hard to recover from. In SaaS sales, a founder or salesperson may reduce price to close a deal quickly, especially when the month is ending or a competitor is cheaper. But heavy negotiation can reveal something deeper than price sensitivity. It can reveal whether the customer truly values the solution, understands the implementation effort, and is likely to stay.

Limesh Parekh's insight is sharp: customers who over-negotiate price and under-ask about features, training, and implementation often become churn risks. This is a powerful lesson for SaaS teams. The goal is not simply to win the deal. The goal is to win the right deal and onboard the customer successfully.

A discount can close a sale. Good qualification and onboarding create retention.

Why SaaS Negotiation Is Different

In a one-time product sale, the transaction may end after delivery. In SaaS, the relationship begins after the sale. The customer must adopt the product, train users, change habits, update data, and see ongoing value. If the customer buys only because of a discount, but does not commit to implementation, the account may churn quickly.

That is why SaaS negotiation should not focus only on price. It should reveal intent.

A strong SaaS salesperson listens to what the customer negotiates. Are they asking about business outcomes? Are they asking how their team will be trained? Are they asking what

support is included? Are they clarifying timelines, user roles, data migration, and success metrics? Or are they only pushing for a lower number?

The negotiation tells you how serious the buyer is.

Price Obsession as a Red Flag

Every buyer wants value for money. Negotiation itself is not bad. But when price becomes the only serious discussion, the sales team should slow down.

A customer who cares only about the discount may not be thinking about adoption. They may see the software as a purchase, not a process change. They may expect results without team effort. They may blame the vendor later for problems caused by low usage.

This is dangerous because SaaS success depends on shared responsibility. The vendor must provide a good product, onboarding, and support. The customer must provide attention, users, data, and willingness to change old habits.

If one side is not serious, the product may fail even if the software is good.

Qualifying Against Churn Before Closing

Most sales teams qualify for closure. Better SaaS teams qualify for retention.

That means asking questions that reveal whether the customer can succeed after purchase:

What problem are you trying to solve?

Who will own implementation internally?

Which team members will use the software?

What process are you replacing?

How will you measure success after 60 or 90 days?

Are you willing to attend training and ensure adoption?

What has failed with previous tools?

What would make this project unsuccessful?

These questions may reduce the number of quick closures, but they improve account quality. A customer who cannot answer them may not be ready.

Why Onboarding Begins During Sales

A seamless onboarding experience does not begin after payment. It begins during the sales conversation. The salesperson must set realistic expectations, understand customer goals, document requirements, and prepare the implementation team.

If sales overpromises or hides complexity, onboarding becomes difficult. The implementation team receives a customer with unclear expectations. The customer feels misled. Support pressure increases. Churn risk rises.

Instead, the salesperson should sell the truth. They should explain what the product can do, what it cannot do, what the customer's team must do, and what a successful onboarding journey looks like.

This honesty builds trust and protects retention.

The Discount-Commitment Exchange

If a discount is necessary, it should be connected to commitment. Instead of reducing price casually, SaaS teams can

negotiate around mutual value.

For example:

A discount can be tied to annual payment.

A lower setup cost can be tied to faster data readiness.

A special offer can be tied to attending onboarding sessions.

A pilot can be tied to defined success criteria.

A price concession can be tied to a case study if successful.

This changes the conversation. The customer receives value, but the company also receives commitment.

The Role of Training in Retention

Training is not an optional add-on in SaaS. It is often the difference between adoption and churn. Many customers fail not because the software lacks features, but because the team does not build habits around it.

Sales teams should talk about training before closure. They should make the customer aware that implementation requires time and attention. This filters customers who want results without participation.

When training is positioned clearly, customers understand that success is a joint project.

Handoff Matters

SaaS negotiation and onboarding are connected through the handoff. Everything learned during sales should move to the implementation team: customer pain points, goals, objections, promised features, stakeholders, timeline, and risks.

A poor handoff makes the customer repeat themselves. It also

creates gaps between what was sold and what is delivered. A strong CRM process can help here by capturing details throughout the sales cycle and making them visible to onboarding.

The customer should feel that the company remembers them, not that they are starting from zero after payment.

How to Build a Better SaaS Negotiation Playbook

Founders should create a negotiation playbook that helps salespeople protect value and qualify honestly.

Include:

Approved discount boundaries.

Questions to ask before discounting.

Red flags that suggest churn risk.

Commitments required from discounted customers.

Rules for documenting promises.

A checklist for sales-to-onboarding handoff.

Training expectations to explain before closure.

Lost-deal and churn feedback loops.

This gives salespeople confidence. They do not have to choose between being rigid and giving away value. They can negotiate strategically.

The Bottom Line

SaaS negotiation is not about winning the lowest price conversation. It is about understanding customer seriousness,

protecting service quality, and setting up successful onboarding. Discounts may close deals, but fit, commitment, and implementation create retention.

The best SaaS teams look beyond the signature. They ask whether the customer is likely to succeed after the sale. That is how negotiation becomes a retention strategy, not just a closing tactic.

FAQs

Are discounts bad in SaaS sales?

Not always. Discounts can work when tied to commitment, annual payment, adoption milestones, or strategic value.

What is a red flag during SaaS negotiation?

A buyer who focuses only on price and shows little interest in training, implementation, features, or outcomes may be a churn risk.

When should onboarding begin?

Onboarding should begin during sales through expectation-setting, documentation, and a clear handoff to the implementation team.

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SaaS Go-to-Market Strategy: Be Industry Specific, Not Generic

Many SaaS founders want to build products that can serve every industry. There is nothing wrong with that ambition. A strong SaaS product can often be flexible enough for manufacturing, services, education, real estate, healthcare, retail, and many other sectors. But the mistake begins when founders also try to market and sell the product generically.

Limesh Parekh explains this with a simple consumer analogy: soap may be a broad product category, but brands position themselves differently for different buyers. In SaaS, the same principle applies. The product may be industry agnostic, but the go-to-market strategy should be industry specific.

This distinction can decide whether a SaaS company sounds relevant or forgettable.

Product Flexibility Is Not the Same as Market Clarity

A SaaS product can solve a common underlying problem across many industries. CRM is a good example. Every business needs to manage customer relationships, sales follow-ups, service issues, and pipeline visibility. But the way a manufacturer experiences CRM pain is different from the way a real estate broker, education consultant, or distributor experiences it.

If the company uses the same generic pitch for all of them, the message becomes weak. “Manage your customers better” is

true, but not sharp. It does not show the buyer that the vendor understands their daily reality.

Industry-specific go-to-market makes the pain concrete. For a manufacturer, the message may focus on distributor follow-ups, dealer networks, quotation tracking, and service requests. For a real estate business, it may focus on lead source tracking, site visit follow-ups, broker coordination, and inventory interest. For an education company, it may focus on admission inquiries, counselor follow-ups, and parent communication.

The product may be similar. The story should not be.

Why Generic SaaS Marketing Fails

Generic messaging forces the buyer to do the translation. The prospect has to read a broad claim and mentally connect it to their problem. Many will not make that effort.

Industry-specific messaging does the translation for them. It says, “We understand your world. We know the kind of leads you handle, the follow-ups you miss, the reports you need, and the team behavior you struggle with.”

That creates relevance quickly.

In competitive SaaS markets, relevance is more powerful than feature quantity. Buyers are not only asking, “Does this software have features?” They are asking, “Will this work for my business?” Industry-specific positioning answers that question faster.

The Difference Between Product and Sales Strategy

Founders often confuse product design with sales strategy. They think that if the product can serve multiple industries, the sales strategy should also remain broad. But these are

separate decisions.

