



ACCELERATING WOMEN ENTREPRENEURSHIP Roadmap for Bangalore

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List of Abbreviations

AWAKE	Association of Women Entrepreneurs of Karnataka
CEO	Chief Executive Officer
CIDA	Canadian International Development. Agency
COMESA	Common Market For Eastern And Southern Africa
CSR	Corporate Social Responsibility
ECCAS	Economic Community Of Central African States
ECOWAS	Economic Community Of West African States
eMERG	Engineering Manufacturer Entrepreneurs Resource Group
ESF	European Social Fund
EUR	Euro
GDP	Gross Domestic Product
GEDI	Gender Global Entrepreneurship And Development Index
GEM	Gender Entrepreneurship Model
ICRW	International Center For Research On Women
IDES	Institut De Développement De l'Économie Sociale'
IT&ITeS	Information Technology Enabled Services
MNCs	Multinational Corporation
MPs	Member Of Parliament
MSME	Micro, Small & Medium Enterprises
NEN	National Entrepreneur Network
NKC	National Knowledge Commission
OECD	Organisation For Economic Co-Operation And Development
PACT	Programme For Building African Capacity For Trade
SCB	Statistiska Centralbyrån
SEK	Swedish Krona
SME	Small And Medium Enterprises
SPSS	Statistical Package For Social Sciences
TREAD	Trade Related Entrepreneurship Assistance And Development For Women
UK	United Kingdom
UN	United Nations
USA	United States of America
VCs	Venture Capitalists
VINNOVA	Swedish Agency For Innovation Systems
WBEs	Women Business Enterprises
WEEI	Women Entrepreneurial Environment Index

Executive Summary

Background

Female entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in the developing world. In the Indian context, overall entrepreneurial activity rate stands at 18.21% for men and 9.66% for women which is half the proportion of men (GEM Data, 2007). This huge gender gap in entrepreneurial activity can be attributed to the differing economic, financial and socio-cultural factors that form part of the business environment for entrepreneurs. Increasingly, the Indian government and private sectors recognize that integrating women more fully into business and economic development processes is essential for the country's growth. However despite their efforts women continue to face challenges in starting and growing their businesses. It is important to gain an understanding of why this may be and identify gaps that exist in the ecosystem. Given the above context, the objectives of this study

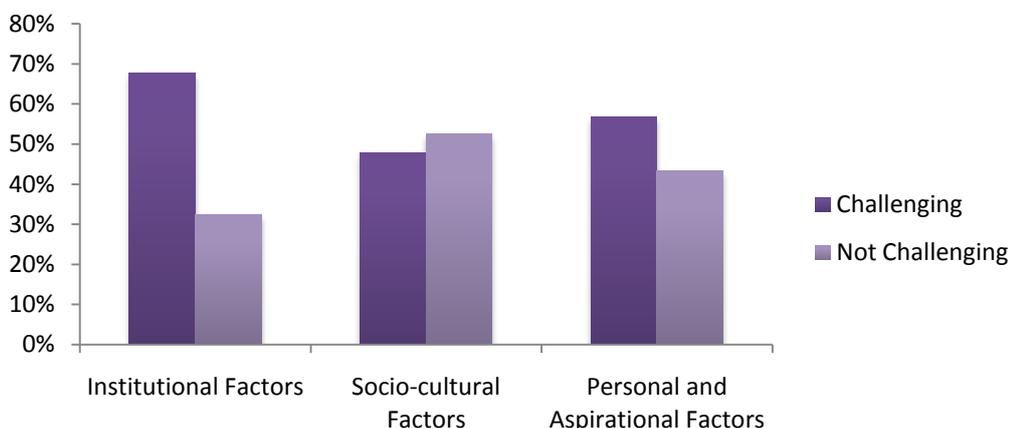
are three fold: (i) Evaluate the ecosystem for women entrepreneurs (ii) Identify major challenges faced by women entrepreneurs while starting and expanding their business and subsequently identify areas of support required (ii) Develop a city-specific roadmap, outlining the various programs, activities and policies required to develop a strong ecosystem to facilitate women's entrepreneurship.

The scope of work involved surveying 200 women entrepreneurs in the city of Bangalore, which was chosen as the pilot city for this initiative. In addition, 25 interviews were conducted with various stakeholders along with a Multi-stakeholder roundtable conference. Well structured primary surveys were carried out adopting a Stratified Random Sampling technique. Questionnaires were pre-tested for consistency by conducting a pilot survey.

Key Findings

Results obtained indicate that institutional factors have the greatest influence on entrepreneurial activity. 87% of the women find access to markets to be the biggest challenge during start up and expansion phases, followed by access to finance at 76%.

Exhibit 1: Challenges Faced by Women Entrepreneurs



Socio-cultural factors were perceived to be less of a challenge. However, the study reveals that women are faced with gender risks at the start up phase of their enterprise, and as they transition to the growth stage they are primarily faced with technical business risks. Doing business in sectors that are traditionally male dominated and the absence of female role models were significant challenges cited by respondents. Among the personal and aspirational factors, nearly 70% of women found managing employees and managing operations of business that relate to technology and finance as challenging. This necessitates the need for greater focus on training and capacity building in these special areas.

Sector Performance

The entrepreneurial ecosystem posed significant barriers for women entrepreneurs in the manufacturing sector. On a 100 point scale, manufacturing received the lowest score at 48 across start up and expansion phases. Accessing finance was the most challenging factor facing manufacturing sectors.



Support Needs

Over 60% of women identified training and familial support as the most critical areas of support needed while starting an enterprise, while during expansion; women expressed the need for financial and managerial support. Networking and mentoring remain crucial factors along the business continuum.

Exhibit 2: Support Needs of Women Entrepreneurs

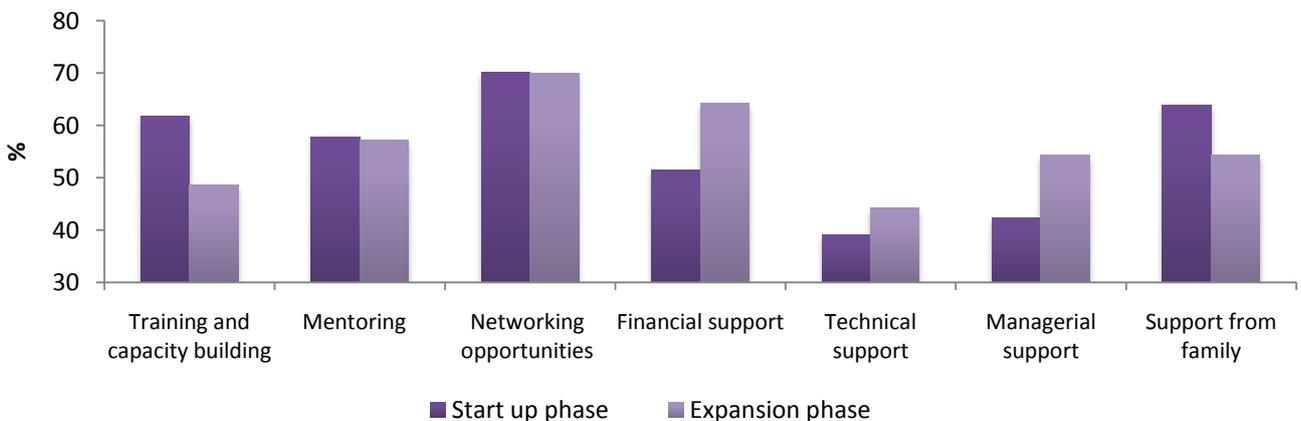
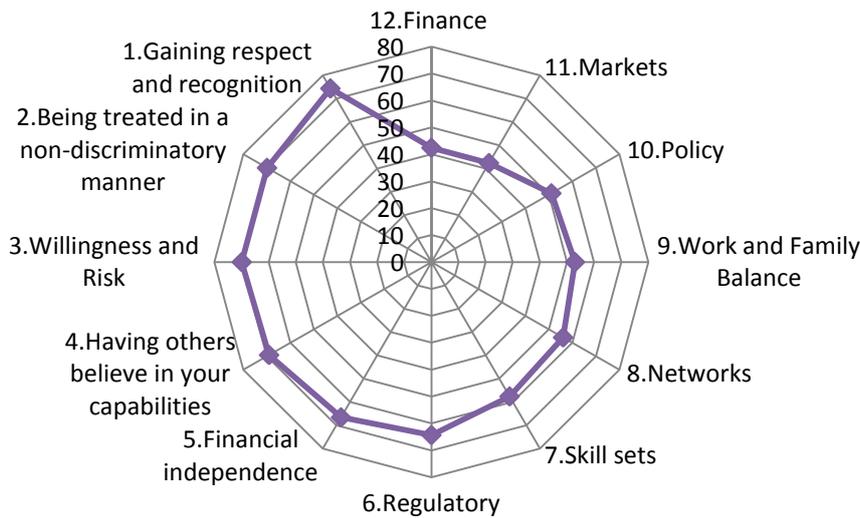


Exhibit 3: Women Entrepreneurial Environment Index

Bangalore receives an overall score of **62** on a newly constructed Women Entrepreneurial Environment Index (WEEI)



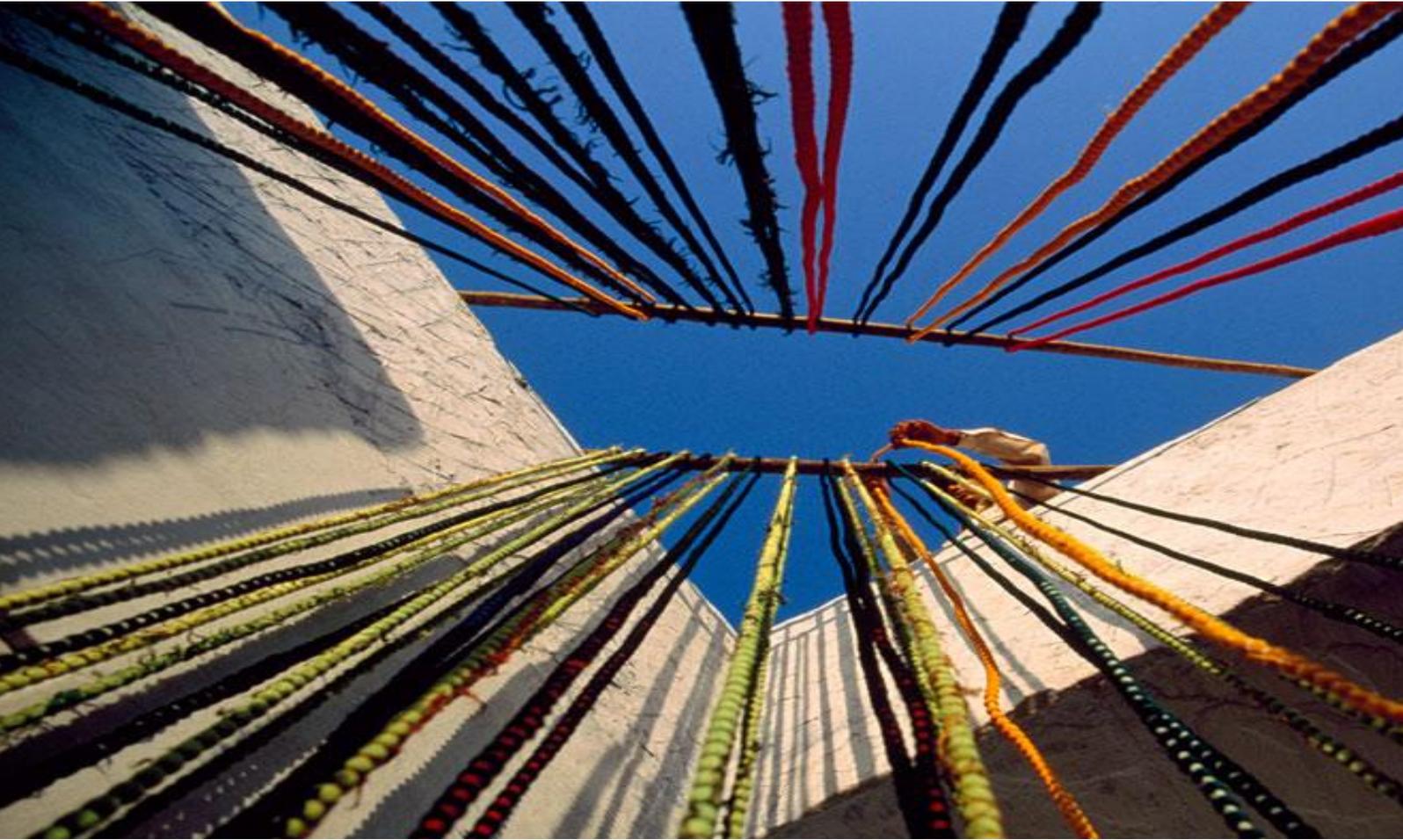
Institutional Factors	53
Socio-cultural Factors	70
Personal and Aspirational factors	62

All scores are on a 100 point scale. Higher the score the more conducive the entrepreneurial environment for women

Key Recommendations

Subsequent key recommendations to address areas of concern include:

- Institute the Practice of Undertaking an Annual Census on the Status of Women Business Enterprises
- Develop Specific Training Modules on Finance and Access to Markets
- Build a Nationalised Network of Female Business Mentors
- Integrate a Supply Chain Development Service/Portal on the new MSME Website
- Develop and Implement Gender Sensitization Programmes for Government Officials
- Strengthen the Capacities of Business Associations to act as Facilitators and Knowledge Providers
- Strengthen Capacities of MSME Institutions such as MSME DIs to Improve Policy Efficacy



Background to the Study

1. 1. Introduction

1.1.1 Women's Participation in the Economy

Female entrepreneurship represents a vast untapped source of innovation, job creation and economic growth in the developing world. Ensuring that women are able to create, operate and grow their businesses is increasingly recognised as fundamental to economic growth. However, only 35.3% of firms around the world have female participation in ownership (World Bank, 2012). Women's share of entrepreneurial activity is lower than that of men and is changing little over time (OECD, 2012).

In the Indian context, women's participation in the economy has seen a significant decline in the past decade. The Gender Entrepreneur Monitor identifies two categories of entrepreneurs – early stage and established businesses– based on the age of a business. The prevalence rate of early stage

entrepreneurial activity in India for females stands at 7.49% as compared to males which is 9.51%. There are wide gender differences on the rate of entrepreneurial activity at the established business phase – 8.69% for males and just 2.18% for females, signifying that there are few women owned businesses that have been scalable. The overall entrepreneurial activity rate stands at 18.21% for men and 9.66% for women which is half the proportion of men (GEM Data, 2007). This loss of GDP that India incurs owing to low female economic participation is a serious concern. "India's growth rate can make a quantum jump by 4.2% if women in the country get equal opportunity in the core sectors of the economy" (Laxmi Puri, UN Women). Extracting greater value from female human capital is of vital importance to raise growth rates.

1.1.2 Challenges Facing Women

The barriers to women entrepreneurship in India are myriad: lack of skill or training, limited access to capital, lack of savings and social networks, and limited choice of industry. Factors relating to the environment or the ecosystem in which a business operates as well as individual attributes influence the level of entrepreneurial activity. Individual attributes primarily relate to the level of education, attitude, and experience which have a significant impact on entrepreneurial activity. Gender-related discriminations, especially in developing countries, occasioned by socio-cultural factors also affect women's entrepreneurial activity. Business environment factors are outside the control of the business owner and despite the possession of the requisite personal entrepreneurial characteristics such as education, right attitude to risk, motivation, energy and working experience, the environment may hinder women entrepreneurs from exploiting entrepreneurial opportunities.

However, there is no disputing the fact that many of the challenges women entrepreneurs face are the same as those faced by all start-ups, small businesses, and growth-oriented businesses. However, women are socially conditioned differently from men and their life experiences are different from those of men. Women find it difficult to make their presence felt in traditionally male dominated sectors and have had to push harder to battle out society's preconceived notions. These reasons increase the level of difficulty experienced by women to gain access to markets, networks and finance that are crucial to the workings of any enterprise.

1.1.3 Existing Support Systems

Increasingly, the Indian government and private sector organisations recognize that integrating women more fully into business and economic development processes is essential for the country's economic success. The government has emphasized microenterprise development as a strategy to support women's economic participation. Other options such as training centres and business development support services for women entrepreneurs have emerged. The Small Industries Development Bank of India, established in 1990 to advance small-scale industry, promotes entrepreneurial training program for women in more than 20 states. Recent government industrial policies also emphasize the need to promote women's entrepreneurship in small-scale industries. The export sector is another area receiving attention, with the Trade Related Entrepreneurship Assistance and Development scheme beginning to focus on women (ICRW, 2012). Another significant step in this direction has been the establishment of a Bhartiya Mahila Bank, India's first all woman bank providing services predominantly to women.

Despite the efforts taken by the public and private sectors to increase the integration of women into mainstream economic activities, historical rates of economic participation by women in India have been low. Overall entrepreneurial activity rates in India stand at 18.21% for men and 9.66% for women which is half the proportion of men (GEM Data, 2007).

Business environment factors such as economic, financial and socio-cultural play a great role in the exploitation of entrepreneurial opportunities by women entrepreneurs.

The government has emphasized on microenterprise development as a strategy to support women's economic participation and has instituted schemes and initiatives to support women.

However, in the absence of a baseline and an objective evaluation of the impact of these programs, the efficacy of these initiatives in meeting their stated objectives remains largely under-investigated and under-invested in. The lack of gender disaggregated data on participation and utilisation levels is a significant challenge in undertaking impact evaluations of initiatives. Further, current assessments of schemes evaluate impact in terms of number of enrolments rather than capturing the benefits of a scheme to an individual and the ecosystem, which is a significant drawback.

However, an objective evaluation of current institutional support systems is needed to identify gaps and recommend ways to scale up women entrepreneurship.

1.1.4 Roadmap to Accelerating Women Entrepreneurship

The Roadmap 2020 and Beyond is a response to the aforementioned gap. The study seeks to perform an objective evaluation of the 'level of satisfaction' displayed by women entrepreneurs with their existing environment through the construction of a comprehensive framework. This study will help map the current state of women-owned businesses, creating a real understanding of the challenges facing women entrepreneurs and help charter a course of action for the advancement of women-owned SMEs. The roadmap is designed to contribute to the ongoing national discourse on gender empowerment and will lead to policies, programs and partnerships that increase women's participation in entrepreneurial activities. This will help spur enterprise development, economic growth and job creation by women-owned businesses in the economy. It will further foster collaboration among the public sector, private sector and other stakeholders to fuel competitiveness and GDP growth.

The study seeks to address this gap by performing an evaluation of the 'level of satisfaction' displayed by women entrepreneurs with their existing environment.

1.2 Objectives

Given that women continue to face challenges in entering the entrepreneurial space and scaling up their enterprises and given that gaps in the entrepreneurial ecosystem and support systems exist, the objectives of this study are to:

- To evaluate the ecosystem for women entrepreneurs
- To identify major challenges being faced by women entrepreneurs in starting and expanding their business
- To formulate Roadmaps, outlining the various programs, activities and policies required to develop a strong ecosystem to facilitate women's entrepreneurship.

The objective of this study is to develop a roadmap outlining the various programs, activities and policies required to develop a strong ecosystem to facilitate women's entrepreneurship.

1.3 Scope of Work

The scope of the work included determining how favourable the ecosystem is for women entrepreneurs and identifying the challenges they face. Bangalore was chosen as the first city for the Roadmap in India. Bangalore is among the top 20 start-up ecosystems in the world (Startup Genome). It is among the 8 largest technology innovation clusters in the world (MIT Technology Review). Further, the city has a great set of entrepreneurial talent and is referred to as the intellectual capital of India (Times of India, September 2013).

The data was collected by conducting field surveys with 200 women entrepreneurs in the city of Bangalore. Further, 25 interviews were conducted with other stakeholders including Multinational Corporations, Financial Institutions, Karnataka State Government officials, Business Associations, Venture Capitalists and Angel Investor Networks, and Accelerators and Incubators. A multi-stakeholder roundtable conference was hosted in Bangalore that facilitated an exchange between all stakeholders on the ways to scale up women entrepreneurship.

1.4 Organisation of the Report

The following section of the report will outline the approach and methodology adopted; this will be followed by a presentation of the findings of the study that includes the Women Entrepreneurial Environment Index. The report will conclude with recommendations and suggestions to improve the ecosystem for women entrepreneurs.

The scope of work included surveying 200 women entrepreneurs in the city of Bangalore which has been chosen as the pilot city for the Roadmap.



