

# Strengthening Her Enterprise

Study on Accelerating Women Entrepreneurship  
in Karnataka

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in Karnataka

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# Foreword

..... by .....

**Shri Madhau Lal**



**M**icro, Small and Medium Enterprises (MSME) are fundamental to the economic fabric of the nation and they play a vital role in accelerating economic growth, innovation and prosperity of the nation. As India seeks to achieve more inclusive and sustainable development, there is a need to create greater opportunities for the small businesses to participate in the creation of wealth. However the competitiveness of the MSME sector is severely constrained due to challenges in credit, marketing, labour, rehabilitation and exit policy, infrastructure, technology, skill development and taxation.

Women Owned SMEs today play a vital role as job creators and contribute significantly to overall economic prosperity of the nation. However the challenges they face are formidable with the added burden of gender-specific challenges that restrict their access to financing, education, business networks, and markets. While the recognition of both the barriers and benefits of supporting women-owned SMEs has spread over the years, there is a crucial knowledge gap regarding the most effective ways to pursue women economic empowerment through entrepreneurship development.

The Roadmap process, initiated under the Umbrella Programme of GIZ in partnership with Athena Infonomics as the lead research partner, Quantum Leaps, WeConnect International and eMERG, will evaluate the existing entrepreneurial ecosystem for women entrepreneurs and compare women's knowledge of and attitudes towards entrepreneurship across regional and metro contexts. This will provide critical understanding of the contextual factors of entrepreneurship and foster women entrepreneurship in the nation.

I sincerely hope that the Roadmap prepared for the state of Karnataka will be a powerful platform for improved sharing of evidence, experience and good practices on Women Enterprise Development in India.

A handwritten signature in black ink, appearing to read 'Shri Madhau Lal'.

**Shri Madhau Lal**

Secretary

Ministry of MSME, Government of India



# Message from the Development Commissioner, Ministry of MSME

Women Owned Business forms an integral component of the MSME sector. Currently there are over 3.1 Million Women Business which collectively contribute to 3.09% of industrial output and employ over 8 million people. The Government of India is actively involved in promoting women enterprise development and a number of schemes and initiatives have been rolled out to support and enhance women entrepreneurship. These include specific schemes such as Trade Related Entrepreneurship Assistance and Development (TREAD) for Women. Additional incentives and concessions are extended to women

entrepreneurs under the MSE-CDP Programme, Credit Guarantee Fund and the Marketing Assistance Scheme.

Despite these efforts, gender gap in entrepreneurial activity continues. 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). Women still face obstacles in accessing finance, domestic and international markets, networks, technology and are insufficiently equipped in terms of training and skill sets. To leverage the economic potential of the women entrepreneurs to promote an inclusive and sustainable growth, it is important have reliable and accurate information on the status as well as profile of the women entrepreneurs. Furthermore, women entrepreneurship in India remains an under investigated and underinvested area of research.

The MSME Ministry is committed to finding ways of promoting women enterprise development in India. To plan for a successful intervention, it is critical to map the current state of women-owned businesses and create a real understanding of the challenges facing women entrepreneurs. This research report published by GIZ in partnership with Athena Infonomics as the lead research partner, Quantum Leaps, WeConnect International and eMERG perform an objective evaluation of the 'level of satisfaction' for women entrepreneurs with their existing business and investment environment in the State of Karnataka through the construction of a comprehensive framework.

I trust that the Roadmap process will help develop a programmatic approach and charter a course of action that will work towards advancing economic opportunities for women entrepreneurs in India.

**Shri Amarendra Sinha**  
Development Commissioner  
Ministry of MSME, Government of India

# Acknowledgment

This report would not have been possible without the cooperation and support of women business owners in the State of Karnataka. Our thanks go to all the women entrepreneurs we interviewed for this research. Their willingness to share their experience, provide valuable inputs, comments and stories have helped to improve and validate the analysis.

We would also like to extend our thanks to various ecosystem participants from Financial Institutions, Angel Investing Community, Accelerators and Incubators, Supplier Diversity Heads of various Multi National Corporations, and Business Associations for providing us valuable insights.

This report has benefitted significantly from discussions and inputs during several meetings that were organized: Roundtable Discussion on Accelerating Women Entrepreneurship in Bangalore (Bangalore, 17 September 2013), Roundtable Discussion on Accelerating Women Entrepreneurship in Karnataka (Mysore, 13 February 2014), Roundtable Discussion on Accelerating Women Entrepreneurship in Karnataka (Hubli, 28 February 2014), Focus Group

of Women Entrepreneurs (Hubli, 17 March 2014) and various other stakeholder consultations. Support in organising the various discussions from TiE Bangalore, Mysore Chamber of Commerce and Industry, TiE Hubli and Deshpande Foundation was much appreciated.

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# List of Abbreviations

**BMO**

Business Membership  
Organisations

**BOP**

Bottom of Pyramid

**CGFS**

Credit Guarantee  
Fund Scheme

**DIC**

District Industrial  
Centre

**GEDI**

Global Entrepreneurship  
Development Institute

**GEM**

Global Entrepreneurship  
Monitor

**ICT**

Information and  
Communications Technology

**IFC**

International Finance  
Corporation

**ILO**

International Labour  
Organisation

**KPI**

Key Performance  
Indicator

**KUIB**

Khadi and Village  
Industries Board

**KUIC**

Khadi and Village  
Industries Commission

# List of Abbreviations<sub>(contd...)</sub>

**MFI**

Micro Finance Institution

**MNC**

Multi National  
Corporation

**MoMSME**

Ministry of Micro, Small  
and Medium Enterprises

**MSME**

Micro, Small and  
Medium Enterprises

**NGO**

Non Governmental  
Organisation

**OECD**

Organisation for Economic  
Co-operation and Development

**PMEGP**

Prime Ministers Employment  
Guarantee Scheme

**SHG**

Self Help Group

**SME**

Small and Medium Enterprise

**UTPC**

Visvesvaraya Trade  
Promotion Centre

**WBE**

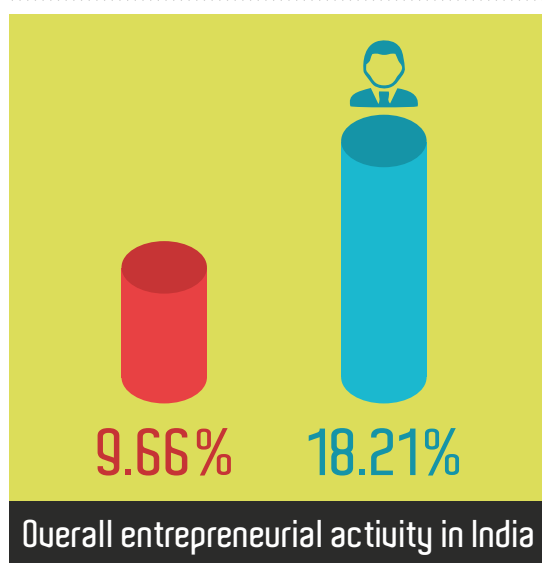
Women Business  
Enterprise

**WEEI**

Women Entrepreneurial  
Environment Index

# Executive Summary

Women entrepreneurs are designated as the new engines for growth in developing countries. They represent a vast untapped source of innovation, job creation and economic growth. Ensuring that women are able to create, operate and grow their businesses is increasingly recognised as fundamental to economic growth. Women's share of entrepreneurial activity is lower than that of men and is changing little over time (OECD, 2012). 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. With respect to finance, women businesses are



**73%**  
of the total finance demand among  
women owned businesses in India  
remains unmet

heavily undercapitalised with a financing gap of INR 6.37 trillion indicating that 73% of the total finance demand among women owned businesses in India remains unmet (IFC, 2014). The

Indian Government and private sector have initiated several schemes and programmes in response to these gender gaps in entrepreneurship; however, women continue to face challenges in starting and growing their business. Understanding the institutional and social barriers women entrepreneurs face and providing solutions to address them is necessary to leverage the economic potential of women to promote growth and development.

Given the above context, the objectives of this study are to:

- ❶ Evaluate the ecosystem for women entrepreneurs
- ❷ Identify major challenges faced by women entrepreneurs while starting and expanding their business and subsequently identify areas of support required
- ❸ Outline the various programmes, activities and policies required to develop a strong ecosystem to facilitate women's entrepreneurship.

A Women Entrepreneurial Environment Index (WEEI) that measured women's satisfaction with the entrepreneurial environment was constructed.

**The overall entrepreneurial environment in Bangalore received a score of 62 across institutional, socio-cultural and personal factors.**

**Tier II and III cities received a score of 57.** Women entrepreneurs perceived Karnataka to be a progressive state for entrepreneurship; however, they were faced with challenges constraining their growth levels. Among the institutional elements of the entrepreneurial ecosystem, access to finance was perceived to be the most challenging in Bangalore and non-metro cities of Karnataka.

The study recommends the following in addressing the gender specific and agnostic challenges facing women entrepreneurs:

- ❶ Women Business Census to collect gender disaggregated data and to track growth trajectories of women entrepreneurs
- ❷ Formulation of a Women Business Council to serve as the institutional body for implementation of a women entrepreneurship policy
- ❸ Explore non traditional lending models, innovative financial products and introduction of gender based indicators to track social performance of financial institutions
- ❹ Institute a Karnataka Supply Chain Development service; an online access portal connecting buyers and sellers
- ❺ Build stronger business associations to support women entrepreneurship
- ❻ Institute localised mentoring facilities and catalyst programmes for women in non-metro cities of Karnataka
- ❼ Use mass communication mediums and annual events for greater gender sensitisation and entrepreneurship promotion in non-metro cities

The scope of work involved conducting field surveys with 450 women entrepreneurs in 9 cities of Karnataka, namely: Bangalore, Hubli-Dharwad, Belgaum, Tumkur, Kolar, Mysore, Mangalore, Shimoga and Bellary. Bangalore constituted the first phase of the study; findings from the same have been presented briefly to draw comparisons between Bangalore and Tier II and III cities of Karnataka. Qualitative interviews were conducted with the Government, Business Associations, NGOs, financial institutions and investors. Multi-stakeholder conferences were held in Bangalore, Hubli and Mysore.

# Background

“*Forget China, India and the internet: economic growth is driven by women*  
-The Economist

Entrepreneurs, arguably, are the most important actors in an economy. Through innovation and job creation, they promote private sector development and drive economic growth. Creating a conducive ecosystem for entrepreneurship is a functional imperative to empower economies to catapult them to higher levels of growth. However any attempt at encouraging entrepreneurship will be lop-sided without involving women who constitute half of the world population.

Evidence has unequivocally established that entrepreneurial spirit is not a male prerogative. According to the World Bank, women own or operate 25% to 33% of all private businesses in the world today. In 2012, there were an estimated 126 million women starting or running a new enterprise

and 98 million managing established businesses in 67 economies around the world (GEM 2012). In India alone, according to the MSME Ministry, there are over 321,000 registered and 2.69 million unregistered women-owned MSMEs.



Women entrepreneurs in India play a significant role in advancing economic growth. They collectively contribute to 3.09 % of industrial output and employ over 8 million people (IFC, 2014).

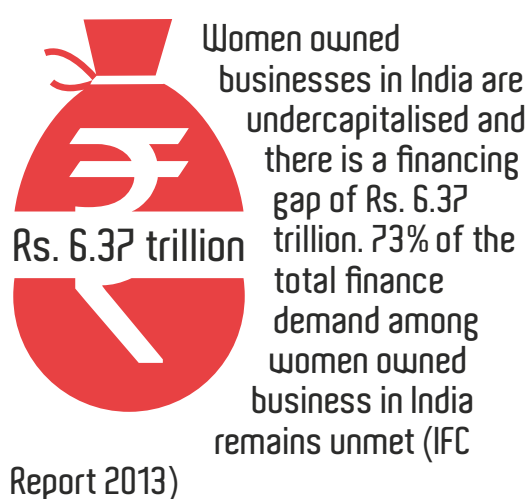
Women's entrepreneurial potential is an underexploited source of economic growth and new jobs. According to the Centre for Women Business Research, in the US, there are 8 million women owned businesses, which have an annual economic impact of \$3 trillion that translates into creation and/or maintenance of 23 million jobs - 16% of all US employment. In Canada, there are more than 821,000 women entrepreneurs, who annually contribute in excess of \$18 billion to Canada's economy (Prime Minister's Task Force on Women Entrepreneurs, 2003). Women owned enterprises in India collectively contribute to 3.09 % of industrial output and employ over 8 million

people (IFC, 2014).

Economically empowered women are also major catalysts for development. There is an increasing recognition of the positive correlation between increased women economic activity and improved social outcomes. Women often tend to reinvest their income in education, health and nutrition of their children. This has a positive impact on the potential for economic growth.

## Limitations to the growth of women entrepreneurs

Despite the growing recognition on the importance of women entrepreneurship, there are still gender gaps in the entrepreneurial ecosystem, which puts women at a disadvantage. The number of female entrepreneurs in the country remains relatively small. Women also face disproportionately high barriers in starting and growing their business. Challenges of women entrepreneurs' are myriad and are often the result of the entrepreneurial ecosystem, their motivations, attitudes and the socio-cultural environment in which they exist.



Review of literature indicates that women owned businesses in India are undercapitalised and continue to be concentrated in small, low growth ventures. According to a recent IFC Report (2014), the total financial requirement of women owned

MSMEs in 2012 was around INR 8.68 trillion and the total supply of formal finance was around INR 2.31 trillion; this resulted in a financing gap of INR 6.37 trillion or 73% of the total demand. Lack of collateral and low level of control over resources constrains women entrepreneurs from accessing formal finance. Women entrepreneurs also seem to be less educated, with lower work experience when compared to men and have limited access to markets, technology and networks.

There is no disputing the fact that some of the challenges women entrepreneurs face are the same as those faced by all startups, small businesses, and growth-oriented businesses. However the social construction of gender in India results in the creation of an additional layer of barriers for women while starting and growing their enterprise. Women face restrictions on mobility and often have multiple demands on their time due to the existing gender division of labour and childcare activities. This has a negative impact on their aspirations and ability to scale up.

## India lacks a programmatic response to address the challenges facing women entrepreneurs

There has been effort in the recent years from both public and private sectors to improve the entrepreneurial ecosystem for women. The Government of India has been promoting Women Enterprise Development under the umbrella of MSME development. Business development services provided include training, market access support, technology upgradation and credit facilities. A positive step by the government in enhancing women entrepreneurship has been the establishment of a Bhartiya Mahila Bank, India's first all woman bank providing services predominantly to women.

The private sector is also an important agent in advancing the cause of women entrepreneurship. Through their diversity and inclusion programmes, supplier diversity initiatives, corporate social responsibility, training and capacity building

programmes and research, they seek to foster the growth of women enterprises.



While these initiatives are a positive step in the right direction, they remain ad-hoc in nature; with neither an understanding of the specific ecosystem challenges nor an evaluation of their consequent impact. The state of women entrepreneurship in India thus still remains largely an under-invested and under-investigated area.

Very little is known about the women entrepreneurs; what motivates them, how they emerge, and why they succeed. Ignorance of this demography is a serious blind spot in any effort to increase the participation and number of women entrepreneurs in the economy. Understanding the institutional and social barriers faced by women entrepreneurs and formulating practical and customized solutions to address them is necessary to further leverage the economic potential of women to promote growth and development.

## Creating opportunities for women entrepreneurship development through the “Roadmap 2020 and Beyond” initiative

The “Roadmap 2020” is a powerful programme for accelerating women entrepreneurship in India. It

begins with a holistic evaluation of the entrepreneurial environment for women and stems from the rising need for a well-defined programmatic response to the challenges of women entrepreneurs.

The primary objective of “Roadmap 2020 and Beyond” is to contribute to the economic empowerment of women through women entrepreneurship development. The essential element of the programme is to lead policies, programs and partnerships that will increase women’s participation in entrepreneurial activities. Unleashing the untapped potential of women entrepreneurs would require investment in skill development, access to capital and market and gender mainstreaming the policy ecosystem to achieve inclusion of women in entrepreneurial development initiatives.



Through affirmative action and a programmatic approach, the Roadmap will work towards identifying high growth potential women entrepreneurs and enhancing the economic opportunities for them.

Through affirmative action and a programmatic approach, the Roadmap will work towards identifying high growth potential women entrepreneurs and enhancing the economic opportunities for them. The initiative will begin with a detailed diagnostic analysis of the specific factors influencing women entrepreneurship in India and mobilize the required knowledge and resources for women enterprise development. The research initiative will focus on evaluating the existing entrepreneurial ecosystem, create a



baseline and help charter a course of action for the advancement of women-owned SMEs based on a sound understanding of ground realities.

The Roadmap will further foster collaboration among the public sector, private sector and other stakeholders that will effectively help women entrepreneurs to improve their business performance, productivity and advance economic opportunities.

## The Roadmap approach

The Roadmap is focused on a bottom-up approach where emphasis is placed on understanding the contextual factors influencing entrepreneurship by comparing women's knowledge of and attitudes towards entrepreneurship across various geographical contexts. This comes from the recognition that a simple one-size fits all approach, ignoring factors such as geography, age, sector, etc. which impact women entrepreneurship will reduce the effectiveness of policy directives and/or operational interventions.



**Karnataka displays tremendous business potential and is ranked among the best for entrepreneurship**

Hence as the first step, the Roadmap seeks to evaluate the entrepreneurial ecosystem in different geographical contexts. Karnataka was chosen as the first state for the intervention. The selection was motivated by the fact that the state has displayed tremendous entrepreneurship potential and is ranked among the best in terms of entrepreneurship. Karnataka ranks third in the nation for women entrepreneurial activity and is

home to 1,03,169 Women Business Enterprises (MSME Ministry). Analysis of the data also revealed that women start new enterprises at a rate exceeding the state average; the rate of growth in the number of women owned enterprises over the past 9 years in Karnataka remains higher than the state average. The total investment of women owned enterprises totalled INR 263116.15 lakh in 2012-13 and they employed a total of 4.63 lakh persons signifying the economic impact of the women owned enterprises (DIC Karnataka).

## Objectives

Given the above context, the objectives of this study are to:

- To provide an in-depth understanding of the women entrepreneurship profile in Karnataka
- To evaluate the ecosystem for women entrepreneurs in Karnataka
- To identify major challenges being faced by women entrepreneurs in starting and expanding their business
- To outline the various programmes, activities and policies required to develop a strong ecosystem to facilitate women's entrepreneurship

## 1.2

## 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.

# Approach and Methodology

## 2.1

## Approach

In order to assess the constraints and evaluate the entrepreneurial ecosystem for women entrepreneurs, structured surveys were carried out with 450 women entrepreneurs across 9 cities in Karnataka, namely: Bangalore, Hubli-Dharwad, Belgaum, Tumkur, Kolar, Mysore, Mangalore, Shimoga and Bellary. The surveys provided statistically significant business environment indicators that could be compared across cities. A stratified random sampling technique was adopted where the sample was stratified as per sector of operation and size of business. The survey excluded women entrepreneurs who are the bottom of the pyramid – Self Help Groups (SHGs) and cooperatives did not form part of the survey as the organizational structure of SHGs and the institutional ecosystem within which they operate is significantly different from MSMEs.



**Full-fledged surveys were conducted with 450 women entrepreneurs. The survey aimed to identify challenges faced by entrepreneurs, while providing statistically significant business environment indicators that could be compared across cities.**

The survey sample frame was derived from a list of eligible firms sourced from government data banks and business associations. Respondents were questioned on the general operations of their business and challenges faced during startup and growth phases, with the responses then rated on a scale of 5 from very easy to very difficult. Further, women's satisfaction with support made available by public and private actors and their overall satisfaction with the entrepreneurial environment was evaluated (see Appendix for the questionnaire).



**The discussions of the multi-stakeholder conferences were centred on five major themes. Access to Finance, Access to Markets, Access to Networks and Policy Environment.**

In addition to surveys, multi-stakeholder roundtable conferences were conducted in Bangalore, Mysore and Hubli. The purpose of these conferences 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. Following the conference, one-one interviews were conducted with participants including government officials, business associations, investors and NGOs.

