







# Accelerating Women Entrepreneurship in India: Roadmap 2020

# The Power of MONDELL CONTROLL CONTROLL

Women entrepreneurs are designated as the new engines for growth and the rising stars of economies in developing countries. Varieties of stakeholders have referred to them as vast untapped sources of innovation, job creation and economic growth in the developing world. According to the World Bank, women own or operate 25% to 33% of all private businesses and these businesses are creating new markets which lead to job creation and have multiplier effects on the economy.

Empowering women can help drive growth in the economy and promote economic vitality. According to the Centre for Women Business Research, in the U.S., there are 8 million women owned businesses which have an annual economic impact of US \$ 3 Trillion that translates into creation and or maintenance of 23 Million jobs- 16 percent of all US employment. In Canada, according to the Prime Minister's Task Force Report on Women Entrepreneurs (2003), there are more than 821,000 women entrepreneurs in Canada, who annually contribute in excess of \$18 billion to

Canada's economy. Women's significant contribution to these developed economies illustrates what many developing countries can aim to achieve by increasing opportunities for women entrepreneurs.

Empowering women also promotes social development as women reinvest in their communities and homes. In both developed and developing economies there is documented evidence of positive correlation between economic empowerment of women and improved social outcomes. When women are empowered, spending shifts towards food, health, and education as women gain power over household income. This could produce a significant multiplier effect for increased income, healthier and well educated children and stable economies.

Women entrepreneurs in India contribute to 3.09 percent of the industrial output and employ around 8 million persons. If the barriers to female economic participation were further reduced, the Gross Domestic Product of a country like India would grow by 4 percent.



Forget China,
India and the internet:
economic growth is
at driven by women.

Empowering women is a prerequisite for creating a good nation, when women are empowered, society with stability is assured.

- APJ Abdul Kalam

The **Economist** 

### The Challenge

In the recent years, there have been significant efforts from both the private and public sectors to improve the entrepreneurial ecosystem resulting in positive changes; however there are still gender gaps in entrepreneurship which puts the female population at a disadvantage. Women still remain underrepresented among the business owners and face disproportionately high barriers when trying to start and grow their businesses. Challenges of women entrepreneurs' are myriad and often the result of complex entrepreneurial ecosystems, their motivations, attitudes and the socio-cultural environment in which they exist.

Review of literature indicates that women owned businesses are undercapitalised and continue to be concentrated in small, low growth firms. Gender specific challenges in accessing finance include lack of collateral and less control over resources. According to a recent IFC Report (2013), 73% of the financing requirements of Women Entrepreneurs in India are unmet which is around INR 6.37 Trillion. Women entrepreneurs also tend to be less educated, with lower work experience when compared to men and this heavily impacts their growth potential. Women entrepreneurs were also found to have limited access to markets, technology and networks.

Women entrepreneurs face additional barriers related to custom due to the social norms that dictate their role in the society- they have less time available due to the existing gender division of labour and child care activities. Norms around mobility are also restrictive for women entrepreneurs. For women entrepreneurs who are seeking to grow their businesses, such constraints may dis-incentivise them and curtail their entrepreneurial aspirations.



2%-10%
of the commercial bank finance is assessed by women entrepreneurs

% is the women's share in the global procurement market

70% of the women owned businesses in the formal sector are unserved or underserved by financial institutions

4.2% of the
Uenture Capitalist
Funding in US is
received by
women
entrepreneurs

11% of investing venture partners in US are women

\$300 Billion annually is the unmet financial needs of women entrepreneurs

15% of angel investors in US are women

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The aim of the Women Enterprise Development Roadmap is to contribute towards women economic empowerment through entrepreneurship development. The essential element of the programme would be to create a business environment that encourages the initiatives of women entrepreneurs and to enhance the institutional capacities required to foster entrepreneurial dynamism and enhance productivity.

The economic potential of women entrepreneurs remain largely untapped in a developing country like India with many still lacking the necessary skills, access to capital and access to markets to successfully grow their businesses. The overall policy ecosystem for entrepreneurs also remains gender neutral and women work under the same macro, regulatory and institutional framework as their male counterparts which may result in women being excluded from the mainstream entrepreneurial development initiatives.

The Women Enterprise Development Roadmap seeks to address these needs by delivering business training, facilitating business registration and certifications, enhancing access to finance, markets and network and mainstreaming gender in the entrepreneurship policy. Our goal in the next five

### **Expected Impact:**

- Increased number of women start ups in nontraditional trades
- Improved business performance of women owned enterprises
- Equitable access to support networks
- Reduced gender barriers to entrepreneurship
- Enhanced institutional capacity to support women entrepreneurs

years is to identify high growth potential women entrepreneurs and work towards enhancing economic opportunities for them by developing affirmative action in support of women enterprise development.