Product strategy asks: What core workflows should the software support?

Go-to-market strategy asks: Which customer segment will we focus on first, and what message will make them act?

A company can build a flexible product while choosing a focused market entry point. In fact, this is often the smarter path. Focus helps the team create better case studies, sharper demos, clearer landing pages, relevant sales scripts, and more useful onboarding examples.

Once one segment is working, the company can expand to another with a tailored playbook.

Industry-Specific Selling Improves Demos

A generic demo shows features. An industry-specific demo shows outcomes.

For example, a generic CRM demo may show contact creation, lead stages, reminders, and reports. A manufacturing-focused CRM demo can show dealer inquiries, quotation follow-up, territory-wise sales pipelines, and service escalation. The same feature becomes more meaningful because it is placed inside the customer's context.

This makes the sales conversation stronger. The buyer does not have to imagine how the CRM fits their workflow. They can see it.

Industry-specific demos also help the sales team qualify better. They can ask questions that match the industry:

How do leads come in?

Who follows up with dealers or customers?

Where do quotations get delayed?

How are site visits, demos, or service requests tracked?

Which reports does management need every week?

These questions build trust because they show practical understanding.

Content Strategy Should Follow Industry Clusters

For SEO and AEO, industry-specific content is especially valuable. A broad blog like “Why CRM is important” may attract general traffic, but a focused blog like “How CRM helps manufacturing companies manage dealer follow-ups” speaks to a clearer buyer.

Industry-specific content can target long-tail search intent, answer practical questions, and support sales conversations. It also builds topical authority around use cases, not just software features.

Useful content clusters might include:

CRM for manufacturers

CRM for real estate teams

CRM for education admissions

CRM for distributors

CRM for service businesses

CRM for consultants

CRM for healthcare practices

Each cluster can explain pain points, workflows, implementation steps, reporting needs, and ROI from that industry's point of view.

Why Focus Does Not Limit Growth

Some founders fear that choosing one industry will make the company look small. In reality, focus often makes growth easier. A focused message gets remembered. A generic message gets ignored.

Choosing an industry for marketing does not mean rejecting all other customers forever. It means creating a clear beachhead. Once the company wins trust, builds references, and understands one segment deeply, it can repeat the process for another segment.

The strongest go-to-market strategies often expand from focus, not from vagueness.

How to Build an Industry-Specific GTM Plan

Start by choosing one segment where the pain is urgent, the product fit is strong, and the sales cycle is understandable. Then build the messaging around that segment's daily reality.

Define:

The top three problems this industry faces.

The language buyers use to describe those problems.

The workflows your product improves.

The reports or outcomes decision-makers care about.

The objections that commonly appear.

The proof points or case studies needed.

The content topics that answer their questions.

The demo flow that best matches their use case.

Then train sales and marketing teams around this focused playbook.

The Bottom Line

A SaaS product can be industry agnostic, but the go-to-market strategy should be industry specific. Buyers respond to relevance, not broad claims. When a company speaks the customer's language, shows industry workflows, and builds content around specific use cases, it becomes easier to earn trust and close better-fit customers.

Generic SaaS messaging says, "We can help everyone." Industry-specific GTM says, "We understand you." That difference is often what converts attention into revenue.

FAQs

Can a SaaS product serve many industries?

Yes. But the marketing, sales demos, and content should still be tailored to specific industries for better relevance.

Why is generic SaaS positioning weak?

It forces buyers to connect broad features to their own problems instead of showing direct understanding of their industry.

How should SaaS startups choose their

first industry focus?

Pick a segment with urgent pain, strong product fit, clear decision-makers, and the potential for repeatable case studies.

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Mentorship vs. Experience: Why You Cannot Build a Business Alone

Many founders believe experience is the best teacher. That is partly true, but it is also expensive. Experience often teaches through mistakes, losses, delays, and painful trial and error. Mentorship does not remove hardship, but it can help founders interpret hardship faster and avoid repeating avoidable mistakes.

Limesh Parekh's conversation with The Thrive makes this point with unusual clarity. He speaks about the need for mentors, the danger of thinking you know everything, and the importance of sequential learning. The deeper message is simple: no founder builds well alone. Even the most determined entrepreneur needs guidance, perspective, and honest correction.

A business is too complex to be learned only through ego.

Why Founders Resist Mentorship

Founders are naturally independent. They start businesses because they see possibilities others miss. They make decisions under uncertainty, take risks, and push forward when people doubt them. That independence is a strength, but it can become a weakness when it turns into isolation.

Many founders resist mentors because they confuse guidance with control. They worry that taking advice will reduce their originality. Some believe their industry is unique, so outside wisdom will not apply. Others simply do not want to admit what they do not know.

But mentorship is not about outsourcing decisions. It is about improving judgement. A good mentor does not run the company for the founder. They help the founder see cause and effect more clearly.

Experience Teaches, But Slowly

Experience is valuable because it is real. A failed product launch, a bad hire, a pricing mistake, or a cash flow crisis teaches lessons that no book can fully communicate. But experience has a cost. The founder pays in time, money, reputation, energy, and sometimes team trust.

A mentor helps shorten the learning loop. They may have seen similar patterns before. They can ask sharper questions, challenge assumptions, and point out risks the founder is too emotionally close to see.

This is especially important in moments of stress. When a business faces losses, attrition, or a failed strategy, the founder's thinking can become reactive. A mentor can help separate emotion from analysis.

The Danger of Thinking You Know Everything

One of the most dangerous stages in entrepreneurship is early success. A founder closes a few customers, hires a small team, or raises visibility, and begins to believe their instincts are always right. That confidence may help them move fast, but it can also make them blind.

Business problems rarely announce themselves clearly. Poor pricing may look like weak sales. Weak onboarding may look like a bad product. A culture issue may look like a hiring issue. A cash flow problem may look like a growth problem. Without external perspective, founders often solve the symptom instead of the cause.

Mentorship protects against this blindness. It reminds founders that learning is never finished.

Sequential Learning Matters

Limesh's point about learning being sequential is especially useful. Founders often want advanced answers before mastering basic principles. They want growth hacks before positioning clarity. They want AI before clean data. They want valuation before profit. They want scale before process.

But business learning has layers. A founder must understand customers before building features. They must understand unit economics before discounting. They must understand process before automating. They must understand culture before delegating deeply.

Mentors can help founders learn in the right order. They can say, "This is not the next problem yet. First fix the foundation."

Mentorship Is Not Only Advice

A mentor can play several roles in a founder's journey.

They can be a mirror, reflecting patterns the founder does not see.

They can be a filter, helping separate good opportunities from distractions.

They can be a challenger, pushing the founder to defend assumptions.

They can be a historian, sharing what similar decisions led to in other contexts.

They can be an emotional stabilizer, reminding the founder that difficulty is not always disaster.

The best mentors do not simply give instructions. They improve the founder's decision-making quality.

How to Choose the Right Mentor

Not every experienced person is the right mentor. A good mentor should have relevant practical wisdom, but they should also understand context. Advice that works for a funded metro startup may not fit a bootstrapped SMB from a smaller town. Advice from a corporate executive may not fit a founder managing cash daily.

Look for mentors who:

Ask questions before giving answers.

Understand your business model and constraints.

Respect your values and long-term goals.

Have seen both success and failure.

Can challenge you without humiliating you.

Do not push generic formulas.

Are willing to tell you uncomfortable truths.