## 2.2

## Framework and Tools for Analysis

The ecosystem for entrepreneurs was defined to consist of 6 key elements that include:



Four categories of information were collected and analysed based on a World Bank Gender analysis framework that included the entrepreneur's profile, institutional constraints, support needs of entrepreneurs and satisfaction with the entrepreneurial ecosystem. The ecosystem for entrepreneurs was defined to consist of 6 key elements that include: (i) Markets, (ii) Finance, (iii) Policy, (iv) Networks, (v) Knowledge and (vi) Culture.

These elements work in tandem towards influencing entrepreneurial activity. This forms the basis for classification of challenges and satisfaction levels of entrepreneurs with the ecosystem for doing business in Karnataka. Markets, Finance, Policy and Networks constitute institutional factors or constraints, Knowledge relates to challenges that are personal and aspirational in nature and Culture pertains to the socio-cultural barriers women face.

The value chain of entrepreneurship, where entrepreneurs move from operating micro enterprises to large scale businesses has been defined with respect to the size of the business and nature of challenge being faced, and if they are gender specific or gender agnostic.

Entrepreneurs have been classified as

Dormant • Aspiring • Exemplar

The first category of entrepreneurs are 'Dormant' entrepreneurs who operate micro businesses in traditional sectors, largely found to be facing internal and gender specific challenges in addition to external institutional constraints. The second category comprise 'Aspiring' entrepreneurs who have overcome the internal and personal constraints, but face a great degree of external and gender agnostic challenges that prevent them from scaling up. The last category of entrepreneurs are the 'Exemplars' who are innovation and opportunity driven women entrepreneurs and have overcome internal and external challenges, but are faced with issues of internationalisation and going global. The recommendations for this study are targeted towards each of these sets of entrepreneurs, addressing the gender specific and gender agnostic issues that relate to the entrepreneurial ecosystem for women entrepreneurs.



The Women Entrepreneurial Environment Index (WEEI) was constructed which measured satisfaction levels of entrepreneurs with the ecosystem.

The Women Entrepreneurial Environment Index (WEEI) was constructed to measure the satisfaction levels of entrepreneurs with the ecosystem across the six pillars of Finance, Markets, Networks, Policy, Culture and Knowledge. Cross tabulations were conducted based on the stage of business, sector of operation and district. All qualitative data collected was analysed using content analysis.

Figure 1 illustrates the approach and methodology adopted for the study. (A more detailed description can be found in the Appendix)

Figure 1: Approach and Methodology

Phase	Key Activities	Tools	Output
Phase 1: Data Collection	Review publically available data on the entrepreneurial ecosystem in India	Secondary Research	550 interviews with women entrepreneurs
	Identification of WBEs and sampling		
	Developing questionnaire and survey design	Face to Face Surveys	Identification of challenges faced by WBEs
	Full fledged survey		
Phase 2: Round Table Conference and Stakeholder Consultations	Developing questionnaires for each stakeholder group – business associations financial institutions and government	Secondary Research	Understanding of initiatives undertaken by various stakeholders
	Conducting interviews with identified stakeholders	Qualitative Interviews	Multi-stakeholder views on scaling up women entrepreneurship
	Round table conference with all stakeholders and women entrepreneurs on creating a vibrant ecosystem for women entrepreneurs		
Phase 3: Analysis	Data tabulation, cleaning and review	Statistical software most suitable – SPSS	Robust data set identifying key challenges
	Internal consistency checks	MS Excel	
	Cross tabulations		
	Women Entrepreneurial Environment Index	Interaction with expert advisors	Characteristics of the business ecosystem for women
	Content analysis of qualitative responses		
	Descriptive statistics		
Phase 4: Developing Recommendations	Make policy recommendations, build consensus on initiatives, and map out appropriate roles for key actors to stimulate entrepreneurial growth	Interaction with expert advisors	Recommend-ations to improve the business ecosystem for women
	Outline various programmes, activities and policies required to develop a strong eco-system that facilitates women's entrepreneurship	Findings from surveys	

# Findings

The first section presents a brief description of findings from Bangalore, followed by findings from Tier II and Tier III cities. The findings have been presented as per city, sector of operation and stage of business wherever applicable. For the purposes of this study, the business continuum has been classified as (i) Startup phase (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 for Tier II and III cities have been classified into the following categories:



**Textiles**



**Food and Beverage**



**Manufacturing – Other & Components**



**Services**



**Handicrafts and Furniture**



**Engineering Services**

Textile units comprise retail, tailoring, and garment manufacturing. Manufacturing and other components include cement and brick manufacturers, box manufacturers and heating equipment manufacturers. Services include healthcare, education, finance and IT.

As the primary objective of this study is to evaluate the ecosystem for women entrepreneurs, the first section of the Tier II and III cities analysis presents the Women Entrepreneurial Environment Index that identifies gaps in the ecosystem and presents the overall level of satisfaction with the entrepreneurial environment. Subsequent sections identify and map the challenges and issues facing women entrepreneurs, which have been presented in the following manner:

- the institutional constraints faced by women entrepreneurs are first presented (institutions here refer to Finance, Markets, Regulatory and Policy Factors and Networks);
- the next section analyzes socio-cultural factors that have an influence on entrepreneurial activity; and
- the final section captures any personal and aspirational issues facing women.

Challenges have been rated on a Likert scale from 1 'very difficult' to 5 'very easy.' 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.

The city of Bangalore is characterised by the presence of a highly dynamic entrepreneurship sector and ranks among the Top 20 Startup ecosystems around the world (Startup Genome, 2012). Bangalore also scored an impressive 62 in the Women Entrepreneurial Environment Index (Athena Research, 2013).

As compared to global rankings, Bangalore outperforms the national aggregate; India scored 42.7 on the Women's Economic Opportunity Index and 32 on the GEDI. Some of the positive trends observed that reflect positively on the environment for women entrepreneurship in the city of Bangalore as highlighted by the study includes:

### **Greater perception of entrepreneurial opportunities**

Greater number of women in Bangalore are motivated by business opportunities (73%).

### **High early stage women entrepreneurs**

Bangalore was seen to have higher rates of early stage entrepreneurial activity. 31% of the women entrepreneurs have been operating and managing their business for less than 3 years indicating the rise of startups. Further, 43% of women entrepreneurs have been running their enterprise for more than 5 years, crossing the initial startup barriers.

### **High proportion of the women entrepreneurs are engaged in the knowledge sector**

A large proportion of the women entrepreneurs in

Bangalore, around 52% are engaged in knowledge intensive and emerging sectors such as IT, Consulting, Pharma, Education and Finance.

### **Women seem to be highly entrepreneurial and ambitious**

Nearly all women in Bangalore expressed their interest in expanding their business and 15% of them have received awards and recognition for their entrepreneurial activities.

### **High level of education and sector experience**

95% of women interviewed had a graduate degree or more and 41% of women had prior sector experience.

These characteristics signal towards the positive socio-cultural environment present in Bangalore that empowers women entrepreneurs. The socio-cultural environment for women entrepreneurs received a score of 70. Bangalore's performance on personal and aspirational factors was satisfactory receiving a score of 62 with women being highly motivated, having considerable sector experience and high education levels. The institutional environment was perceived to be the least facilitative, receiving a score of 53.


Women entrepreneurs expressed greater degree of dissatisfaction due to limited access to finance, unfavourable policies, regulatory barriers and lack of trusted networks, which impedes both growth and development. Access to finance and access to markets are crucial elements of the ecosystem that are falling behind in Bangalore.



# Anatomy of Women Entrepreneurs in Bangalore

## Women Owned Businesses in Bangalore

  
**8730**  
women owned  
businesses

  
**82392**  
people are  
employed

  
**₹57770.4**  
Lakhs attracted  
in investment

Women  
Entrepreneurs  
are motivated  
by opportunity  
versus  
necessity

**73%**

Source: DIC Karnataka

## Women Drive the Small Business Growth

**50%**

Small  
enterprises  
of all women  
owned  
businesses

  
Knowledge  
Intensive

52%

  
Retail &  
Distribution

14%  
Manufacturing 

Women Owned Business by Industry

Key customer base of Women  
Owned Businesses

13%



Export

15%



Government

43%



Multinational  
Companies

49%



Individuals

68%



Private  
Domestic Firms

# Ecosystem for Women Entrepreneurs in Bangalore



Bangalore  
is a  
frontrunner  
for women  
entrepreneurs

Gaining Respect & Recognition	75
Equal & Fair Treatment   Willingness & Risk	70
Having others believe in your capabilities	69
Financial Independence	67
Regulatory	64
Skill Sets	58
Networks	56
Work Life Balance	53
Priority	51
Markets   Finance	42

The score is based on



53  
Institutions

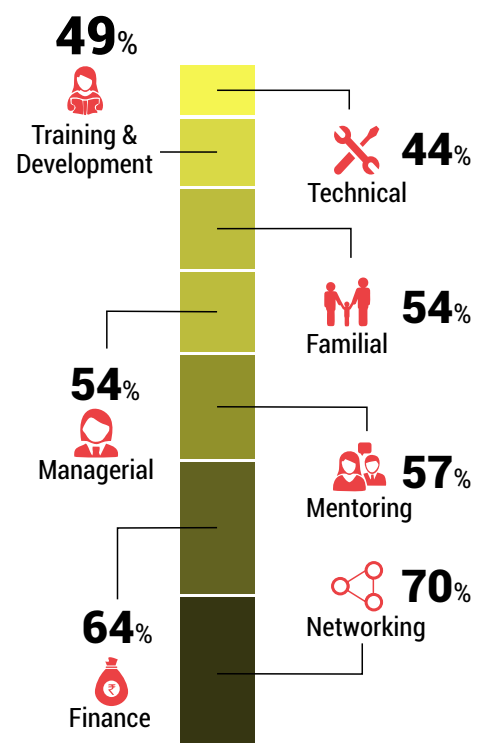


70  
Socio Cultural



62  
Personal &  
Aspirational

What  
omen  
ant?





 <b>Markets</b>	As firms expand, sales to multi-national firms and domestic firms increase by 20%. Exports see a rise by 9% in the expansion phase of a business.
	However nearly 90% of women find access to markets as challenging, particularly during startup phases. Women experienced difficulties in applying for government tenders, making a pitch and pricing products and getting on preferred vendor lists.
	Despite several supplier diversity initiatives instituted by MNCs, women constitute just 1% of the global procurement service; a key problem cited by MNCs in this respect was finding women entrepreneurs – due to the lack of universal databases/portals on certified women-owned businesses.
 <b>Policy</b>	Access to markets was a significant challenge facing women; however, government schemes focussing on market access were the least at 20%, indicating a clear mismatch between policy focus and perceived need.
	Only 27% of the respondents found government schemes to be relevant to their business with just 1% of them utilising any schemes. This is attributed to low access to information on the scheme, high turnaround times and procedural complexities.
	Only 9% of women found the policy ecosystem to be highly facilitative for women. experiencing the maximum level of difficulty on this front.
 <b>Finance</b>	38% of women entrepreneurs responding find laws and regulations that govern a woman's access to resources as a challenge and an inhibiting factor, with the manufacturing sector
	A mere 6% of women access equity sources of financing their enterprise. Women need sufficient levels of both debt and equity financing to scale up.
	76% of women found access to finance as challenging across startup and growth phases, with the manufacturing sector facing the maximum level of difficulty.
 <b>Networks</b>	Access to finance improves by 14% for women who have a male member/partner involved in the business.
	Networking was cited as a critical area requiring support with 70% of women finding networking as a challenge.
 <b>Personal &amp; Socio-Cultural</b>	Being a member of a Business Association has had a positive impact on women. Overall challenges faced by women reduced by 13% for women who participate in associations, particularly in areas that relate to accessing markets.
	73% of women entrepreneurs were motivated by opportunity or pull factors as opposed to push factors, indicating that women in Bangalore are highly driven.
	70% of women found managing employees and managing operations of business that relate to technology and finance as challenging, necessitating the need for training in these areas.
	57% of women felt that the challenges they face were more applicable to women. The study reveals that women are faced with gender risks at the startup phase of their enterprise, and as they transition to the growth stage they are primarily faced with technical business risks. Women indicated lack of financial independence, absence of female role models, and doing business in traditionally male dominated sectors as challenging.

## 3.2

# Entrepreneurial Ecosystem in Tier II and III Cities

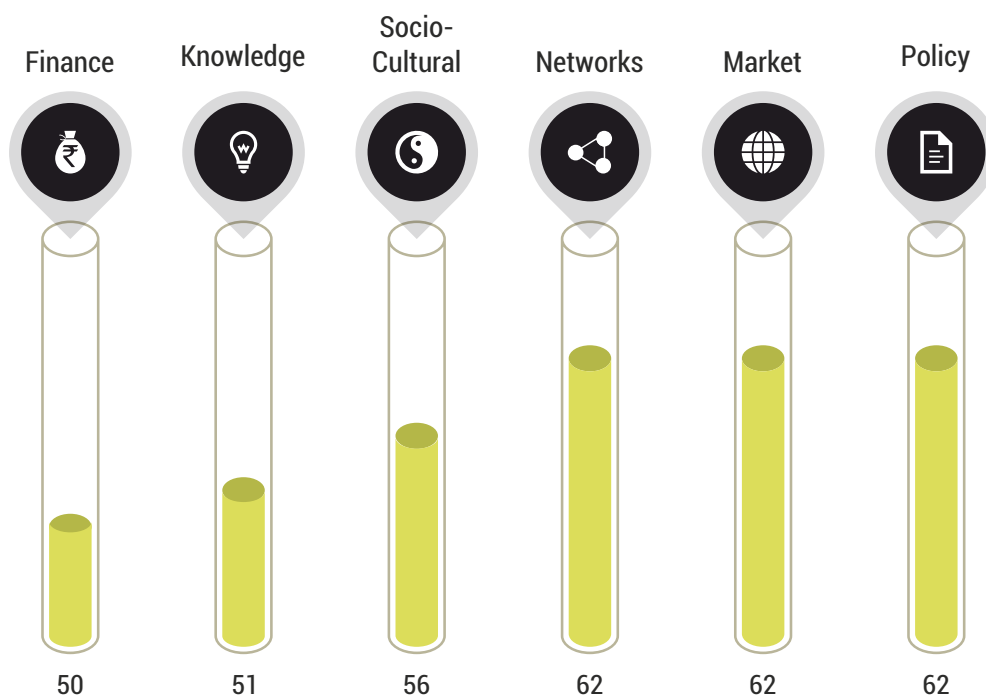
The eight cities surveyed receive a score of 57 on a 100 point scale, across institutional, socio-cultural and personal factors. The weighted index constructed using women's satisfaction with the entrepreneurial environment and corresponding levels of importance attached to each ecosystem pillar, is unique as it also captures factors that are personal and aspirational in nature. These are represented by knowledge as well as socio-cultural factors such as financial independence and gaining respect and recognition in a male dominated society that influences women entrepreneurs' ability to scale up.

Bangalore being a Tier I city performs relatively well on the index receiving a score of 62, performing

well on knowledge factors and the socio-cultural environment (Athena Research, 2013). On the other hand, the policy environment in Tier II cities was found to be more conducive for women entrepreneurs scoring 62 on the index as compared to 51 in Bangalore. Given the lack of private institutional support in Tier II cities, the District Industrial Centres are the nodal points of contact and support for women. WBEs' satisfaction with the availability of finance was significantly low and found to be a major barrier to scaling up. 37% of the women entrepreneurs were educated upto secondary school and lacked training on managing and running an enterprise which signals a low score on knowledge factors.

Overall levels of satisfaction were greater in Mysore, Hubli and Kolar. Firms in manufacturing sectors of Textiles and Food and Beverage were faced with less conducive environments for doing business as compared to service industries. An in-depth exploration of challenges facing women entrepreneurs and the entrepreneurial environment is presented in the following sections.

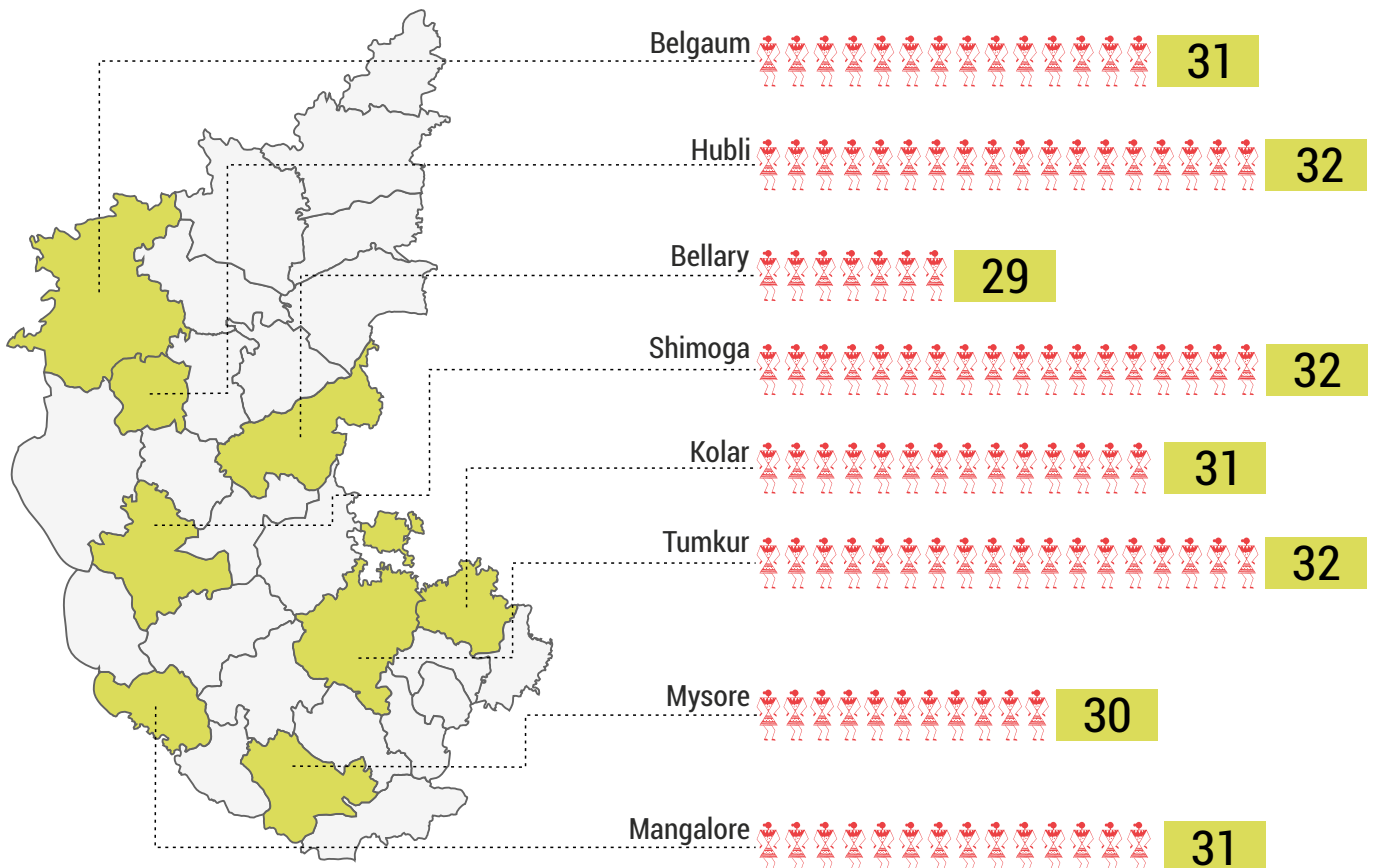
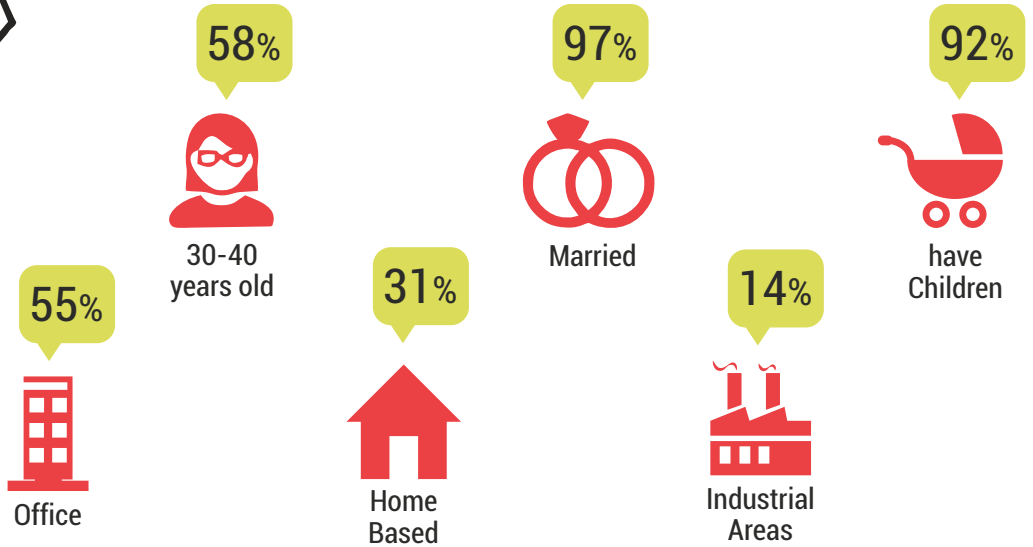
## The Women Entrepreneurial Environment Index