The approach of Women Enterprise Development Roadmap is multifold. The programme will focus on supporting existing and growing women enterprise by:

- Creating an enabling environment for women enterprise development through policy reform
- Build institutional capacity for women enterprise development through training, advisory services and business networks
- Develop tools and online solutions for women entrepreneurs

The Roadmap initiative will engage partners across the research and program communities that will include financial institutions, NGOs, Business Associations and Government to produce rigorous and practical recommendations for action that will effectively help women entrepreneurs to improve their business performance, productivity and advance economic opportunities.

### Partners in WED Roadmap The Roadmap will work with a host of partners in carrying out this initiative. Among them are

Inuestors and Financial Institutions
 Global and
 Local NGO
 Trainers and Mentors
 Women
 Business Associations and Networks
 Gouernment
 Agencies at State and Central Leuel
 Academic
 Institutions
 International Development Agencies

# Unleashing the Power of UCHLEIL Entrepreneurs

The Women Enterprise Development Roadmap will develop programmes to address the systemic challenges and opportunities to women enterprise development. It seeks to grow the overall women owned business sector and make the entrepreneurial ecosystem more effective by through a programmatic approach. The Women Enterprise Development Roadmap will have the following programme focus:

Research
The Roadmap is dedicated to building a robust evidence base to understand the impact of Women Entrepreneurship. The research initiative which was launched in 2013 in India seeks to map and evaluate the existing entrepreneurial ecosystem, allowing for diagnosis of potential challenges and opportunities that can be addressed through specific interventions.

### Training and Capacity Building

A comprehensive training and capacity building support service for entrepreneurs and support institutions will be created through the establishment of a virtual women entrepreneurship resource centre. In addition, support and technical advisory services will be extended towards creation of gender based business incubators to facilitate the start up of women owned businesses.

Rccess to Capital

The Roadmap will work with leading financial institutions to address the need to improve access to sources of financing. Supply side initiatives will include developing tailored financial tools for women business owners while demand side actions will include training to improve skills to

better manage finances and enhance familiarity with existing financial services and products.

### Access to Markets

The Roadmap will work towards improving the market opportunities for women entrepreneurs. Initiatives will include international certification programmes, vocational training programmes, and enhancing the capacity of Business Development Service Providers (BDSPs).

### Access to Networks

The Roadmap will build a Women Entrepreneurial Network- a community of women entrepreneurs who seek to grow their business. This network will be hosted in social networking websites like LinkedIn and frequent networking events will be organised in metro and non metro cities by collaborating with existing business associations. A Mentor Network to advice and support women entrepreneurs on the start up, running and growth of their enterprise would also be created.

### **Eualuation**

To ensure that the country is meeting its programme targets, continuously improving its Roadmap goals, and effectively implementing the Roadmap policy and programme recommendations, a set of core metrics will be developed. Information will be collected and reported on these performance metrics. Annual impact assessment report will be made available which captures the impact of the initiative on Women Businesses Enterprises and the entrepreneurial ecosystem.

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A number of research projects have highlighted the importance of women entrepreneurship in advancing economic growth and have made a strong case for promoting entrepreneurship. However there is still a crucial knowledge gap in understanding who these women entrepreneurs are, their motivations, challenges and programmes that work effectively in promoting women entrepreneurship. The first element of the Roadmap initiative will hence focus on bridging this gap by supporting research that gathers evidence on women entrepreneurship and the obstacles they face in the entrepreneurial ecosystem. The research will also identify proven and promising interventions that enhance women's participation in entrepreneurship. The findings from the research will be integrated into a powerful Roadmap which will provide an Action Plan for Women Enterprise Development in India.

The series of Action Plans developed as part of the Roadmap Project will provide specific actions that

must be taken by government and all stakeholders to promote women entrepreneurship in India. The implementation of the Action Plan will be spearheaded by the lead Roadmap Partners who will work with numerous collaborators responsible for discrete activities. The implementation also calls for greater partnership with all stakeholders. These partnerships will be mobilised through efforts of a National Advisory Board and series of consultative meetings that will be held at local, regional and national level.

The Roadmap will also propose actions to effectively monitor the implementation and progress of the Action Plan for Women Enterprise Development in India. The monitoring and evaluation framework will concern the implementation of the individual activities set in the action plan and the overall assessment of the impact of the Roadmap initiative in advancing its objective of accelerating women entrepreneurship in India.