Approach and Methodology

2.1 Approach

2.1.1 Primary Research – Survey Design and Sampling Methodology

Carrying out a well designed primary survey was crucial in achieving the objectives of this study. The survey aimed to assess the constraints faced by entrepreneurs, while providing statistically significant business environment indicators that could be compared across cities. This would help stimulate policy dialogue on the business environment and help shape the agenda for reform.

Full- fledged surveys were conducted with 200 women entrepreneurs. The survey aimed to identify challenges faced by entrepreneurs, while providing statistically significant business environment indicators that could be compared across cities.

Full-fledged surveys were conducted with 200 women entrepreneurs. A stratified random sampling technique was adopted.¹ The strata for the survey were size of the firm and sector of operation. Samples were stratified into Micro, Small and Medium enterprises and manufacturing and service sectors were the primary sectors of interest. Further, the survey excluded women entrepreneurs who are the bottom of the pyramid – Self Help Groups did not form part of the survey as the organizational structure of SHGs and Co-operatives and the institutional ecosystem within which they operate is significantly different from MSMEs. The survey was answered by women business owners who had a minimum of 51% stake in the business and who were involved in the day to day operations of the enterprise. In the absence of a universal database of women entrepreneurs at the city level, the survey sample frame was derived from a list of eligible firms sourced from business associations and Government data banks in the city of Bangalore.

The survey adopted a stratified random sampling technique. The sample was stratified according to size of firm and sector of operation.

Detailed structured questionnaires were developed that covered a range of topics. Respondents were questioned on the general operations of their business and challenges faced during start-up and growth phases, with the responses then rated on a scale. Further, the impact of support made available to women entrepreneurs by Public and Private Actors was evaluated (see Appendix I for the questionnaires).

The survey design was pre tested for consistency through a pilot study with 50 women entrepreneurs.

The survey design was pretested for consistency through a pilot study with 50 women entrepreneurs and necessary changes to the questionnaire were made through iterations. The survey was further reviewed by experts and inputs were incorporated.²

A control group, consisting of 30 male entrepreneurs, was identified and interviewed. This facilitated comparisons between male and female entrepreneurs that helped draw women specific conclusions. Data collected from this set of respondents were largely qualitative in nature.

2.1.2 Stakeholder Consultations and Roundtable Conference

A multi-stakeholder roundtable conference was conducted in Bangalore. The purpose of this conference was to facilitate exchange between all stakeholders on scaling up women entrepreneurship and to develop actionable recommendations to address the identified challenges that women entrepreneurs face. The roundtable brought together a diverse set of stakeholders from various parts of the ecosystem. The discussion was centred on five major themes – Access to Finance, Access to Markets, Access to Networks, Training and Capacity Building and Policy.

A multi-stakeholder roundtable conference was conducted in Bangalore. The discussion was centred on five major themes – Access to Finance, Access to Markets, Access to Networks, Training and Capacity Building and Policy.

¹ In stratified random sampling, population units are grouped within homogenous groups and simple random samples are selected within each group.

² The use of appropriately designed survey instruments and uniform sampling methodology enhances the credibility of the analyses and recommendations that stem from the analyses.

In addition, one-on-one interviews were conducted with stakeholders from Government, Business Associations, Financial Institutions, Private Sector Firms, Venture Capitalists, Accelerators and Incubators from the business ecosystem. The same is documented and analysed using content analysis. Willingness of Public Sector Units and Multinational Corporations to source products and services from women entrepreneurs and subsequent issues they face in procuring from the same were also captured. Figure 1 illustrates the approach and methodology adopted for the study.

One-on-one interviews were conducted with stakeholders from various parts of the business ecosystem.

Figure 1: Approach and Methodology

PHASE	KEY ACTIVITIES	TOOLS	OUTPUT
PHASE 1: DATA COLLECTION	<ul style="list-style-type: none"> <input type="checkbox"/> Review publically available data on the entrepreneurial ecosystem in India <input type="checkbox"/> Identification of WBEs and sampling <input type="checkbox"/> Developing questionnaire and survey design <input type="checkbox"/> Undertake pilot surveys <input type="checkbox"/> Revise questionnaire based on inputs received <input type="checkbox"/> Scale up survey administration 	<div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-bottom: 5px; background-color: #e6f2ff;">Secondary Research</div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-bottom: 5px; background-color: #e6f2ff;">Face to Face Surveys</div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; background-color: #e6f2ff;">Expert Review</div>	<div style="border: 1px solid #ccc; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <ul style="list-style-type: none"> 200 interviews with women entrepreneurs Identification of challenges faced by WBEs. </div>
PHASE 2: ROUND TABLE CONFERENCE AND STAKEHOLDER CONSULTATIONS	<ul style="list-style-type: none"> <input type="checkbox"/> Identification of stakeholders – Government, MNCs, Business Associations, Financial Institutions, NGOs and other members of civil society <input type="checkbox"/> Developing questionnaires for each stakeholder group <input type="checkbox"/> Conducting interviews with identified stakeholders <input type="checkbox"/> Round table conference with all stakeholders and women entrepreneurs on creating a vibrant ecosystem for women entrepreneurs 	<div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-bottom: 5px; background-color: #e6f2ff;">Secondary Research</div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; background-color: #e6f2ff;">Qualitative Interviews</div>	<div style="border: 1px solid #ccc; border-radius: 15px; padding: 10px; background-color: #e6f2ff;"> <ul style="list-style-type: none"> Willingness of MNCs and Government in sourcing from WBEs Understanding of initiatives undertaken by various stakeholders Multi-stakeholder views on scaling up women entrepreneurship </div>

PHASE	KEY ACTIVITIES	TOOLS	OUTPUT
PHASE 3: ANALYSIS	<ul style="list-style-type: none"> <input type="checkbox"/> Data tabulation, cleaning and review <input type="checkbox"/> Conduct internal consistency checks <input type="checkbox"/> Cross tabulations <input type="checkbox"/> Construct Women Entrepreneurial Environment Index <input type="checkbox"/> Undertake content analysis of qualitative responses <input type="checkbox"/> Descriptive statistics 	<div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-bottom: 5px;">Statistical software most suitable – SPSS</div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-bottom: 5px;">MS Excel</div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px;">Interaction with expert advisors</div>	<ul style="list-style-type: none"> • Robust data set identifying key challenges • Characteristics of the business ecosystem for women
PHASE 4: DEVELOPING RECOMMENDATIONS AND CITY LEVEL REPORT	<ul style="list-style-type: none"> <input type="checkbox"/> Make policy recommendations, build consensus on initiatives, and map out appropriate roles for key actors to stimulate entrepreneurial growth. <input type="checkbox"/> Outline various programmes, activities and policies required to develop a strong eco-system that facilitates women's entrepreneurship 	<div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px; margin-bottom: 5px;">Interaction with expert advisors</div> <div style="border: 1px solid #ccc; border-radius: 10px; padding: 5px;">Findings from surveys</div>	<ul style="list-style-type: none"> • Recommendations and city level Roadmap to improve the business ecosystem for women

2.2 Analysis Frameworks

The following frameworks for analysis were developed for analysing the data collected.

2.2.1 Gender Analysis Framework

Data collected should be organized to highlight key gender problems, underlying causes of problems for men and women, and the relationship between problems and causes. Keeping this in mind, five categories of information were collected and analysed based on the following framework.

Figure 2: Gender Analysis Framework



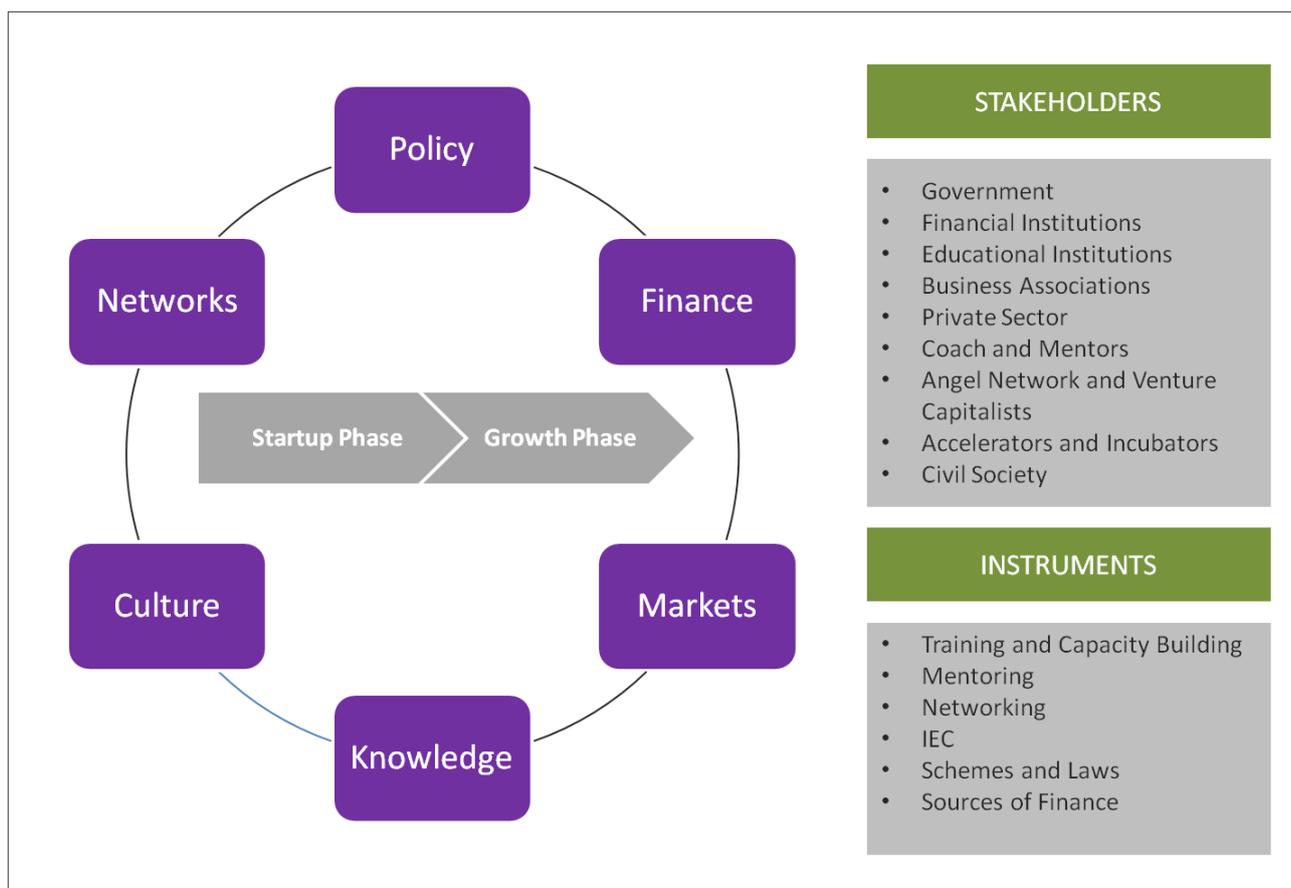
Source: Adopted from the World Bank Gender Analysis Framework

The Gender Analysis framework would help identify problems faced by entrepreneurs that are specific to women.

2.2.2 Ecosystem Analysis Framework

A favorable entrepreneurial environment fosters entrepreneurship in the country leading to economic growth. This study attempts to evaluate the ecosystem in which businesses operate. For the purposes of this study, the ecosystem has been defined as follows:

Figure 3: Defining the Ecosystem



The business ecosystem comprises a host of elements that work in tandem towards influencing entrepreneurial activity. A multidimensional model for women's entrepreneurship has been developed to measure the different actions undertaken by the various stakeholders in the ecosystem. This classification is based on a report submitted to the Planning Commission to accelerate entrepreneurship.³

³ *Creating a Vibrant Entrepreneurial Ecosystem in India. Report of The Committee on Angel Investment & Early Stage Venture Capital. Planning Commission, 2012*

Policy: The Government and regulators play the most critical role in catalysing entrepreneurship. Entrepreneurship could be encouraged at different stages through targeted policy interventions for example: Collateral free loans, beneficial taxation or educational offers. This dimension also includes legal and regulatory frameworks that benefit entrepreneurial activity.

Finance: Entrepreneurial activities are favoured by funding and financial support whose availability varies at different stages of a business. Various avenues of financing are available to enterprises – this includes access to debt and equity capital.

Markets: Creation of beneficial economic conditions is instrumental to the working of an enterprise. This aspect captures the barriers to accessing markets and the challenges faced by women while expanding one's customer base.

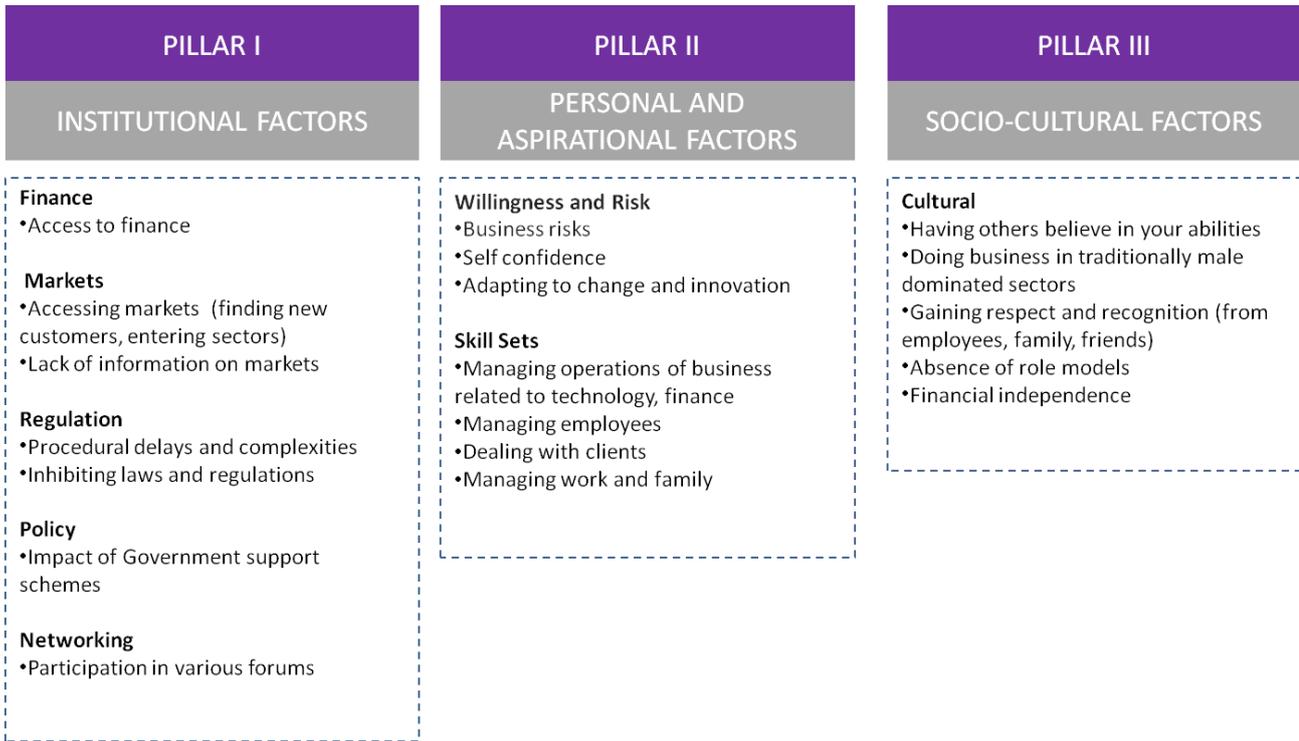
Knowledge: Entrepreneurial competencies and knowledge are necessary prerequisites to setting up and leading a business. Entrepreneurship is favoured by access to schooling, advanced training, university degrees, etc. Non technical courses like soft skills and language skills also raise the entrepreneurial potential.

Culture: This aspect encompasses the level of satisfaction displayed by women with respect to having sufficient freedom and independence to take decisions, being treated in an equal and fair manner, gaining respect and recognition.

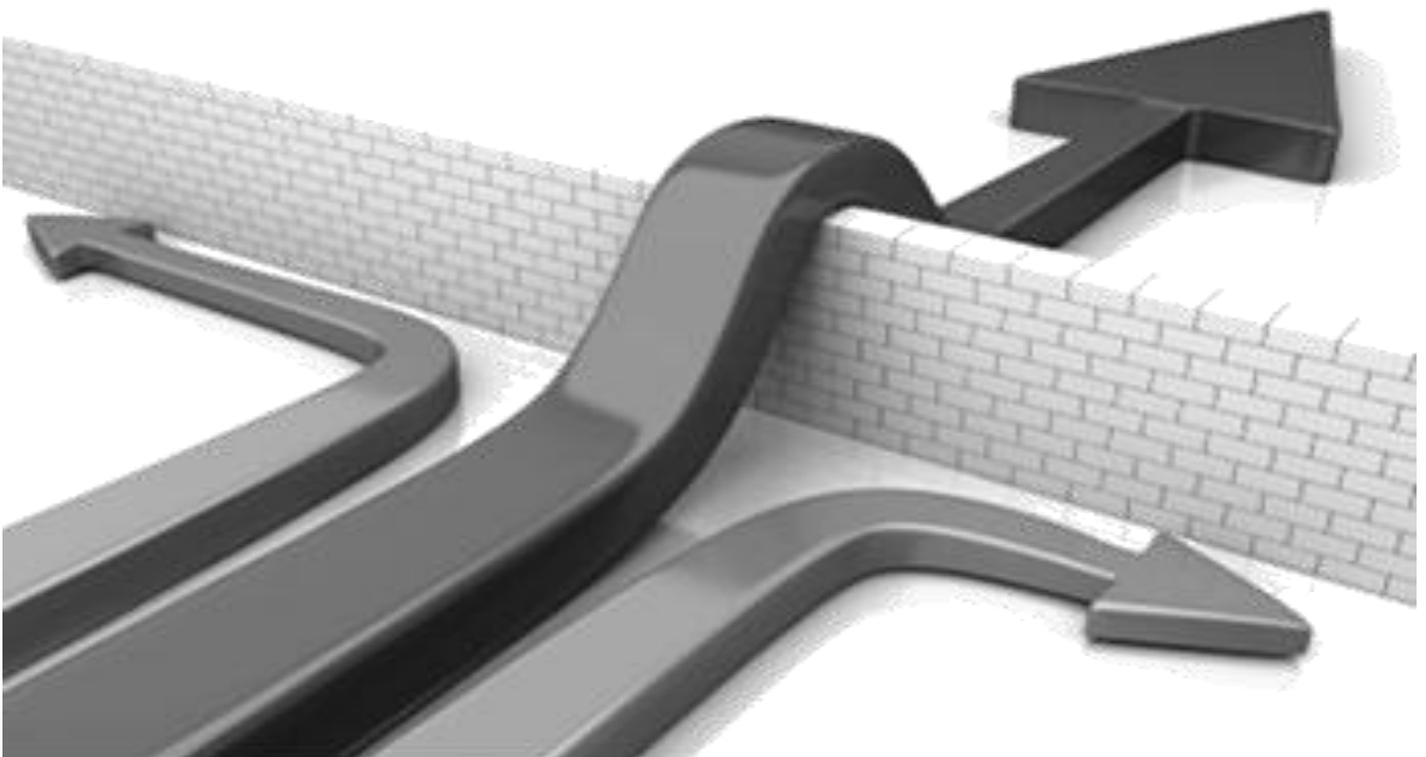
Networks: Networks offer the possibility to exchange knowledge, experiences, advice and contacts. Networking also helps enhance access to markets.

The ecosystem for entrepreneurs has evolved. Alternative avenues of financing such as venture capital and angel investments have assumed importance in recent years. Incubators and accelerators are specially designed to support enterprises at various stages of their business. These stakeholders combine a whole host of measures to support entrepreneurial activity and play an important role in determining the quality of the ecosystem. These stakeholders have also been interviewed and their inputs have been analysed in conjunction with the above mentioned dimensions to present a holistic assessment of the environment within which women businesses operate.

Figure 4: Conceptual Framework for Nature of Entrepreneurship and Classification of Challenges



The challenges faced by women entrepreneurs have been classified into institutional, personal and aspirational and socio-cultural factors. This classification also forms the basis for defining the nature of entrepreneurship. Entrepreneurship is an interaction of institutional, entrepreneurial attitudes and aspirations. Environment factors such as the efficiency and quality of an institutional setup could have a major influence on the quality of entrepreneurial activity. General institutional factors such as property rights, regulatory barriers, support mechanisms, form part of the contextual features of entrepreneurship that shapes new entry, influences the quality of a start-up and accelerates entrepreneurship (GEM Model). Socio-cultural factors too influence entrepreneurship.