The overall entrepreneurial environment for women receives a score of 57 in Tier II and III cities

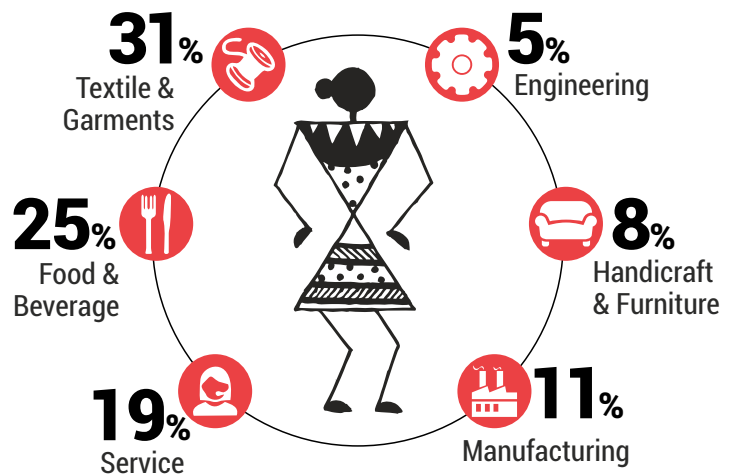
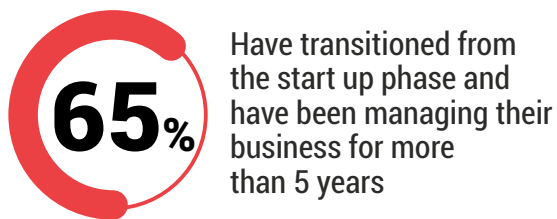
# Understanding the Women Entrepreneurs

## & their businesses in Tier II & III Cities of Karnataka



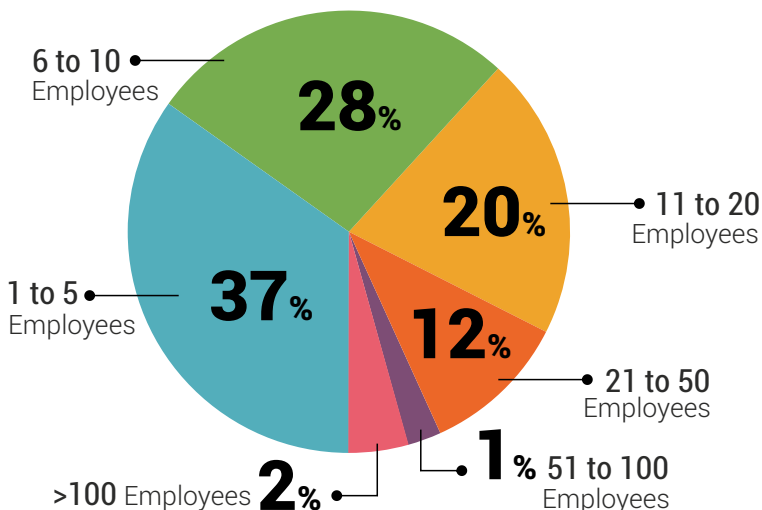
# Understanding the Women Entrepreneurs

& their businesses in Tier II & III Cities of Karnataka contd...

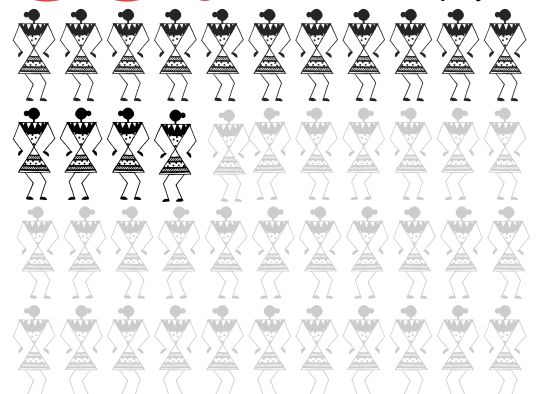


## Annual Turnover

Majority of the women owned firms have shown poor annual turnover of less than a million rupees

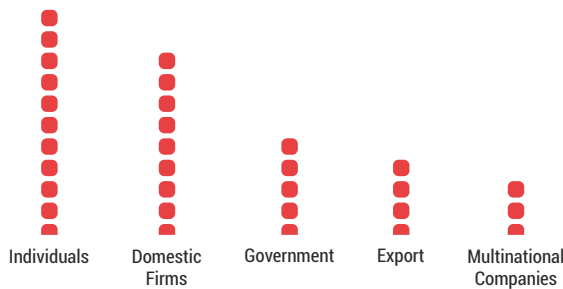


**35%** of the women entrepreneurs employ more than 10 employees

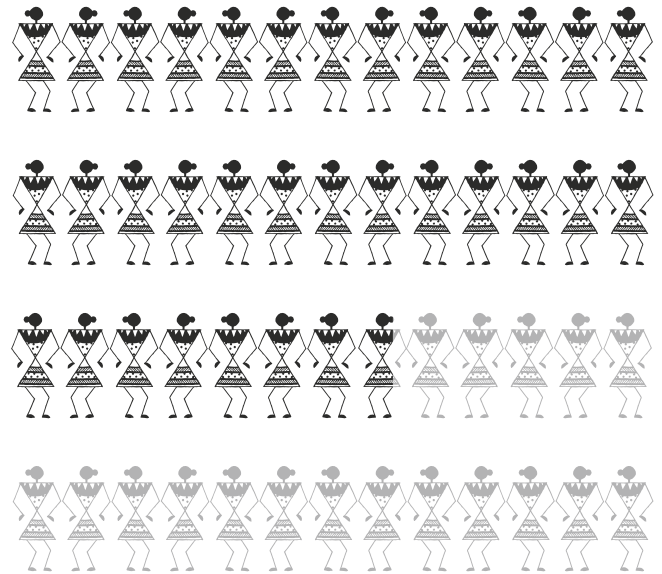




## Market



**85% of women entrepreneurs primarily sell to individuals, with less than 5% exporting or selling to MNCs**



### Access to markets and customers is a significant factor that influences an entrepreneur's revenue stream and growth

Women in Tier II and Tier III cities in Karnataka are largely in micro segments and report turnovers of less than INR 10 lakhs in the year 2013. Textiles including tailoring, Food and Beverage industries, and food catering are the major sectors of operation with less than 30% of entrepreneurs operating in technical industries such as Manufacturing, Engineering Services and Allied industries. 85% of WBEs report selling to individuals across startup and expansion phases. 60% of firms sell to other domestic MSME firms. 15% sell to the government that includes Public Sector Units and Government departments. Manufacturing industries comprising Paper, Corrugated Boxes, Bricks and Cement firms were primary sellers to the Government.

**Overall access to markets was rated as difficult by 63% of women entrepreneurs**

### at startup phases and 51% at expansion phases

Access to markets performed relatively well on the index receiving a score of 62 which represents women's satisfaction; however, 63% of women rated gaining access to markets as challenging at the startup phase which reduces to 51% at expansion phases.





Women entrepreneurs constitute just 1% of the global procurement service (Times Business, November 2013). MNCs and large corporations in India are beginning to realise the social impact of procuring from WBEs and have instituted several supplier procurement programmes. Yet women face difficulties in getting a larger share of the procurement. 43% of women cited gaining access to and participating in vendor development programmes as difficult. Further, 35% of WBEs indicated participating in trade fairs and buyer-seller meets as challenging. Given that only 3% of firms supply to MNCs, approaching MNCs and selling to them was a key challenge for 31% of entrepreneurs.

Financial viability, scalability, employee strength, product quality and ability to meet global delivery standards are some of the key criteria that MNCs look for in a firm (Athena Research, 2013).

Given that there are very few women enterprises who operate on a large scale or who fall in the category of high growth businesses, they fail to meet these standards, particularly in Tier II and Tier III cities and are left out of the supply chain. Women complained of lack of seriousness associated with engaging with a women entrepreneur. Further, in India, supplier diversity is not yet a formal programme due to the absence of compliance requirements. Due to these reasons, women entrepreneurs who belong to the micro and small segments particularly in non-metro cities are excluded from procurement channels owing to the absence of a level playing field.

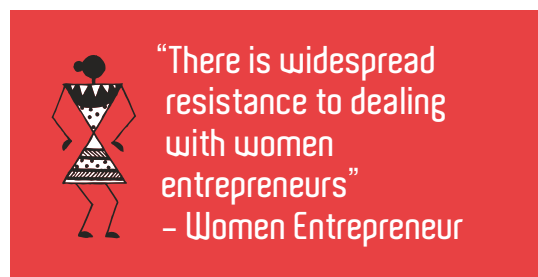
## **Government as a potential buyer is not viewed in positive light due to political risks associated with government procurement**

Around 33% of women entrepreneurs experienced difficulties in approaching and selling to the government. A significant challenge associated with supplying to the government was political risks and changes that could alter procurement. Women complained of instances where orders

received were not expedited due to a change in the government, leading to the women incurring huge losses as a result. Other problems encountered with selling to the government include lack of timeliness observed in terms of payments.

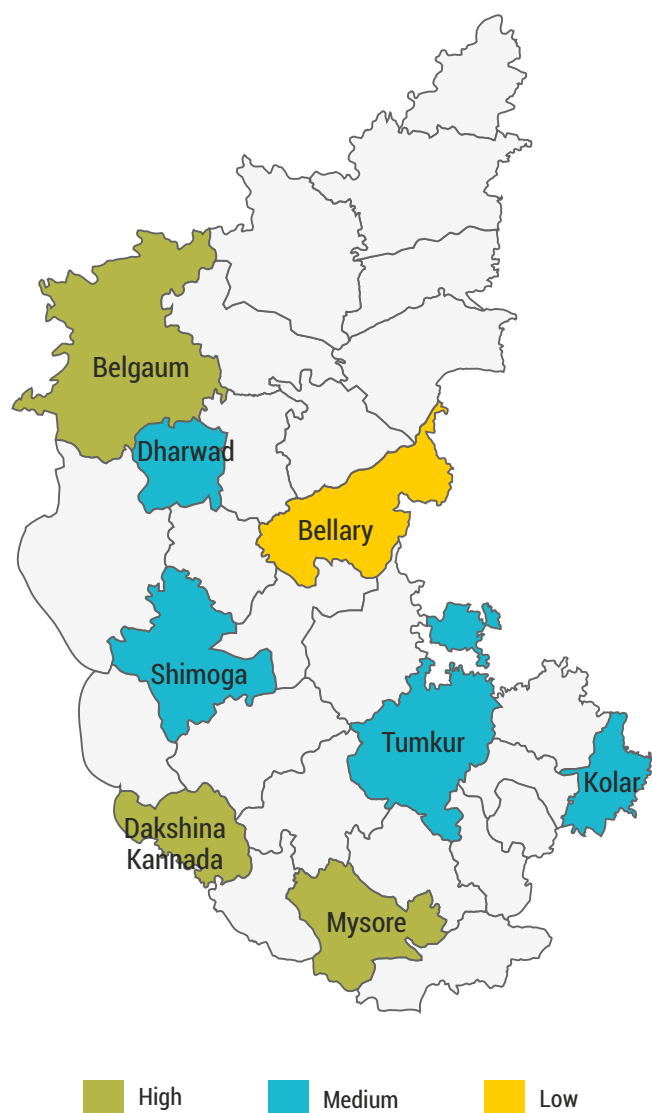
## **Government instituted procurement and marketing assistance have limited outreach**

The Ministry of Small and Medium Enterprises (MoMSME) along with VTPC (Visvesvaraya Trade Promotion Centre) have instituted policies and schemes towards enabling greater procurement from micro and small firms. These include the Public Procurement Policy that mandates government departments and units to procure at least 20% of their annual goods and services from MSME enterprises. 59% of women were aware of this policy through awareness programmes organised by DICs.



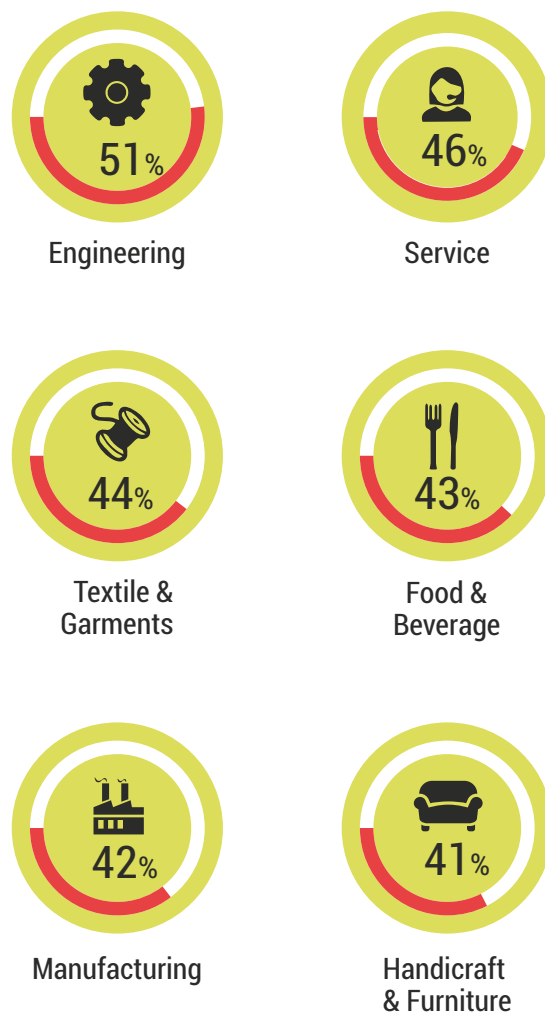
Women were aware of Government funded Marketing Assistance Schemes, particularly International Trade Fairs and Promotion schemes. MoMSME encourages export promotion through fully financed foreign trips for women entrepreneurs enabling them to participate in international trade fairs and exhibitions. While WBEs cited lack of immediate and visible impact on sales and production, these initiatives have resulted in changing women's business outlook. It provided women with opportunities to network with other women entrepreneurs. However, only 3% of WBEs interviewed had availed support from the government to increase access to markets.

## District Performance



Bellary was the least performing district experiencing the maximum level of difficulty in accessing markets with a significantly lower score of 24 as compared to other districts. Women businesses in these districts are mostly concentrated in Garments and Textiles.

## Sector Performance



On comparing the challenges facing women entrepreneurs across sectors, the services industries faced a lesser degree of challenge in accessing markets and customers as compared to manufacturing sectors of Textiles, Food and Beverage and other component manufacturers.



Data revealed that higher levels of education and participation in business associations were key factors in enabling easier access to markets.

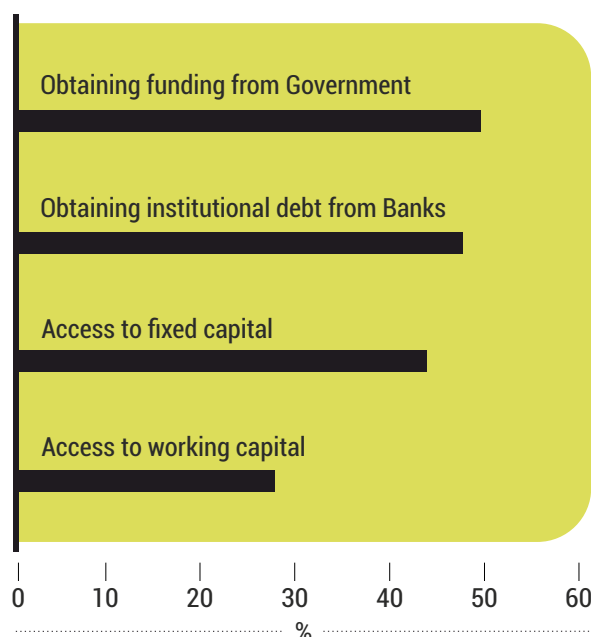


**62%** of women entrepreneurs experienced difficulties in obtaining finance, with the financial ecosystem receiving the lowest score of **50** on the index

**Access to finance is crucial to the working of any enterprise – the financial ecosystem for women in non-metro cities posed significant challenges to women, limiting availability of finance**

Over 90% of women enterprises rely on personal resources for financing. Access to institutional debt and government funding was reported as challenging by nearly 50% of the respondents. Access to fixed capital at the start of an enterprise was perceived to be more challenging than access to working capital, as women faced difficulties in obtaining collateral for loans. The intensity of challenges faced reduced to 52% in the expansion phases. The problem of accessing finance was uniformly felt as a serious issue in Tier I and Tier II&III cities.

**Figure 2: Level of Difficulty Experienced in Accessing Finance**







**“Availing collateral free loans upto even 10 Lakhs has been a challenge.**

**Banks are non-cooperating and take a long time to process**

**loans. We are made to pay multiple visits to banks, often switching between branch offices and head offices, with no clarity on next steps. We do not receive any intimation from banks for which we need to keep following up with them. At the end of 3 months of constant and tireless efforts I gave up on my loan application for INR 6 Lakhs and made do with funds raised through personal resources. There is a definite need to reform processes and facilitate easy access to loans.”**

**– Women Entrepreneur**

## **Accessing institutional debt is a major financial barrier; sensitisation of banks was recommended by women and the government**

With the aim of strengthening credit delivery systems, facilitating flow of credit to the MSME sector and supporting first generation entrepreneurs, the Government of India formulated the Credit Guarantee Fund Trust that provides collateral free loans up to INR 1 crore to MSMEs and women. Disbursement of loans is undertaken by member lending institutions; there are 131 institutions in total across the country. Despite the formulation of the scheme, banks were reported to be non-compliant. Women entrepreneurs were

required to provide collateral for loans, even for small loan amounts of INR 25,000. Bank officials lacked information on scheme details and were not proactive in informing women of the various financing options available to them. This put women entrepreneurs at a disadvantage as they have limited fixed assets to provide as collateral. This further limits their scale of operations and scope of expansion. Women also expressed difficulties in application processes specifically with respect to high turnaround times, documentation and lack of communication between the bank and applicant. Further, DIC Directors noted interaction with banks is limited as banks lack the initiative and interest. On the other hand, servicing of loans and recovery of loan amounts is a major concern for banks, who, are of the view that MSMEs form a larger share of bad debts and hence are apprehensive of lending.

## **68% of women entrepreneurs viewed access to finance as a gender agnostic challenge**

Access to finance was viewed as a gender neutral challenge, with both men and women experiencing difficulties in approaching banks and other financial institutions. However, selection of beneficiaries of financial schemes is largely based on socio-cultural parameters and the background of the entrepreneur which includes among others; marital status of women, caste and family history. Preference is given to married women as they are perceived to be credit worthier and can rely on their husbands for repayment of loans. Hence, women's access to credit independent of their husbands is limited. In many ways this can be viewed as a socio-cultural mind set issue against young women entrepreneurs. 68% of women entrepreneurs indicated that the challenge of access to finance was gender agnostic, while highlighting the fact that being a women accelerated the level of difficulty marginally. Women had to put in more effort to avail financial support.