# Accelerating WOHLEH Entrepreneurship Progress so far

The 'Roadmap 2020 and Beyond' programme is a systematic attempt to create a conducive business environment for women entrepreneurs across the globe. In India, given the vast diversity in the regulatory, institutional and social characteristics both within and across states, the roadmap programme is customized to diagnose and respond to

context-specific challenges that women entrepreneurs face in a given city context. The city-specific diagnostic evaluation is implemented through the creation of a robust and comprehensive Women Entrepreneurship Ecosystem Index (WWEI) which captures the perception of women entrepreneurs on a whole range of aspects such as policy, networks and access to finance and markets among others. The

recommendations

emanating from this

diagnostic evaluation are

partnership with suitable

then put into action in

stakeholders.

(62) fares better than the National Capital Region (47) and is above the overall Indian average; the perceived satisfaction levels of women on the quality of their entrepreneurship ecosystem is below 50 percentile across almost all categories.

Drawing from the information and insights generated in these diagnostic

evaluations, efforts have been commenced to re-engineer the credit disbursal process and make it more inclusive. Efforts are also underway to develop and implement capacity building modules to strengthen the capabilities of women to participate in international and regional trade. Further to ensure that the efforts made under the programme and the outcomes achieved are sustained city-level advisory councils and a national advisory council has been established. The National aduisory council consists of distinguished women who haue done exemplary work in the domain of women

Bangalore

**NCR** 

Mumbai

In India, the diagnostic evaluation has been launched in Bangalore, Mumbai and the National Capital Region. A first cut evaluation of the ecosystem for women entrepreneurs across the three metropolitan Indian cities present a fairly bleak picture. On the newly constructed Women Entrepreneurial Ecosystem Index (WEEI), Bangalore

economic empowerment such as Ms. Sucharita Eashwar, President

WeConnect International in India; Ms. Reuathy Ashok, Founder Iris Consulting and Aduisor Athena Infonomics; and Ms. Latha Reddy, Former IFS Officer. The aduisory council is headed by Ms. Uirginia Littlejohn, President

Quantum Leaps.



There is a growing recognition of the importance of women entrepreneurs to the economic growth, employment, innovation, productivity and overall social development of the nation. This recognition has spurred the public and private sector to develop policies and/or programmes targeting improvement in the women entrepreneurial ecosystem. However lack of empirical understanding regarding the factors that affect entrepreneurship has resulted in little real impact of these initiatives. Insights into the determinants of entrepreneurship - entrepreneurial capabilities, culture, access to finance, networks and market and the obstacles faced by them in starting and growing their enterprise is crucial for formulating instruments that will enhance women entrepreneurship.

To addressing this gap, a comprehensive measure of women entrepreneurship – The Women Entrepreneurial Environment Index (WEEI) was developed by constructing a composite index of 26 parameters which measures the development of the entrepreneurial ecosystem for women. This gender specific index seeks to capture and measure the multi-dimensional aspect of the entrepreneurial ecosystem by combining individual and institutional parameters. 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.

It is a dynamic index which consist of three main sub indices



Socio-Cultural Enuironment that include aspects such as financial independence, gaining respect and recognition, being treated in a non-discriminatory manner.

Personal and Aspirational Factors that comprise of willingness to take risks, skill sets, work and family balance.

The index will provide the policymakers and the private sector with a diagnostic tool that helps them to understand and evaluate the entrepreneurial strengthens and weakness of their city; thereby enabling them to implement policies that foster greater women entrepreneurship.

### Roadmap National Advisory Council



Ms. Uirginia Littlejohn

Ms. Virginia Littlejohn is the Global Advisor for WEConnect International, which she helped incubate as CEO and Co-Founder of Quantum Leaps. Quantum Leaps works on strategic initiatives to fuel the growth of women's entrepreneurship, including development of global "Roadmaps to 2020." Ms. Littlejohn was President of the National Association of Women Business Owners in the U.S., an architect of the Women's Business Ownership Act signed into U.S. law in 1988, and Vice President of the World Association of Women Entrepreneurs. She was the OECD's Senior Advisor for Women's Entrepreneurship for 10 years, for whom she organised three global best practice conferences on women's entrepreneurship. She is currently Lead Consultant for the UN International Trade Centre's 10-year "Global Platform for Action on Sourcing from Women Vendors." She has won numerous domestic and international awards for her women entrepreneurial advocacy, including a number of Lifetime Achievement Awards. She has lived, travelled and/or worked in 80 countries; worked in Czechoslovakia during the Prague Spring; organized entrepreneurial training in the Soviet Union in 1990; and was married in Kathmandu, Nepal.