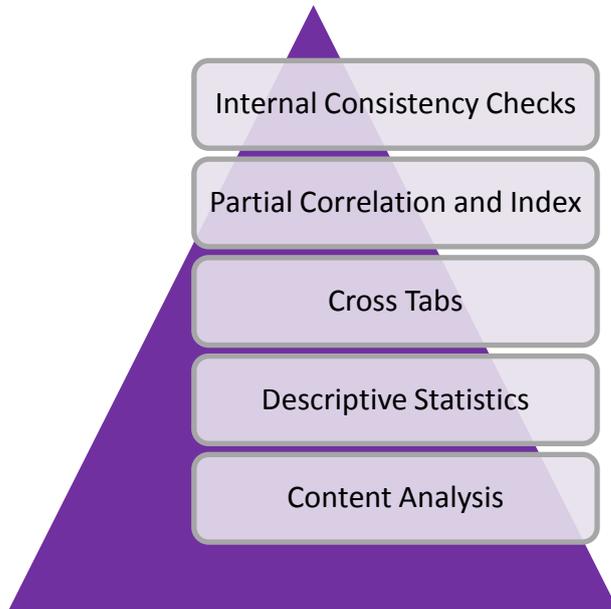


2.2.3 Tools for Analysis

All data collected was checked for internal consistency. Statistical correlations were carried out to determine the interrelationships between factors. All qualitative responses were analysed using a structured framework referred to as content analysis.

The following figure illustrates the tools used in analysing the data collected.

Figure 5: Tools for Analysis



2.2.3.1 Internal Consistency Checks

As a first step, the Chronbach alpha for all the parameters was calculated. This is a commonly used statistical technique that reveals:

- How a set of items measure a single characteristic and estimates how highly interrelated a set of items are
- The degree to which the results are free from measurement error

$$\alpha = \frac{K}{K-1} \left(1 - \frac{\sum_{i=1}^K \sigma_{Y_i}^2}{\sigma_X^2} \right)$$

Where,
K is the total sample size

- σ^2X is the variance of the observed total scores,
- σ^2Y_i is the variance of component i for the current sample of persons

2.2.3.2 Partial Correlation Analysis

Partial correlation coefficients were determined to identify the most significant factors and variables that most significantly influence the entrepreneurial environment. Partial correlations were then calculated between the average rating of each respondent on all the challenges faced by the respondent (X_1) and each individual factor (X_2) controlling for all other factors ($X_3, X_4...X_n$). This was calculated for all factors – institutional, personal and aspirational and socio-cultural. The coefficient of partial correlation is given by the equation below.

$$\rho_{12.34...n} = \frac{\sigma_{12.34...n}}{\sigma_{1.34...n} \sigma_{2.34...n}}$$

The potential problem of multicollinearity among independent variables when employing multiple regression analysis to measure implicitly derived importance of factors was eliminated because of the utilization of partial correlation analysis. Further, all factors were converted to their natural logarithmic form to normalise the distribution.

2.2.3.4 Women Entrepreneurial Environment Index (WEEI)

The partial correlation coefficients, derived from the above process, were used to calculate weights in the creation of an index. The partial correlation coefficient highlights importance of a factor. The index represents how favourable the entrepreneurial environment is for women entrepreneurs. Average rating on each of the factors (Institutional, Personal and Aspirational and Socio-cultural) was used to represent the nature of the entrepreneurial environment in the area of study. This was multiplied into the weights derived for each factor to arrive at the value that signifies the 'level of satisfaction' displayed by women entrepreneurs on the entrepreneurial ecosystem. This was further converted to percentage form for easy readability. The following formula was deployed to arrive at the index.

$$WEEI = \sum_{i=1}^n \frac{100}{(m-1)} \sum_{j=1}^q (x_{ij} - 1) \cdot w_i$$

Where m represents the highest value on the rating scale, x_{ij} is the average response received on a factor and w_i is the weight assigned to a factor. Weights can be calculated by dividing the average importance attached to each factor to the sum value of all factors. Importance of each factor was derived using partial correlation coefficients.

2.2.3.5 Cross Tabulations

Cross Tabs were conducted based on the following parameters:

- Stage of business
- Sector of business
- Prior experience in sector
- Involvement of male members
- Participation in Associations and support programs

In addition, the analysis included calculation of descriptive statistics.

2.3 Limitations of the Study

The study was subject to certain data limitations. Due to the absence of a database on women entrepreneurs at the city level, data was sourced from various business associations thereby lowering control on the overall sample design. Absence of a well structured control group that comprised of male entrepreneurs was also a limitation to the study.



Findings

A total of 200 women entrepreneurs were interviewed. In addition, a small proportion of male entrepreneurs were interviewed in order to draw relevant comparisons. The findings have been presented as per the sector of operation and stage of business. For the purposes of this study, the business continuum has been classified as (i) Start-up phase and (ii) Expansion phase. Responses to relevant questions were received in this manner, allowing respondents to use their discretion to rate the current stage of business of their enterprise. Expansion has been defined as expanding the scope of operations in terms of new products and services, markets, locations and infrastructure. Sectors have been classified into three broad categories; (i) Manufacturing (ii) Retail and Distribution (iii) Knowledge Intensive industries that comprise of IT/ITES, Consulting services, Training and Pharma.

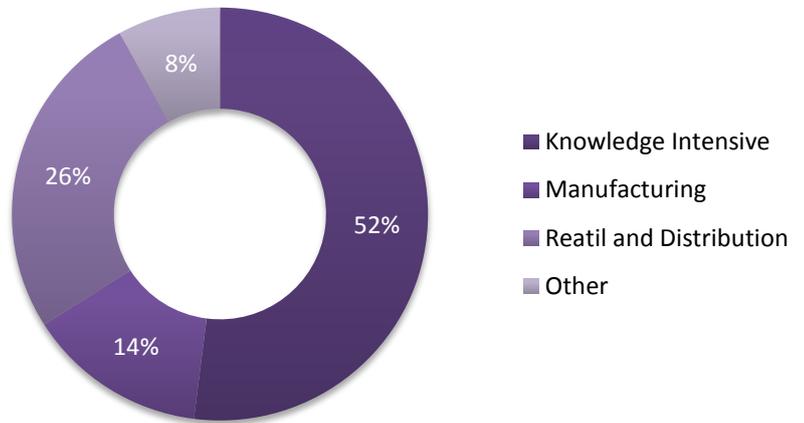
As the primary objective of this study is to identify and map the challenges and issues facing women entrepreneurs, thereby recommending ways to bridge gaps identified in the ecosystem, the findings of this study have been presented in the following manner. The first section of the analysis addresses the institutional constraints faced by women entrepreneurs. Institutions here refer to Finance, Markets, Regulatory and Policy factors and Networks. The next section captures any personal and aspirational issues facing women. The final section analyzes socio-cultural factors that have an influence on entrepreneurial activity. Challenges have been rated on a *Likert scale* from 1 'very challenging' to 3 'not challenging.' Subsequent areas of support required by women entrepreneurs are mapped with support made available by various stakeholders in the ecosystem. Impact of support extended has been evaluated and gaps identified. Gaps in the ecosystem are highlighted through the Women Entrepreneurial Environment Index which is explained in greater detail in the sections to follow.

The Chronbach Alpha coefficient was greater than 0.8 for all parameters, which signifies that data collected is consistent.

3.1 Entrepreneurial Profile

Sector Profile

52% of women entrepreneurs are engaged in knowledge intensive and emerging sectors such as IT, consulting, Pharma, education and finance. 14% of firms belong to the traditional manufacturing sectors dealing in industrial components and engineering supplies. Around 26% of firms deal in trading services falling under the category of retail and distribution.



Location of Enterprise



Over 50% of enterprises were located in office spaces

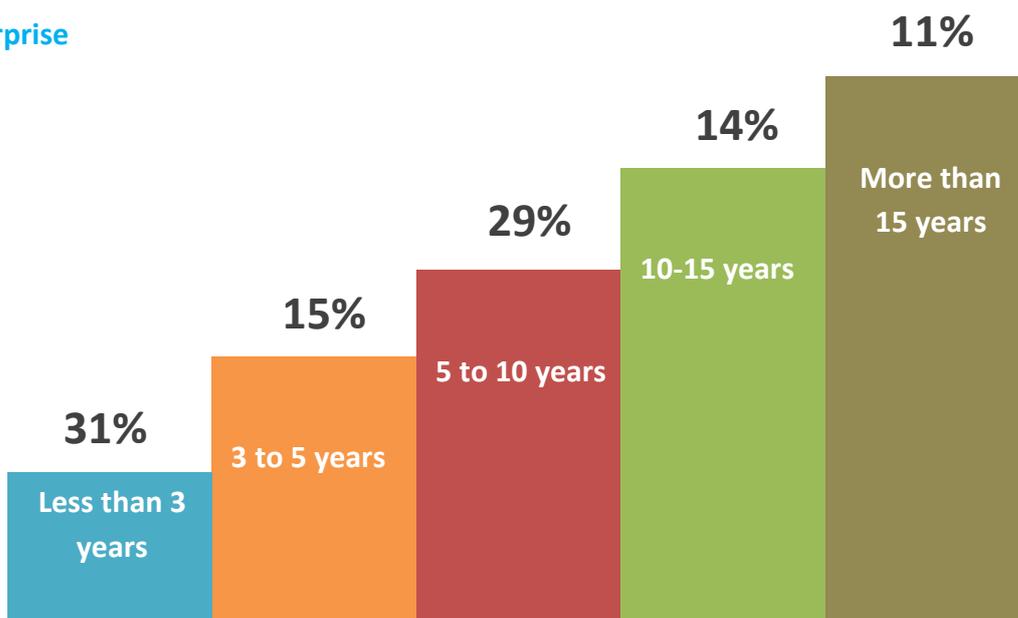


18% of enterprises were located in industrial areas

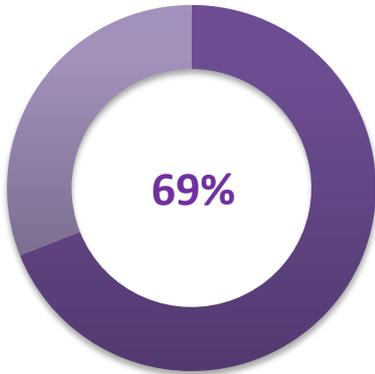


13% of enterprises were home based

Age of Enterprise



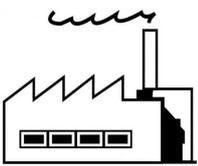
Number of Employees



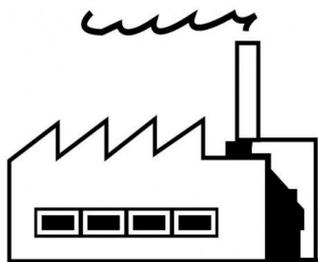
69% of firms had less than 10 employees. 7% of firms had more than 100 employees. Nearly 70% of these firms belonged to the IT/ITES sector and 30% to the manufacturing sector.

Size of Business

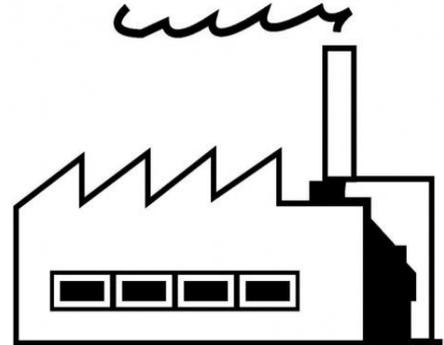
36% Micro Enterprises



50% Small Enterprises



14% Medium Enterprises



Revenue



28% of firms had an annual turnover of more than INR 1 crore

Ownership

47% of women were sole proprietors



Source: Athena Research

3.2 Institutional Constraints

Institutional factors that constrain entrepreneurs include the lack of finance, low access to markets, unfavourable policies, regulatory barriers and lack of trusted networks. These factors are instrumental to the success of an entrepreneur and form part of the business environment.

The institutional factors examined in this study include Finance, Markets, Networks, Policy and Regulatory factors. The constraints facing women entrepreneurs in each of these segments have been detailed in the sections that follow.

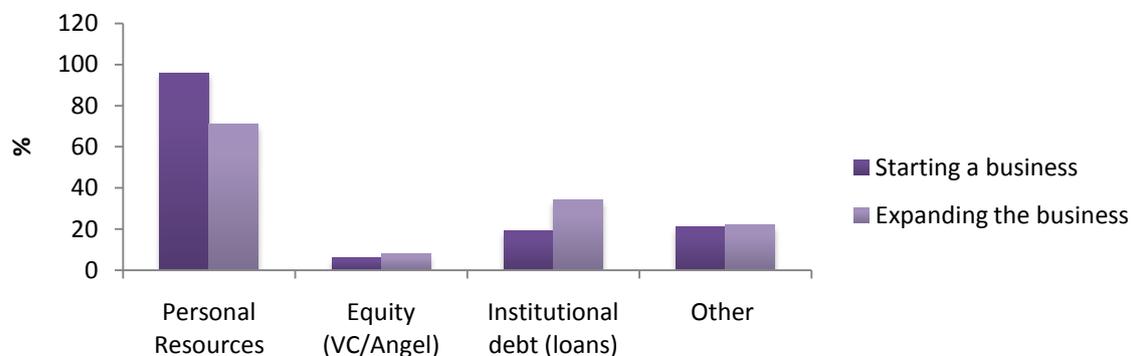
3.2.1 Finance

Access to finance is a critical factor considered by women in deciding on whether to become an entrepreneur and in deciding the nature of the enterprise. Two avenues of finance are available to entrepreneurs: Debt and Equity. Sources of debt financing are financial institutions, banks, and Government schemes. These are more traditional sources of financing. Equity on the contrary, generally comes from Venture Capitalists (VCs), angel networks and Private Equity funds.

Source of Finance

96% of respondents utilised personal sources of funds for their enterprise at the start of their business. This reduced to 71% during expansion. Around 19% of enterprises rely on debt financing at the start-up phase, which doubles to 34% in the growth stage. A mere 6% of firms access equity financing through venture capitalists and angel networks.

Figure 6: Sources of Finance



Source: Athena Research

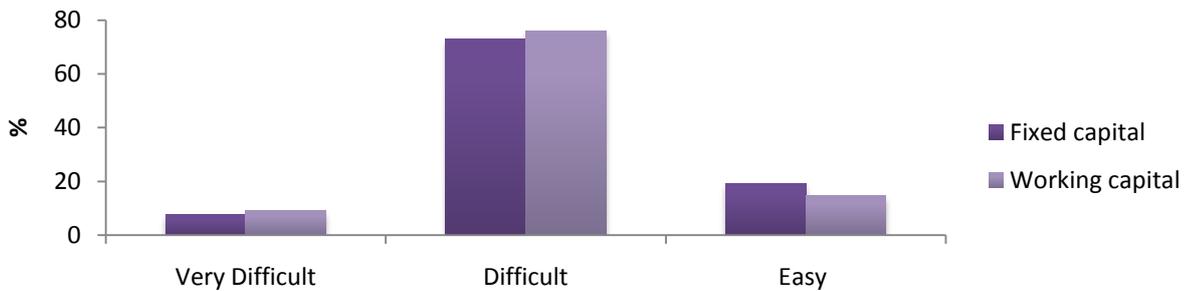
Equity models are largely present in knowledge intensive sectors. Angel investments in India comprise 7% of investments that total to INR 100 crores across 50 deals, which when compared with developed countries, is very low. Venture capital investing also remains low in the country at INR 1200 crores as against INR 29,000 crores in the US annually. These scenarios are expected to change as per a report released by the Planning Commission which predicts investments could increase to INR 14,000 crores in the next 10 years with an increase in entrepreneurial base.⁴

⁴ *Creating a Vibrant Entrepreneurial Ecosystem in India. Report of The Committee on Angel Investment & Early Stage Venture Capital. Planning Commission, 2012*

Access to Finance

Respondents were asked to rate their perceptions on access to working and fixed capital on a scale of 3: Very Difficult, Difficult and Easy. Over 75% of respondents reported access to fixed and working capital as difficult, with nearly 10% of women rating it as very difficult.

Figure 7: Access to Working and Fixed Capital

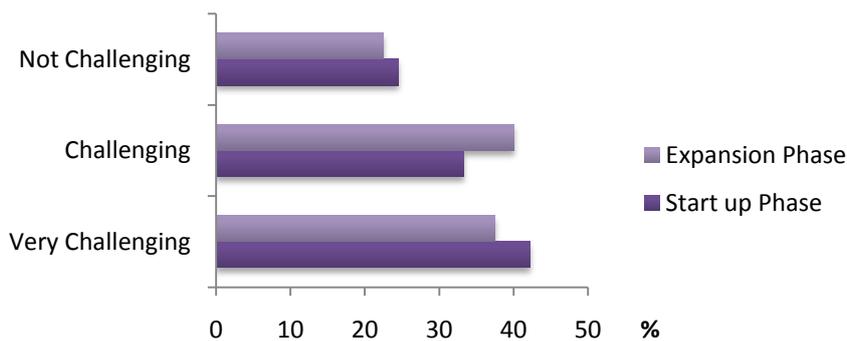


Source: Athena Research

Variation as per Stage of Business

On asking respondents to rate their overall level of difficulty in obtaining finance, 42% of respondents found it very challenging, 33% found it challenging and 25% did not find it challenging at the starting phase. The intensity of challenges faced marginally reduced in the expansion phase though access to finance still remained a significant challenge.

Figure 8: Stage wise Access to Finance



Nearly 75% of women faced difficulties in obtaining finance at the start-up phase

Source: Athena Research

Variation as per Sector

The level of difficulty experienced in accessing finance varies as per the sector of operation as indicated in Table 1. This difference could be attributed to availability of financial support by Government and private institutions for specific sectors or the fact that certain sectors are exposed to relatively more avenues of financing. Further, it is also a function of the capital intensity of the sector.

Table 1: Sector wise Access to Finance

Sector	Start-up Phase	Expansion Phase
Manufacturing	16	38
IT&ITES	40	46
Consulting	68	71
Retail/Distribution	25	27
Training and Education	71	45
Pharma & Healthcare	43	50
Others	50	60

Source: Athena Research

On transforming the average ratings to a 100 point scale, we find that the manufacturing sector experienced a high level of difficulty in obtaining finance receiving the least score of 16 while starting an enterprise. Training and education and consulting sectors experienced the least amount of difficulty at 71 and 68 respectively. The overall level of difficulty reduces across sectors in the expansion phase except for training and education. This signals the need for more targeted interventions to improve access to finance for the manufacturing sector. Manufacturing sectors being capital intensive would have greater capital requirements.

Variation as per Source of Finance

Funding the enterprise from personal resources becomes more challenging in the expansion phase than in the start-up phase by 15% as more amount of capital is required while expanding. Similarly, access to equity sources is more challenging in the growth stage by 27% than in the start-up phase. This suggests that lack of financial capital from conventional sources such as personal resources is more of a challenge and accessing new sources of finance such as equity is also a barrier to scaling up.

Variation as per Involvement of Male Members

Access to finance improves for women who have male members involved as business partners. Women who are sole proprietors with no involvement of male members receive a score of 41 on access to finance as opposed to 55 for those who have a male member involved. This shows that men have an advantage in accessing finance. Findings that emerged from the multi-stakeholder conference indicate that women owned enterprises tend to be perceived as more risky ventures and investors are less willing to invest in WBEs.

Gaps and Issues Identified

Key gaps in access to finance pertain to lack of awareness on how to access different avenues of finance and gaps in the existing financial support made available by Government. Further women were seen to display low levels of financial literacy and were seen to be less willing to adopting equity forms of financing with a fear of diluting their stake in business.

Qualitative inputs received on surveys indicated that there is a need for more avenues of financing particularly for non technology sectors, and greater representation of women in angel networks was desired.

3.2.2 Markets

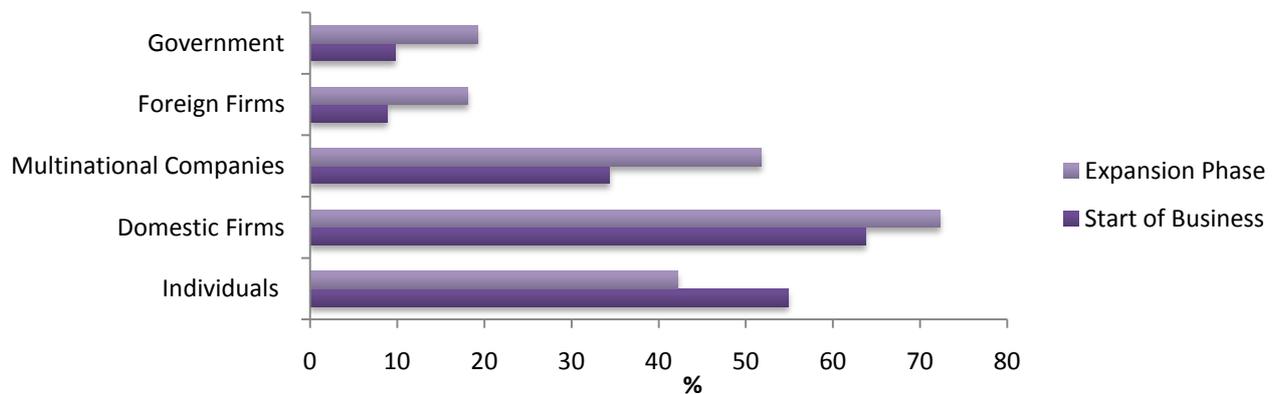
Access to markets and customers is a significant factor influencing an entrepreneur's revenue stream and growth.