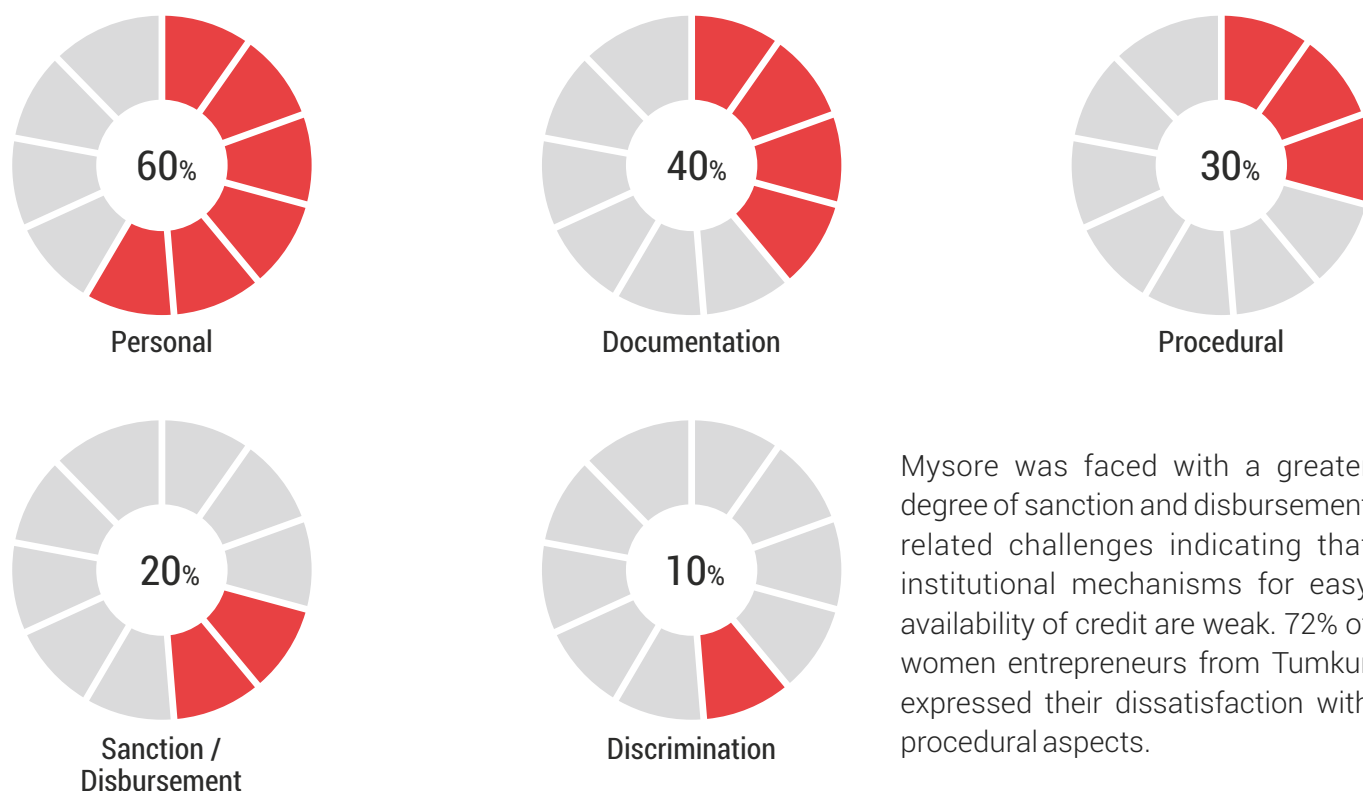
## Nature of challenge was perceived to be personal in nature; financial skills identified as a major support and training area

61% of women entrepreneurs indicated that accessing finance was a personal difficulty as opposed to being a procedural or discriminatory barrier. Women's financial behaviour particularly with respect to taking control of finances is often a result of significant negative life events that stimulate learning among women (WIRE, 2007).

Literature identifies challenges to women's financial comprehension to include discrimination against women at home and at the workplace that affects women's credit availability (Donohue, 2011, OECD, 2005).

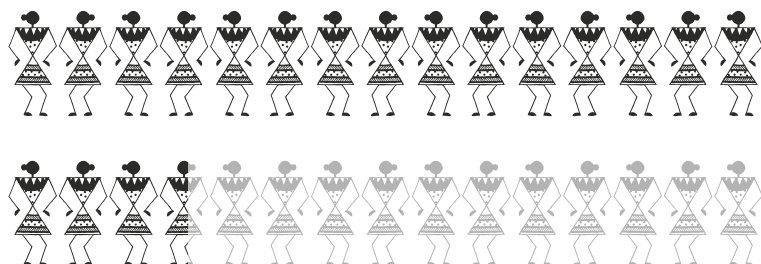
Nearly 80% of women interviewed are dependent on male family members for managing the financial aspects of business; however, they realise this is an important area for training and support (71%) that would enable them to take informed and independent decisions for their enterprise.

Figure 3: Nature of Challenge



Obtaining finance from Government was significantly more challenging in Mangalore than in other cities. Hubli and Tumkur received the lowest scores on Access to Finance.

## Policy



**62% of women are satisfied with the Policy Ecosystem**

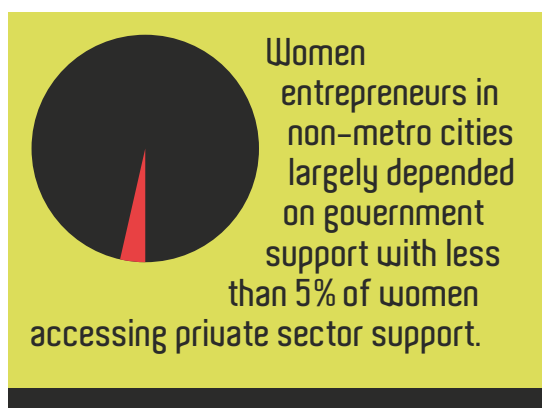
**Women business enterprise registrations have seen a rise from 80% in 2008-09 to 88% in 2012-13 in Karnataka (DIC Karnataka). The Ministry of MSME and Government of Karnataka have instituted several schemes and initiatives towards business development of WBEs.**

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.

In the year 2013-14, around 800 women were trained and 760 toolkits were supplied to artisans by District Industrial Centers (DICs) under Enterprise Development Programmes in Karnataka alone (DIC, 2014).

The Prime Minister's Employee Guarantee Programme (PMEGP) was widely recognized by most women. It is a credit linked subsidy scheme offered under the Ministry of MSME and implemented by the Khadi and Village Industries Commission (KVIC), DICs and partnering banks. The objective of the programme is to generate employment opportunities in urban and rural areas by providing credit subsidies (margin money) for the set up of micro enterprises. The government finances 95% of the project costs, which includes capital expenditure, and one cycle of working capital, for women entrepreneurs. The rate of subsidy ranges between 25%- 35% for women and the remaining is a loan offered by partnering banks, with 5% contribution by women.

In addition to financial support, PMEGP beneficiaries are entitled to marketing support in the form of buyer-seller meets, exhibitions, etc. The PMEGP scheme benefitted 162 women enterprises in Karnataka in 2012-13, seeing an annual growth of 12.23% from 2008-09. Margin money released to women entrepreneurs represented 36% of total margin money in the year 2012-13. Amount released increased from INR 155 lakhs to INR 469 lakhs registering an annual growth of 24.75%



between the years 2008-09 and 2012-13 (DIC, 2014).

In 2009-10, 67% of investment subsidy sanctions

were released to WBEs under the Industrial Policy; this however, reduced to 39% in the year 2011-12, as illustrated in the table below (DIC, 2014).

**Table 1: Investment Subsidy Sanctions**

Sanctions			Released	
Year	No. of units	Amount (INR Crores)	No. of units	Amount (INR Crores)
2009-10	405	25.63	322	17.15
2010-11	143	7.73	125	5.05
2011-12	138	7.92	91	3.09

**Table 2: Margin Money Released to WBEs under PMEGP**

Year	Total MM Releases		MM Released to Women	
	Number of Units	Amount (INR Lakhs)	Number of Units	Amount (INR in Lakhs)
2008-09	619	1073.8	91	155.27
2009-10	751	1168.4	112	188.29
2010-11	973	1745.2	282	522.12
2011-12	884	1555.4	245	471.02
2012-13	533	1318.8	162	469.07

**Table 3: State Sector Schemes**

Source: DIC Karnataka, 2014

Scheme	Number of women beneficiaries 2013-14
Living cum work shed for artisans	220
Supply of toolkits to artisans	760
Subsidy on plots/land (40% concession)	5
Subsidy on sheds (40% concession)	5
Training	800
Soft seed capital assistance/interest free loans	12

Other schemes instituted by the government include the Public Procurement Policy for MSMEs. The Policy mandates all government departments/units/agencies to procure at least 20% of goods/services from MSMEs. 59% of women were aware of this policy. Awareness was the greatest in districts of Tumkur, Kolar, Mysore and Belgaum. Manufacturing sectors were largely aware of the policy, indicating that information on government support is more accessible and relevant to enterprises in these sectors. Further, women in manufacturing sectors have higher resource needs and the need for support in these sectors is greater.

### 50% of women entrepreneurs interviewed had availed support from the government

Most of the women beneficiaries who had availed support from the government had received it in the form of finance and credit, with the remaining receiving support in terms of training and accessing markets. Government schemes had largely benefitted women from other manufacturing sectors, as opposed to those from textiles and food and beverage. Tumkur and Kolar were high performing districts with the highest number of women beneficiaries. Mangalore, on the other hand, was the least performing with the lowest number of women beneficiaries, which is reflected in low levels of satisfaction with the government as a catalyst for women entrepreneurship.



**“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**

### 58% of WBEs found accessing government support as challenging across startup and expansion phases

52% of women were dissatisfied with the government in its role of providing finance, though a large number of women had availed financial support from the government. Application procedures and interacting with government officials were challenging for women entrepreneurs. Accessing information and navigating through government websites were other areas of dissatisfaction. Level of difficulties experienced was highest in Hubli and Bellary, with these districts receiving the lowest scores of 36 and 38 respectively. Mysore and Shimoga comparatively faced lesser degree of challenges in accessing government support. 33% of women entrepreneurs had applied for government support, but had not availed the same. These women largely reported that their application status was unknown, which necessitates the need for application tracking mechanisms.

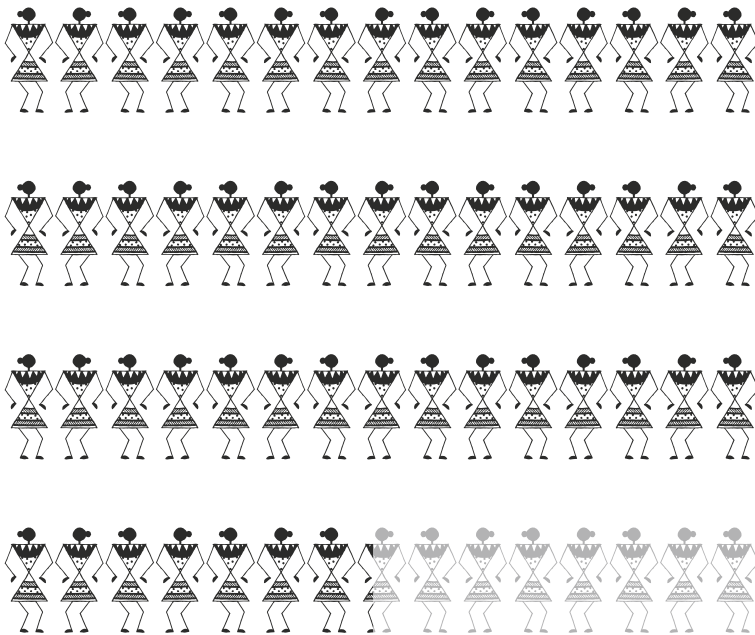
### Efficient implementation of schemes and selection processes were areas demanding attention

Lack of coordination between implementing agencies of schemes which include DICs, KVIC, KVIB, MSME Development Institutes and Department of Women and Child Development was identified as a significant area for reform. A central implementing agency for all entrepreneurship related schemes is needed for efficient selection of beneficiaries and implementation of schemes, to avoid replication of efforts by multiple departments. Lack of transparency in selection of beneficiaries was indicated. Efficient monitoring mechanisms and transparent screening processes are needed for unbiased roll out of schemes.



**52% of women were dissatisfied with the Government in its role of providing finance.**

## Networks



**87% of women entrepreneurs were not part of business associations or networking groups**

**Tier II & III cities were characterised by low penetration levels of business associations as compared to Bangalore**

**Current workshops on soft skills training are not of much use to us. We need technical training on how to run an association, with a specific focus on use of ICTs and technology.**  
– Head of Business Association

Lack of a financially sustainable model constrains business associations in their activities. Given that business associations operate on a voluntary

basis, their reach in non-metro cities is limited. Associations receive funding support for their programmes on an ad-hoc basis from the government, which then influences the size and nature of their programmes. Only 13% of women entrepreneurs were enrolled in a business association, of which 48% were part of a women specific association. Women specific business associations are seen to play a critical role in Tier II and III cities where women are more comfortable interacting in an all-women setting than a mixed setting. Some mainstream associations had developed women wings, giving them the option of participating in women specific and mainstream events. Often after a few years of being a women association member, women are seen to gain more confidence to start mingling in mixed set ups. Business associations offered training programmes, awareness generation workshops, mentoring services, buyer-seller meets and other networking events. These events helped women in overcoming challenges that were personal and



socio-cultural in nature, helping them improve confidence levels and become part of business networks. 46% of women were satisfied with business associations helping them improve their soft skills and 40% were satisfied with their role in enabling access to markets. Reasons highlighted for not enrolling in a business association were that 60% did not feel the need and 24% lacked information on such groups. This indicates that very little is known about the benefits and services rendered by a business association.



The Government supports us in partially funding events and workshops, however we face difficulties in meeting our working capital and fixed capital requirements. Business Associations run on a voluntary basis. We do not even have an office space to work out of. We are unable to hire human capital to manage day to day running of the enterprise. When various stakeholders realize the important role we play, why are we not being supported? BMOs in non-metro cities are being left out. This prevents us from supporting entrepreneurs to the full extent we wish to. We are only able to organize awareness programmes and not training  
– Head of Business Association

## Women were dissatisfied with business associations in terms of providing information on government support schemes and programmes

Only 8% of women were satisfied with business associations in their role of providing information on government programmes. Business associations are important catalysts as sources of information on the various avenues of support for entrepreneurs.



36% of WBEs indicated accessing networks was a gender specific challenge

They also act as negotiating agents for the benefit of single entity entrepreneurs. However given their lack of resources, business associations are unable to perform to their desired interest. Problems in encouraging participation among women were another significant problem cited by business associations.

## 61% of women entrepreneurs faced difficulties in networking at startup phases which reduces to 50% in the expansion phases

36% of WBEs indicated accessing networks as a gender specific challenge. Women faced difficulties in participating at times convenient to them, unlike their male counterparts. Women also indicated difficulties in sourcing information about networking groups in non-metro cities. They often travelled to Bangalore to participate in such events.



## Socio-Cultural



74% of women  
entrepreneurs felt  
that their challenges  
were gender specific

### Socio-Cultural factors include social norms, family values, and the value placed on entrepreneurship that has a strong influence on the entrepreneurial ecosystem

Socio-cultural 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, 1994). 74% of women indicated that their challenges were gender specific, with 53% of the women entrepreneurs highlighting the disadvantage while accessing markets. Access to networks and access to finance were other areas where women faced gender specific difficulties. Performance of non-metro cities on socio-cultural aspects was poorer than that of Bangalore, receiving a score of 56 on the index as compared to 72 of Bangalore (Athena Research, 2013).



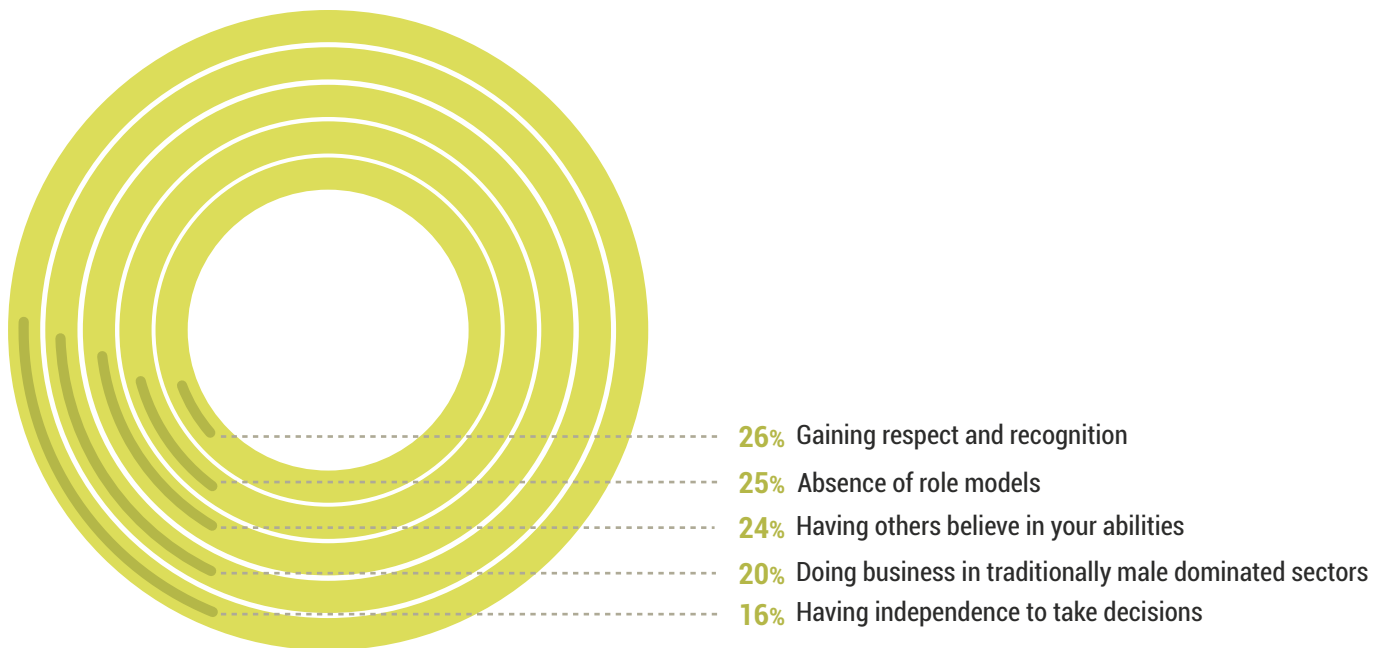
"A necessary condition  
for creating more  
women entrepreneurs is  
more women  
entrepreneurs"

– Entrepreneurship  
Evangelist

92% of women entrepreneurs have male family members as partners in their business with nearly 80% of them being involved to a great extent. A considerable number of women felt they do not get sufficient independence or decision making power with respect to financial and other critical decisions of the firm. This is a socially inhibiting factor, and prevents women from taking control of their organizational destinies.



Figure 4: Socio Cultural Challenges



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. Women felt that they were treated in an unfair and unequal manner when interacting with clients and customers. Lack of seriousness associated with dealing with women entrepreneurs was a significant challenge. This may be due to preconceived notions of society about 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.