Mentorship works best when the founder is honest. If the founder hides numbers, exaggerates progress, or shares only selective information, even a good mentor cannot help.

Books, Mentors, and Lived Experience Work Together

Limesh references influential business books and mentors in his journey. This combination matters. Books offer frameworks. Mentors offer interpretation. Experience offers reality.

A book may teach a principle about constraints, culture, or customer happiness. A mentor may help apply that principle to the founder's current decision. Experience then tests whether the decision works.

Founders should not rely on only one source of learning. The strongest entrepreneurs build a learning ecosystem around themselves.

Why You Still Own the Decision

Mentorship does not remove founder accountability. In fact, it should strengthen it. A mentor can advise, but the founder lives with the consequences. That is why blindly following advice is also risky.

The right approach is to listen deeply, ask questions, compare advice with data, and then decide consciously. A founder should neither reject all guidance nor surrender judgement completely.

Mentorship is input. Accountability remains with the founder.

The Bottom Line

Experience matters, but experience alone can be slow and costly. Mentorship helps founders learn faster, see blind spots, avoid ego traps, and make decisions in the right sequence. No founder can build a strong business in total isolation.

The wisest entrepreneurs are not the ones who pretend to know everything. They are the ones who keep learning from mentors, books, customers, data, and mistakes without losing ownership of the final decision.

FAQs

Is experience more important than mentorship?

Both matter. Experience gives reality, while mentorship helps founders interpret reality and avoid avoidable mistakes.

What makes a good business mentor?

A good mentor understands context, asks sharp questions, challenges assumptions, and improves the founder's judgement.

Can a founder have multiple mentors?

Yes. Different mentors can support different areas such as sales, finance, culture, product, or leadership.

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The Strategic Advantage of the Refund Policy

A refund policy is usually treated as a customer service detail. Many founders see it as a defensive promise: something written in fine print to reduce buyer anxiety or handle complaints. But when designed correctly, a refund policy can become a strategic sales advantage. It can increase trust, speed up decisions, improve qualification, and even protect the company from bad-fit customers.

Limesh Parekh's view on refunds is simple and powerful: if the product does not work for the customer, the customer's money should not work for the company. That philosophy is not just generosity. It is a business discipline. It forces the company to sell honestly, onboard seriously, and focus on long-term customer success rather than short-term revenue.

For SaaS and service businesses, this mindset can change the way sales teams think about closing deals.

Why Refund Policies Build Trust Faster

Every customer carries risk when buying a product, especially in B2B. They wonder whether the software will work, whether their team will use it, whether support will be available, and whether the vendor will disappear after payment. This fear slows down decisions.

A clear refund policy reduces that fear. It tells the buyer that the company is confident enough to share the risk. Instead of saying, "Trust us because we are selling this," the company says, "Trust us because we are willing to stand behind the outcome."

That matters in SMB markets where relationships, reputation, and practical results often matter more than brand glamour. A refund promise can help a smaller company compete against larger names because it makes the buying decision feel safer.

Refunds Force Better Sales Qualification

The most underrated benefit of a refund policy is internal discipline. When the company knows it may have to return money if the product does not work, the sales team becomes more careful about whom it sells to.

This is exactly why the policy is strategic. It discourages forced selling. It pushes the team to ask better qualification questions:

Does the customer have a real problem?

Is the product a genuine fit?

Will the customer invest time in onboarding?

Does the customer's team have the discipline to use the solution?

Are expectations realistic?

Is the buyer committed or only looking for the cheapest option?

A weak-fit customer may bring revenue today but create support pressure, poor adoption, complaints, and churn tomorrow. A refund policy makes that risk visible before closure.

Why Bad-Fit Customers Increase CAC

Customer acquisition cost is not only the money spent to acquire a customer. It also includes the sales time, demos, follow-ups, onboarding effort, and support attention required to make that customer successful. If a bad-fit customer churns quickly, all of that effort is wasted.

Worse, unhappy customers can damage referrals and team morale. Sales may celebrate the closure, but implementation and support teams inherit the friction. The company pays the hidden cost of a poor sale.

A refund policy can reduce this damage by changing the sales team's incentives. If a customer is likely to fail, the best decision may be not to close the deal. That may feel painful in the short term, but it protects retention, reputation, and service quality.

The Refund Policy as a Sales Filter

A good refund policy acts like a filter. Serious customers appreciate the assurance but still focus on value, implementation, and outcomes. Weak-fit customers may reveal themselves through their questions and behavior.

For example, if a prospect negotiates aggressively on price but shows little interest in training, adoption, features, or process change, that is a warning sign. They may be buying the idea of transformation without committing to the work required. In SaaS, that often leads to churn.

The refund policy gives the sales team permission to step back and ask: Are we confident this customer will succeed? If the answer is no, the deal is not as attractive as it looks.

Confidence Is Stronger Than Pressure

Traditional sales pressure tries to push the customer into buying quickly. A refund-backed sales approach does the opposite. It removes fear and creates confidence.

This is important because customers can sense desperation. When a salesperson forces urgency, overpromises, or avoids discussing fit, buyers become defensive. When a company confidently says that it only wants money if the product works, the conversation becomes more honest.

That honesty can shorten the sales cycle. Customers do not need to spend as much energy protecting themselves from the vendor. They can focus on whether the solution is right.

Refunds Can Create Referrals

One of the strongest examples from Limesh's experience is refunding a large fee when a customer's team was not using the CRM properly. Instead of damaging the relationship, the refund created trust and led to multiple referrals.

This lesson is important. A refund does not always mean failure. Sometimes it proves integrity. A customer who receives fair treatment may not be the right user today, but they can still become an advocate. They may remember that the company acted responsibly when it had the chance to keep the money.

In relationship-driven markets, that reputation has long-term value.

How to Design a Strategic Refund

Policy

A strong refund policy should be clear, fair, and connected to implementation responsibilities. It should not become an invitation for casual misuse, but it should genuinely protect customers.

Founders should define:

What outcomes or usage conditions are covered?

What onboarding steps must the customer complete?

What time window applies?

What documentation or review process is required?

Who approves refunds?

How will feedback from refunds improve sales qualification?

The policy should also be explained during sales, not hidden after purchase. If the refund promise is part of the trust-building process, customers should understand it before they buy.

What Refund Policies Teach the Company

Every refund is data. It can reveal poor qualification, unclear expectations, weak onboarding, missing features, or customer segments that are not a good fit. Instead of treating refunds only as losses, founders should review them as learning opportunities.

Ask:

Why did the customer fail?

Could we have identified the risk earlier?

Did sales overpromise?

Did onboarding underdeliver?

Was the customer uncommitted?

Should we change our ICP or qualification criteria?

This converts refund pain into strategic improvement.

The Bottom Line

A refund policy is not just a customer-friendly promise. It is a sales strategy, qualification tool, and trust-building mechanism. It reduces buyer fear, forces honest selling, protects retention, and helps the company learn which customers it should serve.

The strongest companies do not chase every rupee. They choose customers they can genuinely help. A well-designed refund policy keeps the business aligned with that principle.

FAQs

Does a refund policy increase risk for the company?

It can, but it also reduces the risk of bad-fit sales by forcing better qualification and honest expectations.

How does a refund policy help sales?

It reduces buyer fear, builds trust, and shows confidence in

the product or service outcome.

Should every SaaS company offer refunds?

Not necessarily in the same way. But every SaaS company should have a clear policy for handling poor fit, failed adoption, and customer dissatisfaction.