Customer base

On an average, 68% of women entrepreneurs sell to private domestic firms. 49% cater to individuals, 43% sell to Multinational Companies, a mere 13% export their products and about 15% supply to Government departments.

Variation as per Stage of Business

Figure 9: Stage wise Customer Base



Source: Athena Research

Results indicate that sales to individuals are high during the start-up phase and reduce by 13% in the growth phase. There is an increase in sales during expansion, with sales to multinational firms seeing a significant jump of nearly 20%. This indicates that entrepreneurs are experiencing a steady growth and have the capacity to cater to the requirements of the global giants. Increases in sales to foreign markets and Government are also seen, with exports nearly doubling to 18%. Overall, greater diversity is witnessed once a firm turns mature which is indicative of the capabilities of women entrepreneurs.

Variation as per Sector

48% of women entrepreneurs in trading such as retail and distribution largely cater to individuals. Of the enterprises selling to foreign firms, IT/ITES accounts for the major share at 56%. Similarly for those supplying to Multi National Corporations, knowledge-based industries account for the largest share. Manufacturing firms largely cater to private domestic industries (61%), indicating the need for proactive action in improving access to global markets for manufacturing firms.

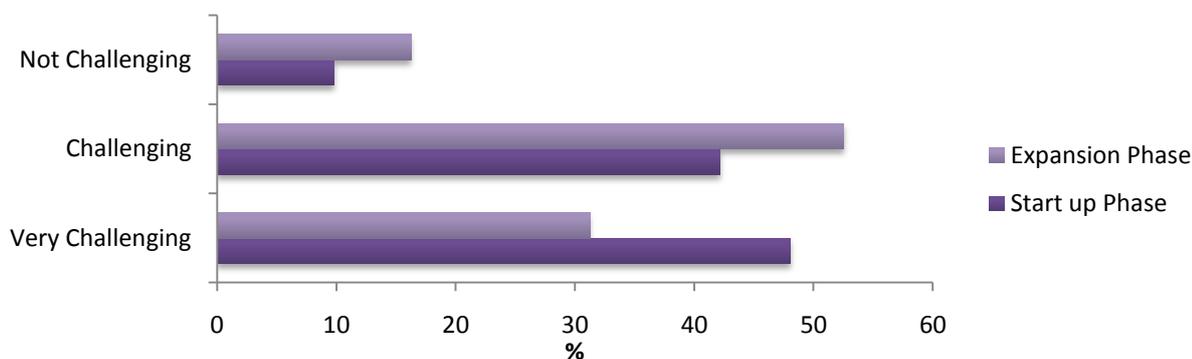
Accessing Markets as a Challenge

A relatively small proportion of firms have a diverse base of clients and customers. For this reason, access to markets has been rated as challenging by nearly 90% of respondents and is cited as one of the most critical challenges.

Variation as per Stage of Business

Data indicates that as businesses expand and obtain access to diverse markets, the intensity of challenges faced in accessing markets reduces. The number of enterprises reporting accessing markets as extremely challenging reduces from 48% to 31% in the expansion phase.

Figure 10: Stage wise Access to Markets



Source: Athena Research

Variation as per Sector

Table 2: Accessing Markets Sector wise

Sector	Start-up Phase	Expansion Phase
Manufacturing	44	53
IT&ITES	23	35
Consulting	36	36
Retail/Distribution	20	45
Training and Education	32	27
Pharma & Healthcare	50	67
Others	31	30

Source: Athena Research

Sector wise scores on the level of difficulty experienced in accessing markets has been computed wherein lower the value, higher the level of difficulty. The Pharma and Healthcare sector followed by the Manufacturing sector have experienced the least amount of difficulty in this area. This is because firms in the manufacturing sector have access to greater number of trade fairs. Further, as only a small number of women are engaged in the manufacturing segments, women indicated that the recall value was higher given the underrepresentation of women in the sector and hence accessing markets was not as difficult. Industries dealing in trading services score the lowest at 20 indicating that obtaining access to markets is very challenging, followed by IT/ITES at 23. In the expansion phase, knowledge industries face relatively higher level of difficulties.

Variation as per Participation in a Business Association

Findings indicate that higher the participation in business associations, the lower the level of difficulty experienced in accessing markets. Business associations play a crucial role in bridging the demand supply gap. Through their various activities, they help create a platform to connect buyers and sellers. These include opportunities to network, buyer seller meets and fairs. On comparing those who actively participate in an association as opposed to those who do not, the study discovered that participation in an association reduced the level of difficulty by 12 points (on a scale of 1 to 100). Further availing information on markets is significantly easier for those who participate (score of 30 for those who do not participate and 62 for those who do, wherein higher the score, lower the difficulty).

Gaps and Issues

Private Sector Procurement

Women entrepreneurs are missing in the supply chain and constitute just 1% of the global procurement service. Several MNCs and large corporations in India are now beginning to realise the social impact of procuring from women owned enterprises and are taking efforts to build inclusive supplier procurement programs to increase diversity in their supply chains. For instance, women constitute 8% of the supplier diversity initiative of global giant HP (Times Business, November 2013). Yet women face difficulties in getting a share of the procurement. A key problem cited by MNCs interviewed in sourcing from WBEs was finding WBEs.

In addition to supplier diversity initiatives, Multinationals in Bangalore undertake Vendor Development Programs; some even mentor their women suppliers giving them details of focus areas, products and investment requirements. Annual vendor meets also provide information on new technologies and products. Despite these efforts, women face challenges in accessing markets. MNCs interviewed identified low participation of women in these events as a key reason. There are very few women who are active and further, very few operating in the technology and electronic segments; women's visibility in these sectors is low.

MNCs reported women's inability to meet procurement requirements particularly, financial viability of WBEs as being the key factors contributing to low level of procurement from women businesses. There are very few women enterprises that operate on a large scale or who fall in the category of high growth businesses. To address these problems, MNCs should be encouraged to set procurement policies that mandate procurement from WBEs at the Tier 2 and Tier 3 level.

Key issues cited by women entrepreneurs with respect to existing initiatives of private sector corporations include the unstructured nature of vendor development program. In India, supplier diversity is not yet a formal program due to the absence of compliance requirements. Due to this reason, there are very few firms, largely comprising multinationals that have supplier diversity initiatives that include women. Due to these reasons, women entrepreneurs who belong to the Micro and Small segments are excluded from procurement channels owing to the absence of a level playing field. Lastly women seemed to lack the confidence to approach MNCs, to make a pitch and get themselves on preferred vendor lists.

Public Sector Procurement

Only 6% of firms interviewed had applied for a Government tender. Difficulty in accessing information through online sources was cited as the biggest reason behind low participation in public tenders. Issues related to cumbersome procedures and documentation were also factors restraining women from supplying to Governments.

Further, few women realise that government could be a potential buyer for their products. Women were unaware on how to apply for a tender, how to get empanelled

Key requirements of MNCs: financial viability, scalability, employee strength, product quality and ability to meet global delivery standards.

and how to create a financial proposal. Despite the Government's Public Procurement Policy, very few women were aware of these benefits.

In addition to procurement issues, women cited difficulties experienced in pricing their products in a way that would help them reach a larger customer base. Interviews with Government and MNCs indicated that women tend to under price their products and usually bid for low value projects, thereby restricting them from scaling up and reaching more markets. This signals the need for training women entrepreneurs in areas such as product costing and ways to improve product quality, thereby empowering them to meet global delivery standards.

"The E-tender website is very challenging to navigate and register as a vendor. There was no training provided to understand and use the website. The procedure is also complicated."

- Women Entrepreneur

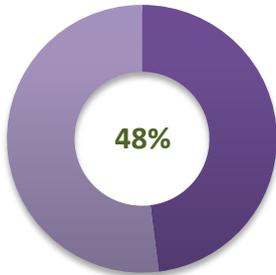
"There is a gap in capacity building vis-a-vis the requirements of MNCs. With MNCs, you may need to scale up capacity significantly and that may not be feasible at one shot. It would be ideal to have mid-sized businesses with a turnover of Rs 100 crore or so to procure supplies from women-owned businesses. That would help women enterprises to then scale up gradually."

- Women Entrepreneur

3.2.3 Networks

The National Knowledge Commission Report asserts that “institutional and informal associations as well as networks of entrepreneurs can play a significant role in encouraging entrepreneurship.”

Figure 11: Participation in a Business Association



48% of respondents interviewed were members of a business association. A greater share of this number comes from Knowledge based industries, particularly IT/ITES. On the contrary, very small numbers of women entrepreneurs from the manufacturing sector were members of a business association.

Source: Athena Research

Participation in networking organisations varied as per the size of business; larger the size of the business, greater the likelihood of being a member in an association. On an average, 77% of firms having more than 11 employees were part of an association. On the other hand, only 40% of enterprises with less than 10 employees were members of an association. This indicates interest in networking increases with growth of a business. Business associations provide opportunities for entrepreneurs to network and identify potential buyers thereby enabling greater market access. Associations offer other support services such as training and mentoring and most importantly, provide a platform for entrepreneurs to interact.



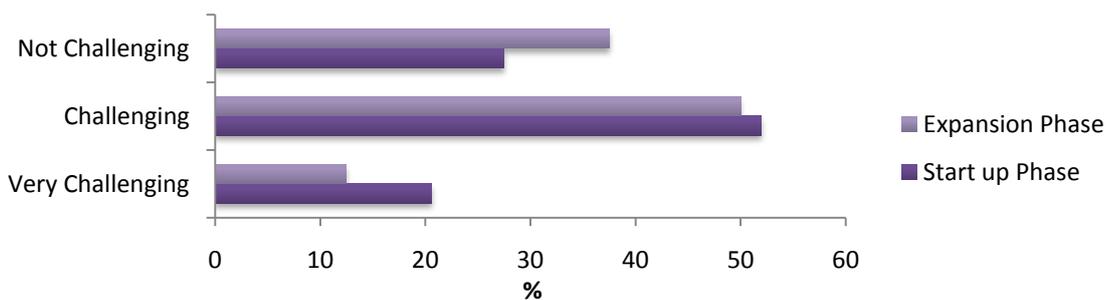
Data indicates that 52% of women, who are members of an association, actively participate in an association, which is a positive trend.

Networking as a Challenge

A higher proportion of women entrepreneurs indicated networking as a critical support area during the start-up and growth phase. It was estimated that around 70% of entrepreneurs found networking a challenge. Of these, around 17% find it very challenging.

Variations as per Stage of Business

Figure 12: Stage wise access to Networks



Source: Athena Research

The overall level of difficulty experienced in networking reduces by 10% as an enterprise expands. This indicates that women entrepreneurs require greater support in finding trusted networks at the start-up stage. Relatively new organisations with smaller number of employees should be encouraged to participate or be introduced to networking organisations in order to leverage the benefits of networking platforms at an early stage itself. Further, special program could be designed specifically for newer entrepreneurs to encourage participation.

Variations as per Sector

Women in the manufacturing sector experience a high level of difficulty in networking, as revealed in the score of 47 (on a 100 point scale). This could be associated with the low level of participation of women from this sector in networking programs. Pharma and healthcare receive the lowest score at 36; however, as the enterprise expands, networking is seen to be lesser of a challenge. The IT/ITES sector comparatively experienced low levels of difficulty followed by consulting. This could be attributed to the availability of more networking initiatives targeted at knowledge intensive sectors in Bangalore.

Table 3: Accessing Networks Sector Wise

Sector	Start-up Phase	Expansion Phase
Manufacturing	47	47
IT&ITES	60	69
Consulting	59	71
Retail/Distribution	57	68
Training and Education	56	59
Pharma & Healthcare	36	75
Others	44	50

Source: Athena Research

Variations as per involvement in Business Associations

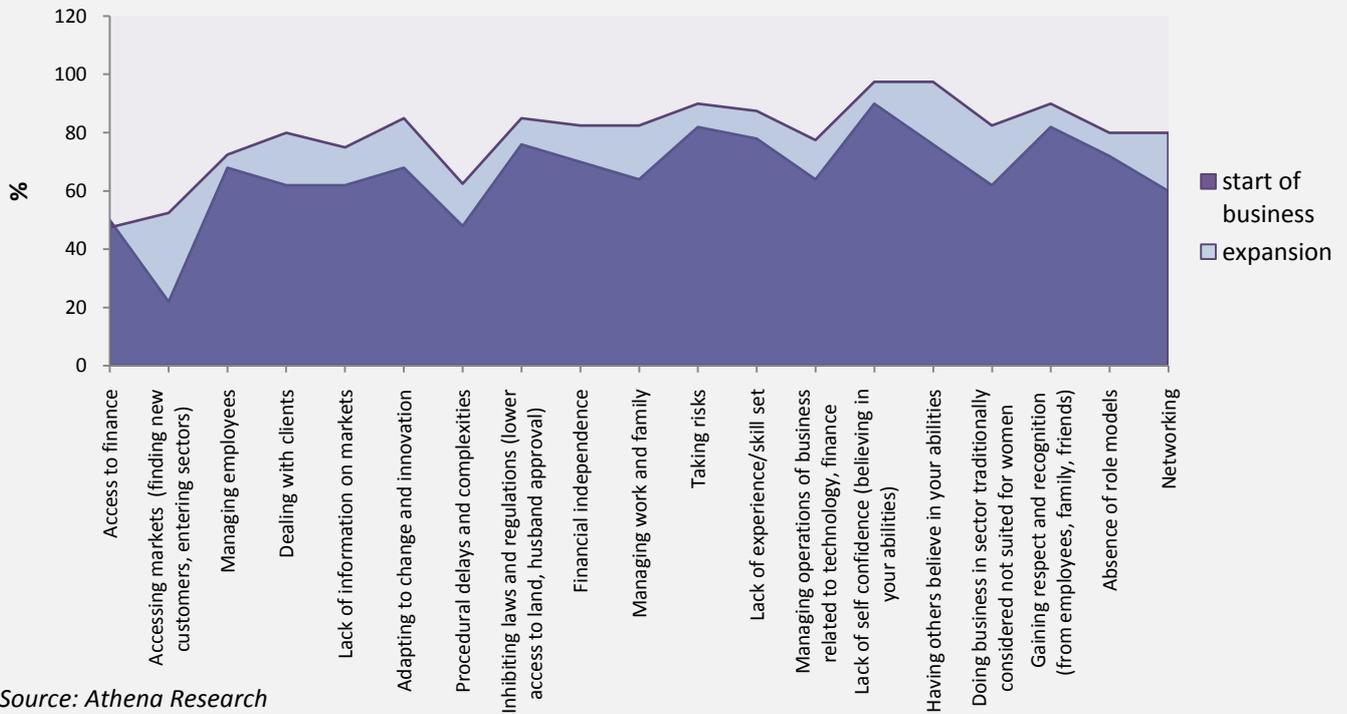
Level of difficulty experienced in networking is significantly lower for those who actively participate in an association. Women businesses who are members of an association on an average scored 80 as compared to 33 for those who do not participate in an association. This reinforces the positive impact that networking programs organised by business associations have on businesses.



Box 1: Impact of Business Association

Apart from networking, business associations have helped reduce the overall challenges faced by women entrepreneurs by 13%. Areas where business associations have had great impact are in enabling access to markets and improving the confidence levels of women enabling them to do business in sectors that are traditionally male dominated with ease. More importantly, business associations have helped women improve their skill sets by helping them manage operations of business that relate to technology and finance and teaching women effective client management skills. Tools used by business associations include training programs, mentoring, buyer seller meets and networking programs. 88% of respondents have stated that the support provided by business associations has been useful, with 38% stating that it has been very useful. The only area business associations have been unable to create a positive impact has been in accessing finance.

Figure 13: Impact of Business Associations



Source: Athena Research

Gaps and Issues

Lack of information on associations has been cited as the biggest barrier to enrolling in them. The second largest factor is the fees associated with becoming a member. Interviews conducted with Business Associations in Bangalore revealed that participation of women in activities is low. Networking organisations are frequently faced with the problem of repeat faces and poor participation. This could be associated with some of the social constraints faced by women in networking. These relate to less flexible timings. The data indicates that participation among manufacturing firms is particularly low. Benefits associated with being a member of an association must be widely publicized to spread awareness and encourage participation. A problem often cited by entrepreneurs on existing initiatives is the unstructured nature of programs. There is need for more targeted initiatives addressing specific needs of entrepreneurs on the basis of sector of operation and stage of business. Lastly several informal forums exist however the authenticity of these are unknown.

Our association offers business counseling to women entrepreneurs and conducts vendor development programs and management training for improving their skill sets. We also provide credit referral facilities for women entrepreneurs to improve their access to finance. We want to nurture women entrepreneurship”

- President, Association

Being a part of an association provides an opportunity to interact with other entrepreneurs, share experiences and information. It has helped me improve my confidence level tremendously. Now I am mentoring other budding women entrepreneurs.”

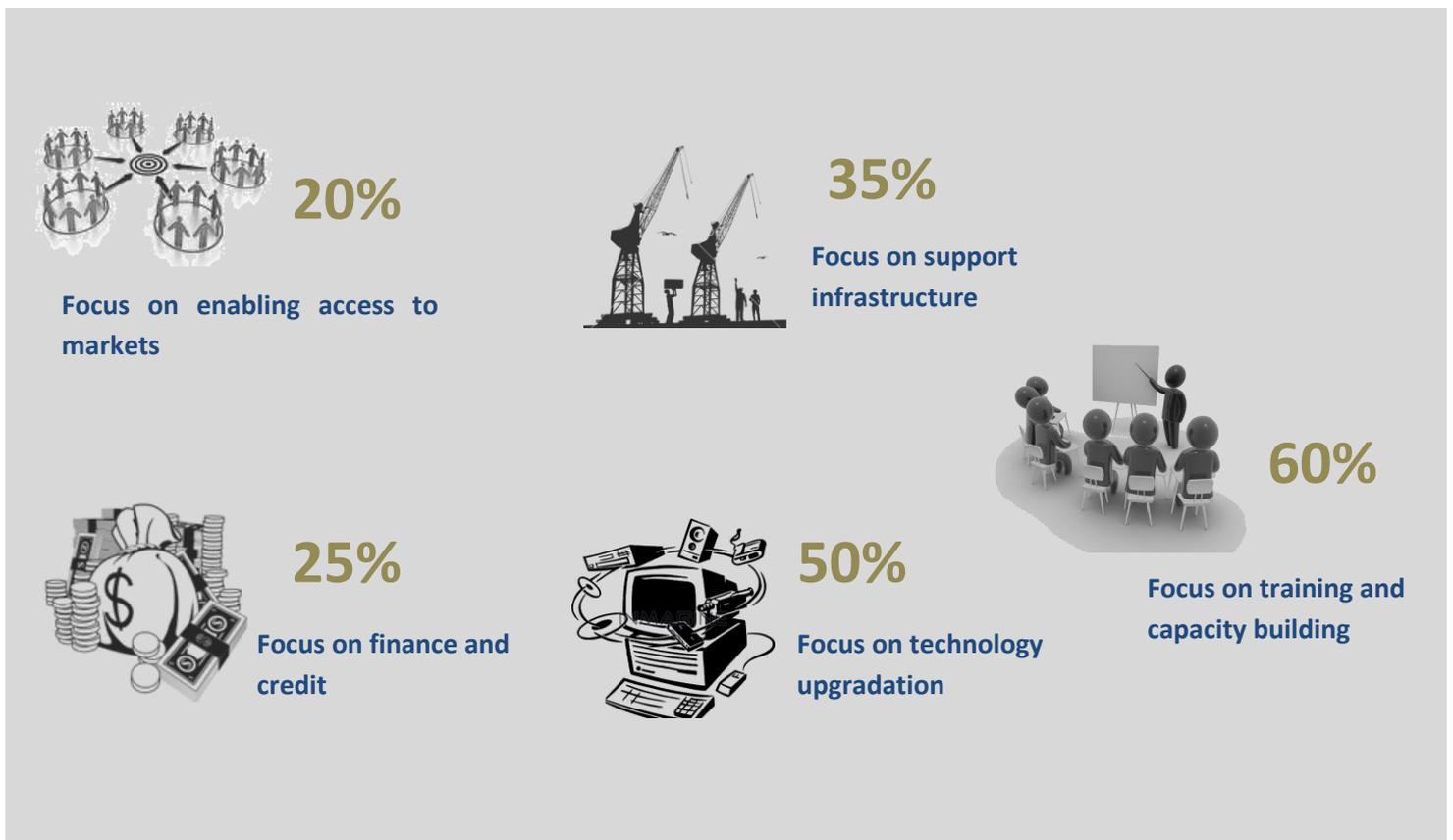
- Women Entrepreneur

3.2.4 Policy and Regulatory Factors

The Government of India has instituted a variety of programs and schemes to address the problems faced by enterprises in the MSME sector that relate to enabling access to finance, markets and new technologies. The Government offers a host of business development services in the area of skill development, management training, technology upgrading, quality control and productivity improvement, market development, network formation and export promotion. The support programs broadly fall under the following categories.