### Ambassador Latha Reddy

Ambassador Reddy joined the Indian Foreign Service in 1975 and has served on diplomatic assignments in Lisbon, Washington DC, Kathmandu, Brasilia, and as Consul General in Durban and Deputy Chief of Mission in Vienna. She has also served at the Ministry of External Affairs and the Ministry of Commerce in New Delhi in various capacities. She has served as the Deputy Director General of the Indian Council for Cultural Relations and as the Head of the Administration Division in the Ministry of External Affairs. She served as Secretary (East) in Ministry of External Affairs, New Delhi from January 2010 to March 2011 and supervised India's foreign policy and bilateral relations with South East Asia, Central Asia, East Asia, the Pacific, West Asia (including the Gulf), & North Africa. She has also had extensive experience in multilateral diplomacy (IAEA, UNIDO, COPUOS, ESCAP etc.) and in regional diplomacy (ASEAN, EAS, ARF, ASEM, BIMSTEC, BRICS, GCC etc) and has attended and organized several high-level summit meetings. She has also served as Deputy National Security Advisor of India.

### Roadmap National Advisory Council



Ms. Revathy Ashok

Ms. Revathy Ashok runs Iris Consulting, an independent consulting practice, working with early and mid-stage companies, helping them scale. She is an Advisor to Athena Infonomics and works with the firm on Public Policy Research and Consulting in social sectors. She has over thirty years of successful leadership experience spanning a variety of industries - private equity, software and IT enabled services, manufacturing, infrastructure and real estate, and international trading organizations. She has held senior management positions for portfolios such as capital raising, business development, finance, and commercial and other strategic general management functions, including Public Private Partnership projects. Ms. Ashok is a speaker at various industrial forums, and she has guest lectured at the Indian Institute of Management and other universities. In 2005, she was named one of the ten most powerful women in the Indian IT industry by Dataquest. She is the only CFO in India to have run a US-based NASDAQ-listed corporation. In 2011, CII named Ms. Ashok one of the top women achievers in Business in South India.



Ms. Sucharita Eashwar

Ms. Sucharita Eashwar heads WEConnect International in India. Prior to starting up WEConnect operations in India in 2012, Ms. Eashwar was Senior Director at NASSCOM (National Association for the ICT industry in India), where she headed two special initiatives: Diversity and Inclusion Initiative; and the Mentor Program for small and medium software enterprises. Ms. Eashwar started her career with global ad agency Ogilvy & Mather. Her training and experience in communication and policy advocacy has enabled her to create result-oriented strategies, enrolling and connecting key stakeholders as major contributors to a successful ecosystem for entrepreneurs to succeed in local and global markets. She has 15 years of experience in not-forprofit organizations, establishing and serving as Founder Director for two media and policy organisations - Madhyam and VOICES. Her work was instrumental in the introduction of FM Community radio stations in India. Sucharita works with start-ups and mentors women-owned businesses to scale. She also advises companies on CSR strategies to make their organisations sustainable.

### Lead Roadmap Partners



### Quantum Leaps

Quantum Leaps is a Washington D.C. based NGO that aims at accelerating the global development of women's enterprises by catalysing strategic initiatives that build capacity, change polices, grow economies and create jobs.

The organisation, headed by Ms Virginia Littlejohn, has been an advocate for women's entrepreneurship for several decades. Ms. Littlejohn is now focused on strategies to spur growth, and on creating Roadmaps to 2020 and beyond, in order to accelerate women's enterprise development globally. The first Roadmap was created in the U.S. in 2010, with IBM as the lead global sponsor. Roadmaps are being rolled in several other countries, with India being the first Commonwealth country for this initiative.

Learn more at http://www.quantumleapsinc.org/

### **WEC**@nnect

WEConnect International in India identifies. educates, registers, and certifies women's business enterprises that are at least 51% owned, managed, and controlled by one or more women. WEConnect International is the only non-profit connecting women-owned businesses with multinational corporate purchasing organizations outside of the United States.

For more information, visit http://weconnectinternational.org/en/india



Data Science for Development

Athena Infonomics is a strategy and research consulting firm with a mission to generate research that will enhance policy design, planning and program implementation. With a multi-disciplinary team consisting of statisticians, engineers, economists, social scientists and management professionals, and a distinguished advisory board headed by Dr S Narayan (former Finance Secretary, Government of India and Economic Advisor to the Prime Minister of India), the organisation is well equipped to cater to a wide variety of policy questions and research problems.

Learn more at http://athenainfonomics.in/

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