Source Note: Based on The Thrive podcast episode featuring Limesh Parekh of Enjoy IT Solutions: <https://www.thethrive.in/podcasts/from-inr-2-crore-loss-to-crm-success-limesh-parekhs-bootstrapped-journey-from-bhilad/>

Company Culture: Why the Army Rule Works (Wrong Decision vs. No Decision)

Most companies say they want employees to take ownership. But when an employee makes a mistake, many organizations punish the person so strongly that everyone else learns the opposite lesson: stay quiet, wait for instructions, and avoid responsibility. Over time, the company becomes slow, fearful, and founder-dependent.

Limesh Parekh's culture principle offers a better way to think about this: a wrong decision is less dangerous than no decision. In his words, people are not punished for taking wrong decisions; they may be punished for not taking decisions. He calls this the Army rule, and it is one of the strongest ideas from his podcast conversation.

For founders, this principle is not about encouraging carelessness. It is about building a culture where action, judgement, and learning are valued more than silence and fear.

Why No Decision Is So Expensive

In a growing company, inaction often looks harmless. Nobody made a visible mistake. Nobody took a risk. Nobody caused a direct loss. But no decision can quietly cost more than a wrong decision.

A customer complaint that is not escalated becomes a relationship problem. A lead that is not followed up becomes lost revenue. A team conflict that is ignored becomes attrition. A process gap that nobody reports becomes repeated failure. A small service issue that employees hide becomes a founder-level crisis later.

The problem with no decision is that it delays reality. The business keeps moving, but without clarity. By the time the founder discovers what happened, the cost has multiplied.

A wrong decision, on the other hand, creates data. The company can see what happened, understand why, correct the process, and train people better. If the culture is healthy, a mistake becomes feedback.

Fear Creates Passive Employees

Employees do not become passive because they lack intelligence. Often, they become passive because the company teaches them that initiative is risky.

If every mistake leads to blame, salary deductions, humiliation, or angry reviews, people protect themselves. They ask for approval on everything. They avoid customer conversations that could go badly. They stop reporting issues quickly. They choose safety over ownership.

This creates a hidden burden for founders and managers. The more employees avoid decisions, the more decisions return to the top. The company may have many employees, but the founder still becomes the bottleneck.

A culture that tolerates honest mistakes reduces this dependency. It tells employees: use judgement, act in the company's interest, communicate quickly, and learn from the result.

The Army Rule Is About Accountability, Not Blind Risk

The phrase "wrong decision vs. no decision" can be misunderstood. It does not mean employees should act recklessly. It means the company should value timely, good-faith decision-making and transparent reporting.

A strong version of this rule has three conditions:

First, the employee must act with honest intent. A mistake made while trying to serve a customer or solve a problem is different from negligence or dishonesty.

Second, the employee must communicate quickly. If a decision goes wrong, the team should know early enough to fix it.

Third, the organization must learn. A mistake should lead to better process, clearer training, or improved judgement.

This is accountability. The company does not ignore errors. It studies them without destroying initiative.

Why This Culture Helps SMBs Scale

SMBs often start with the founder making most decisions. That is natural in the early stage because the founder understands the customer, product, finances, and risk deeply. But if the

company grows and decision-making does not spread, growth becomes painful.

Every customer issue, hiring question, discount request, service exception, and operational problem reaches the founder. The founder becomes tired. Employees become dependent. Customers wait longer. Opportunities slow down.

The Army rule helps distribute judgement. It gives employees permission to act within principles. Over time, the company becomes faster because people do not wait for perfect approval before solving ordinary problems.

This is especially important in sales and service. Customers value speed and ownership. A team member who can make a reasonable decision quickly often protects trust better than a team member who waits too long for permission.

How Founders Can Build This Culture

Culture is not built by a slogan on a wall. It is built by what leaders reward and punish.

If a founder says “take decisions” but reacts angrily to every mistake, employees will believe the reaction, not the slogan. To build this culture, founders must respond to mistakes in a disciplined way.

When something goes wrong, ask:

What decision was made?

What information was available at the time?

Was the intent honest?

Was the issue communicated quickly?

What process gap allowed this mistake?

What should we change so the next decision is better?

These questions move the discussion from blame to learning.

Managers should also define decision boundaries. Employees need to know which decisions they can take independently, which require consultation, and which must be escalated. Freedom works best when expectations are clear.

Do Not Deduct Learning From Salaries

One powerful part of Limesh's approach is that when employees make honest mistakes, the company does not deduct losses from their salary. This matters because salary deductions can destroy trust. They teach people that risk belongs to the employee, while upside belongs to the company.

If an employee acts in good faith within their role and the result goes wrong, the business should treat it as a cost of learning and process improvement. That does not mean repeated carelessness should be ignored. It means honest initiative should be protected.

A company that wants ownership must also absorb the reasonable cost of ownership.

The Role of Values

The Army rule works only when supported by values. Employees must care about truth, customer respect, team safety, and timely reporting. Otherwise, decision freedom can become chaos.

That is why founders should combine empowerment with non-negotiables. For example: report issues immediately, never hide facts, respect colleagues, protect customer trust, and do not misuse authority. Within those boundaries, employees can

act with confidence.

The Bottom Line

The Army rule works because it attacks one of the biggest enemies of growth: fear-based inaction. A wrong decision made honestly can be corrected. No decision allows problems to grow in silence.

For founders, the lesson is clear. If you want a proactive team, do not punish people for every imperfect decision. Build a culture where employees act, report, learn, and improve. That is how ownership becomes real.

FAQs

Does this rule encourage careless decisions?

No. It encourages timely, good-faith decisions with transparent communication and learning.

Why is no decision worse than a wrong decision?

No decision delays action and often allows small problems to become larger, harder-to-fix issues.

How can founders apply this rule safely?

Define decision boundaries, protect honest mistakes, require quick reporting, and turn errors into process improvements.

Source Note: Based on The Thrive podcast episode featuring Limesh Parekh of Enjoy IT Solutions: <https://www.thethrive.in/podcasts/from-inr-2-crore-loss-to-crm-success-limesh-parekhs-bootstrapped-journey-from-bhilad/>

How to Build a World-Class Team from a Tier-3 City: The 1.5 Model

Building a world-class team from a Tier-3 city sounds difficult because most founders assume talent lives in big cities. They believe serious product companies need offices in Mumbai, Bengaluru, Pune, Delhi, or Hyderabad to attract capable people. But [Limesh Parekh's journey with Enjoy IT Solutions](#) challenges that assumption. His approach shows that location is not the real limitation. The real limitation is whether the company has a system to identify, train, grow, and retain people.

The “1.5 model” is a practical example of that system. Instead of waiting for experienced talent to arrive, Enjoy designed a fresher-friendly culture where people could be trained over 18 months, grow quickly, and build a long-term career from a smaller town. This is not just an HR tactic. It is a strategic operating model for founders who cannot win by competing only on brand name or city advantage.

Why Tier-3 Hiring Needs a Different Playbook

A founder in a smaller town cannot copy the hiring playbook of a metro startup. In a large city, companies may rely on experienced candidates moving between similar firms. In a smaller market, that experienced talent pool may be thin. If

the company insists on hiring only ready-made professionals, growth slows down.

The better strategy is to build talent rather than wait for it.

That requires patience, structure, and clarity. Freshers do not become productive by accident. They need training, expectations, feedback, values, and visible career progression. If a company hires freshers casually and then complains they are not ready, the failure belongs to the system, not only the employee.

Limesh's model starts with accepting the local reality: experienced talent may be scarce, but freshers with commitment and learning ability are available. The company then designs itself to make those freshers successful.