- MARKET ACCESS AND DEVELOPMENT**
- SUPPORTING INFRASTRUCTURE**
- TECHNICAL ASSISTANCE AND TRAINING**
- TECHNOLOGY UPGRADATION AND PRODUCT DEVELOPMENT**
- FINANCE AND CREDIT**

On examining the various schemes and their offerings, 60% of schemes are targeted at providing technical assistance and training. Schemes focussing on market access and development were the least at 20%.



It was estimated that around 45% of the above initiatives target women explicitly as primary beneficiaries or make special provision for women entrepreneurs. These include the TREAD (Trade Related Entrepreneurship Assistance and Development for Women) scheme and Scheme for Microfinance. About 5% of the schemes include women as beneficiaries without providing any additional incentives thereby acknowledging women's differential access to productive resources, constraints and needs. Schemes that fall under this category include the Capital Subsidy Scheme for Technological Upgradation.

Despite the above support schemes, women face challenges with respect to the policy environment.

Opinion on Policy and Regulatory Environment

Only 9% of women entrepreneurs feel that the policy ecosystem is highly facilitative for women entrepreneurship. 17% of entrepreneurs feel that there is no focus on women entrepreneurship on the part of the Government and the remaining are unsure and believe that the policy ecosystem facilitates women entrepreneurship only to a small extent.

On the regulatory environment, 38% of entrepreneurs find laws and regulations that govern a woman's access to resources as a challenge and an inhibiting factor. This rises to 41% in the expansion stage. Further, the manufacturing sector experiences the maximum difficulty, with the sector being highly regulated. This significantly affects the ease of doing business in this sector particularly for women. Concerns expressed with the regulatory environment relate to difficulty in accessing application forms particularly for first generation entrepreneurs. Many entrepreneurs incur heavy costs in hiring legal consultants for this purpose.

Table 4: Regulatory Environment Sector wise

Sector	Start-up Phase	Expansion Phase
Manufacturing	31	56
IT&ITES	83	81
Consulting	91	86
Retail/Distribution	71	68
Training and Education	94	77
Pharma & Healthcare	79	92
Others	75	90

The Manufacturing sector faces the maximum level of difficulty with respect to the regulatory environment, receiving the lowest score of 31.

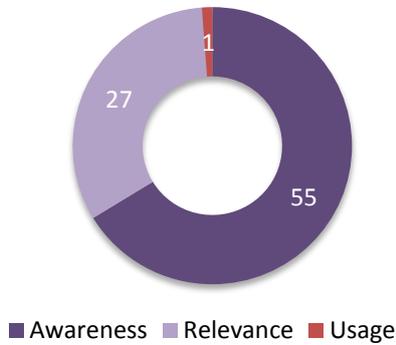
Source: Athena Research

Access to Government Support as a Challenge

Majority of the respondents interviewed were largely aware of the support services offered by the Government (55%); however, very few were aware of the benefits and specific details of each scheme. Further, only 27% of respondents found the schemes to be relevant to their business. The schemes are largely perceived to be focussed on the Manufacturing sector and hence 42% of those who found the schemes to be relevant, came from these sectors.

A strikingly low proportion of women, only 1%, have utilised any Government support. This can be attributed to low access to information on details of the scheme, high turnaround times and procedural complexities.

Figure 14: Impact of Government Schemes



“There are government support programs. However, I feel like that they are more focused on very small entrepreneurs. There is no policy focus on high growth entrepreneurs.”
- Women Entrepreneur

Source: Athena Research



Respondents were asked to rate their level of difficulty experienced in accessing these schemes. Turnaround time received the lowest score of 45 (on a 100 point scale). Further, 75% of respondents found procedural delays and complexities as a challenge and an inhibiting factor while starting their enterprise.

Gaps and Issues

Major gaps identified in the policy ecosystem are the low impact of programs in terms of the low level of utilisation. Despite the high level of focus on the manufacturing sector, the sector experiences the maximum level of difficulty. Further, with respect to the gender friendliness of schemes, there are only 2 schemes with a special focus on women and there is no explicit focus on women entrepreneurship in the policy ecosystem. The Women and Child Development Department is so far the nodal agency responsible for all issues related to women and their focus is mostly on welfare issues and challenges faced by women at the bottom of the pyramid. There is an urgent need for a women entrepreneurship policy and an institutional set up that will facilitate implementation of policies specific to women entrepreneurship.

75% of women entrepreneurs found the support being extended by private organisations and associations to be useful for their business development. The level of

“My association holds frequent workshops on the MSME schemes and programs. Usually a representative from the government makes a presentation. They are helpful in introducing the schemes. However, accessing more information is very hard as the website is very difficult to navigate.”
- Women Entrepreneur

utilisation of private sector program stands at 24% as opposed to 1% of public programs. Institutions working in this respect include CSR wings of Multinational Corporations; the Goldman Sachs 10000 women programme was the most popular among women entrepreneurs in Bangalore. Several NGOs and Foundations such as the NEN provide incubation services in collaboration with academic institutions. These organisations offer support in the form of training, mentoring, incubation services, technical assistance, and networking opportunities which have proven to be useful for women entrepreneurs. 33% of women entrepreneurs have accessed mentoring services, which confers with their support requirements.

“The policy making process itself must be well researched, taking into account the actual needs of the women - for instance, legal assistance (there could be a legal cell that provides pro-bono assistance to women entrepreneurs), tax incentives for enterprises run by women, etc. Further, the definition of a woman run enterprise must never be by percent control but rather by responsibility as it is natural that while getting any kind of funding, equity has to be diluted. Meetings with women ministers/MPs as a means to engage in dialogue and express issues and concerns being faced by a women entrepreneur will also help in improving the policy design and implementation.”

- Women Entrepreneur

“The biggest benefit of being part of a program like the Goldman Sachs 10000 Women Initiative is the contact and networking opportunity it provides. The course also includes structured mentoring which helps us improve our business as we get advice on business strategy, marketing and most importantly, branding. Most of us have kept in touch with our respective mentors. There is a need for more such programs and initiatives.”

- Women Entrepreneur

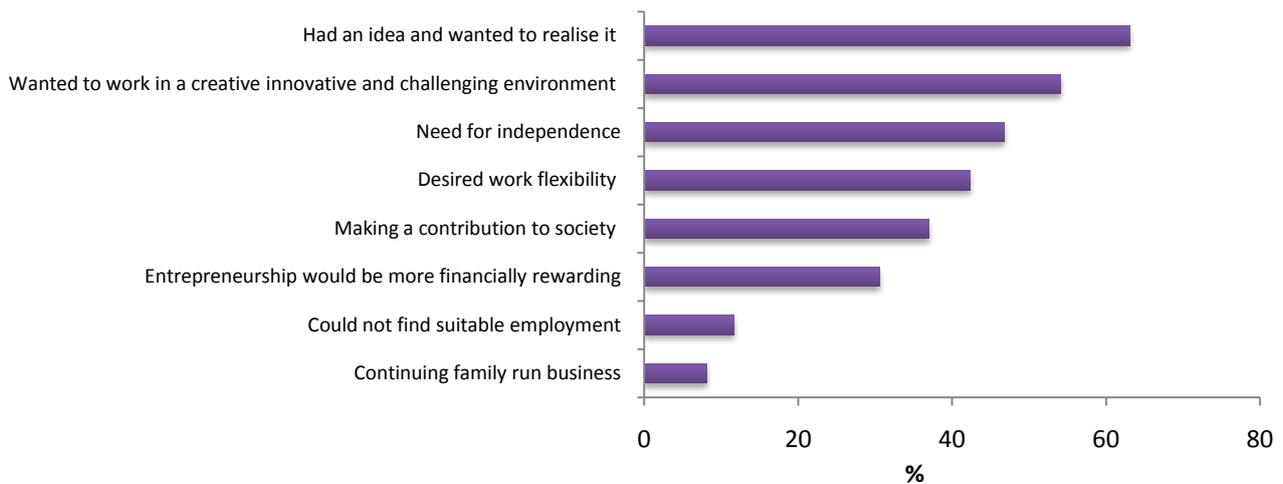
3.3 Personal and Aspirational Factors

The early stage entrepreneurial activity rates for women in India have risen from 4.9% in 2001 to 7.5% in 2007 (GEM, 2007). This rise in entrepreneurial activity is associated with a rise in levels of education. In Bangalore, 95% of women interviewed had a graduate degree or more and 41% of women had prior sector experience. Further, 43% of women entrepreneurs have been running their enterprise for more than 5 years, crossing the initial start-up barriers. 16% of women have won awards and received recognition for their entrepreneurial activities which indicates that women in Bangalore are highly aspiring with nearly 80% of them having at least 51% stake in their business. Another indicator of the level of aspirations is the interest in scaling up and expanding; nearly all women expressed their keen interest in expanding their business.

3.3.1 Motivating Factors

The entrepreneurship ecosystem is a function of various factors. These can be termed as entrepreneurial triggers. Individual motivators are a significant trigger factor impacting entrepreneurship as identified in the National Knowledge Commission (NKC) report on entrepreneurship in India. The following figure illustrates the most significant factors that motivated entrepreneurs to start their business.

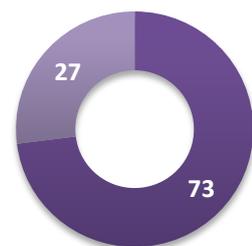
Figure 15: Motivating Factors



Source: Athena Research

India ranks 17 out of 41 countries on female opportunity to necessity ratio, with Denmark and Norway ranking the highest (GEM Data, 2007). In Bangalore, women are motivated more by opportunity or pull factors than necessity. 73% of women are driven by pull factors such as wanting to work in a challenging environment, wanting to realise an idea as against push factors such as not finding suitable employment or continuing a family run business. This signifies that women in Bangalore are highly motivated and driven.

Figure 16: Opportunity vs. Necessity



Source: Athena Research

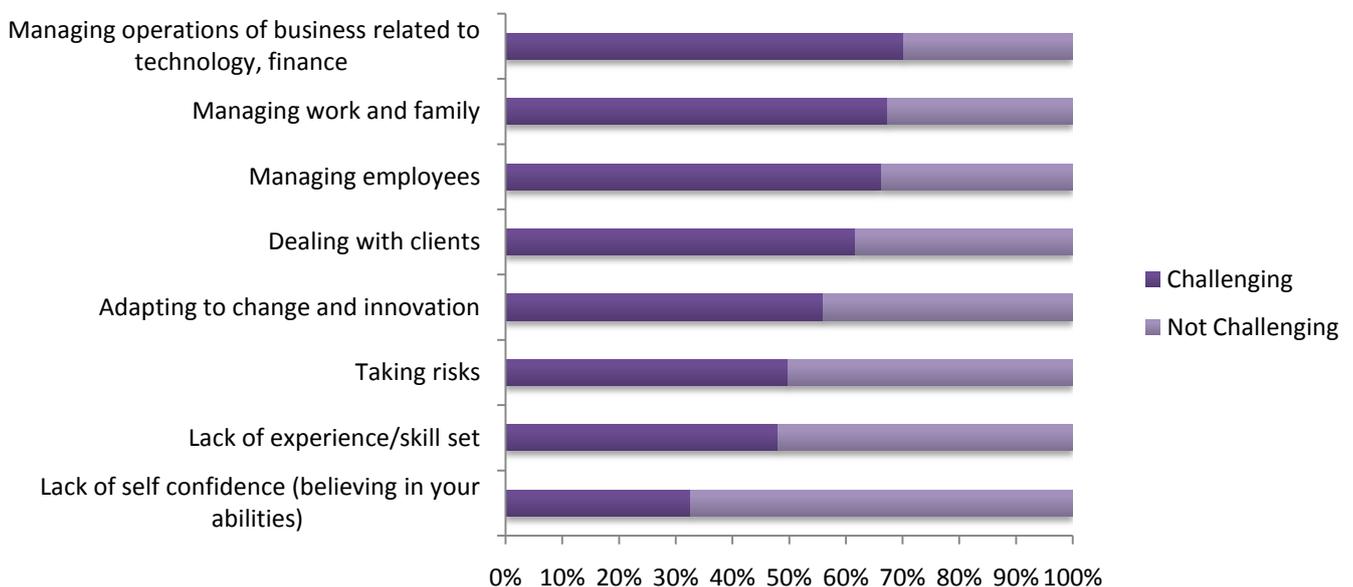
Findings revealed from interviews conducted with male entrepreneurs are in conjunction with the NKC report where a considerable proportion of male entrepreneurs were continuing their family run business. The NKC report also asserts that entrepreneurs are driven more by their own inner drive than by external conditions. The study reveals that 'market opportunity' was the most important trigger factor for entrepreneurs in Bangalore. For female entrepreneurs, the independence derived from entrepreneurship and the identification of a marketable idea were identified as the most significant motivators. On the other hand, the study revealed that male entrepreneurs are significantly influenced by their 'family background.'

'Making a contribution to society' was an important motivating factor among women and was sector agnostic. The NKC study validates this finding whereby it was estimated that the fact that entrepreneurship 'creates employment opportunities' exerts a more significant impact as an excitement factor for female entrepreneurs than males.

3.3.2 Personal Factors as a Challenge

Despite being highly motivated and driven, entrepreneurs are faced with certain challenges that are personal and aspirational in nature. Managing operations of business that relate to technology and finance was rated as challenging by 70% of entrepreneurs. This indicates that women require training in these areas to equip them to better handle the technical aspects of business independently. The second most significant challenge is related to the dual responsibilities of women of managing work alongside family duties. 95% of women interviewed were married with 91% of them having children.

Figure 17: Personal and Aspirational Challenges



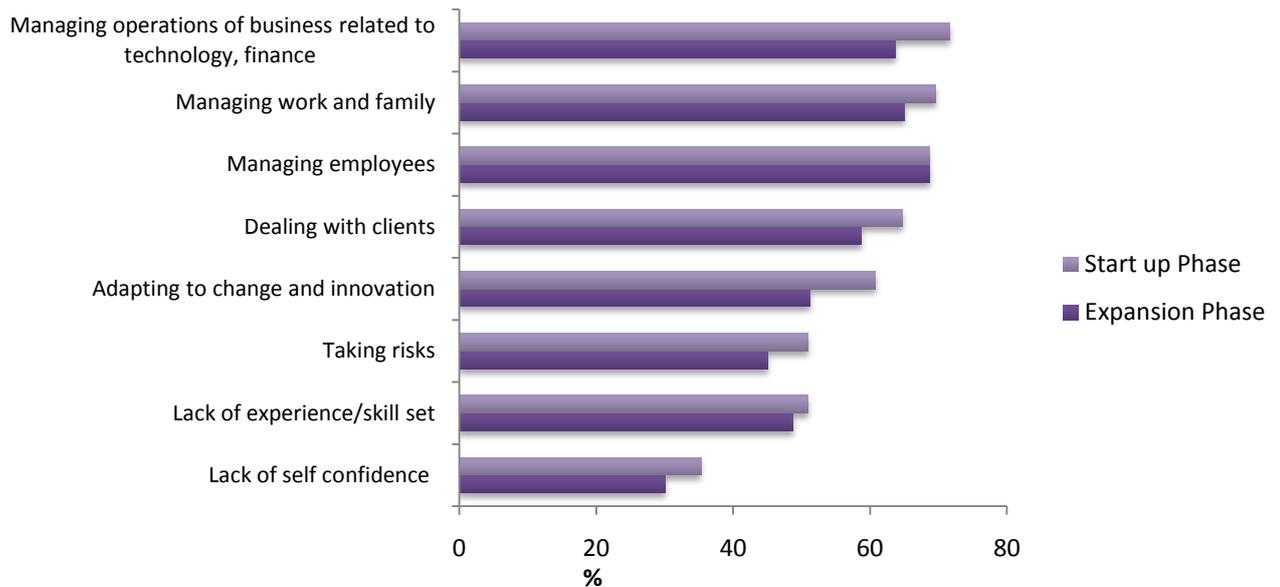
Source: Athena Research

Managing employees, dealing with clients and adapting to change and innovation was challenging for 61% of respondents on an average. Taking risks, lack of experience and self confidence were relatively less challenging factors among the women interviewed.

Variation as per Stage of Business

The intensity of personal and aspirational challenges faced by women reduces significantly as an enterprise expands. Several women entrepreneurs indicated that as their business transitions, the gender and personal risks associated with being a women entrepreneur reduces, such that they are primarily faced with business risks at the expansion phase.

Figure 18: Stage wise Personal and Aspirational Challenges



Source: Athena Research

Variation as per Sector

Managing operations of business that relate to technology and finance was the most challenging for the Retail and Distribution sector, which received the lowest score of 36 (on a scale of 100). This was the least challenging for the knowledge intensive sectors. The Consulting sector indicated problems with maintaining a work life balance and time management. Further, the manufacturing sector faced the maximum amount of difficulty with respect to managing employees and taking risks.

Variation as per Participation in a Business Association

With higher participation in a business association, the challenge associated with managing operations of a business relating to technology and finance significantly reduces. This is indicative of the impact of training and mentoring received at associations. Further, women are able to manage work and family better, which could be attributed to mentoring services received.

Gaps and Issues

Gaps and issues associated with personal factors are centred around the lack of training on technical skills that would facilitate women to manage technical aspects of business. Further, nearly 25% of women indicated the need for mentoring that would help them overcome challenges they face in maintaining a work life balance and other managerial aspects of business.

3.4 Socio-cultural Factors

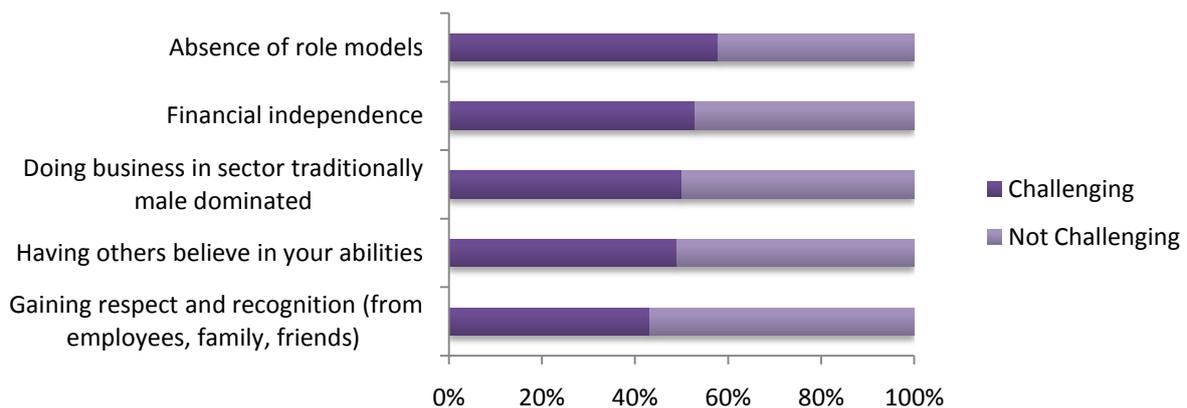
Socio-cultural factors include social norms, family values, value placed on entrepreneurship have a strong influence on the entrepreneurial ecosystem. These factors create an 'enterprise culture' that enables firms to take reasonable risks and seek profits, thereby playing an important role in the "propensity to enterprise" (Gnyawali and Fogel).

51% of women indicated that the representation of women in their sector was less than that of men. This was largely felt among the knowledge based industries. Lower representation of women in the IT/ITES sector has been a concern. Women entrepreneurs have had to make push harder to battle out society's preconceived notions and traditional perceptions of the roles and responsibilities of a woman. Greater encouragement and positive attitude from family and society is a strong positive externality and greatly helps level the playing field.