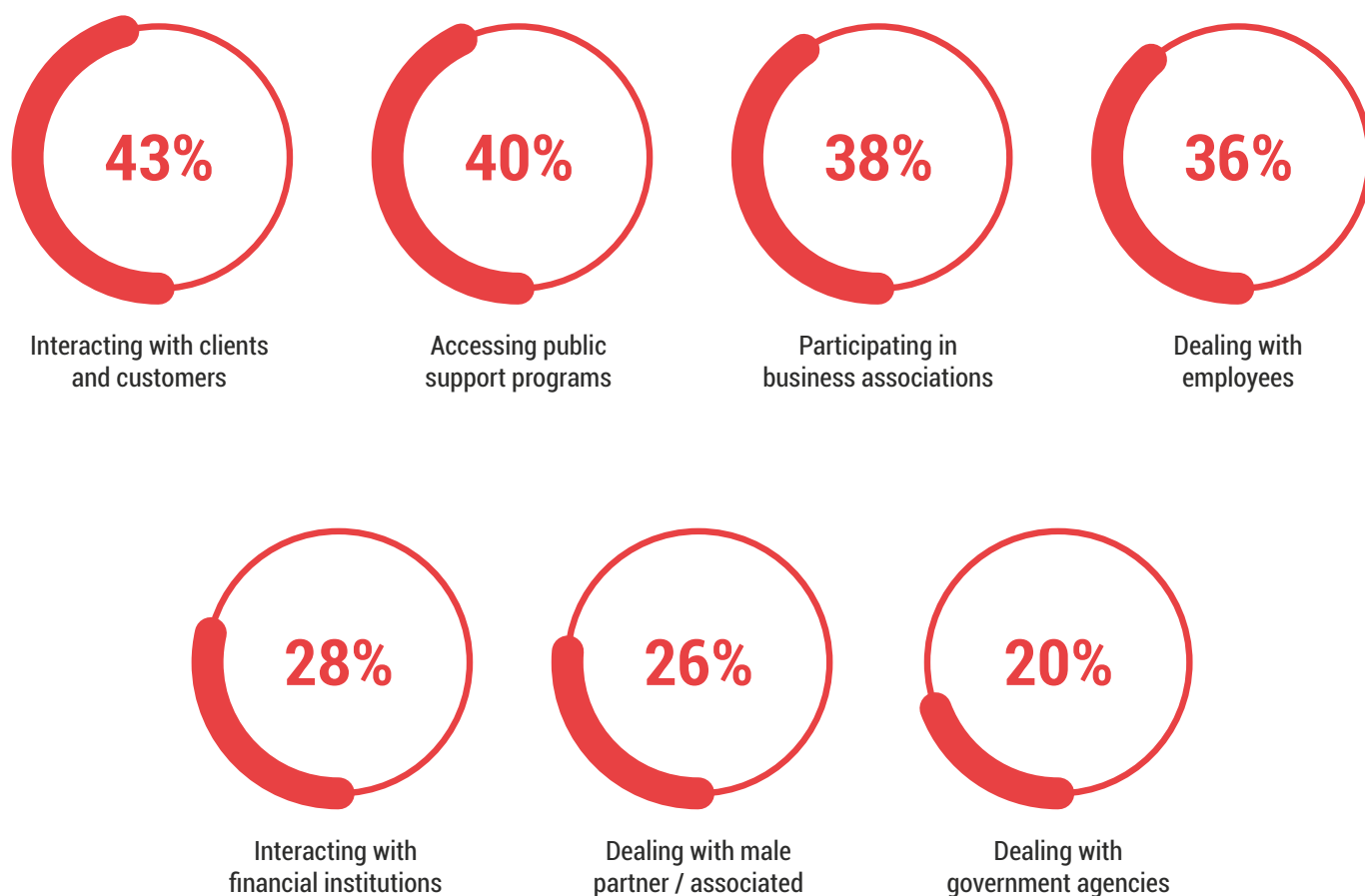
## Education, female role models and family support are positive influences to overcoming socio-cultural challenges

Women entrepreneurs expressed the need for female role models who they could look up to in their sector – particularly in sectors that are male dominated. 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.

Greater encouragement and positive attitude from family and society is a strong positive externality and greatly helps level the playing field. Encouraging entrepreneurship at the early stage of a women's career through educational institutions could help build a culturally viable entrepreneurial environment for women. WBEs who participated in business associations faced a lesser degree of socio-cultural challenges comparatively.

Figure 5: Areas of Discrimination



## Personal & Aspirational



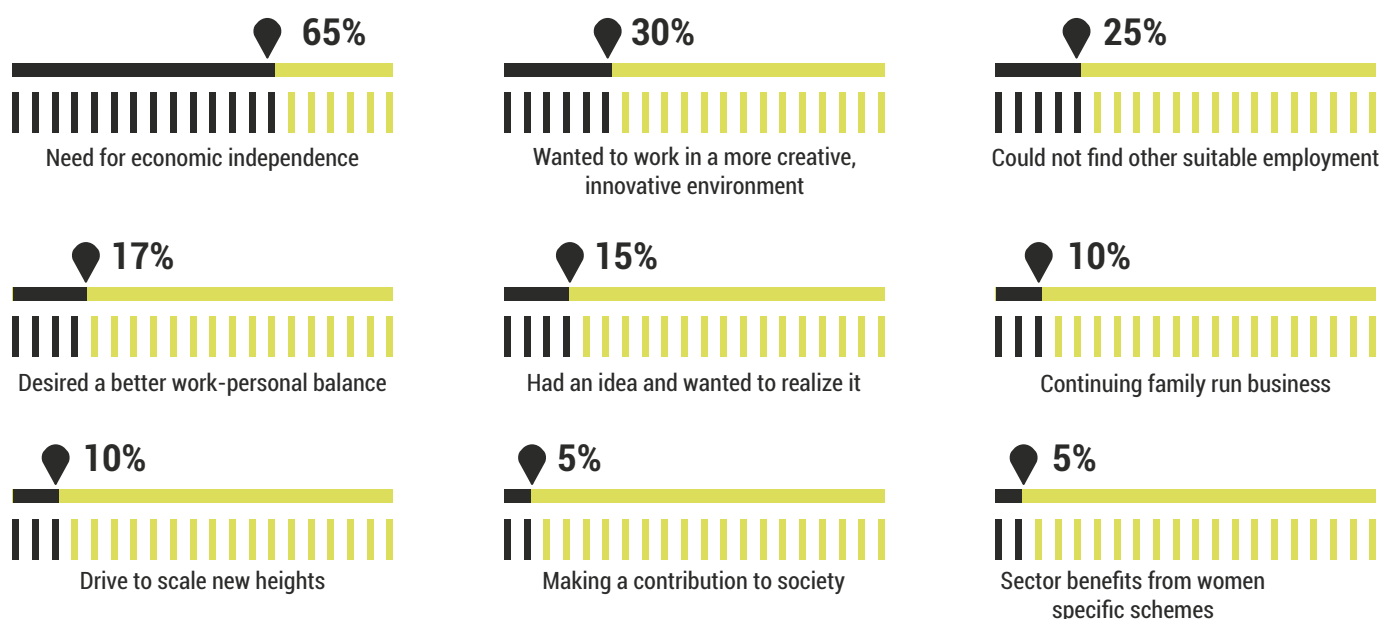
**58% of women entrepreneurs are motivated by “necessity” rather than “opportunity”**

**The entrepreneurial ecosystem is a function of various factors known as entrepreneurial triggers. Individual or internal motivators are a significant trigger factor impacting entrepreneurship**

Women entrepreneurs in Tier II&III cities were found to be driven by push factors or necessities that impel them into taking up entrepreneurship as a career. This is in contrast to Bangalore where 73%

of women were largely motivated by opportunity or pull factors (Athena Research, 2013). Factors such as need for economic independence are push motivations for autonomy (Giacomin et al. 2007). Nearly 63% of women entrepreneurs were driven by the need for independence and felt that entrepreneurship is more financially rewarding to them. 26% of entrepreneurs could not find other suitable employment. Significant pull factors include the desire to work in a creative and innovative environment (31%).

**Figure 6: Motivating Factor**



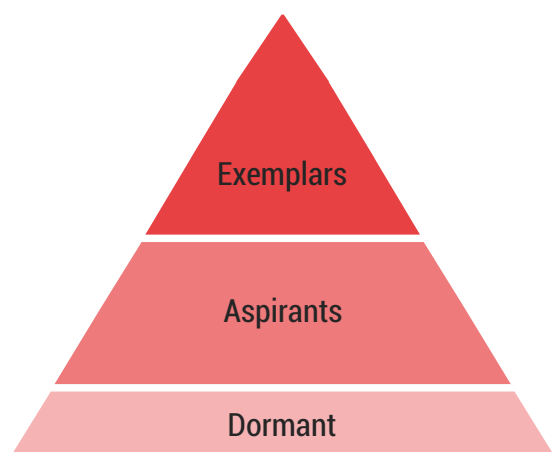
## The ecosystem for women entrepreneurship in Tier II & III cities is in its infancy

Based on the nature of challenges and the features

of their business, the study classified them into three categories namely Dormant, Aspiring and Exemplar. The following table illustrates their characteristics as per their scale of operations, motivations, skills.

**Table 4: Characteristics of Women Entrepreneurs in the Entrepreneurship Value Chain**

Parameter	Dormant	Aspiring	Exemplar
<b>Size of Business</b>	Micro enterprises with no or few employees	Micro or Small enterprises with office space and employees	Medium enterprises, larger scale of operations
<b>Sector of Operation</b>	Traditional- Textiles and F&B	Traditional or non-traditional services	Non- traditional, manufacturing
<b>Market</b>	Individuals	Domestic firms	Domestic firms, MNCs, exports
<b>Finance</b>	Personal resources	Personal and Institutional	Reinvested profits, institutional debt and equity
<b>Education</b>	Secondary or High School	Graduate	Graduate and Higher
<b>Motivations</b>	Push or necessity driven	Pull or opportunity driven	Opportunity and innovation driven
<b>Skills</b>	<b>Soft skills:</b> Low level of confidence High inertia Risk averse	<b>Soft skills:</b> Risk averse Lesser degree of gender risks	<b>Soft skills:</b> High levels of confidence Transitioned gender risks
	<b>Technical Skills:</b> Dependent on male members for finance and technology Poor business skills	<b>Technical skills:</b> Lack business acumen on growing the enterprise	<b>Technical skills:</b> Possess necessary business acumen Require mentoring skills



In metro cities, women are found to fall in the categories of 'Aspiring' and 'Exemplar' as opposed to non-metro cities of Karnataka, where women are largely in the 'Dormant' category with few in 'Aspiring'. The intensity of socio-cultural and personal challenges are the highest at the bottom of the pyramid, with women having low levels of confidence, experiencing difficulties in gaining support from family and gaining recognition from society for their entrepreneurial efforts, which limits their growth.

Furthermore, they are characterised by lower levels of education with 60% of women entrepreneurs with a graduate degree and the remaining educated upto high school, as compared to Bangalore where 95% of the women had a graduate degree or more. Further, fewer women had prior sector experience (31%). Being educated was found to have a positive influence in raising confidence levels and in the ability to manage clients. Promoting education and entrepreneurship at an early stage could aid in reducing internal difficulties facing women entrepreneurs, thereby strengthening their soft skills to start and scale their businesses.

Women entrepreneurs largely operate in traditional sectors of Textiles and Food & Beverage (F&B) as compared to large scale manufacturing in non-traditional trades. This has been attributed to lower levels of education and dependence on male members as primary bread winners. 44% of women entrepreneurs in F&B and 41% of WBEs in Textiles operate out of home. This suggests that

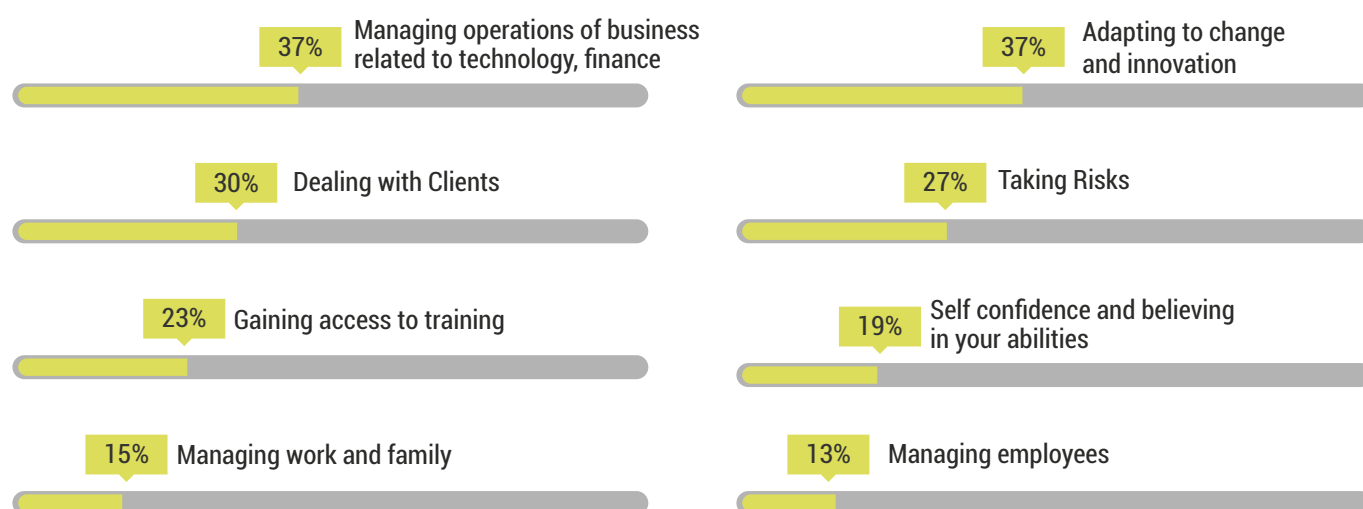
women enterprises in non-metro cities are operating on a small scale and have not scaled to develop viable and sustainable business models for their business, despite 41% of these enterprises having been in operation for 5-10 years.

The entrepreneurial environment in non-metro cities is characterised by long maturity cycles to reach higher levels of revenue. 40% of enterprises who earn less than INR10 lakhs in revenue have been in operation for 5-10 years and those earning more than INR50 lakhs have been in operation for 15 years. This further suggests women enterprises have to take longer strides towards reaching an exemplary state of entrepreneurship. Less than 5% of women entrepreneurs had achieved awards or received recognition for their entrepreneurial efforts.

### **52% of women entrepreneurs were faced with personal and aspirational difficulties in the startup phases which marginally reduces to 49% during expansion**

Difficulties on the personal level were faced across areas. Managing operations of business that relate to technology and finance was rated as challenging by 37% of entrepreneurs. This indicates that women require training in these areas to equip them to better handle the technical aspects of business independently. Adapting to change and innovation was another area of difficulty rated by 37% of respondents. Dealing with clients and taking risks were other significant challenges. Given that a large proportion of women works out of home and operate on a small scale, managing work and family was relatively less challenging. This is likely to change when the scale of operations increase. Participation in business associations helped in reducing the level of difficulties faced marginally. It is important for women to overcome these personal challenges in order to transition to higher levels of entrepreneurship. External factors such as lack of financial and human capital are further constraining over 60% of women entrepreneurs from expanding their enterprise.

Figure 7: Personal and Aspirational Challenges



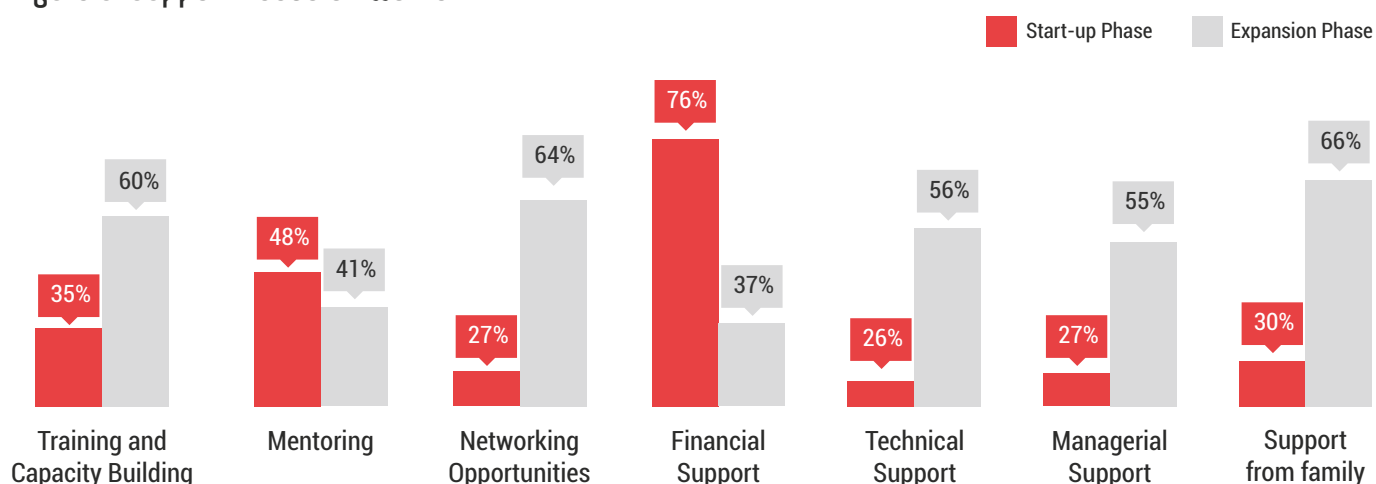
## Major areas of support for women entrepreneurs were in the areas of finance and family support

Over 70% of WBEs seek support in finance during the startup phases of their enterprises. This is evident as a larger proportion of women face difficulties in securing fixed capital rather than working capital for their enterprise. Furthermore, support from family during expansion phases is crucial for women as during this period women are largely between the age groups of 30 and 40, requiring support to manage their household while

their business is also at the peak of operations. Other major support areas include networking and training and capacity building.

83% of partner male members provide support to women in managing finance, making women entrepreneurs highly dependent on their spouses. 71% of women indicated that they require training in managing the financial aspects of their business. Further, 33% of women require training support in marketing. Enterprise Development Programmes organised by government and private institutions should focus on providing support in these areas.

Figure 8: Support Needs of Women



## 3.3

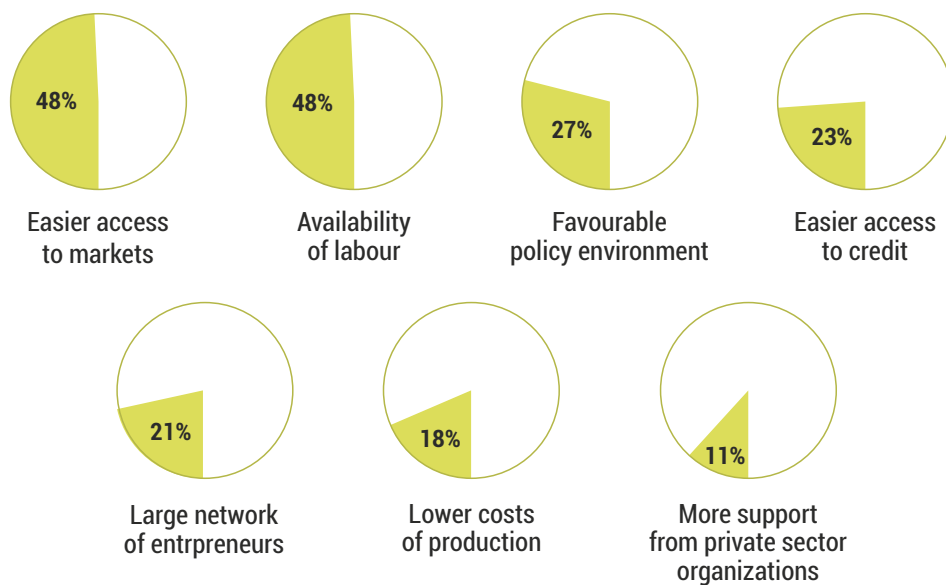
## Satisfaction Levels across Tier II &amp; III Cities

The ecosystem in Karnataka was viewed to be enterprising, with easier access to markets and availability of labour for traditional trades

A large proportion of women entrepreneurs

indicated that Karnataka is a favourable state for running their business. Areas of comparative advantages include easier access to markets (49%) and availability of labour (48%). The policy environment in Karnataka was also viewed in positive light comparatively.

Figure 9: Comparative Advantage in Karnataka









Women entrepreneurs in engineering service industry expressed greater satisfaction with the entrepreneurial ecosystem while entrepreneurs in the textile industry rated the entrepreneurial ecosystem as poor

	High Performing Areas	Medium Performing Areas	Poor Performing Areas	* Higher the score, greater the satisfaction level and vice versa	Markets	Finance	Policy Ecosystem	Networking	Socio-Cultural Factor	Personal and Aspirational
Engineering Services					63	48	80	64	55	60
Food and Beverage					56	46	59	61	53	45
Handicrafts and Furniture					60	46	59	60	51	47
Manufacturing					71	52	73	70	55	48
Services					62	49	53	59	54	50
Textile					59	51	56	57	50	47



Women entrepreneurs in Mysore found the entrepreneurial ecosystem to be largely favourable

	<div> <div></div> High Performing Areas           <div></div> Medium Performing Areas           <div></div> Poor Performing Areas         </div> <small>* Higher the score, greater the satisfaction level and vice versa</small>	 Markets	 Finance	 Policy Ecosystem	 Networking	 Socio-Cultural Factor	 Personal and Aspirational
Bellary		51	54	45	48	42	45
Mangalore		42	36	38	46	46	44
Shimoga		55	57	48	61	63	50
Hubli - Dharward		65	46	62	67	56	44
Tumkur		68	39	68	63	51	47
Kolar		69	50	73	65	53	48
Belgaum		54	40	48	52	48	46
Mysore		75	68	76	70	64	61

## What has worked for women entrepreneurs?

The policy ecosystem in the Tier 2 and Tier 3 was perceived by women to be more favourable receiving a score of 62. A positive trend observed in these cities was the proactive role played by the District Industrial Centres (DICs) in encouraging and supporting female entrepreneurship. The technical support extended by the DICs to help women entrepreneurs start and grow their business including providing information regarding government support



schemes, comprehensive training and counselling programmes and enhancing market opportunities. Greater number of women, around 50% had benefitted from government support. The poor penetration of private sector support and networking associations endorses the need to direct interventions for women entrepreneurship development with government as a key implementing partner.