What the 1.5 Model Means

The 1.5 model is built around an 18-month growth journey. Freshers start with a defined salary, spend the early period in training, and are shown a clear path to significant salary growth if they become genuinely productive. The model is powerful because it connects learning, income, culture, and accountability.

The first three months focus heavily on training. This matters because many companies expect people to perform before they have been properly prepared. Enjay's approach treats training as an investment, not a formality. New hires learn work etiquette, company values, customer expectations, process discipline, and the career roadmap ahead.

The 18-month promise creates ambition. It tells young employees that they do not need to leave the town or jump companies immediately to grow. If they build skill and contribute, the company has already designed a path for them.

Pay Above the Local Market, Then Demand Productivity

One of the bold parts of the model is paying freshers better than typical local market rates. At first, this may look expensive. But for a company trying to build a stable team, underpaying can be more expensive. Low salaries increase attrition, reduce pride, and make employees treat the job as a temporary compromise.

Paying well sends a signal: the company takes people seriously.

But the model is not charity. Limesh's philosophy is clear that people must become productive. Salary growth is connected to capability and contribution. This is important because generous pay without performance discipline creates entitlement. Performance discipline without fair pay creates resentment. The 1.5 model tries to balance both.

The company reviews progress frequently and gives increments based on real productivity. This helps deserving employees grow faster while keeping the organization commercially responsible.

Training Values Before Skills

A world-class team is not built only through technical training. Values matter just as much, especially in a smaller company where culture spreads quickly.

Freshers need to learn how the company thinks about customers, mistakes, teamwork, reporting problems, and decision-making. They need to know what behavior is encouraged and what behavior is unacceptable. If values are vague, employees learn culture through gossip, inconsistency, or fear.

The 1.5 model appears to put values at the beginning of the employee journey. That is smart. Skills can be upgraded over time, but if people learn the wrong work habits early, correcting them becomes harder later.

Why Small Towns Can Be an Advantage

Tier-3 cities are often discussed only as constraints. But they also offer advantages. Real estate can be cheaper. People may seek long-term stability. Community ties can support retention. Employees may value a company that gives them serious growth without forcing relocation.

Limesh also points out that in bigger cities, employees can become more opportunistic because alternatives are everywhere. That does not mean metro talent is bad. It simply means the retention equation is different. In a smaller town, a company that offers respect, learning, good pay, and growth can become a powerful career destination.

The key is not to lower ambition because the city is smaller. The key is to design a system that makes ambition possible there.

Career Roadmaps Reduce Anxiety

Young employees often leave companies because they cannot see the future. They may not know what skills to build, what salary growth is possible, or how their role can expand. A clear roadmap reduces that uncertainty.

The 1.5 model gives employees a visible path: train, contribute, improve, review, grow. This creates motivation because progress is not mysterious. It also creates trust because the company has made its expectations explicit.

For founders, this is a lesson worth copying. Do not only hire people and assign tasks. Show them what becoming better looks

like inside your company.

How Founders Can Adapt the Model

A founder does not need to copy the exact salary or timeline. The deeper principle is to create a structured talent development engine.

Start by defining the first 90 days. What should a new hire learn? Which values matter? Which tools should they use? What does good communication look like? What small tasks can they master first?

Next, define the 6-month and 18-month milestones. Which skills should improve? Which responsibilities can expand? What salary or role growth is possible? How will productivity be measured?

Finally, create a feedback rhythm. Do not wait a year to tell people where they stand. Frequent reviews help employees correct early and grow faster.

The Bottom Line

A world-class team can be built from a Tier-3 city if the company stops searching only for ready-made talent and starts building a serious development system. The 1.5 model works because it combines training, values, above-market pay, productivity expectations, and a visible career path.

For founders outside major startup hubs, this is an encouraging lesson. You do not need to move to a metro to build excellence. You need a system that helps committed people become excellent where they are.

FAQs

Can a Tier-3 city company attract strong talent?

Yes, if it offers serious training, fair pay, stability, growth, and a clear career roadmap.

Why hire freshers instead of experienced people?

In smaller towns, experienced talent may be limited. Training freshers creates a loyal, culture-aligned talent pipeline.

What is the biggest risk in fresher hiring?

Hiring without structured training. Freshers need onboarding, values, role clarity, and feedback to become productive.

Source Note: Based on The Thrive podcast episode featuring Limesh Parekh of Enjay IT Solutions:
<https://www.thethrive.in/podcasts/from-inr-2-crore-loss-to-crm-success-limesh-parekhs-bootstrapped-journey-from-bhilad/>

SaaS Pricing: Why Being Cheap is a Failure Strategy

Many SaaS founders believe low pricing is the easiest way to win customers. It feels logical: if the product is cheaper than competitors, buyers should say yes faster. But in SaaS, being cheap can quietly become a failure strategy. A price

that does not fund sales, onboarding, support, retention, and product improvement creates a business that looks attractive on the surface but becomes unsustainable underneath.

Limesh Parekh's warning from the podcast is especially useful for early-stage SaaS founders: price cannot be based only on the cost of code. Software may be delivered digitally, but the business around it is very real. Customers need education, demos, implementation, training, support, and long-term success. If the price does not pay for these functions, the company eventually compromises service quality, and churn follows.

The cheapest product is not always the strongest product. Sometimes it is simply the product that has not understood its true cost.

The SaaS Pricing Trap

The most common early pricing mistake is assuming that because software has low marginal delivery cost, the product can be sold extremely cheaply. A founder may think, "The code is already built, so every new user is almost pure profit." That mindset ignores the full operating model of SaaS.

A SaaS company has to spend money before and after the sale. It must attract leads, run campaigns, pay salespeople, conduct demos, onboard customers, answer questions, fix bugs, train teams, maintain infrastructure, improve features, and retain accounts. These costs do not disappear because the product is online.

If a company sells a product for too little, it may still get users, but it will not have enough margin to serve them well. This creates a dangerous cycle: cheap pricing attracts price-sensitive customers, price-sensitive customers demand more proof and support, the company cannot afford strong service, customers do not adopt properly, and churn increases.

What looks like growth becomes leakage.

Price Must Fund the Whole Customer Journey

SaaS pricing should be designed around the full customer journey, not just the software license.

A healthy price should support:

Customer acquisition: marketing, lead generation, sales conversations, demos, and proposal work.

Sales enablement: training, collateral, follow-up systems, and tools that help the sales team convert the right customers.

Implementation: setup, data migration, configuration, onboarding, and customer education.

Customer success: usage monitoring, support, training refreshers, issue resolution, and renewal management.

Product improvement: engineering, security, integrations, bug fixes, and roadmap development.

Retention: relationship management, adoption support, and proactive problem-solving.

When pricing ignores these costs, the business is forced to underinvest in the exact activities that make customers successful.

Why Cheap Pricing Attracts the Wrong Customers

Low pricing can also attract customers who are not committed to implementation. This is especially true in B2B SaaS. A buyer who chooses only on price may not value training, process change, or disciplined adoption. They may ask for discounts aggressively but ignore onboarding, team readiness,

or long-term fit.

Limesh points out that customers who focus too heavily on negotiation and too little on features, training, or implementation can become churn risks. That is a powerful insight. SaaS is not only purchased; it must be adopted. If a customer does not invest attention, ownership, and effort, even a good product can fail in their organization.

Pricing should filter for seriousness. It should signal that the product is valuable and that implementation matters.

The Hidden Cost of Poor Service

When a SaaS product is underpriced, service usually suffers first. The company may delay support hiring, reduce onboarding effort, avoid proactive customer success, or depend on the founder to handle escalations manually. In the short term, this may keep costs low. In the long term, it damages trust.