3.4.1 Socio-cultural Factors as a Challenge

57% of women felt that the challenges they face were specific to women. The challenges primarily facing these set of women were socio-cultural in nature.

Figure 19: Socio-cultural Challenges



Source: Athena Research

Women entrepreneurs expressed the need for female role models who they could look up to. Unfortunately very few women owned enterprises in India can be classified as high growth enterprises and not all women who have achieved considerable scale have been showcased. Not having sufficient cases to emulate or women to take inspiration from is a challenge to new age entrepreneurs who would have to go through the same hardships of scaling up. Publicising success stories of women entrepreneurs is a source of encouragement to potential and existing entrepreneurs and also provides a set of best practices for women to follow.

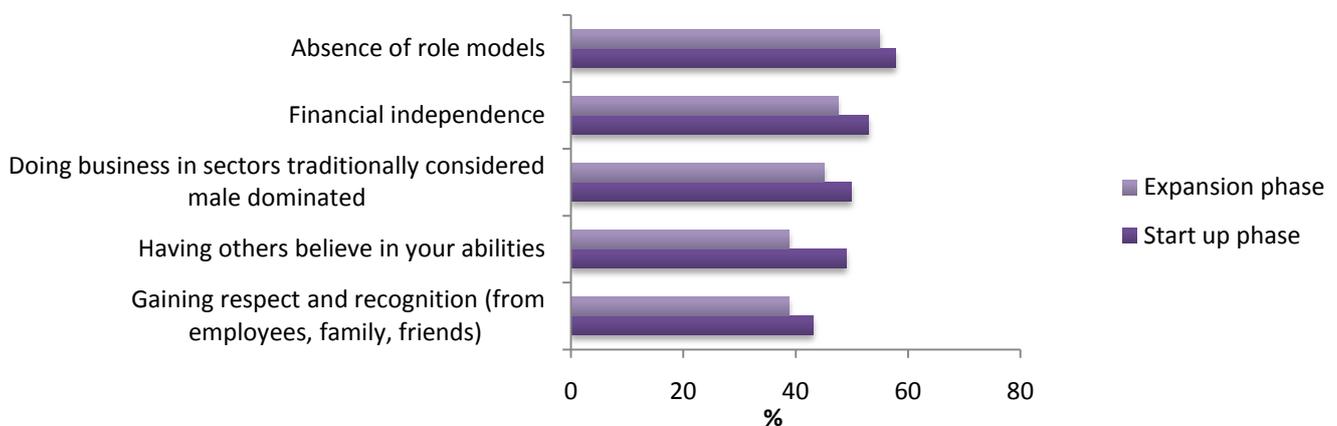
A considerable number of women entrepreneurs (51%) have male family members as partners in their business or have their male family members involved to a great extent. 53% of women felt they do not get sufficient independence or decision making power with respect to the financial decisions of the firm. This is a socially inhibiting factor, and prevents women from taking control of their organizational destinies

Doing business in sectors traditionally considered male dominated is also a challenge for women as they need to make their presence felt. Entering into sectors with not many female networks is less of a comfort factor for women. At this stage, gaining support from family and peers is important in transitioning the gender barriers.

Other socio-cultural challenges include having others believe in your abilities and gaining respect and recognition from friends, family and employees. Several women reported lack of respect from employees as a challenge particularly if employees are men at the factory level or shop floor. Women often felt they were “not being taken seriously.” This may be due to preconceived notions of society on a woman’s intellect and capabilities as an entrepreneur. A society unable to visualize women in entrepreneurial roles tends to not accord due respect to women entrepreneurs and their work. This could be a discouraging factor for women affecting their entrepreneurial aspirations.

Variation as per Stage of Business

Figure 20: Stage wise Socio-cultural Factors



Source: Athena Research

As indicated previously, as an enterprise expands, entrepreneurs overcome some of the socio-cultural or gender specific challenges they face. Having others believe in your capabilities as a challenge reduces by 10% from start to expansion; and gaining sufficient freedom to take decisions also becomes less of a challenge as women feel more confident and empowered.

Variation as per Sector

The Manufacturing sector faced the maximum level of difficulty with respect to socio-cultural aspects wherein gaining respect and recognition and having others believe in your abilities were the most challenging. Absence of role models proved to be a challenge for the IT/ITES sector.

Variation as per Involvement of Male Members

With the involvement of a male member, socio-cultural difficulties significantly reduce by nearly 15%. This signals that several challenges are gender specific.

Discrimination and Stereotyping

21% of women entrepreneurs indicated that they have been treated in an unfair and unequal manner. Instances of discrimination have been encountered while interacting with clients and customers and while interacting with financial institutions.

Gaps and Issues

A considerable number of women continue to face socio-cultural challenges, even in a highly urban setting such as Bangalore. This calls for a shift in the mindsets and attitudes of people and necessitates the need to nurture and build a culturally viable entrepreneurial environment for women. Encouraging entrepreneurship at the early stage of a women's career through educational institutions could be a first step in this process.

“My husband has been my mentor and guide throughout my journey as an entrepreneur. I always consult him especially on critical decisions related to finance and marketing.”

- Women Entrepreneur

Box 2: Benefits of Being a Women Entrepreneur

Perceived benefits associated with being a woman entrepreneur are also a function of the socio-cultural environment and the nature of women. Several women indicated that people had a higher recall value as too few women are present in a sector, which they can use this to their advantage in networking and accessing markets. Further, women felt they bring with themselves different means of doing business - women perceived themselves to be more empathetic and amenable to negotiations as compared to their male counterparts which women feel is an advantage and brings about a balance. This relates to the personal traits of women that are specific to their gender.

3.5 Comparisons with Male Entrepreneurs

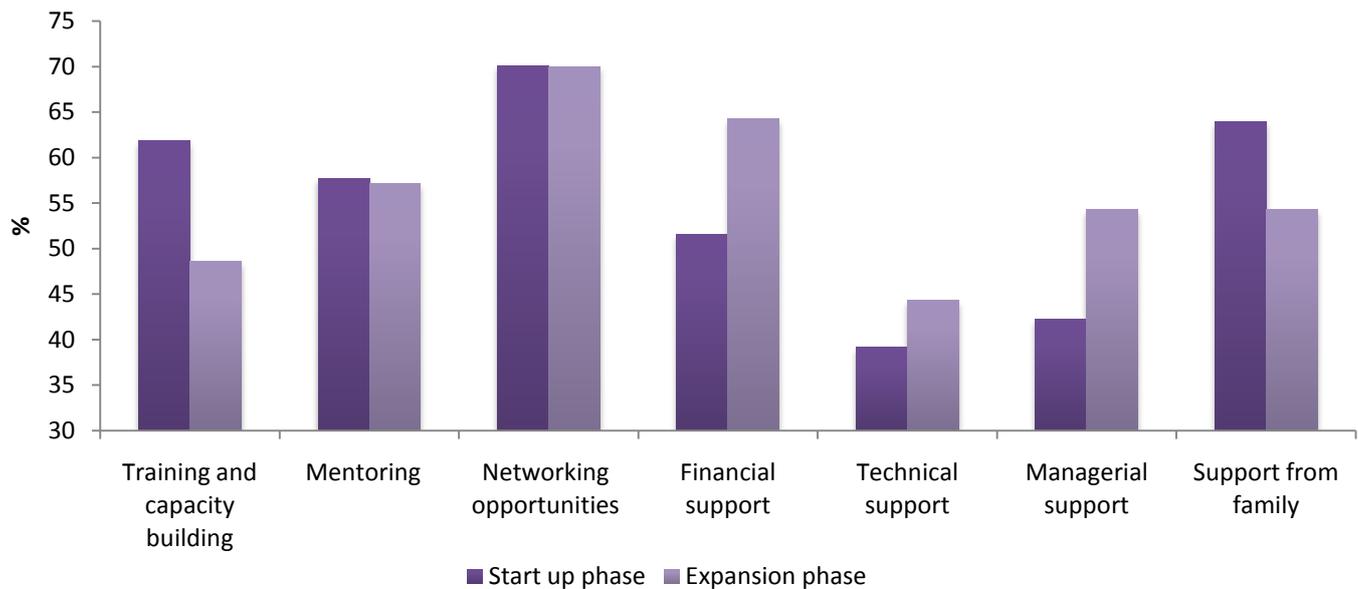
Qualitative interviews conducted with male entrepreneurs find variations in terms of the motivations and aspirations in starting an enterprise. Findings indicate that men are more driven by push or necessity rather than pull factors. Nearly 50% of men indicated that they are continuing their family run business and could not find other suitable employment. This differs in the case of women who were motivated by opportunity.

With respect to the challenges being faced by men and women, there was no significant difference as both groups experienced difficulties that were institutional in nature. However, nearly 50% of women indicated that the challenges they face were gender specific.

3.6 Support Needs of Women Entrepreneurs

Over 60% of women identified training and familial support as the most critical areas of support needed while starting an enterprise. During expansion women require more financial and managerial support. Networking and mentoring remain crucial along the business continuum.

Figure 21: Support Needs of Women Entrepreneurs



Source: Athena Research

Women Entrepreneurial Environment Index

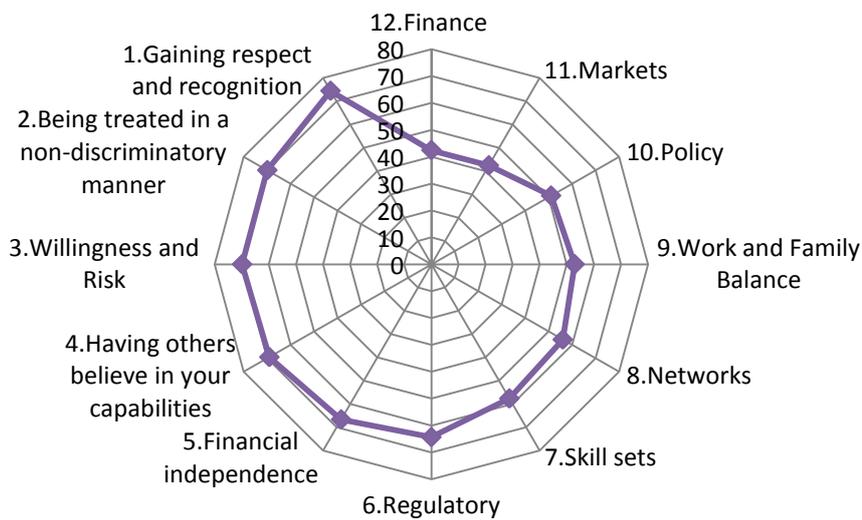
4.1 Ecosystem Analysis – Women Entrepreneurial Environment Index (WEEI)

The ecosystem has been analysed by building an index that captures and measures specific attributes of the entrepreneurial environment for women. It is a dynamic index which has been constructed from 26 indicators covering inspirational, socio-cultural and personal and aspirational factors. The index is unique as it captures factors that relate to the institutional environment as well as individual and personal factors. The index is built based on the perceptions of women entrepreneurs on the ecosystem for doing business and measures their satisfaction with the entrepreneurial environment. The challenges facing women is an indicator of their level of satisfaction that has been rated on a scale. The importance of each ecosystem factor has been derived using partial correlation coefficients thereby creating a weighed index with 3 sub parameters or pillars: (i) Institutional Environment (ii) Socio-cultural Environment and (iii) Personal and Aspirational Factors.

As there are no similar indexes constructed at the national level, comparisons have been made with Global Indices such as the Gender Global Entrepreneurship and Development Index (GEDI) and the Economic Intelligence Unit's Women's Economic Opportunity Index. Further, the index is entirely based on primary sources of data relying on surveys conducted with women entrepreneurs due to the lack of data at the district level for Bangalore city.

Bangalore receives an overall score of 62 on a scale of 100. Higher the score, the more conducive the environment for women entrepreneurs. As compared to global rankings, Bangalore out performs the national aggregates. India scored 42.7 on the Women’s Economic Opportunity Index and 32 on the GEDI. Bangalore’s performance on institutional factors is relatively lower than the other factors, receiving a score of 53. Access to finance and access to markets are crucial elements of the ecosystem that are falling behind. Women’s satisfaction with the socio-cultural environment was relatively higher; this could be attributed to the characteristics of the urban and forward looking society of Bangalore. Bangalore’s performance on personal and aspirational factors was satisfactory with women being highly motivated, having considerable sector experience and high education levels.

Figure 22: Women Entrepreneurial Environment Index

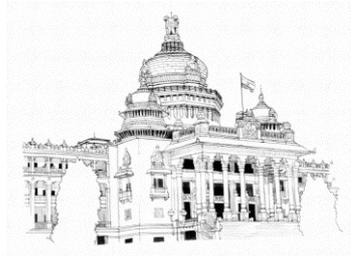


Bangalore receives an overall score of 62 on a newly constructed Women Entrepreneurial Environment Index

Institutional Factors	53
Socio-cultural Factors	70
Personal and Aspirational factors	62

All scores are on a 100 point scale. Higher the score the more conducive the entrepreneurial environment for women

Source: Athena Research



Bangalore 62

Institutional Environment

Finance	42
Markets	42
Regulatory Factors	64
Policy	51
Networks	56

53

Socio-Cultural Environment

Having others believe in your capabilities	69
Gaining respect and recognition	75
Financial independence	67
Being treated in a non-discriminatory manner	70

70

Personal and Aspirational Factors

Willingness and Risk	70
Work Life Balance	53
Skill Sets	58

62



Recommendations and Way Forward

The most significant challenges faced by women entrepreneurs highlight the nature of the ecosystem in which women entrepreneurs operate. In Bangalore, the areas of concern primarily relate to institutional factors of finance and markets. The intensity of challenges faced by the manufacturing sector is greater than the knowledge based sectors. With Bangalore featuring among the top 20 cities in the world for knowledge based enterprises, the ecosystem for firms operating in this sector is also more facilitative.

Findings indicate that the policy ecosystem lacks a clear focus on women entrepreneurship. There is no central agency or department dedicated for this

purpose within the Government. Aspects relating to women empowerment fall under the Ministry of Women and Child Development that primarily focuses on welfare issues. Existing programmes and support being made available to women has had a low reach as compared to private sector support, particularly that of Business Associations. A general lack of awareness was reported by respondents as a reason for not accessing schemes. In order to address the challenges facing women this study proposes a collaborative approach by all stakeholders involved. Recommendations addressing the nature of challenges have been presented in the sections to follow.

5.1 Key Recommendations to the Ministry of Micro Small and Medium Enterprises (MoMSME)

Recommendation 1: Institute the practice of undertaking an annual census on the status of Women Business Enterprises

Need	Implementation Strategies	Best Practices
<ul style="list-style-type: none"> ▪ Institutionalising the practice of business surveys that will yield useful information on the state of women entrepreneurship ▪ Easier identification and access to women enterprises for MNCs, Government departments and domestic firms for procurement purposes (MNCs indicated difficulties in finding WBEs to procure from) ▪ Enabling B2B access for women entrepreneurs. 90% of women find access to markets as challenging. ▪ Better targeting of gender friendly government subsidies and schemes. 	<p>Data Collection</p> <ul style="list-style-type: none"> ▪ <i>Secondary Sources:</i> <ul style="list-style-type: none"> ○ Detailed study on existing sources of data and the creation of an IT platform for consolidation of the same ○ Integration of MSME DIC registration files, MCA records, VAT registrations, databases maintained by Business Associations and other sources of data on women owned enterprises that are disaggregated by sector and location. ▪ <i>Primary Methods:</i> <ul style="list-style-type: none"> ○ Business census surveys – Institutionalise the practice of conducting annual business surveys that would collect information on aspects such as: name of enterprise, enterprise location, type of industry, products offered, firm size, among other essential business parameters ○ Undertake certification of women businesses defining them as women owned and importantly women managed businesses. ○ Create a mechanism on MSME website for WBEs to self-register <p>Data Dissemination</p> <p>Publication of a gender disaggregated database on MSME websites and tendering portals that would present Information on enterprises as per their sector of operation and location to enable easy search mechanisms.</p>	<ul style="list-style-type: none"> ▪ United States Survey of Business Owners (SBO) http://www.census.gov/econ/sbo/

Recommendation 2: Development of specific training modules on finance and access to markets

Need	Areas for Training/Capacity Building	Implementation Strategies
<ul style="list-style-type: none"> ▪ Most women identified lack of skills in finance and technology as a major barrier. Developing specific training modules on these aspects would lessen the need for external support. 	<p>Module: Understanding Financials</p> <ul style="list-style-type: none"> ○ Provide training on understanding financial aspects of business that include costing and pricing of products ○ Build women’s confidence in using other forms of financing particularly approaching VCs and angel investors ○ Training on making a business plan <p>Module: Accessing New Markets</p> <ul style="list-style-type: none"> ○ Build confidence of women in making a pitch, meeting new people and presenting on larger platforms ○ Applying for Government tenders and procurement ○ Use of social media for marketing <p>Module: ICTs for Enterprise Development</p> <ul style="list-style-type: none"> ○ Training on using various forms of technology that would enable more efficient working of the enterprise ○ Using online platforms or forums for networking 	<ul style="list-style-type: none"> ▪ Modules on identified areas for training to be included in Enterprise Development Programmes ▪ Include online training modules on MSME websites ▪ Provide information on MSME website on where to obtain training from Public and Private providers ▪ Dissemination of focus areas to Industry associations, NGOs as a guiding note ▪ Encourage participation of women in training programmes by offering training vouchers through Business Associations ▪ Provide clear descriptions of the programme and training to be offered on MSME websites

Recommendation 3: Build a nationalised network of female business mentors who would serve as female ambassadors for entrepreneurship and role models for women

Need	Implementation Strategies	Benefits	Best Practices
<ul style="list-style-type: none"> ▪ Nearly 60% of women entrepreneurs expressed the need for mentoring across start and expansion phases of their business ▪ Gaining access to mentors is difficult unless enrolled in a Business Association (The outreach of Business associations remain limited) 	<ul style="list-style-type: none"> ▪ Identification of successful women entrepreneurs who could serve as women mentors and encouraging them to register as official mentors ▪ Providing a ‘<i>Find your Mentor</i>’ link on the MSME website, where entrepreneurs could get in touch with a mentor of their choice ▪ Few hours of mentoring could be provided for free beyond which a subsidised fee could be charged ▪ Mentors being successful women entrepreneurs also serve as role models – whose success stories could be publicised on MSME websites (which is an incentive for mentors) 	<ul style="list-style-type: none"> ▪ This would help build a standardised model for mentoring services ▪ Easier access to mentoring services to all sets of women entrepreneurs ▪ Mentors could also serve as champions for women entrepreneurship in respective sectors and regions 	<ul style="list-style-type: none"> ▪ The National Agency for Regional Development, Republic of Serbia in collaboration with JICA undertook a programme to institutionalise mentoring in 2010 that was scaled up in 2011.