# Recommendations and Way Forward

**T**able 8 on Page 52 and 53 summarize the recommendations, highlighting areas of impact and agencies for implementation.

The value chain of entrepreneurship, where entrepreneurs move from operating micro enterprises to large scale businesses has been defined with respect to the size of the business and nature of challenge being faced; gender specific or gender agnostic. The first category of entrepreneurs are 'Dormant' entrepreneurs who operate micro businesses in traditional sectors, largely found to be facing internal and gender specific challenges in addition to external institutional constraints. The second category comprise 'Aspiring' entrepreneurs who have overcome the internal and personal constraints, but face a great degree of external and gender agnostic challenges that prevent them from scaling up. The last category of entrepreneurs are the 'Exemplars' who are innovation and opportunity driven women entrepreneurs and have overcome internal and external challenges, but are faced with issues of internationalisation and going global. The recommendations for this study are targeted towards each of these sets of entrepreneurs, addressing the gender specific and gender agnostic issues that relate to the entrepreneurial ecosystem for women entrepreneurs.

The nature of challenges faced by women

entrepreneurs highlight the nature of the ecosystem in which women entrepreneurs operate. In non-metro cities of Karnataka women primarily face challenges that are socio-cultural in nature, which is in contrast to Bangalore, where women were constrained by institutional factors. Furthermore, the nature of entrepreneurship between metro and non-metro cities is distinct. Findings indicate that enterprises in non-metro cities could be largely classified as "Dormant" due to their product and service mix, the small scale of operations and nature of challenges. A smaller proportion of women could be classified as "Aspiring" who have overcome gender risks and are largely constrained by gender agnostic challenges that limit them from scaling up. On the other hand, women enterprises in Bangalore belong in "Aspiring" and "Exemplary" categories. The following table summarizes the issues faced by each of these groups, which will aid in formulating targeted interventions.




Dormant	Aspiring	Exemplars
		

Table 5: Challenges Facing Women Entrepreneurs

Type of Entrepreneur	Gender Specific	Gender Agnostic
DORMANT	Face greater degree of internal and socio-cultural challenges	Lack infrastructure and manpower support
		Cater to very local markets and produce in small quantities
	Low family support and recognition	Operate on a low capital base, face issues in obtaining fixed capital
		Poor networks
	Face mobility issues	Lack resources to undertake marketing activities
ASPIRING	Are seen to face discrimination in accessing Government schemes	Lack of financial support to meet working capital requirements
		Inability to develop appropriate branding and pricing mechanisms to sell their products
	Viewed as "high-risk customers" - apprehensions and lack of trust in dealing with or lending to women	Difficulties broadening their customer base
		Inability to meet global standards
	Lack flexibility in networking	Constrained by policy environment - regulatory barriers
		Difficulties in accessing Government support
EXEMPLAR	Gaining acceptance as leaders	Managing a large scale enterprise
		Dealing with competition
		Obtaining equity forms of financing for expansion
		Finding trusted partners for expansion

Dormant category of entrepreneurs form the larger base of women entrepreneurs in non-metro cities of Karnataka; however, as the nature of difficulties faced are largely personal and gender specific, it requires sustained effort by women themselves

and the society to combat these challenges. Given that Aspiring entrepreneurs could have larger spillover effects on the entrepreneurial ecosystem, this report advocates for immediate interventions targeting Aspiring entrepreneurs.

Table 6: Challenge–Effort–Impact Levels

	Intensity of Challenges	Level of Effort	Impact on Entrepreneurship in the Short-Term
Exemplar	Low ↓	Medium —	Medium —
Aspiring	Medium —	Medium —	High ↑
Dormant	High ↑	High ↑	Medium —

Low Medium High

Table 7: Geographic Concentration of Entrepreneurs

	Tier I Cities	Tier II & III Cities
Exemplar	High ↑	Low ↓
Aspiring	High ↑	Medium —
Dormant	Low ↓	High ↑



Low Medium High







The following section will recommend ways to improve the entrepreneurial ecosystem. The recommendations are structured based on the business ecosystem ranging from policy to financial access that influences the level of entrepreneurial activity. This approach rests on the premise that addressing one aspect of the ecosystem will not spur or sustain women

entrepreneurship. Effort has been made to identify the cohort of female entrepreneurs that the interventions should target to have a greater impact.

The following table provides a summary of recommendations and identifies the implementing agency and its impact on the female entrepreneurship continuum.

Table 8: Recommendations

	Recommendations	Implementing Agency	Impact		
			Dormant	Aspiring	Exemplar
 <b>Policy</b>	<b>Women Business Census</b> 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	C	★	★	★
	<b>Women Business Council</b> Formulation of a Women Business Council that would serve as the institutional body for implementation of a Women Entrepreneurship Policy. It will be responsible for reviewing the impact of new legislation, budgets, and policies on women entrepreneurs.	C	★	★	★
	<b>Instituting Kiosks at DIC Offices</b> Institute computer kiosks in DIC offices that could provide information on schemes, application tracking, avenues of support available, summary of MSME toolkit etc.	S	★	★	★
 <b>Finance</b>	<b>Providing incentives to financial institutions to explore non-traditional lending models</b> Government can extend support to financial institutions to fund the cost of finding and implementing these financing instruments and testing new credit scoring methods.	C	★	★	★
	<b>Encourage Banks to offer non financial support including training and networking opportunities.</b>	C	★	★	★
	<b>Redesigning the Credit Process</b> Streamlining and redesigning credit application processes, starting with the Mahila Bank	C	★	★	★
	<b>Gender Based Indicators</b> Gender based financial and social performance indicators could be introduced by financial institutions that will enable them to measure how well they are serving women.	C	★	★	★
	<b>Introducing Fixed Credit Targets and Benchmark Measures</b> Specific credit targets should be assigned for women MSMEs under financial schemes, which will ensure that they avail a certain proportion of the funds available under the scheme.	C	★	★	★
	<b>Credit Referral Facilities</b> Business associations could adopt a credit referral system whereby they could offer referral services to financial institutions connecting women with viable business	S	★	★	★
	<b>Greater participation of women entrepreneurs in Venture Capital</b> Priority should be extended to women entrepreneurs in Angel Investment Funds and investing communities. Using women networks to recruit women applicants, recruiting women angel investors, and incentivising staff to seek out and identify high growth women entrepreneurs may have tremendous value add.	C S	★	★	★
<b>Markets</b>	<b>Karnataka Supply Chain Development Service (Single Access Portal)</b> Have a Karnataka Supply Chain Development Service, an online tool that helps match buyers and suppliers.	C	★	★	★

	Recommendations	Implementing Agency	Impact		
			Dormant	Aspiring	Exemplar
 Markets	<b>Strengthening vendor development programmes and supplier diversity initiatives</b> Introduce mandatory procurement policies for the private sector from women owned enterprises Partner with organisations like WE Connect International to create manuals and conduct workshops on effective supplier diversity initiative	S	★	★	★
	<b>Building Stronger Business Associations To Support Women Entrepreneurship</b> Providing seed capital and enhanced training to business associations	C	★	★	★
 Networks	<b>Creating a network of Business Accelerators</b> The government can institute greater number of business accelerators through a public private partnership model.	S	★	★	★
	<b>Instituting localised mentoring facilities at DICs</b> A district level network of women mentors can be built by positioning a mentor at each district office. The mentor could be sourced from the local community encouraging greater community participation.	S	★	★	★
 Mentoring	<b>"Catalyst programme" for women entrepreneurs from non-metro cities</b> Programmes and events will be designed to support and mentor women from the non-metro cities to grow their existing enterprises through site visits, training sessions, workshops providing women opportunities to network	S	★	★	★
	<b>E- Mentoring to connect high growth entrepreneurs to business professionals globally</b> High growth women entrepreneurs can be connected to and paired with powerful women business leaders heading Fortune 500 companies and MNCs in an intensive mentorship programme that allows them to reflect on their experience and discuss opportunities for leadership	C	★	★	★
 Training	Innovate Training modules, incentives and delivery channels for training women entrepreneurs in basic business acumen	C S	★	★	★
	Availability of self assessment tools in the MSME websites	C	★	★	★
 Socio-Culture	<b>Bridge Between Academia And Entrepreneurship</b> 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 etc	C S	★	★	★
	<b>Use of Mass Communication Mediums to Promote Entrepreneurship</b> A state specific radio channel on entrepreneurship could be instituted, with special focus on women entrepreneurship.	S	★	★	★
 Socio-Culture	<b>Annual Events at District Level for Gender Sensitisation and Recognition of WBEs</b> Women Entrepreneurship Week could be celebrated once a year that could include workshops, seminars, debates, competitions, industry visits and local level awards. It could be organised by DICs in partnership with business associations in each district	S	★	★	★

## 4.1

## Policy

Certain sets of issues that largely pertain to the policy ecosystem for women entrepreneurs that are applicable to all sets of entrepreneurs across dormant, aspiring and exemplary stages are discussed in the following section. These systemic issues require policy interventions at national and state levels.

### 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.

### Women Business Council

The policy environment is the hub of the ecosystem and a strong policy environment is crucial to facilitate the growth

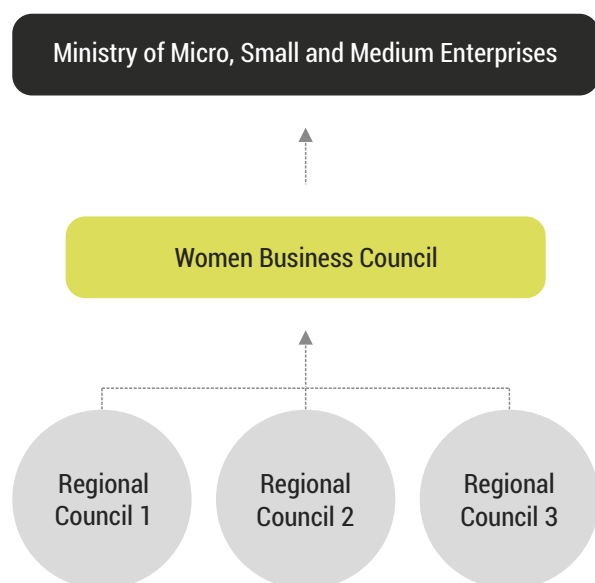


of women entrepreneurs. At present there is no unique public actor to promote women's entrepreneurship in the country. This necessitates the strong need for promoting a new institutional structure for promoting women's entrepreneurship. The study recommends the formulation of a Women Business Council that would serve as the institutional body for implementation of a 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 8: 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	Conduct 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 in setting and managing a business
	Representation from Women's Business Associations and Civil Society



**Figure 10: Institutional Framework**

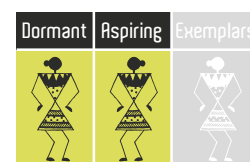
The Women Business Leadership Council could fall under the jurisdiction of the MSME Ministry. The Council would consist of sub councils or regional councils for decentralised governance.

As part of this initiative, the Council could create an online portal that would list all the information required for a women entrepreneur to start and run an enterprise. Information on this website would include public sector support and schemes, available training programmes, mentoring services and workshops organised by private sector organisations and Business Associations. It would contain online training options 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 a good illustration of the same (<http://www.sba.gov>).

In addition to the above, the study recommends a centralised machinery or department for implementation of schemes. At present multiple departments such as the MSME Development Institutes, DICs, KVIC, Department of Women and Child Development are involved in roll out of

schemes that has lead to a lack of coordination and transparency in implementation. It is recommended to empower one department for complete implementation of schemes targeting MSME entrepreneurs.

### Instituting Kiosks at DIC Offices



Women entrepreneurs experienced difficulties in accessing information on Government support. Nearly 50% of women reported difficulties in application procedures and 45% of women who had applied for Government support and not availed support indicated that the status of their application was unknown. This necessitates the need for application tracking mechanisms and easily accessible means for information. Given that ICT penetration in non-metro cities is relatively low, Government could institute kiosks in DIC offices that would include a touch-based computer; providing information in local languages in the following areas:

- Information on schemes
- Application tracking
- Summary of MSME toolkit on starting and growing a business
- Avenues for support – Business Associations and NGOs
- Details on training and mentoring being offered

Women entrepreneurs who visit the DIC offices could access the kiosks for information rather than speaking to an official. This would facilitate easy and timely access to information.

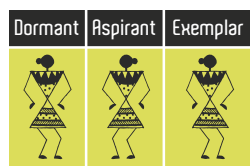
The initiative could be piloted in areas of Hubli and Bellary as women from these areas reported higher levels of dissatisfaction in accessing support and information, these districts received the lowest scores of 36 and 38 respectively.

## 4.2

## Finance

One of the major constraints for women entrepreneurs in scaling their operation is that they possess low level of capital. The major constraints identified by the study include limited financial awareness and understanding of the financial products and services offered by the institutions and lack of adequate collateral from the entrepreneur side. This was compounded by absence of financial products relevant for women entrepreneurs' requirement, perception of women owned enterprises as high risk and lack of a conducive environment in the bank for women. The following recommendations seek to address these concerns

### Provide incentives to financial institutions to explore non-traditional lending models



Under the traditional model of lending, women entrepreneurs find it hard to access formal credit given their lack of credit histories and collateral, low education levels, lack of sector experience and exclusion from entrepreneurial networks. Hence women find it challenging to access large business loans to grow their business. To address this gap there is a need to develop innovative financial lending models. Incentives in terms of risk-sharing facilities and partial credit guarantees must be provided to financial intermediaries to develop, test and implement models that enable greater participation of women entrepreneurs in a formal financial system.

Support can be extended to financial institutions to fund the cost of finding and implementing these financing instruments and testing new credit scoring methods, which uses ability, intelligence, and character traits to assess the creditworthiness of the applicant. An interesting case here is the Women Entrepreneurship Banking Program of

Inter-American Development Bank that provided up to \$55 million in financing for institutions to develop and implement innovative and inclusive lending models. Case Study: Alternate Options for Collateral in Rwanda

The Banque Populaire du Rwanda offers SME loans covering 80% of a business project, the remaining 20% to be covered by owner's equity. Collateral for these loans may be in the form of movable or immovable assets, the assets acquired by the loan or joint guarantees for associations/cooperatives. These collateral options are made possible by the Rwandan legal framework that allows for a range of assets to be used as loan collateral, as well as by support from the Women Guarantee Fund established by the Government of Rwanda.

Equity Bank has introduced value chain finance collateralized by contracts. Purchase order finance loans provide 90-day working capital credit to farmers' organizations, thereby extending credit without requiring land as collateral. This is possible under the streamlined Kenyan legislation on collateral.

Commercial banks could explore alternate options for collateral such as group lending, debentures, warehousing receipts in case of manufacturing segments and movable assets.



### Case Study: Alternate Options for Collateral in Rwanda

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Access to high quality and affordable finance for women owned businesses can be enabled through customized products for women entrepreneurs that match their financial needs. These products can also be customised to the size and development stage. Financial products must also be designed to address the working capital needs for women owned business.



### Case Study: American Express Open Program

American Express through its Open Program targets and promotes women entrepreneurship. One of their key offering is the American Express Small Business Credit Card that enables women entrepreneurs to manage their finances for the day-to-day operations of the business. The business cards provides purchasing power for the entrepreneurs, flexibility, rewards and savings on business services.

## Promote banks to offer non-financial services to women entrepreneurs



The financial institutions along with their core banking and credit operations can provide non-financial services. Few of the additional services could include:

- Provide outreach and education to help women business owners increase access to credit
- Business advisory services including investment planning, education, risk management, etc.
- Incubation centres to provide financing, entrepreneurial guidance and training for women entrepreneurs



### Case Study: Westpac Banking Corporation

Westpac Banking Corporation in

Australia has developed a holistic approach to women's banking by building a brand as the financial partner for women business. Its proposition is to provide value added services for women in business through education, information and networking opportunities. Some of the non-financial services for women business owners include:

**Capacity Building:** Through the establishment of the Davidson Institute, the Westpac Banking Corporation has been providing education and training in both personal finance and business

management. Its services to entrepreneurs include a free online learning centre, short courses, free local seminars and accredited courses.

**Ruby Connection Programme:** This is an interactive online community which seeks to educate, connect and inspire women entrepreneurs. The portal contains articles, case studies, guidance, ideas and opportunities to network with other like-minded women.

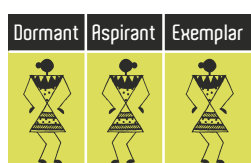
**Women's Investment Advisory Services:** The bank has constituted a team of financial advisers specialising in investment planning, education and risk management for women.

## Credit Referral Facilities

Business associations could adopt a credit referral system whereby they could offer referral services to financial institutions connecting women with viable business. These business associations can provide women entrepreneurs with information regarding the various financial products and support them by evaluating their business plan and documents. The women can approach the banks with the letter from the associations. Partnership can be brokered among business associations and financial institutions where the preliminary evaluation of the loan proposal happens at the office of business associations and final evaluation and approval is done by the banks.



## Ensure women friendly environment in financial institutions and evaluate the



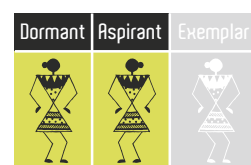
## performance of banks in serving women business owners

One of the common criticisms expressed by women entrepreneurs is the gender bias of the financial institutions. They feel that banks are unresponsive to the demands of women entrepreneurs and are usually unwelcoming. To address this concern, the banking institutions need to focus on training the existing staff on how to engage with the women entrepreneurs. In addition, banks can start dedicated units for women entrepreneurs and recruit more women relation managers thereby providing greater comfort for the women.

Gender based financial and social performance indicators could be introduced by financial institutions that will enable them to measure how well they are serving women. These benchmark measures serve as the minimum that industry stakeholders could use to track and improve their gender performance. Specific policies to direct introduction of such measures and targets could be developed by the Reserve Bank and Central Ministries

## Introducing Fixed Credit Targets for Women

Access to fixed capital is perceived to be more challenging for women entrepreneurs who face difficulties in obtaining collateral for long-term loans. Given that Micro Finance Institutions (MFIs) largely cater to women in groups and those at the BOP level, assistance offered by MFIs are inappropriate for micro entrepreneurs' needs. Women largely depend on their personal resources for financing, with little or no support from private and public sector banks. Greater reliance on personal resources makes startup finance a significant challenge for women entrepreneurs. The Government has instituted schemes that provide collateral free loans for MSMEs, upto INR 1 crore (Credit Guarantee Fund Scheme). However, the number of targets for the scheme and the corpus of funds available are low.



Given that banks are largely risk averse to lending to women, they have to put in greater efforts in availing scheme benefits. It is recommended that specific targets be assigned for women MSMEs under the scheme, which will ensure that they avail a certain proportion of the funds available under the scheme.

## Improving Credit Processes

Difficulties were experienced in application processes with respect to high turnaround times, documentation requirements and lack of communication between the bank and applicants. Women had to pay multiple visits to banks and wait for long periods in availing loans that were less than INR 10 lakhs. This necessitates the need to streamline processes in banks enabling ease of access to finance.



Given that women are at a greater disadvantage in obtaining loans due to negative societal biases, the Mahila Bank, an all women's bank recently launched in India, could consider a process redesign. The Mahila Bank caters to women as their target customers.

New processes would focus on the following:

- Reaching out to women entrepreneurs adopting a proactive approach. Banks could tap into Government MSME databases for the same.
- Enabling easy access to information and procedures through online mediums and assigning dedicated personnel in branch offices.
- Developing a standardised step wise loan application procedure
- Establishing application tracking mechanisms
- Enforcing monitoring and evaluation mechanisms and benchmarks to measure performance of banks

## Greater Participation Of Women Entrepreneurs In Venture Capital



The women entrepreneurs in the Tier II and Tier III cities have not accessed any equity or venture capital and largely rely on their personal resources and institutional debt for scaling their enterprises. Fewer women were found to be aware of the concept of risk capital and know how to go about approaching investors. The lack of diversity among the investing community and the poor representation of women in angel networks was also a major barrier (Athena Research 2013).