Customers do not judge SaaS only by features. They judge it by whether it helps them solve a business problem. If the product is powerful but the customer does not understand how to use it, the perceived value is low. If issues are not resolved quickly, confidence drops. If onboarding is weak, adoption stalls.

This is why price and retention are connected. A price that funds service helps customers succeed. A price that starves service increases churn.

Free Trials Are Not Always What Founders Think

Founders often treat free trials as a way for customers to test features. But in B2B SaaS, a free trial can also function as lead qualification for the company. It reveals whether the

prospect has a real use case, whether they are willing to engage, and whether they can adopt the product seriously.

If a customer signs up but does not attend onboarding, import data, invite users, or define a business goal, the issue may not be the product. The issue may be poor fit or low commitment. A trial should not simply be a free sample. It should be a structured evaluation.

That means pricing and trials should work together. The goal is not to get everyone in. The goal is to identify and serve the right customers profitably.

How SaaS Founders Should Price More Wisely

A better SaaS pricing approach starts with unit economics. Founders should estimate the cost of acquiring a customer, onboarding that customer, supporting them, and retaining them over time. Then they should compare that cost to expected revenue and lifetime value.

Useful pricing questions include:

How much does it cost to generate a qualified lead?

How much sales time is required before closure?

How much onboarding effort does each customer need?

How many support hours are typical in the first 90 days?

What does customer success need to do to prevent churn?

What gross margin is required to keep improving the product?

Which customer segment gets the clearest value from the product?

Once these questions are answered, pricing becomes strategic

instead of emotional.

Cheap Is Not the Same as Affordable

There is an important distinction between being affordable and being cheap. Affordable pricing respects the customer's budget while still protecting the company's ability to deliver value. Cheap pricing ignores the real cost of value delivery.

For Indian SMB SaaS companies, affordability matters. But affordability should not come at the cost of implementation, support, and survival. A product can be priced fairly without being underpriced.

The Bottom Line

Being cheap is a failure strategy when the price does not support the full SaaS operating model. A sustainable SaaS company must price for customer acquisition, onboarding, service, retention, and product improvement. Otherwise, it attracts weak-fit customers, underfunds support, and creates churn.

The goal is not to charge the highest possible price. The goal is to charge a price that allows the company to deliver the promise it sells. In SaaS, that is the difference between appearing attractive and becoming durable.

FAQs

Why is low SaaS pricing risky?

Low pricing can underfund onboarding, customer success, support, and retention, making it harder for customers to get value.

Should SaaS startups avoid affordable plans?

No. Affordable plans can work if they still support healthy margins and a clear service model.

How should founders think about SaaS pricing?

They should price based on the full customer journey, including acquisition, training, implementation, support, and retention.

Source Note: Based on The Thrive podcast episode featuring Limesh Parekh of Enjoy IT Solutions: <https://www.thethrive.in/podcasts/from-inr-2-crore-loss-to-crm-success-limesh-parekhs-bootstrapped-journey-from-bhilad/>

How Starbucks Is Ruling The Indian Coffee Industry

Steaming hot and full of flavor, coffee is the most consumed beverage in India. After tea, it is the key ingredient that fuels productivity, creativity and social relationships. Starbucks understands this cultural significance of coffee and has pioneered its way into the hearts of its customers in India.

Creating strong customer loyalty involves much more than just serving a perfect cup of brewed espresso or cappuccino. Starbucks dedicates itself to connecting with customers by providing them delightful experiences from start to finish.

The company also uses smart technology to understand customer preferences so that they can continue to deliver personalized offers tailored to individual needs and wants. On top of that, their in-store staff are empowered with role-specific technology such as interactive tablets for ordering that allow for more accurate servings.

The success story does not end here; Starbucks recognizes that the Indian market is maturing day by day where value-for-money plays an important role when it comes to product prices and appealing menu options.

Its latest menu items offer an array of beverages at affordable prices while also providing different dietary requirements like vegan, gluten free, dairy free or other health conscious choices.

Starbucks goes far beyond the typical coffee house experience by creating a sense of community through initiatives such as partnerships with local businesses, live music performances and art exhibitions conducted in some outlets regularly.

Every detail has been taken into account since their launch in India – making sure they stay ahead in the industry while maintaining quality standards blended flawlessly with modern Indian culture.

If you live in India, you know that the consumption of coffee was not very high earlier as compared to now. And with time Starbucks has become the most significant player in the coffee industry. But the question comes here: How did they manage to dominate the country's coffee market? Let's take a look at their rise to success.

For years, Indians considered coffee something that only rich people drank. But these days, we see numerous cafes opening across the country. They sell various types of beverages ranging from cappuccino to chai tea. There are over 3,500 franchise stores of Starbucks in India today.

“Coffee consumption in India grew by 3 per cent to 1.06 lakh tonnes in 2011 as compared to 2010, according to data from the International Coffee Organisation.”

Source: ndtv.com

Starbucks was founded in 1971 in Seattle, Washington. Since its inception, it has grown into a global chain with over 28,000 stores worldwide. Today, Starbucks is the largest coffee retailer in America and also ranks among the top 20 companies in the world.

It also boasts the highest share in terms of revenue generation. With a strong foothold in the major metropolises, the company is expected to continue its growth in the months ahead.

After achieving massive success around the world, it came up with an innovative idea of expanding coffeehouses in India as well. India, known as a country of Tea lovers, will enjoy a variety of coffee drinks.

This question put Starbucks in difficulty in expanding its venture coffee in India. Starbucks, with high risk, took a decision and brought its coffee venture in 2003, but its turn failed.

With this, Starbucks enterprise started planning and plotting strategies for their expansion in the country and decided to start a joint venture with Ratan Tata's brand (TATA Coffee) with this, they announced the opening of stores at various locations across the country.

The early days

In 1971, Jerry Baldwin, Zev Siegl, and Gordon Bowker were the founders of Starbucks. The three friends first met at the University of San Francisco and thought to sell good-quality coffee beans.

Until 1976, the location of the Starbucks store was in Seattle. Before Howard Schultz took over Starbucks, it only sold coffee beans. In 1987, the founders sold the company to Howard Schultz, who rebranded the Starbucks company, Il Giornale.

Starbucks started growing really quickly and opened its first stores outside of Seattle. By 1989, the company opened 46 stores across the USA. In 1996, it opened its first store in Japan. Within 2 years it had 28 stores in Japan.

Later, it started getting various coffee companies and began testing a fresh-pressed coffee system. And then Starbucks started to face its share of setbacks and hurdles.

During the 2008 recession, Starbucks closed 600 stores in the United States. In the same year, the company had layoffs of almost 1000 jobs. In addition, it also closed several stores in Australia as well. By 2009, they had completed around 977 stores worldwide. But, Starbucks pushed through all the hurdles and rose to the top.

Starbucks India

In October 2012, Starbucks Corporation with TATA Global Beverages entered the Indian coffee market, starting their first store in Mumbai, India. A 50:50 joint partner, owned by Tata Consumer Products and Starbucks Corporation, that owns and operates Starbucks outlets in India. The outlets are branded Starbucks "A Tata Alliance" and it got the title "Tata Starbucks".

Today, Kevin Johnson is the CEO of Starbucks. The Starbucks store in India is owned by a joint venture of TATA Starbucks Private Limited. The brand is now known as Starbucks Coffee – "A Tata Alliance." And also, Starbucks signed an agreement with Nestle back in 2018, which says Nestlé has the right to market Starbucks' packaged coffee and food service products

worldwide.