Recommendation 4: Integrating a supply chain development service/portal on the new MSME website

Need	Implementation Strategies	Best Practices
<ul style="list-style-type: none"> ▪ 90% of women entrepreneurs find access to markets as challenging ▪ An integrated online supply chain development service will help match buyers and sellers – giving easy access to businesses to find potential buyers for their products and vice versa ▪ Platform for entrepreneurs to identify and connect with other entrepreneurs will enable the formation of consortiums and strengthen their ability to participate in tenders 	<ul style="list-style-type: none"> ▪ Online registration of buyers and sellers on the MSME website and listing of entrepreneurs as per sector, products offered and location along with complete contact details and search functions ▪ Separate list of women suppliers and buyers ▪ Information to be made available on public tenders and private sector contract opportunities ▪ Information on buyer seller meets and fairs to be posted in this section ▪ Online guide on procurement and public sector tendering ▪ News section on market conditions and other newsfeed ▪ Use of premium user charges / membership for greater geographical outreach and other services could be deployed ▪ eSourcing options could be included to continue the procurement process online 	<ul style="list-style-type: none"> ▪ UK CompeteFor and UK Supply for London Initiative – online tool that connects buyers with sellers https://www.competefor.com

Recommendation 5: Develop and implement gender sensitization programmes for government officials

Need	Implementation Strategies	Best Practices
<ul style="list-style-type: none"> ▪ 57% of women entrepreneurs indicated that the challenges they face are gender specific with several of them experiencing difficulties in interacting with Government authorities and being treated in an unequal manner. Due to this male members are obligated to undertake tasks that involve any interaction with Government ▪ There is a need to provide gender sensitive training to public officials that will train them to take women seriously and treat them in a respectful manner. 	<ul style="list-style-type: none"> ▪ Institute regular training and practice sessions to personnel in the nodal MSME agencies to facilitate the modification of their behaviour towards women– organisations such as the Centre for Social Research in India are specialised in providing the same ▪ Gender sensitisation module to form part of any programme implementation guidelines and operating procedures developed for functioning of each department ▪ Create mechanisms for women to record any complaints and ensure redressal of the same ▪ Create Women Cells in MSME DIs and deploy women officials to be the point of contact for women entrepreneurs 	<ul style="list-style-type: none"> ▪ UN bodies such as UNDP, UNICEF, UN Women undertake gender sensitisation training in the middle east ▪ UNICEF undertook a gender sensitisation training for the Police force in Karnataka in 2011

Recommendation 6: Strengthen the capacities of BMOs to act as facilitators and knowledge providers

Need	Implementation Strategies	Benefits
<ul style="list-style-type: none"> ▪ BMOs have proven to be effective delivery channels for training women businesses on soft and hard skills ▪ Despite having proven to be an effective channel, little/ no initiative has been made by the government to leverage the existing BMO infrastructure to respond to the capacity building and mentoring needs of women ▪ A training voucher would provide public funds for private delivery of capacities directly to Women Business Owners which would streamline capacity building to be more responsive to demand 	<ul style="list-style-type: none"> ▪ Empanel BMOs for implementation of the voucher scheme ▪ Develop an institutional framework for administering and monitoring the voucher system ▪ Pilot the voucher scheme in a few states ▪ Create monitoring and assessment mechanisms to track progress of the scheme – in terms of application to voucher ratio, enrolment and dropout, tangible impact on businesses (if any) ▪ Scale up initiative based on pilot results 	<ul style="list-style-type: none"> ▪ Direct and efficient transfer of benefits to the target beneficiaries ▪ A low cost-high impact model, with no additional overheads of creating incremental training infrastructure ▪ Greater access to professional training in basic and advance business skills ▪ Improved opportunity to enrol with BMOs and network with other WBEs

Recommendation 7: Strengthen Meso-Institutions to improve policy efficacy

Need	Implementation Strategies	Benefits
<ul style="list-style-type: none"> ▪ Only 1% of respondents have utilized Government support programmes, indicating a very low level of engagement with the institutional support system ▪ A key reason is the perceived inability of the existing schemes and procedures to address the constraints faced by women entrepreneurs ▪ Problems encountered in accessing schemes include high turnaround times, lack of information and procedural complexities ▪ In order to increase the efficacy of institutions in implementing the schemes and in making their support more impactful, there is a need to streamline processes by creating a set of Standard Operating Procedures (SOP) for MSME institutions. 	<ul style="list-style-type: none"> ▪ Standard operating procedures (SOP) are a detailed explanation of how a policy/scheme is to be implemented ▪ It would provide foundation for: <ul style="list-style-type: none"> ○ Job descriptions, ○ Employee training ○ Corrective action and discipline ○ Performance review ▪ Building a manual for implementation would entail in-depth interviews with implementing officers which would help identify any challenges faced in programme implementation ▪ Training and capacity building of personnel ▪ The initiative could be piloted in a few implementing institutions such as MSME-DIs 	<ul style="list-style-type: none"> ▪ Shift towards efficient processes and good governance ▪ Greater uptake of programmes/schemes ▪ Increased satisfaction among women with Government playing a more facilitative role

5.2 Recommendations to all Stakeholders of the Ecosystem

I. FINANCE

The environment for finance received an overall score of 42 on the WEEI, one of the lowest in the ecosystem signifying this is an important avenue for focus. Access to finance must be improved if women are to realise their economic potential. Key gaps brought forth on this parameter relate to lack of awareness and lower access to different avenues of financing. Women need to access sufficient levels of both debt and equity finance to open up pathways to growth. Discussions with stakeholders suggest that women are very risk averse and tend to depend on their own sources of finance; which may often curtail their potential to expand and grow. Interactions with financial institutions and investors suggest that women need support in making a business plan and in general lack awareness on how to go about making an equity application or making a pitch. Furthermore, many of the angel networks have a skewed sector focus largely focussing on technology based businesses which is identified as a supply side constraint.

Recommendations to address these key issues include:

▪ **BUILDING AWARENESS AND CONFIDENCE THROUGH THE RIGHT SUPPORT – THE ROLE OF VOUCHERS**

Women need to develop a better understanding of and confidence about the different types of financing. Business support therefore needs to help women entrepreneurs better understand risk. Confidence building and up-skilling should start as early as possible which gives women a clear progression path within which women can develop their financial skills and knowledge. Handling aspects of business that relate to finance was rated as challenging by over 70% of the entrepreneurs.

In this respect business associations would have a significant role to play in firstly building awareness on the various options available before women. Educating women on financial skills, training women on how to make a business plan, and ways of approaching angel and equity investors would be a crucial step. The Government could play a role by funding or subsidising such programmes making the support made available by the private sector more accessible. *Voucher schemes* are a suggestion in this direction.

Furthermore, women tend to approach financial advisors to gain support. Government could create an accreditation of such advisors who would understand how to support and advise women led businesses. These advisors could also be linked with business associations enabling easier access to financial advisors. Fees associated with hiring advisors could further be subsidised through vouchers.

▪ **DIVERSITY IN EQUITY NETWORKS**

The Government could consider creating an *Investment Fund* that will invest in Venture Capital (VC) funds that have the expertise to make direct investments. It is necessary to ensure diversity among equity investors ensuring that they invest in women led businesses and in sectors other than technology, by laying out a clear set of objectives for the fund.

▪ PROMOTE INNOVATIVE FINANCIAL PRODUCTS

The study indicates that the manufacturing sector experienced the highest level of difficulty in accessing finance receiving a score of 16. The Government could play a greater role in increasing access to debt financing. The corpus of the Credit Guarantee Scheme could be increased to make available *collateral free loans* specifically targeting women entrepreneurs. Greater focus could be dedicated to the manufacturing sector. Further, the Government could design loan products in collaboration with SIDBI (Small Industrial Development Bank of India).

Awareness levels on the various debt financing schemes of the Government could be publicized on *online portals* and made available on a central web portal that provides all information required by women entrepreneurs in starting and running their enterprises. Examples of such portals are seen in some developed countries. The Small Business Administration website of the US Government is an excellent illustration of the same. (<http://www.sba.gov/>).

▪ PROMOTE CREDIT REFERRAL SYSTEMS

Private run banks could have *customer representatives* assigned to provide handholding support to women entrepreneurs on where to find information on schemes and as well on how to access training on finance and making business plans.

Furthermore, business associations could adopt a *credit referral system* whereby they could offer referral services to financial institutions connecting women with viable business.

Box 3: CASE STUDY: THE 'GUARANTEE FUND FOR WOMEN' (France)**Issue**

The 'Guarantee Fund for the Creation, the Take-over or the Development of Enterprises on the Initiative of Women' in France facilitates access to finance for women who want to create take-over or further develop an enterprise.

Institution

The FGIF was created in response to the observation that women have difficulties in accessing bank credits. The FGIF is administered by the private organisation 'Institut de Développement de l'Economie Sociale' (IDES) and receives funding *inter alia* from the European Social Fund (ESF). IDES was created in 1983, when the institutions of the social economy (i.e. associations, co-operatives, etc.) decided to invest part of their reserves to benefit enterprises in the social sector. Since 1989 IDES manages several guarantee funds that are endowed by the state; the FGIF is one of these.

Content

The FGIF initiative was created in 1989 following an agreement between the State Secretary in charge of Women's Rights and IDES. Access to funding had been identified as one of the main barriers for women wishing to become self-employed, because of a lack of personal funds, the small size of their projects or even because of discriminative practices in certain financial institutions. The guarantee by the state is intended to help improve this situation in two ways: by offering financial security to banks and through an ex ante evaluation of the viability of the project. The initiative is also complemented by management counselling during the preliminary stage of the establishment of the enterprise. The FGIF initiative addresses all women who want to create take-over or further develop an enterprise that is under their control, or who have taken this step not longer than 5 years ago. The procedure for obtaining a guarantee is as follows: the female entrepreneur must get in touch with the local or regional representative for women's rights and with a bank. The bank then decides upon the financing and, if it agrees, sends the documents to IDES who decide upon guarantee provision.

This guarantee covers medium-term bank loans, which finance either working capital assets or investments. For a loan between EUR 5,000 and EUR 38,000 with a duration of 2 to 7 years the FGIF guarantees up to 70 % of the amount. The maximum amount of the guaranteed loan has recently been raised from EUR 22,000 to EUR 38,000.

Performance

Since the beginning of the initiative in 1989, over 2,500 female entrepreneurs have applied to it, 60 % of them obtaining a guarantee with an average loan of EUR 19,000. In 2001, 132 guarantees were granted for an amount of almost EUR 4 million (average loan EUR 30,300).

- Sourced from 'Promoting Entrepreneurship among Women', Enterprise Directorate-General European Commission.2004

II. **MARKETS**

Developing diverse market opportunities is critical to women's entrepreneurship. 90% of women find access to markets as challenging receiving a score of 42 on the Women Environment Index. Knowledge intensive sectors such as IT/ITES and retail sectors faced the maximum level of difficulty on this parameter which could be attributed to the high degree of competition in these sectors. Only about 15% of the women interviewed supply to Government, indicating that many women are not benefitting from public sector procurement opportunities. This is primarily due to lack of awareness of applying for procurement and cumbersome procedures as indicated by women. With respect to private sector procurement and supplier diversity, stakeholders and MNCs indicated that women are less forthcoming and are largely unable to meet global procurement requirements due to being small in size.

Key areas for improvement have been illustrated below.

▪ **KARNATAKA SUPPLY CHAIN DEVELOPMENT SERVICE (SINGLE ACCESS PORTAL)**

This study recommends having a Karnataka Supply Chain Development Service, an online tool that helps match buyers and suppliers. The portal would allow buyers and sellers to register on the website and set up their business profile thereby enabling buyers to gain easy access to sellers/vendors and vice versa. MNCs interviewed experience difficulties in finding women owned businesses who could form part of their supplier diversity initiatives. For this purpose a separate list of women suppliers alone could be created and published on the portal. The website would post information on public tenders and private sector contract opportunities. In addition the service could also serve as a platform for buyers to identify potential partners for formation of consortiums. Additional services could include eSourcing services whereby firms can continue the procurement process online.

The site could also post information on training, buyer seller meets and fairs. Women reported lack of skill sets on making a pitch to buyers, on applying for public procurement. For this purpose the website could provide guides on procurement and public sector tendering. Furthermore a news section could include important information and links on market conditions.

The above service would immensely improve access to markets and similar such services are seen to be working in countries such as UK.

Examples:

- UK CompeteFor (<https://www.competefor.com/business/visionAndObjectives.html>)
- UK Supply for London Initiative (<https://www.supply4london.gov.uk/>)

The initiative could also be scaled to the national level enabling greater access to buyers and sellers. Premium service user charges could be deployed for greater geographical reach. This could be a public sector initiative with private sector/Multilateral support.

▪ **GENDER DISAGGREGATED DATA ON PROCUREMENT**

Gender disaggregated data on amount being sourced by Public and Private corporations are essential to measure any progress being made in enabling greater access to WBEs. Government and private sector firms are encouraged to measure volume of annual procurement from WBEs and the number of WBEs registered with them. Government procurement data must be made widely available. Private sectors should also be encouraged to initiate supplier diversity programmes with women as a focus.

▪ **STRENGTHENING VENDOR DEVELOPMENT PROGRAMMES AND SUPPLIER DIVERSITY INITIATIVES**

Women largely complained of the unstructured nature of vendor development programmes. There is a need for firms to clearly communicate supplier requirements, informing them on recent trends and innovations, training them on how to improve quality of their products and areas to focus on. Such programmes need to be widely publicised among women networks as MNCs complained of low participation of women in such programmes. Firms could publicise such information using the single access portal.

Further, in addition to private sector firms, it is recommended that the Government undertake initiatives such as vendor development programmes as well.

In order to strengthen supplier diversity initiatives of large corporations, training programmes could be instituted for the workforce, wherein employees gain an understanding of the firm's supplier diversity programmes. Employees could submit strategies for improving the programme and engage in goal setting. Further employees could act as mentors providing support to suppliers. Large corporations could collaborate with academic institutions in providing commercial training and mentoring services as part of their supplier development programme.

▪ **SUB-CONTRACTING TO WBEs**

As women owned businesses are unable to meet global supplier requirements due to their small scale of operations, orders could be sub-contracted to women businesses who would take the form of tier 2 suppliers. Private sector firms could institute practices mandating Tier 1 suppliers to procure a minimum amount from WBEs. This would help women enter supply chains and slowly move along the growth curve ultimately enabling them to become direct suppliers. Further large corporations could also allow for more consortiums enabling women to partner with other firms thereby enabling them to meet global supplier needs.

▪ **CERTIFICATION OF WOMEN OWNED ENTERPRISES**

Organisations such as WeConnect International play a key role in certifying and accrediting women owned enterprises thereby connecting women owned businesses with corporate supply chains. The Government in this case could partner with such organisations in subsidising certificates.

■ INCENTIVISING PROCUREMENT

Incentive mechanisms such as Gender Sensitive Department Awards will enable greater procurement from WBEs among Government Departments. The Department procuring the maximum from women will be awarded. This will help monitor progress taking place in Government procurement from WBEs and incentivise officials to procure from WBEs.

Further, Women Vendor Awards that will award the best women vendor on quality of product and consistency would help women scale up to meet higher supplier standards, encourage women to supply to Government and incentivise women to participate in Vendor Development Programmes organised by the Government.

Box 4: CASE STUDY: EXPORT TRAINING FOR WOMEN ENTREPRENEURS IN AFRICA

The ACCESS program for Women Entrepreneurs in Africa provides actual and potential exporters with the skills, the networks and the confidence to take on new markets. Launched in 2005, the ACCESS program consists of a modular training program, a business counseling program, a market access component and a trade information web portal. Export Promotion Agencies, Chambers of Commerce and Women's Business Associations act as Focal Points institutions to deliver the program in each of the 19 ACCESS countries where ACCESS is being delivered.

ACCESS has opened the door for hundreds of African businesswomen. In the first Phase of the ACCESS program, the 22 training modules covering key aspects of international trade were made available in five languages (English, French, Portuguese, Arabic and Swahili). 46 trainers were certified and a total of 770 women entrepreneurs were trained. As a result of their new skills and business networks, ACCESS participants developed new product lines, revised products to meet foreign standards and tastes and increased their sales. The Focal Point institutions reported an increase in their memberships; an expansion of their services to reach previously underserved clientele and an improvement in the quality of the trade support they can offer. ACCESS has helped women realize their economic potential and thereby contributed concretely to poverty reduction and improved standards of living.

ACCESS was seeded under the CIDA-funded program for building African Capacity for Trade (PACT) and implemented in partnership with COMESA, ECCAS and ECOWAS. With renewed assistance from CIDA, ACCESS is adding a focus on priority sectors, where women are prominent such as leather, handicraft and textiles, horticulture, coffee and services.

ACCESS has proven itself an asset to the menu of services provided by Trade Support Institutions and as a result several countries are taking ACCESS on board without external funding support.

- Sourced from Fancott, Lisa, 'Aid for Trade: Case Story'. The International Trade Centre.

III. POLICY

The Policy environment is the hub of the ecosystem and a strong policy environment is crucial to facilitate growth of women entrepreneurs. At present there is no unique public actor to promote women’s entrepreneurship in the country. This necessitates the strong need for promoting a new institutional structure for promoting women’s entrepreneurship. Only 9% of the women found the policy ecosystem to be highly facilitative for women which reinforces the need for a separate institutional structure to serve as a governing body for issues relating to women entrepreneurship.

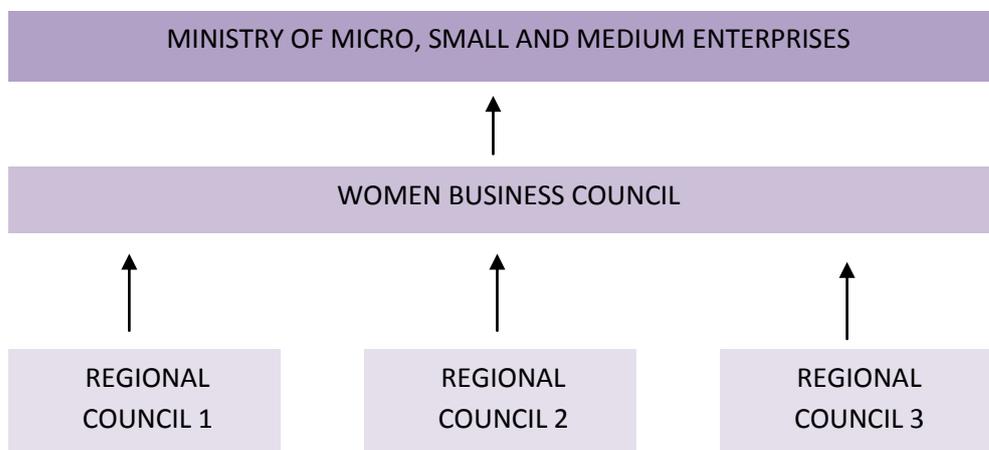
▪ WOMEN BUSINESS COUNCIL

The study recommends the formulation of a Women Business Council that would serve as the institutional body for implementation of the Women Entrepreneurship Policy. It will be responsible for reviewing the impact of new legislation, budgets, and policies on women entrepreneurs. The objective of the council, the activities to be undertaken and the institutional structure for the council has been illustrated below.

Table 5: Women Business Council

Objective	To advise the ministry on how to maximize women’s contribution to economic growth Identifying the barriers and challenges faced by women entrepreneurs Identify potential solutions and make recommendations to address these challenges Undertake review of policies to measure impact
Activities	Conducting research on issues important to women business owners and their organizations Formulate recommendations which will help inform Government’s strategy and policy action Assist in the development and delivery of specific policies and programs relevant to women
Representation	Successful female and male entrepreneurs with experience of setting and managing a business Representation from Women’s Business Associations and Civil Society

Figure 23: Institutional Framework



Box 5: CASE STUDY: SWEDEN'S NATIONAL POLICY ON WOMEN ENTREPRENEURSHIP

The national policy on women's entrepreneurship is based on two pillars: the program for "Promoting women's entrepreneurship" and the "Resource centres for women". There have been public actions for promoting women's entrepreneurship since 1993, for example Business Advisors for Women during 1993-2002. In 2006, the government under Fredrik Reinfeldt highlighted the priority for equal opportunities by establishing the "Integrations- och jämställdhetsdepartementet" (Ministry of Integration and Gender Equality). Moreover, the government with Maud Olofsson as Minister for Enterprise and Energy set up the goal to increase women's share of entrepreneurs up to 40 percent in 2010. Sweden additionally recognized this topic as an important one during its Swedish Presidency of the Council of the European Union in 2009.

The policy program for "**Promoting women's entrepreneurship**" targets on improving business climate and making it easier for women to set up and run businesses. It started in 2007 and was since then twice extended. The program, ending now in 2014, is a multidimensional policy corresponding with three dimensions of the research model. The budget for 2007-2010 was in total ca. 45 million EUR (400 million SEK) of which Tillväxtverket was responsible for ca. 38 million EUR (340 million SEK).

Nutek, the Swedish Agency for Economic and Regional Growth, was commissioned by the Government to implement and co-ordinate the national policies. Since Nutek has changed its name to Tillväxtverket in 2009, Tillväxtverket is carrying out the program.

The second national pillar to enhance women's entrepreneurship: the "**Resource centres for women**", promotes women's entrepreneurship since 1998 on the national and regional level. The centres have been assigned a broad area of work in the arena of local and regional development, including jobs and businesses, career development for women and regional planning. Their institutional setting has been recommended as best practice example.

The action plan "**Promoting women's entrepreneurship 2007-2009**" is based on four pillars: development of financing opportunities, information, advice and business development, further actions in existing programs, and last but not least attitudes and role models. The dimension Knowledge and Education" is delivered by business development for women entrepreneurs, mentoring and training for business advisers and actions for developing women business network. Actions also include transfer of businesses with women as buyers and strengthening the entrepreneurship amongst female students at the university level. Conferences, role models, publications, facts and follow up statistics were published to disseminate knowledge with the purpose to affect entrepreneurial culture and attitudes. Modern media is used to develop women's entrepreneurship via Twitter and Youtube

The actions have been enacted in partnership with private and public partners. Together with the Swedish Tax Agency, the Swedish Employment Agency, the Swedish Customs, the Social Insurance Agency and the Swedish company's registration office, Tillväxtverket is arranging start-up days. Partners have also been VINNOVA (the Swedish Governmental Agency for Innovation System), ALMI, SCB and 21 County Administration Boards. The projects have to be co-financed (by 65% on the regional and 50% on the national level). In the first founding cycle, more than 40 national projects and 600 regional projects in 2007-2010 has been enforced.