These issues are intensified for women entrepreneurs in the Tier II and III cities given their network compositions. The investors on the other hand note the poor quality of business plans, and the lack of required technical support as key reasons for not investing (Value for Women, 2013).

To address some of the supply side constraints, the Government of Karnataka has announced a state sponsored Angel Investment Fund for women entrepreneurs. Priority should be extended to women entrepreneurs from the Tier II and III cities as the penetration of angel investor networks and venture capital funds in these cities is poor.

The investing community remains a male dominated sector, which might restrict the interaction with women entrepreneurs. Using women networks to recruit women applicants, recruiting women angel investors, and incentivising staff to seek out and identify high growth women entrepreneurs may have tremendous value add.

Furthermore, there is a need to develop women's soft skills such as pitching, negotiating, developing a business plan, business coaching, etc. Hence partnerships should be established between organisations to develop tailor made programmes to address the skill deficit in women entrepreneurs. An inclusive approach to outreach and marketing is also desired.



## 4.3

## Markets

### 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 only women suppliers 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 e-Sourcing 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 Compete For

(<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.

### Strengthening Vendor Development Programmes and Supplier Diversity Initiative



Most of the women entrepreneurs in Tier II and III cities in Karnataka were largely unaware of the supplier diversity and vendor development programmes conducted by the private and public sector; only 3% of the women entrepreneurs benefitted from such initiatives. The practice of supplier diversity and vendor development programmes was largely absent among private enterprises located in Tier II and III cities in Karnataka due to poor awareness of the economic impact of integrating women in their supplier chain. Also in India, supplier diversity is not yet a formal programme due to the absence of compliance requirements; this excludes women entrepreneurs in the MSME sector. To address these gaps, the following recommendations are presented:

- Introduce mandatory procurement policies for the private sector from women owned enterprises by adopting best practices and incorporating lessons from countries like United States, United Kingdom and Canada
- Support private sector in non-metro cities to develop and implement supplier diversity initiatives. The Government can partner with organisations like WeConnect International to create manuals and conduct workshops on effective supplier diversity initiative. These workshops must address topics such as
  - Why should we have a supplier

diversity initiative

- How to develop a supplier diversity programme
- How to accomplish the targets of the supplier diversity initiative

## 4.4

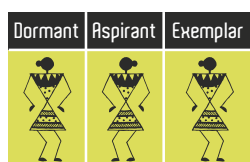
## Networks

The Tier II and III cities were characterised by the low penetration and poor capacity of business associations and networks. Most of the business associations were voluntary associations that lacked financial sustainability and professional capability. Only 13% of women entrepreneurs were enrolled in a Business Association and they have seen a positive impact in overcoming gender risk and establishing networks. There is a clear need to increase the number and capabilities of associations to deliver professional support services to women entrepreneurs. Industry associations play a critical role in promoting entrepreneurship and can be seen as a potential partner for address key issues like credit flow, improvement of skills, better infrastructure, access to domestic and foreign markets, procurement of raw materials, and coping with a multiplicity of regulations and inspectors etc by articulating the concerns of the units.

The following recommendations are proposed for strengthening the business associations.

### Evaluate efficacy and redesign current capacity building interventions

Recognising the importance of the business associations in MSME development, several initiatives have been launched to build the capacity



of the associations through training. However efficacy of these interventions largely remains unknown. There is hence a need to evaluate these interventions in delivering impact.

Heads of business associations indicated that the current capacity building interventions focus on soft skills and team building exercises, which is not useful to women who already possess leadership skills and sufficient levels of confidence. Women Business Heads indicated the need for technical training on how to run a business association.

Areas of training that will help build capacities of the associations to deliver effective services for women entrepreneurs include:

- Guidelines on setting up a BMO – aid in providing a structure and goal setting
- Use of ICTs for marketing and promotion
- Technology specific requirements on creating a website, maintaining databases and calendars
- Guidelines on conducting workshops, trainings and events
- Managing finances

A manual on setting up and running a BMO could be developed which could be made available for a nominal fee that could highlight best practice models. Further BMOs expressed the need for “incubation” services where a team of experts could hand hold and guide them on running a business association. A specific body consisting of IT, finance, HR and legal experts could be institutionalised who would provide on-site services to BMOs. These technical experts would help in organisational structuring, designing the business model, recruiting talent, developing strategy and improving their efficiency in delivering services to their members.

### Seed capital to improve financial sustainability of Business Associations





One of the key constraints faced by business associations is financial sustainability. This restricts their ability to deliver. Significant investment is required at the start of the business associations to build the organisation structures, rent office space and staff the association for administrative and managerial purpose. Funding can make huge difference in the operations of the associations, thereby increasing their ability to provide need based services beyond advocacy. Seed capital can be provided by the government for business associations supporting MSME enterprises in the form of a soft loan with an initial moratorium period. Priority must be extended to local business associations focusing on Tier II and III cities. Some of the salient features of the scheme could include

- **Eligibility:** The leadership team forming the business associations must be required to undergo a week long intensive training on Managing of Business Associations. Modules could include Setting up a Business Association, Delivering Services to Members, Income Generation Activities for BMO, Policy Advocacy, Accessing Government Support Schemes, Assessment and Benchmarking, Market Intelligence and Networking. On the completion of the training, a business model and plan of action will have to developed and submitted for government perusal.
- **Autonomy** provided to the associations to decide their focus area and sector of operations.
- **Memorandum of Understanding** signed between the Government and the core committee of the business association.
- **Identify KPI** that benchmark and measure the performance of the business associations, their management and quality of services. Loan disbursement must be linked to milestones thereby incentivising better performance.

## Creating A Network Of Business Accelerators

The high growth women entrepreneurs have proven their merit through the business model, market penetration and growing revenues. However they are still constrained in terms of finding the right team at the key management roles, access investor funding, enhance their customer base and diversify globally to support their expansion plan. To support the entrepreneurial goals of these women and enable them to achieve greater scale, the government can institute greater number of business accelerators through a public private partnership model.



### Case Study: Startup Village, Government of Kerala

Startup Village is a Government of Kerala programme that aims to nurture startups in the state. It aims to launch 1000 technology startups in the next 10 years by leveraging the potential of public private partnership. The promoters of Startup Village are Department of Science and Technology, Government of India, Technopark Trivandrum and MobME Wireless. Startup Village has infrastructure which includes 4G LTE network, telecom labs, innovation zones, legal and intellectual property services and fully furnished offices spaces. In addition, incubatees will receive various incentives ranging from three-year service tax holiday, tax exemption upto INR 50 lakh revenue and funding opportunities. The Startup Village has an angel fund of \$10 million. Other host of initiatives include SU Square for providing global exposure to entrepreneurs and Dev1000p for skill development and training.

## 4.5

## Mentoring

### Instituting Localised Mentoring Facilities: Women Entrepreneurship Anchors At DICS



Offering mentoring facilities and easier access to mentors at the local level could greatly help women in overcoming their general business problems and gender risks. A greater need for mentoring was felt at startup phases of the enterprise where women look out to families and local communities for support and encouragement.

Inhibited by societal barriers, mentors could help women build their confidence and provide them information on starting and growing their business. In order to formalise mentoring and enable greater access to mentors, it is recommended that a district level network of women mentors be built by positioning a mentor at each district office. The mentor could be sourced from the local community encouraging greater community participation.

The women mentors would have to be trained in areas of soft skills and business acumen and would involve developing a standardised model for mentoring. The mentors could take on additional tasks of training and awareness building on Government support schemes and Private sector support. The mentor could act as a Government supported anchor for women entrepreneurship in the local area.

The initiative could be piloted in low performing districts of Bellary, Tumkur and Belgaum. Information on mentoring could be made available through IEC campaigns and promoted at existing Government and Private support programmes.

### Instituting a “Catalyst Programme” for Women Entrepreneurs from Non-Metro Cities



The programmes and events will be designed to support and mentor women from the non-metro cities to grow their existing enterprises. The programme will be a two-week residential programme that includes site visits, training sessions, and workshops on topics that include leadership development and growing successful businesses and networking opportunities.

The sessions will employ different techniques including small group activities, large group discussions, presentations, personal reflections and out of class assignments.

The two week programme will be complemented with a six month long mentorship programme that connects the aspirant with like-minded women with established businesses to learn about business operations, leadership, and strategic planning for growth.

### E- Mentoring To Connect High Growth Entrepreneurs To Business Professionals Globally



Lack of access to global networks, business skills and technology can constraint Exemplars from gaining greater scale in operations. Using ICT technology to deliver business skills, technology and networks provide the entrepreneurs the required flexibility with time, schedule and work life balance.

The high growth women entrepreneurs can be connected to and paired with powerful women business leaders heading Fortune 500 companies and MNCs in an intensive mentorship programme that allows them to reflect on their experience and discuss opportunities for leadership.



### Case Study: Mentoring Women in Business, Cherie Blair Foundation

#### for Women

The Cherie Blair Foundation for Women's E-Mentoring Programme combines mentoring and technology to offer women in developing and emerging countries an opportunity to be mentored by successful leaders around the globe. Identification of the mentees are undertaken by local partner organisations in Africa, South Asia and Middle East while invitations to become mentors are done through the use of the online platform. The mentees are trained in the use of online multimedia hosted on a Google web-based platform. After the completion of the training, the participants undertake an intensive one year one-to-one mentoring.

Areas for training include:

- Basic numerical skills
- Logical skills
- Communication and presentation skills
- ICT and social media use
- Developing a business plan
- Developing a structure for the business
- Registering a business
- Knowledge on licences and regulations
- Basic financial literacy
- Applying for a Government contract
- Sector specific skills
- Personality development

Training modules on the above-specified areas could be included in Public run Enterprise and Skill Development programmes and also in training programme offered by NGOs.

Incentives for participating in training programmes could be offered such as – providing free hours of one-to-one mentoring with an exemplary entrepreneur, non-monetary incentives such as providing sector specific raw materials for those who best perform in the training programme. Training could be followed by a competition and evaluation of performance that will further identify areas of weakness and further training for entrepreneurs.

Furthermore, self-assessment tools could be developed to assess an entrepreneur's skills and abilities, thereby identifying areas for training. Self-assessment surveys could be made available on MSME websites and at DIC offices.

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 Development Institutes and DICs.

## 4.6

## Training

### Innovative Training Modules, incentives and delivery channels

Nearly 60% of women entrepreneurs expressed their need for training and capacity building. Training on soft skills and basic business acumen on starting and running a business is crucial for dormant entrepreneurs.





### Case Study: Mobile Training Business on Wheels Programme

The Business School on Wheels for Rural Women is Mann Uikas innovative solution to offer its range of courses accessible to women who due to financial or cultural constraints would be unable to access training in a central location. A bus has been designed and converted to operate as a mobile classroom, which will travel from village to village within the Hubli-Dharwad area. The Business School on Wheels will offer training in a range of technical and practical business skills which will enable women to expand or start new businesses, which will in turn be supported with startup micro-loans through Mann Uikas financial services.

[http://www.wunrn.com/news/2008/02\\_08/02\\_04\\_08/020408\\_india.htm](http://www.wunrn.com/news/2008/02_08/02_04_08/020408_india.htm)

through the DICs, VTPC, Business Associations and NGOs for a nominal fee.

Toolkits should be made available on online media as well for easier access. Tailored toolkits could be developed for each sector, giving details of regulatory requirements that pertain to a sector and avenues for support.

### Training For Mentors Supporting Women Entrepreneurs



There are numerous mentors today in India offering support services to women entrepreneurs. However very few established women entrepreneurs act as mentors for upcoming entrepreneurs. Qualitative surveys also highlight that successful and highly powerful women often resist mentoring other women, as they perceive a lack of skill set in providing valuable mentorship service. Hence enhancing the capacity of the existing mentors and inculcating the ability among rising women entrepreneurs is critical.

Mentoring training programmes must include the following elements:

- Build effective mentoring relationships
- Mentor goals and expectations, obligations and roles
- Offer Business Development Services
- Develop confidence among women

### MSME Toolkits

MSME toolkits could be distributed to women entrepreneurs that would guide them through their business cycle. The toolkit could provide information on business planning, financial projections, inventory and stock management, marketing, branding, etc. The Government with the support of Business Associations could develop the toolkits. Toolkits could be widely distributed



An interesting case study is the Cherie Blair Foundation for Women Indian Mentor Development Programme. Working with the National Entrepreneurship Network (NEN), the programme seeks to develop a group of highly effective and accessible mentors to support women entrepreneurs across India. Their role is to offer high-quality business development support and tangible resources to women entrepreneurs lacking the confidence, business skills and networks to start and grow their ventures.

## Improving the Socio-Cultural Ecosystem

### 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 curricula. This is necessary to encourage more youth, particularly women to take up entrepreneurship. Some ways of doing this 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) and the Deshpande Foundation in Hubli. Greater collaborations between academic institutions and private organisations working in this space are sought.



#### Case Study: National Entrepreneurship Network, Wadhvani Foundation

National Entrepreneurship Network was established in 2003 with a mission to create and support high-growth entrepreneurs, driving job-creation and economic growth in India. NEN's model for advancing entrepreneurship rests on its partnership approach, making it scalable and effective. Rather than deliver support directly, NEN partners with academic institutes to help them build an effective and a vibrant entrepreneurship ecosystem on campus to develop and support entrepreneurs. In addition, NEN uses a group-purchasing model to aggregate support for institutes, members and entrepreneurs. Support includes a bank of volunteers for speaking and mentoring opportunities, corporations eager to support innovation, fast-track access to funding and incubation, and learning tools and materials.

### Use of Mass Communication Mediums to Promote Entrepreneurship



To promote entrepreneurship in rural and semi-urban areas, use of mass communication mediums such as radio networks could significantly aid in awareness building in a cost effective manner. A state specific radio channel on entrepreneurship could be instituted, with special focus on women entrepreneurship. The radio channel could be community driven and could include the following programmes:

#### Build Your Business

A show that could provide business owners with

information they need to start, run and grow their businesses, giving details of various support mechanisms available in Karnataka particularly for women. The show could call on MSME Directors, DIC Directors to provide information on Government support schemes and local Business Associations to provide information on their various programmes.

### Finding Your Role Model

A show that could showcase successful entrepreneurs where they will share their entrepreneurial experiences and how they overcame their challenges. A special slot could be provided on a weekly basis for women entrepreneurs. The show could include a question and answer session with callers.

### Practical Business Advice

The show would provide practical business advice to callers, giving them an opportunity to share their concerns and avail instant support.

### Does Your Idea Sell?

The channel could provide an opportunity for aspiring entrepreneurs from Universities to participate in competitions that award the best business idea, thereby encouraging innovation and entrepreneurship among the youth.

### Virtual Market Place

The channel presents an opportunity for local business owners to market their products and services, thereby providing them access to markets and increasing their customer base. A special slot for this purpose could be created.

### Overcoming the Gender Risks

A special show that would address the socio-cultural challenges facing women entrepreneurs and sensitising society towards accepting women in entrepreneurial roles. The show could include talk shows by successful women entrepreneurs, mentors and leaders, with the aim of building women's confidence and advocating women's recognition and acceptance in society.

### Entrepreneurship News

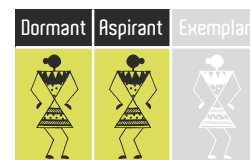
Information on market trends, sector/industry specific updates, tech businesses, news on new schemes, initiatives and programmes could be broadcasted.

The radio programmes could be introduced in existing radio channels in Karnataka in the local language for greater outreach and implemented through support from the Government, Multilaterals and Private Organisations.

The intervention would prove to be cost effective with greater impact across the entrepreneurial ecosystem. It is easily accessible for entrepreneurs, particularly women who are constrained for time and lack freedom in mobility.

In addition to local radio, options for programmes in local TV channels could be explored, whereby aspiring women who have transitioned the gender risks could be portrayed as future role models for upcoming women entrepreneurs.

### Local Events for Gender Sensitisation and Recognition of WBEs



In order to initiate change in societal attitudes and stereotypes associated with women and their role in society, events at the local level could be instituted that would recognise women's contribution to the economy and promote women entrepreneurship. A Women Entrepreneurship Week could be celebrated once a year in conjunction with International Women's Day.

The entrepreneurship week could host workshops, seminars, debates, idea competitions, business plan competitions, industry visits, fairs and exhibitions, etc. organised by each DIC in partnership with local Business Associations in their respective districts; inter-district competitions could be instituted to motivate DIC and MSME officials to work towards promoting women entrepreneurship.



DICs could put up posters of local women who have scaled their business, showcasing women's capabilities. Local level awards to recognise women entrepreneurs, Government institutions and other organisations working in this space

could be implemented. Workshops could focus on gender sensitisation and could include counselling for family members, enabling change in societal attitudes towards women entrepreneurship.



### Case Study: Tupperware, If She Can You Can Campaign

Tupperware instituted a campaign that provided a platform for women to share their success stories. These are women who do not get recognised in daily media platforms for their entrepreneurial efforts, but who have emerged victorious in overcoming the challenges that were thrown at them. The campaign takes the form of a website that posts videos of successful women. These women could act as role models for the upcoming generation of entrepreneurs.

<http://www.tupperwareshecanyoucan.com/Default.aspx>



# Appendix 1: Detailed A & M

## 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 450 women entrepreneurs. A stratified random sampling technique was adopted. Samples were stratified based on sector of operation and size of business. 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 the institutional ecosystem within which they operate is significantly different from MSMEs.

The survey was answered by women business owners 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 Government data banks and Business Associations.

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 startup and growth phases, with the responses then rated on a scale of 5, from “very easy” to “very difficult”. Further, women’s satisfaction with support made available by Public and Private Actors and their overall satisfaction with the entrepreneurial environment was evaluated.

## Survey Locations

Women entrepreneurs were interviewed across 9 districts of Karnataka. 200 women entrepreneurs were interviewed in Bangalore that formed the first phase of the study, this was followed by 250 interviews in Tier II and III cities of Karnataka.

The survey locations include:

- Bangalore
- Hubli-Dharwad
- Bellary
- Shimoga
- Belgaum
- Tumkur
- Mysore
- Mangalore
- Kolar

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

# Stakeholder Consultations and Roundtable Conference

A multi-stakeholder roundtable conference was conducted in Bangalore, Mysore and Hubli. The purpose of these conferences 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 four major themes – Access to Finance, Access to Markets, Access to Networks, and the Policy Environment.

In addition, one-on-one interviews were conducted with stakeholders from the Government and Business Associations. The same is documented and analysed using content analysis.

2.2

Analysis Frameworks

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

## 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, four categories of information were collected and analysed based on the following framework.