(Infrastructure) The Hidden Secret Success Behind Starbucks in Indian Market

The Starbucks store located at Connaught Place in New Delhi has art painted on the walls, and the store is entirely made up of mats and ropes. The store located in Pune has a designed infrastructure with localized railings and a prosperous display of treasure and copper.

1) Menu For Indian customers

Apart from the usual products offered internationally, Starbucks coffee store in India has some special Indian-style Menu offerings such as Tandoori Paneer Roll, Elaichi Mewa Croissant, Chocolate Rossomalai Mousse, Malai Chom Chom Tiramisu, Chicken Kathi Roll, and Murg Tikka Panini to offers Indian customers.

All espressos sold in Indian outlets are made from Indian roasted coffee beans which are supplied by Tata Coffee. Starbucks also sells Himalayan bottled mineral water and free Wi-Fi is available at all Starbucks stores.

In January 2017, Tata Starbucks introduced Starbucks' tea brand Teavana which offers 18 different varieties of tea across its outlets in India. One of the varieties, called the India Spice Majesty Blend, was specifically developed for Indian customers and is only available in India. India Spice Majesty Blend is a blend of full-leaf Assam black tea infused with whole cinnamon, pepper, cardamom, cloves, star anise, and ginger.

On 15 June 2015, Tata Starbucks declared that it was suspending the use of ingredients not approved by the Food

Safety and Standards Authority of India (FSSAI).

2) Experimentation & Innovation

Starbucks always comes up with innovative ideas for presenting, roasting, and preserving themselves in the coffee market. The company took the initiative solely to keep on experimenting with making Starbucks.

3) Customer Relationships

Starbucks believes in focusing on existing relationships with customers, ensuring more fan following, and creating coffee more according to customers' preferences. The brand advocates more impact on customers' brains by doing tricks like mistakes in their spelling names.

4) Building Strong Social Media

Starbucks followed social media strategies, boosted social media with their posts, followed newsletters, blogs like LBB, BuzzFeed India, Social media marketing, etc. Their target audience is youth; hence they asked popular social influencers to promote and affiliate their offers on each and every page; these things helped to publicize their campaign and their coffee this way they create a strong Starbucks market.

Starbucks expects India as its top 5 market; due to its massive financial support, Starbucks has an advantage in investments and market opportunities. The thought of a joint venture with Tata Global beverages, supported by Starbucks corporation a lot, turned into a great idea for Starbucks to become a successful venture in India.

The success of Starbucks also involved quality improvement in the taste of the menu and infrastructure, particularly for the Indian market. The customers are welcomed, and the store ambience includes fast and free WiFi for their customers, with

a sip of coffee, and a good time in the cafe.

How does Starbucks make money?

Starbucks's revenue model has been categorised into operated stores, licensing fees from licensed stores, and the growth of other products. A large product of revenue comes from the company-operated stores. According to a report from 2018, around 82% of total revenue comes from this segment only.

The licensed stores do contribute much (12% to the total revenue) but are known to be very popular. The licensed stores hold lower margins and high operating margins as compared to the other company-operated stores.

These licensed stores sell products like tea, coffee, snacks and other Starbucks products and generate royalties and license fees for Starbucks.

The third source of Starbucks' sales of packaged tea, coffee and other instant beverage products to customers, is outside the company-operated and licensed stores. Also, some premium quality coffees, Food items, Whole bean Coffees and others.

Moreover, Starbucks also sells a few coffee machines and equipment like espresso machines, coffee brewers and others to licensed stores normally.

The Gold Card Reward by Starbucks

There was a time in 2008 when Starbucks was going through layoffs and some really hard times. And that's when Howard Schultz was re-appointed as the CEO of Starbucks, who took the Starbucks with some very remarkable alterations.

His most incredible initiative was the reward system. In this, the customer deposits some money in their Starbucks account and when they use the money for buying coffee, the company rewards them through the gold card reward.

This became the most successful marketing plan and around 41% of Americans preferred the Starbucks app for payments. And whenever a customer buys any beverage products from the store, they indirectly lend money to Starbucks at a 0% interest rate.

The money earned through this marketing plan was invested into different ventures, for the upgradation of the company. The most incredible thing about this reward back system is that the customers can only use the money to buy coffee from Starbucks and through this, there is a never-ending financial deal with the customers.

Revenue Model

Starbucks comprises different business segments that also play an important role in helping the company generate good revenues. Its focus is to provide premium quality products with warm and friendly customer service. Around 79% of company revenue normally comes from Starbucks-owned stores.

The cost structure of Starbucks majorly consists of fixed expenses such as administration and store operation pricing. Another primary cost driver is the occupancy price which is a variable expense.

Challenges faced by Starbucks' India

1) Competition:

In India, coffee is available in every price range, posing a serious threat to Starbucks' coffees and products. Many coffee houses offer products at a very affordable rate, and though you can say that they have a different target audience, Starbucks needs to keep an eye on these not-so-high premium brands.

2) Pandemic and Global Recession:

Like any other retail store all over the world, the coronavirus pandemic, health situation, and global recession have affected Starbucks as well due to the unpredictable situation. Starbucks temporarily closed 2000 stores in China, and overall 50% of the chain's corporate footprint and 46% of licensed stores in the US are closed as well.

3) Rising Prices of Raw Coffee Beans:

The price of raw coffee beans – Arabica, the world's most-produced coffee (representing over 65% of the world's production), has risen dramatically during the pandemic due to concerns over its availability, hoarding, and supply chain disruption as well.

Any additional dollar channeled to purchase raw coffee beans at a so costly price reduces Starbucks' profitability and if the prices continue to increase could pose a serious challenge to Starbucks.

Starbucks current situation

Today, Starbucks is the leading successful coffeehouse chain and one of the top companies worldwide selling coffee drinks and food, the company has its merchandise and more across the globe.

Grocery shops across the United States and other countries also sell bottled coffee, cold coffee, and ice cream products. In November 2019, it opened the most prominent coffee lovers spot in Chicago with more than 200 employees.

Due to the COVID-19 pandemic, the company had to close several of its stores, but it eventually announced opening new stores across the world.

Starbucks Corporation has reported consolidated net revenues of \$ 8.7 billion in the first quarter (Q1) of the fiscal year 2023, a jump of 8% compared with the 2022 quarter. Although the company has a significant challenge of competing with other coffee shops at such high costs, what benefits Starbucks is its aesthetic vibes and peaceful environment, which is suitable for office meetings and even for studies.

In 2022, Starbucks collaborated with the South Korean multinational conglomerate Samsung. And both companies have launched mobile cases. Moreover, they have found quirky cases for Galaxy Buds as well. The companies have teamed up to make adorable and chic cases for Galaxy devices.

All the accessories of the collaboration are manufactured with eco-friendly materials only. However, it is a limited edition across South Korea. It has been produced exclusively for the South Korean market only.

Summary

Starbucks is an American chain of coffeehouses that has world stores. Jerry Baldwin, Zev Siegl, and Gordon Bowker are the founders of Starbucks in 1971. In the early 1980s, they sold the company to Howard Schultz, who decided to convert the coffee bean store into a coffee cafe.

Starbucks comes at 114th position on the Forbes Fortune 500 list. In 2021, Starbucks made a net income of US\$4.20 billion. Today, the company has over 32,000 stores all around the globe.