In addition to the above, other projects include; '**Ambassadors for Women's Enterprise**'.

- Sourced from 'National and Cross-national Policies on Women's Entrepreneurship in the Baltic Sea Region', 2011.

The Women Business Leadership Council could fall under the jurisdiction of the MSME Ministry. The Council would consist of sub councils or regional councils for decentralised governance.

As part of this initiative, the Council could create an online portal consisting of all the information required for an enterprise to start and run an enterprise. Information to include on this website would consist of public sector support and schemes being made available, training, mentoring services and workshops being organised by private sector organisations and Business Associations. It would contain online training and guides on making a business plan, applying for loans and information on financial support available. Similar such portals are seen to be working successfully in developed countries. The Small Business Administration of the US Government is good a illustration of the same (<http://www.sba.gov>).

▪ **WOMEN BUSINESS CENSUS**

Lack of gender disaggregated data on entrepreneurship limits insights on gender differences that exist on entrepreneurship. A business census of women owned business by the Ministry of Micro, Small and Medium Enterprise will provide accurate and reliable data on the status of women entrepreneurship and also track the growth trajectory of women businesses.

The Government could partner with women's business organizations and networks, private and not-for-profit sectors, to build and publish an annual database of women entrepreneurs. The Government could also provide a mechanism on MoMSME websites for women entrepreneurs to self-register themselves. The database compiled could be published on MoMSME websites. This database would act as a valuable resource for the government, form the basis for future research and highlight women owned business. It would also enable MNCs and other domestic firms to identify and reach out to women entrepreneurs as part of their supplier diversity initiatives, also enabling B2B access for women entrepreneurs.

▪ **VOUCHER SCHEME**

Women entrepreneurs reported use of legal consultants while dealing with regulatory procedures of the Government. The Government could institute a voucher scheme to subsidize fees of hiring consultants, enabling more women to hire external services in dealing with regulatory issues.

IV. NETWORKS

Major issues experienced with respect to networking include low awareness and participation. Business associations indicated the problem of repeat faces in programmes organised by them. In order to encourage more women to join and reap the benefits of a business association, organisations could generate awareness on the benefits of becoming a member through the online web portal that would form part of the Women Business Council. In order to encourage participation among existing members, this study suggests more structured and targeted forms of networking.

▪ STRUCTURED FORMS OF NETWORKING (BNI)

Networking programmes could follow a more structured format. This would enable women to benefit from networking in the form of greater access to markets, giving women a platform to meet potential buyers as well as partners.

Box 6: Case Study: BNI Model

Illustrations of such forms of networking can be drawn from the “Givers Gain” model followed by BNI, which is a global networking organisation offering business referrals, training and mentoring. The model is unique as it helps build trusted networks. Building trusted networks and relationships and finding the right partner was a challenge for women. Each BNI chapter has members from diverse sectors and industries. However there is only one member representing that industry in each chapter, this avoids competition for business referrals. There are four parts in each meeting:

First part is open networking as there would be on average 8-10 new visitors

In the next session, each member is given 30 seconds to make an elevator pitch. The members are given training to allow them to make a crisp request for business referrals

In the third session, 2 members are given an opportunity to make a more detailed presentation about their business. Each member has 8 minutes and this is done on a weekly rotation basis

The last session focuses on recording the referral request as well as the outcomes of the previous referrals

Each member has to make a commitment of 5 hours weekly– 3 hours for the networking event and 2 hours for 1:1 meetings with other charter members. This helps build trusted relationships

▪ TARGETED INITIATIVES

Further, there is a need for more targeted programmes as per the lifecycle of a business. Many entrepreneurs indicated that support extended was not relevant to them. For instance, in the initial stages of a business, a woman is faced with gender risks and once they transition to the growth phase, they overcome gender risks and are faced with technical business risks as many of the women entrepreneurs indicated. Hence there is a need for structured and targeted programmes taking into account the needs of entrepreneurs, their sector of operation and type of business thereby making the programmes organised more inclusive to all sectors.

This would help increase participation among women.

▪ MAINSTREAMING

There is a need for parallel development and improvement of targeted and mainstream support services. Greater participation in mainstream activities is important for women as it would increase women's confidence levels and open up new networks and markets. Existing targeted initiatives such as support extended by women specific Business Associations (eg; AWAKE, EMERGE etc.), should work as feeders and prepare women to engage in mainstream support and networks.



V. SOCIO CULTURAL

Socio cultural aspects are still a challenge for some women in Bangalore city. 57% of women indicated that the challenges they face are gender specific. Women indicated lack of financial independence, female role models and doing business in traditionally male dominated sectors as challenging. This calls for a change in attitudes and mind sets.

▪ BRIDGE BETWEEN ACADEMIA AND ENTREPRENEURSHIP

In India, the bridge between academia and entrepreneurship is weak. It is important that enterprise and enterprise issues and gender awareness is built into curriculums. Some examples include: (i) use of female role models; (ii) feature case studies on women owned businesses; (iii) promote flexible business structures such as part time businesses and social enterprises; (iv) promote non-traditional sectors among women. Similar such initiatives have been developed in the UK by Small Business Service and Government Departments to increase female entrepreneurship. Illustrations of successful examples in encouraging the youth to take up entrepreneurship as a career include work undertaken by the National Entrepreneur Network (NEN). Greater collaborations between academic institutions and private organisations working in this space are sought.

▪ SUCCESS STORIES AND GREATER VISIBILITY OF WOMEN

It is important to build an economic case for women entrepreneurs. Women's potential contribution to the economy is an area that is under researched. Factual data underpinning the need for women to enter the entrepreneurial space would bring to light the importance of women as contributors to the economy, creating a shift in mind sets of people and communities. Publicising success stories of existing women entrepreneurs will help change the attitudes of society in viewing women in entrepreneurial roles.

▪ GENDER SENSITIVE TRAINING

Government could impart gender sensitive training to public officials and authorities. This would entail training officials on the importance of adopting an inclusive approach in procurement and general behaviour towards women, thereby treating women in a fair and equal manner. This would help reduce instances of discrimination faced by women.

VI. PERSONAL AND ASPIRATIONAL

Personal and aspirational challenges faced by women primarily relate to managing operations of business that are technical in nature, managing work and family, managing employees and dealing with clients. These challenges need to be dealt with by restructuring existing training initiatives to cater to these needs of women. Further, mentoring could play a great role in combating some of the challenges facing women.

■ AREAS FOR TRAINING

Areas for training include:

- Demystifying finance – training on understanding financial aspects of business that includes costing and pricing of products
- Building women's confidence in using other forms of financing and how to approach VCs and angel investors
- Training on making a business plan
- Building confidence of women in making a pitch, meeting new people and presenting on larger platforms
- Applying for Government tenders and procurement
- Training on using various forms of technology that would enable more efficient working of the enterprise
- Using online platforms or forums for networking

Training modules on the above specified areas could be included in Public run Enterprise and Skill Development programmes and also in training offered by Business Associations and NGOs. Government could also provide training vouchers to Business Associations.

In addition to providing training, there is a need to communicate and build awareness on existing support that is made available on the above areas by private and public sector actors. There is a clear need to provide a detailed description of training being offered by MSME Ministries on their websites.

■ INSTITUTIONALISATION OF MENTORING

In order to formalise mentoring and enable greater access to mentors, it is recommended that a State level or National level network of women mentors be built with the aim of increasing the number of successful women enterprises. This group could serve as a network of female entrepreneurship ambassadors. This would involve designing a standardised model of mentoring services, training mentors, implementation of mentoring in enterprises and creation of a database of successful examples. The process could be initiated by inviting applications from successful women entrepreneurs who could initially provide few hours of free mentoring, beyond which a fee could be charged. The Government could take on the role of setting up the network with the support of Business Associations and women network organisations. A 'Find your Mentor' link could be provided on the MSME website enabling easier access to mentors. Further, mentors could serve as role models – success stories of entrepreneurs could be published on the MSME website.

"Mentoring is a critical path to leadership because power expands the moment it is shared. It enables emerging women leaders to gain confidence and skills to thrive as leaders and thus transform many lives around them."

- Alyse Nelson, President and CEO of Vital Voices Global Partnership

Appendix

Questionnaire

Accelerating Women Entrepreneurship: Bangalore City Roadmap

TARGET RESPONDENT:

Women entrepreneurs owning and managing a business

S. No.	
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Good _____. I'm _____ from Athena Infonomics which is a public policy research and consulting firm based in Chennai. We have been commissioned by the German Development Corporation (GIZ) to undertake a study on women entrepreneurship in Bangalore. The main objective of this survey is to identify the *challenges and issues* faced by women entrepreneurs. The study seeks to gain an understanding of how favourable is the *business ecosystem* for Micro, Small and Medium enterprises. Further the objective is to evaluate *women's access to Government schemes and support made available by private sector organizations*. On basis of the information collected, recommendations will be provided to both the state and central government to introduce new policies and initiatives that will provide greater impetus for women entrepreneurs. This survey will take about 30 minutes of your time.

1. **Name:** _____
2. **Name of the enterprise:** _____
3. **Location of enterprise:** a. Home-based b. Office-owned c. Office – shared d. Industrial area
4. **Sector:** a. Manufacturing b. Services c. Repair and Maintenance
5. **Industry :** _____ (Hint: Textiles, Food and Beverage etc.)

Section I: General Questions

General Profile of the Enterprise

[The following section consists of general questions on the enterprise that would be used for purposes of classifying enterprises.]

Let's start with some general questions about your business.

6. What products/services do you offer?
7. How old is your enterprise? [SINGLE CODING]

- a. Less than 1-year b. 1 – 3 years c. 3 – 5 years d. 5 – 10 years e. 10 – 15 years
 f. 15 – 20 years g. 20 – 30 years h. 30 – 50 years i. More than 50 years

8. What motivated you to start or join this business? [MULTIPLES POSSIBLE]

- a. Had an idea and wanted to realize it b. Desired a better work-personal balance/ work flexibility
 c. Need for Independence. d. Could not find other suitable employment
 e. Continuing family run business
 f. Felt entrepreneurship would be more financially rewarding than being employed

- g. Wanted to work in a more creative, innovative or challenging environment
- h. Ease of regulatory procedures i. Sector benefits from women specific schemes/quotas
- j. Making a contribution to society
- k. Other, specify _____

9. What was your annual turnover in the last three years? (in Rs.) [ENTER AS APPLICABLE]

2010	2011	2012

10. How would you classify your business? [SINGLE CODING]

Micro b. Small c. Medium d. Don't know

11. (ASK IF OPTION 'D' IS CHOSEN) How much is your total investment in plant and machinery?

12. How many employees does your business have? [SINGLE CODING]

a. Self-employed [TERMINATE INTERVIEW IF OPTION 'A' IS CHOSEN] b. Less than 3 c. 3 - 5 d. 6-10
e. 11 – 19 f. 20 – 49 g. 50 – 99 h. 100-200 i. More than 200

13. Of these, how many are men and how many women?

a. _____ Men b. _____ Women

14. Are you the sole proprietor of the business? a. YES b. NO [IF YES, SKIP TO Q.17]

If NO: 15. Who are the other proprietors involved? [MULTIPLES POSSIBLE]

a. Family member (Male) b. Family member (Female) c. Other (Male) d. Other (Female)

16. How much is your stake in the business? [SINGLE CODING]

a. Less than 51% b. Equal to 51% c. Greater than 51%

17. Are any of the male members of your family involved in helping you manage the business? [SINGLE CODING]

Not involved b. Involved to a great extent c. Involved to a small extent

Section II: Business Processes

Markets & Value Chain

[The following section will test if women have equal access to markets and are equally represented across the value chain]

18. Who are your main customers/ clients when you started the business and during the expansion period? (Please specify the same according to the stages your business has been through.) [TICK AS APPROPRIATE, MULTIPLE POSSIBLE]

Activity	1.Start-up Phase	2.Growth and Expansion Phase
a. Individuals		
b. Domestic Firms		
c. Multinational Companies		
c. Foreign firms		
d. Governments (Departments/ Public Sector units)		
e. Other (Specify)_____		

19. Have you applied for a government tender

a. Yes b. No [IF NO, SKIP TO QUESTION 23]

[ASK IF YES Q. 19] **20. Which government departments do you sell to?**

21. What is the average size of your contract (in INR)?

22. What challenges have you faced in selling to the government?

23. In your opinion, what is the representation of women entrepreneurs in your sector as compared to male owned enterprises? [SINGLE CODING]

a. More than men b. Equal to men c. Lesser than men

Financing your enterprise

24. What were your main sources of funding while starting and/or expanding the business? [TICK AS APPROPRIATE, MULTIPLE POSSIBLE]

Activity	1.Start-up Phase	2.Growth / Expansion Phase
a. Personal Resources (savings, family, friends)		
b. Money-lender		
c. Start-up grant		
d. Equity (Agent Investor / Venture Capital)		
e. Institutional debt (loans from banks etc.)		
g. Other, specify _____		

25. (ASK IF OPTION 'E' WAS CHOSEN) From where did you access the loans? [MULTIPLE POSSIBLE]

a. Bank b. Government Agency c. NGO d. Corporation e. Micro-Finance Institute
f. Others, specify _____

26. Did you avail your loan from a women focused bank with any special interest rates? [Eg: Mahila Corporation Bank etc.] a. Yes b. No

27. How would you rate your access to the following? [TICK AS APPROPRIATE]

	Very difficult	Difficult	Neither Difficult nor easy	Easy	Very Easy
Working Capital					
Fixed Capital					

Challenges**28. Being a woman entrepreneur, what challenges have you faced at the start of your business? Please rate your challenges as very challenging, challenging and not challenging. [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]**

Challenges	Very Challenging	Challenging	Not Challenging
a. Access to finance			
b. Accessing markets (finding new customers, entering sectors)			
c. Managing employees			
d. Dealing with clients			
e. Lack of information on markets			
f. Adapting to change and innovation			
g. Procedural delays and complexities			
h. Inhibiting laws and regulations (lower access to land, husband approval)			
i. Financial independence			
j. Managing work and family			
k. Taking risks			
l. Lack of experience/skill set			
m. Managing operations of business related to technology, finance			
n. Lack of self confidence (believing in your abilities)			
o. Having others believe in your abilities			
p. Doing business in sector traditionally male dominated sectors			
q. Gaining respect and recognition (from employees, family, friends)			
r. Absence of role models			
s. Networking			
t. Others (specify)_____			

29. What challenges have you faced while expanding your business (if applicable)? Please rate your challenges as very challenging, challenging and not challenging. [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]

Challenges	Very Challenging	Challenging	Not Challenging
a. Access to finance			
b. Accessing markets (finding new customers, entering sectors)			
c. Managing employees			
d. Dealing with clients			
e. Lack of information on markets			
f. Adapting to change and innovation			
g. Procedural delays and complexities			
h. Inhibiting laws and regulations (lower access to land, husband approval)			
i. Financial independence			
j. Managing work and family			
k. Unwillingness to take risks			
l. Lack of experience/skill set			
m. Managing operations of business related to technology, finance			
n. Lack of self confidence (believing in your abilities)			
o. Having others believe in your abilities			
p. Doing business in sector traditionally male dominated sectors			
q. Gaining respect and recognition (from employees, family, friends)			
r. Absence of role models			
s. Networking			
t. Others (specify)_____			

30. How different were these challenges from your male counterparts? [SINGLE CODING]

Not Different b. More applicable to women entrepreneurs c. Don't know

31. What support was critical for you during the start-up period and during expansion? [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]

Particulars	1.Start-up Phase	2.Growth / Expansion Phase
Training and capacity building		
Mentoring		
Networking opportunities		
Financial support		
Technical support		
Managerial support		
Support from family		
other		

32. How willing are you to expand your business? [SINGLE CODING]

- a. Very interested b. Interested c. May be d. Not Interested

[Ask if C or D] 33. If you are uncertain or not interested, what are the reasons for the same ? (MULTIPLE POSSIBLE)

- a. Lack of financial capital b. Lack of human capital c. Lack of skill sets d. Lack of trusted network
 e. Too risky f. Lack of confidence g. I am content with the current state of my business
 h. Lack of aspirations i. No time – work and family Balance
 j. Other (Specify) _____

Discrimination and Stereotyping**34. Have you been treated in an unfair and unequal manner in any of the following aspects? [Discrimination here refers to being treated in an unequal and unfair manner strictly with respect to your business] [READ OUT AND TICK AS APPROPRIATE]**

	Yes	No	Not Applicable
a. Dealing with government agencies			
b. Interacting with clients and customers			
c. Participating in business associations			
d. Interacting with financial institutions			
f. Accessing public support programs			
g. Accessing training and workshops			
k. Other (please specify)			

Support Programmes

[The following sections will determine women's access to public sector programmes and the subsequent impact this has had on them]

Public Sector Programmes**35. Do you feel the policy ecosystem in India favors women entrepreneurship?/ To what extent do you feel the policy ecosystem in India favor women entrepreneurship? [SINGLE CODING]**

- Not at all b. To some extent c. To a great extent d. Don't know

36. Are you aware of any government schemes that are focused on benefiting MSMEs and women entrepreneurs? [Prompt from list if respondent can't think of any]. Which of these schemes are of relevance to

your business? Which of these have you used or applied for? [TICK AS APPROPRIATE]

Scheme	Awareness	Relevance	Usage
Trade Related Entrepreneurship Assistance and Development (TREAD) Scheme for Women			
Rajiv Gandhi Udyami Mitra Yojana (RGUMY)			
National Manufacturing Competitiveness Programme (NMCP)			
Micro & Small Enterprises Cluster Development Programme (MSE-CDP)			
Credit Linked Capital Subsidy Scheme for Technology Upgradation			
Credit Guarantee Scheme			
ISO 9000/ISO 14001 Certification Reimbursement Scheme			
MSME MDA (Purchase and Price Preference Policy, Financial Assistance for using Global Standards, Participation in International fairs/exhibitions)			
Scheme of Micro Finance Programme			
Scheme of National Award			
Marketing Assistance Scheme			
Performance and Credit Rating Scheme			
Product Development, Design Intervention and Packaging (PRODIP)			
Integrated Infrastructure Development			
Other (Please specify) _____			

[ASK FOLLOWING QUESTIONS IF RESPONDENT IS AWARE AND HAS USED ANY OF THE ABOVE SCHEMES, ELSE SKIP TO QUESTION 40]

37. How did you hear about these schemes? [MULTIPLE POSSIBLE]

- a. Newspapers/Magazine b. Friends and family c. Business Association d. Business/Financial advisors e. Training Programme f. Online Forums / Social Networking Sites e. Campaigns f. Other (specify) _____

38: How easily accessible were these schemes on the following parameters? Please rate accessibility as easy, medium or difficult. [READ OUT AND TICK AS APPROPRIATE]

Particulars	Easy	Medium	Difficult
Information on scheme			
Application Procedure			
Turnaround time			

39. Have these schemes been useful for you and your business? [SINGLE CODING]

- a. Generally very useful b. Useful in only certain aspects c. Not useful

Support from Private Sectors

40. Have you accessed any support programmes organised by a private or not for profit organization, including business incubators and accelerators? [Eg: Goldman Sachs 10,000 women initiative]

- a. Yes b. No

[If No] 41. Why haven't you accessed these programmes? [MULTIPLE POSSIBLE]

- a. Did not know about any scheme or programmes b. Did not feel the need c. No time
 c. Too expensive d. Not relevant to my business e. Other _____

[If Yes] 42. What was the nature of the support received and at which stage of your business? [TICK AS APPROPRIATE, MULTIPLE POSSIBLE]

Activity	1.Start-up Phase	2.Growth/ Expansion Phase
a. Financial support (favorable loans, grants etc)		
b. Mentoring		
c. Training		
d. Networking		
e. Trade fairs/ B2B Meetings		
f. Other, specify _____		

43. Please specify the name of the organization _____

44. Has this support been useful to you and your business? [SINGLE CODING]

- Generally very useful b. Useful in certain aspects c. Not useful

Networking

45. Are you part of any business association? (Eg: CII, AWAKE, EMERGE) a.YES b. NO [IF NO, SKIP TO Q48]

If YES: 45A. Please specify

56 A: If yes, please specify

57. In your opinion, are there benefits of being a women entrepreneur compared to male counterparts
A. No B. Yes

58. How do you recommend the business ecosystem for women entrepreneurs should be improved? What are the most important factors?

59. Is there anything else you would like to share with us?

Address														
Mobile												Email:		

*****Thank you for your time and valuable inputs *****

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