FAQ's on Starbucks:

Must read articles:

- [How Domino's Became Pizza's Biggest Chain in India](#)

- [Prafull Billore \(MBA Chaiwala\): From tea stall owner to selling franchise](#)
 - [Indian e-commerce Giant Flipkart Success Story](#)
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Co-working Spaces Are Good For Employees Well Being

Today the way of living and working has changed fundamentally in the post-pandemic world and office spaces have witnessed a massive transformation.

Well-being has been considered a driver of higher productivity levels and means of solving productivity. The flexibility in working days in pursuit of productivity and good health is no longer a dream for employees.

The pandemic has forced us to reconsider the way of working and those in positions to make the change are seeking a connection between work and quality of living life.

High levels of working stress can lead to labour stress, but training resilience has been shown to produce positive effects on the well-being and productivity of employees.

Empowering employees to work and learn effectively is a key factor in driving productivity. Innovative co-working spaces provide an opportunity for individuals to hone their skills and expand their capabilities.

Maintaining a high level of employee well-being is not just about a healthy snack bar, yoga, or gym, but goes beyond physical health – factors like mood, environment, leadership,

and company culture.

All of this determines productivity and co-working spaces go a long way in ensuring that the well-being and productivity of employees go together hand in hand.

By instilling autonomy, creative confidence and collaboration, these workspaces foster a supportive environment that encourages meaningful connections with colleagues. This improves morale, which directly influences performance, thus increasing job satisfaction.

Additionally by providing access to the latest technology and a flexible working style, staff can acquire new skills to remain relevant in the ever-changing digital landscape. This helps maximize available resources and enable employees to make significant contributions while feeling valued at work.

Moreover companies investing in innovation through workspace design can attract and retain top talent, keep up with customer demands, and gain an edge over competitors who haven't embraced this trend yet.

Ultimately creating the right working atmosphere has many benefits for companies- not only do they benefit from increased employee engagement but ultimately greater return on investment as well.

Co-working spaces have established a business that focuses on employees' wellness and overall well-being is now a key to being a good company.

In India's co-working space market it is possible to cross 50 million square feet by 2023, workspaces designed for flexibility will be top of mind for people seeking productivity and work-life balance.

The co-working space

A co-working space is essentially an employer-agnostic office. Self-employed professionals and workers from different companies can come to the same space to do their individual jobs. Think of employees setting up their laptops to work in a coffee shop, but in a more traditional office-style setting.

But Co-working is not just about working space, it is a well-rounded ecosystem. Professionals no longer need to go to the daily office, nor do they need to suffer from a lack of social interaction as well. Similarly, it can effectively mitigate the risk of well being, mental health issues caused by loneliness and depression.

Coworking spaces promote employee well-being in the following ways:

1) Procrastination:

Working from home could lead to a point where home chores start involving your working hours. Delays in submissions, inability to meet work deadlines and the incomplete task can cause anxiety and last-minute rush. When you choose to work out of coworking spaces, you gain better control of your working schedules and enjoy a more relaxed being.

2) Casual and friendly environment:

While working out of a coworking space, due to the casual & friendly vibes, employees can reach their offices and leave whenever they like to go. Depending on the type of membership, you can select a mobile seat, and share the working space with several others. Or you can even go in for a full private office.

3) Interacting with like-minded professionals:

The coworking spaces are buzzing with professional activity. People from a variety of companies occupy the coworking space at the same time. Social interactions reduce the feeling of loneliness and anxiety.

Having someone working alongside you leads to better engagement, job satisfaction, good mental health and productivity. As per recent studies, about 46% of employees felt much less pressure when they are within a group.

4) Networking:

Interacting with other employees of different organizations creates a progressive network of professionals. Within boundaries you can interact, discuss, seek advice, vent frustrations or take suggestions. Healthy conversation in a conducive environment improves one's self-esteem and well-being.

The coworking environment contributes towards better mental and physical health. You may even find mentors, leaders, business partners, and new business opportunities too.

5) Facilities:

Coworking spaces make working easy and fun by meeting the specific requirements of professionals and still have no rules to follow. Coworking spaces offer unique advantages and facilities that can take away the burden off the shoulders of employees.

Some coworking spaces even offer childcare facilities, a place to take a nap, and many more. Some have designated calm spaces where you could meditate. Health enthusiasts can use the in-house gym at the coworking space and grab a snack at the food

court before heading home.

The convenience, amenities and facilities under one roof help improve employee productivity and well-being.

Disadvantages of coworking space

A coworking space isn't important for every type of business or for every person. Let's see some disadvantages of co-working space.

1) Limited scope for customization

People who work in coworking spaces tend not to have much say in the shape, design, and layout of the office environment.

What you see is usually what you get, so if a coworking space is too small for your needs or doesn't have the exact utilities your business needs, you'll need to look for a more suitable space.

Less privacy

If you're a bigger corporation, or you work on undisclosed projects or with sensitive user data, you obviously can't have strangers looking around the place, peeking at screens, and leafing your printouts at the copy machine.

Coworking spaces are community-driven social hubs basically that thrive on collaboration, but this may mean less privacy for those who work there.

2) Reduced Productivity

Coworking may be great for professional networking and collaborative working, however, there is a thin line between business conversations and socialising.

When a business chooses a more casual collaboration space in

place of a private office, they risk losing valuable hours spent by their employees chatting between themselves and talking to new people around them, who are not always business connections.

3) Lack of Exclusivity

Coworking offices provide memberships with unlimited access to communal workspaces for all types of companies. They are designed for members to come and go, and even bring as many people as they like, which can lead to overcrowded spaces and limited access to meeting rooms which can create a rush.

You also can't guarantee that you'll be working alongside like-minded professionals, whereas with private offices, a like-minded business environment tends to stay within the same business districts.

The connection between productivity and work culture

Recognising the important connection between productivity and the well-being of employees, employers are making provisions to make sure that employees have a work-life balance.

Modern co-working spaces are set amongst the best health and well-being facilities and activities which are now part of the new work culture.

Certain environmental factors have been linked to greater well-being and productivity like air quality, greenery, food court, etc. Ultimately, employees get the freedom to choose how they structure their working day and it has huge benefits for overall well-being.

The automation of workspaces future

An innovative technology ecosystem gave flexible and on-demand places to support convenience, functionality, productivity and well-being. Co-working companies have enabled comprehensive contactless technology and robotic technology that has attracted customers.

The traditional desk will possibly be non-existent in the future, with wearable technology, artificial intelligence, machine learning and the internet taking over co-working spaces that are transforming into autonomous workspaces.

Smart access, digital meeting rooms and receptions have already enabled cloud-based access systems, facial recognition control and real-time security monitoring data that are all now part of the culture of co-working spaces.

A recent report has stated that the emergence of the hybrid work model is the future of Indian offices and 65% of respondents were convinced of the high potential of hybrid or remote working in India.

Currently, 48% of India's workforce comprises millennials who are looking for tech-smart offices. They embrace collaboration opportunities and give a window to co-working players to expand their businesses.

India is also home to 68 % of the population under the age of 35 years who are seeking greater social engagement, well being and are looking for a vibrant work environment to be part of a large professional community.

This has created an opportunity for co-working spaces where innovation, creativity, community and collaboration are at the forefront of creating a new way of working environment, one focused on helping people find meaning in what they do.

Summary

Coworking spaces are considered the solution that could offer these workers a place where they have access to basic facilities such as electricity, high-speed internet, boardrooms, and other amenities, including a food court, or cafe right next to the workspace.

In the same, these spaces provide collaborative environments to ensure that gig workers, freelancers, and even remote employees can shut out the noise from the outside and establish a clear place between work and home.

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