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

Figure 11: Gender Analysis Framework

01	Entrepreneur Profile	Sector of operation and type of products sold
02	Institutional Constraints and Opportunities	Identification of major issues, challenges, attitudes and aspirations of entrepreneurs
03	Need Assessment	Support needs of entrepreneurs would be identified
04	Ecosystem Analysis	Creation of an Entrepreneurial Environment Index

Source: Adopted from the World Bank Gender Analysis Framework

## Ecosystem Analysis Framework

A favourable 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 12: Defining the Ecosystem

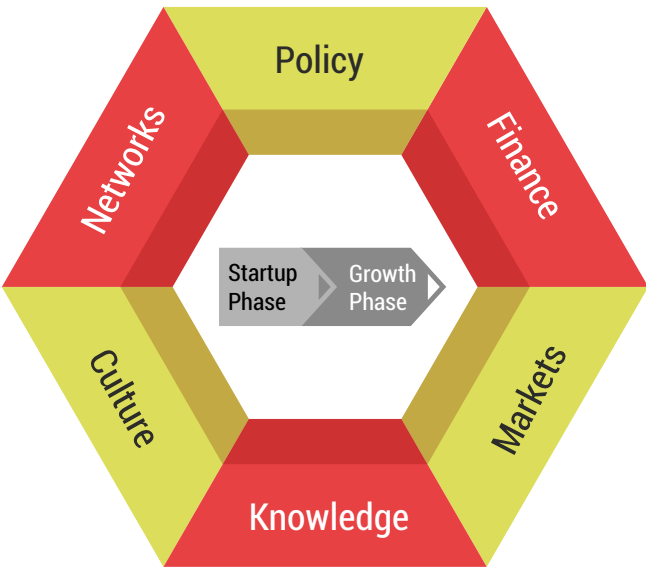
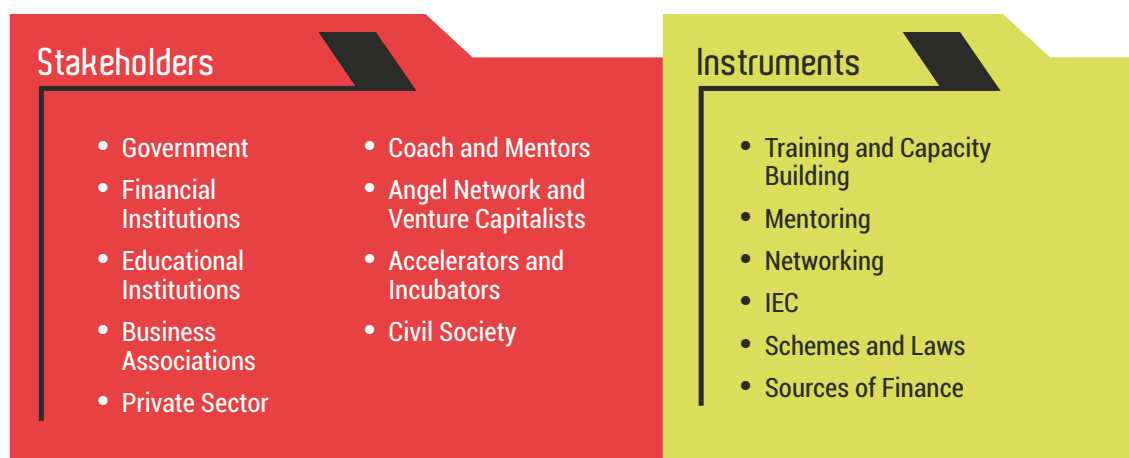


Figure 12: Defining the Ecosystem (contd...)



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<sup>2</sup>.

**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.

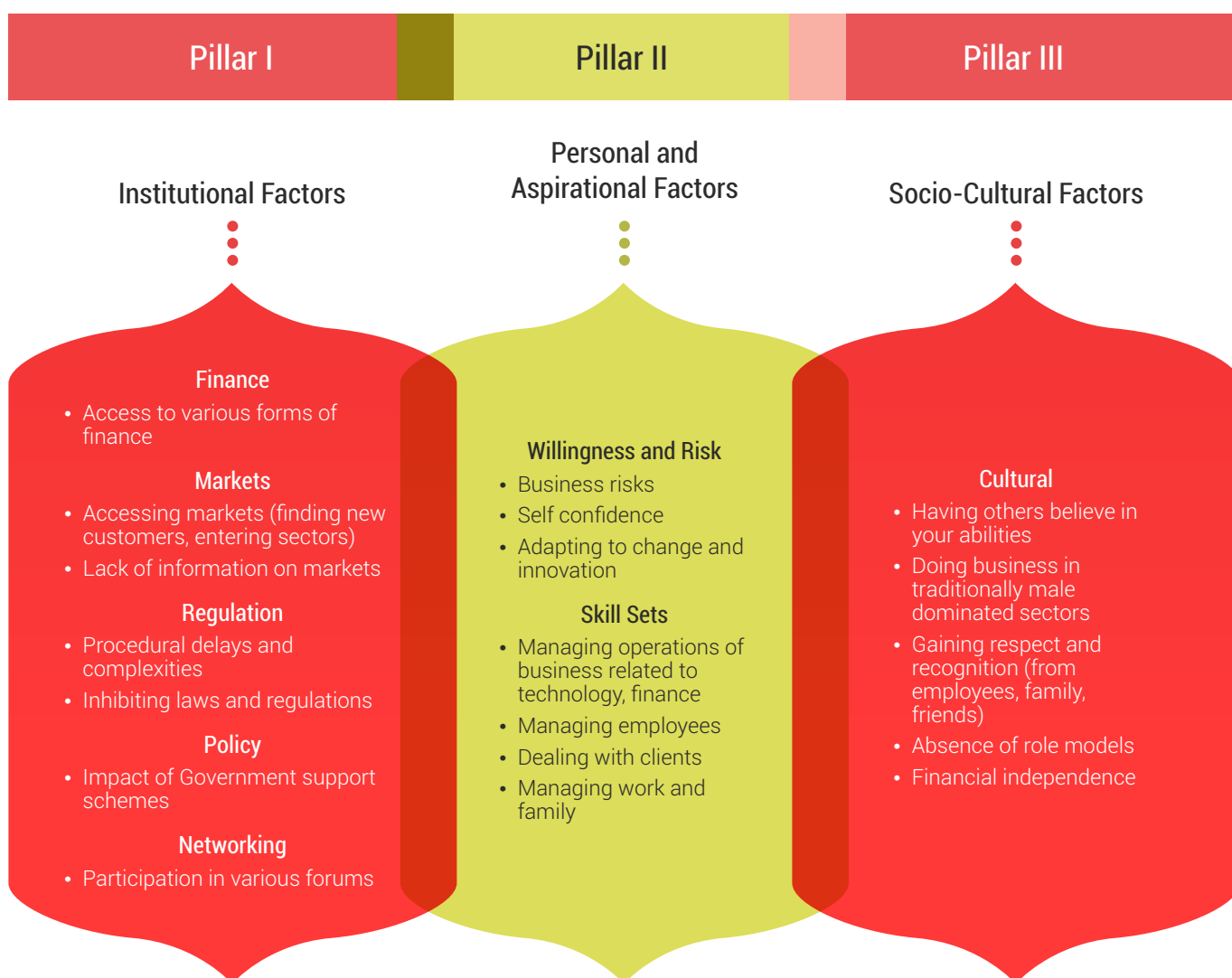
**Culture:** This aspect encompasses the level of satisfaction displayed by women with respect to having sufficient freedom and independence to take decisions, being treated in an equal and fair manner, gaining respect and recognition.

**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.

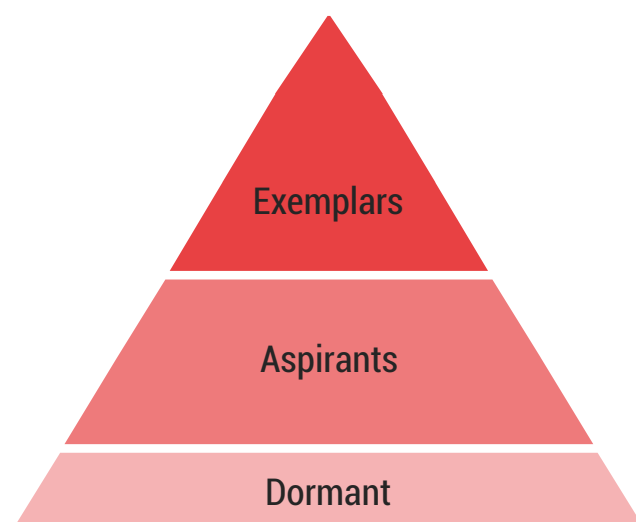
These stakeholders combine a whole host of measures to support entrepreneurial activity and play an important role in determining the quality of the ecosystem.

Figure 13: 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 startup and accelerates entrepreneurship (GEM Model). Socio-cultural factors too influence entrepreneurship.

### Entrepreneurship Pyramid



The value chain of entrepreneurship, where entrepreneurs move from operating micro enterprises to large scale businesses, has been defined with respect to the size of the business and nature of challenge being faced, both gender specific or gender agnostic. The first category of entrepreneurs are 'Dormant' entrepreneurs who operate micro businesses in traditional sectors, and are largely found to be facing internal and gender specific challenges in addition to external institutional constraints. The second category comprise 'Aspiring' entrepreneurs who have overcome the internal and personal constraints, but face a great degree of external and gender agnostic challenges that prevent them from scaling up. The last category of entrepreneurs are the 'Exemplars' who are innovation and opportunity driven women entrepreneurs and have overcome internal and external challenges, but are faced with issues of internationalisation and going global. The recommendations for this study are targeted towards each of these sets of entrepreneurs, addressing the gender specific and gender agnostic issues that relate to the entrepreneurial

ecosystem for women entrepreneurs.

## 2.2.4 Tools for Analysis

### 2.2.3.4 Women Entrepreneurial Environment Index (WEEI)

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 (weights were derived from the importance associated with each factor which was self stated by the entrepreneurs in the survey). 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 self-stated.

### Cross Tabulations

Cross tabs were conducted based on the following parameters:

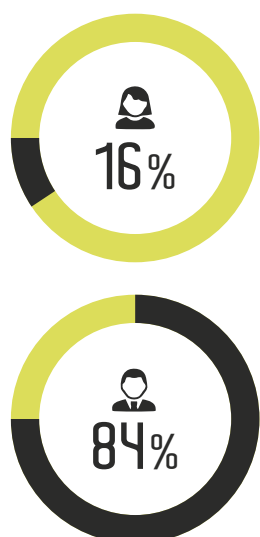
- Stage of business
- Sector of business
- District/location
- Involvement of male members
- Education
- Participation in business associations

In addition, the analysis included calculation of descriptive statistics.

# Appendix 2: State of Women Owned Business in Karnataka

Women-owned businesses contribute significantly to the Karnataka economy and have grown in number and size. According to DIC Karnataka, a total of 74,665 registered firms were owned by women accounting for 16.3 % of the Micro, Small and Medium Enterprises in Karnataka. The number of women owned business has grown over time. During 2004 to 2013, women owned businesses grew by 105 %, thrice as fast as men owned businesses.

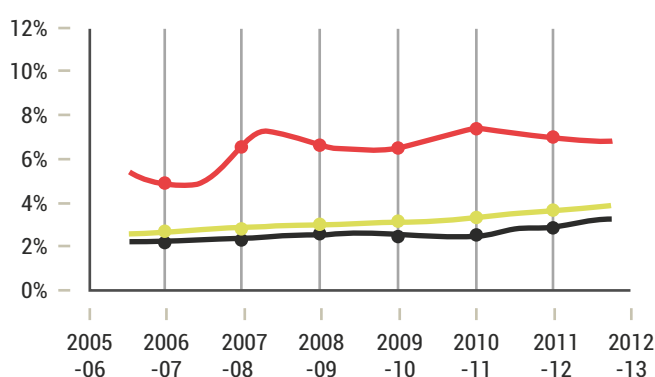
**Figure 14: Women Owned Businesses in Karnataka** .....  
Source: DIC Karnataka and Athena Research



Analysis of the data from 2004-2013 revealed that women launch new enterprises at a rate exceeding the state average. During 2004-13, women owned business in Karnataka grew at a Compounded Annual Growth Rate (CAGR) of 8.3% which was significantly higher than the CAGR of male owned businesses at 3.36 % and the total MSME sector at 4.02 %.

It is evident from Figure 15 that the rate of growth in the number of women owned enterprises over the past 9 years remains higher than the state average—currently the number of women owned firms is growing two times the state average.

**Figure 15: Growth of Women Owned Businesses in Karnataka** .....



Source: DIC Karnataka and Athena Research

## Distribution by Geography

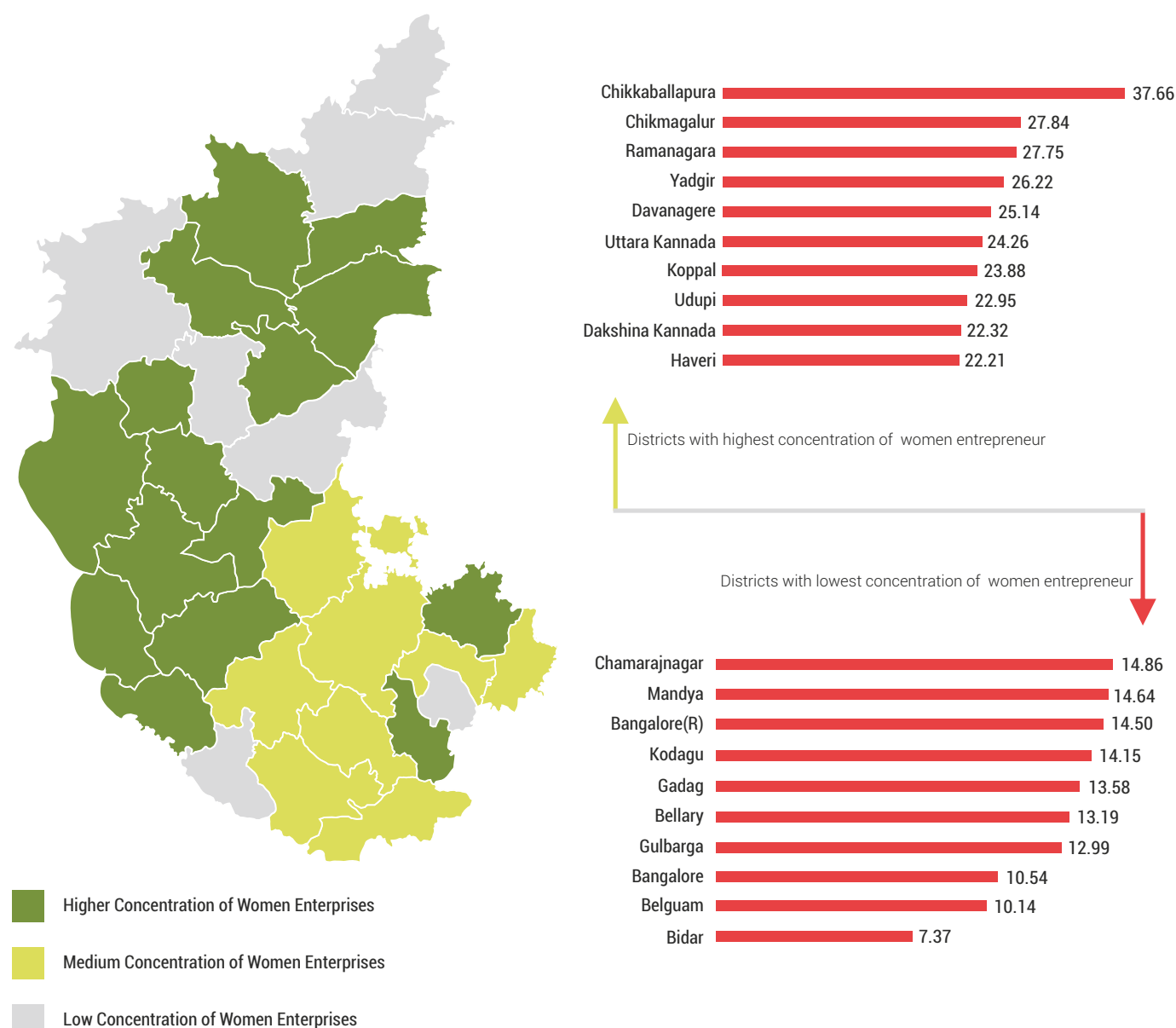
There are notable differences between districts in Karnataka on women business ownership. In general, during 2004-13, the share of women owned business as a percentage of the total MSME sector has increased across districts and constitutes between 7% - 37% of the total registered MSME businesses in 2013. This section

examines both the concentration (share) of women owned firms within each district and the distribution of the current population of women owned firms across districts.

The districts with the highest concentration of women owned firms are: Chikkaballapura (37.7%), Chikmagalur (27.8%), Ramanagara (27.8%), Yadgir (26.2%) and Davanagere (25.1%). Districts with the lowest concentration of women owned enterprises are Bellary (13.19%), Gulbarga (13%), Bangalore (10.5%), Belguam (10.1%) and Bidar (7.37%).

Figure 16: Concentration of Women Owned Enterprises District Wise (2012-13)

Source: DIC Karnataka and Athena Research



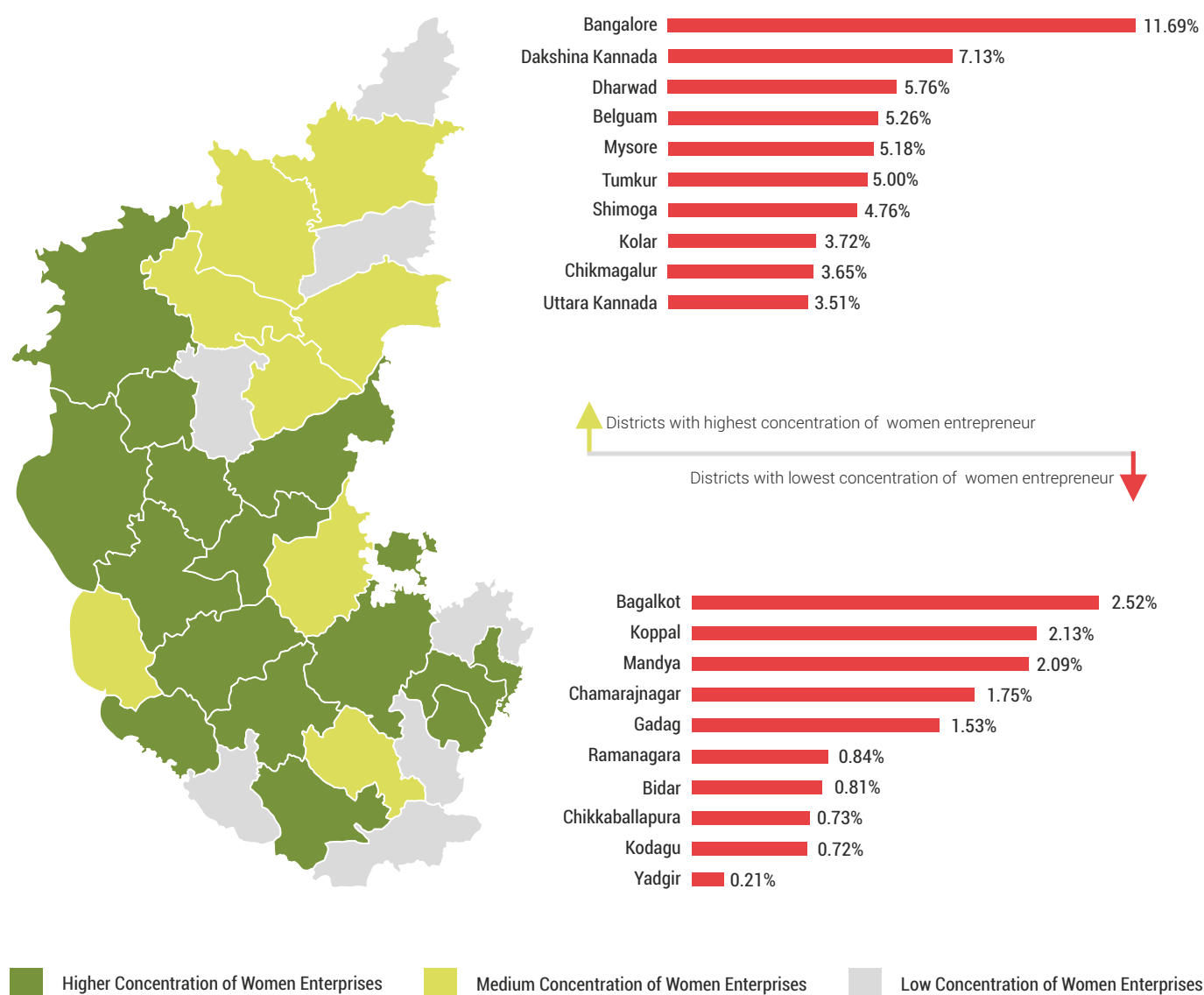


Looking at the distribution of women owned businesses across districts highlights the fact that the districts with the greatest number of women owned business are naturally the advanced districts with a higher degree of industrialisation. Bangalore is home to the greatest number of women owned firms in the state followed by

Dakshina Kannada (Mangalore), Dharwad, Belguam and Mysore. The district of Bangalore and Dakshina Kannada (Mangalore) have retained their position at top since 2004, but there has been some change among the other districts. Yadir and Kodagu with 0.21% and 0.72% have the lowest number of women entrepreneurs in the state.<sup>3</sup>

Figure 17: Distribution of Women Entrepreneurs– District Wise (2012–13)

Source: DIC Karnataka and Athena Research



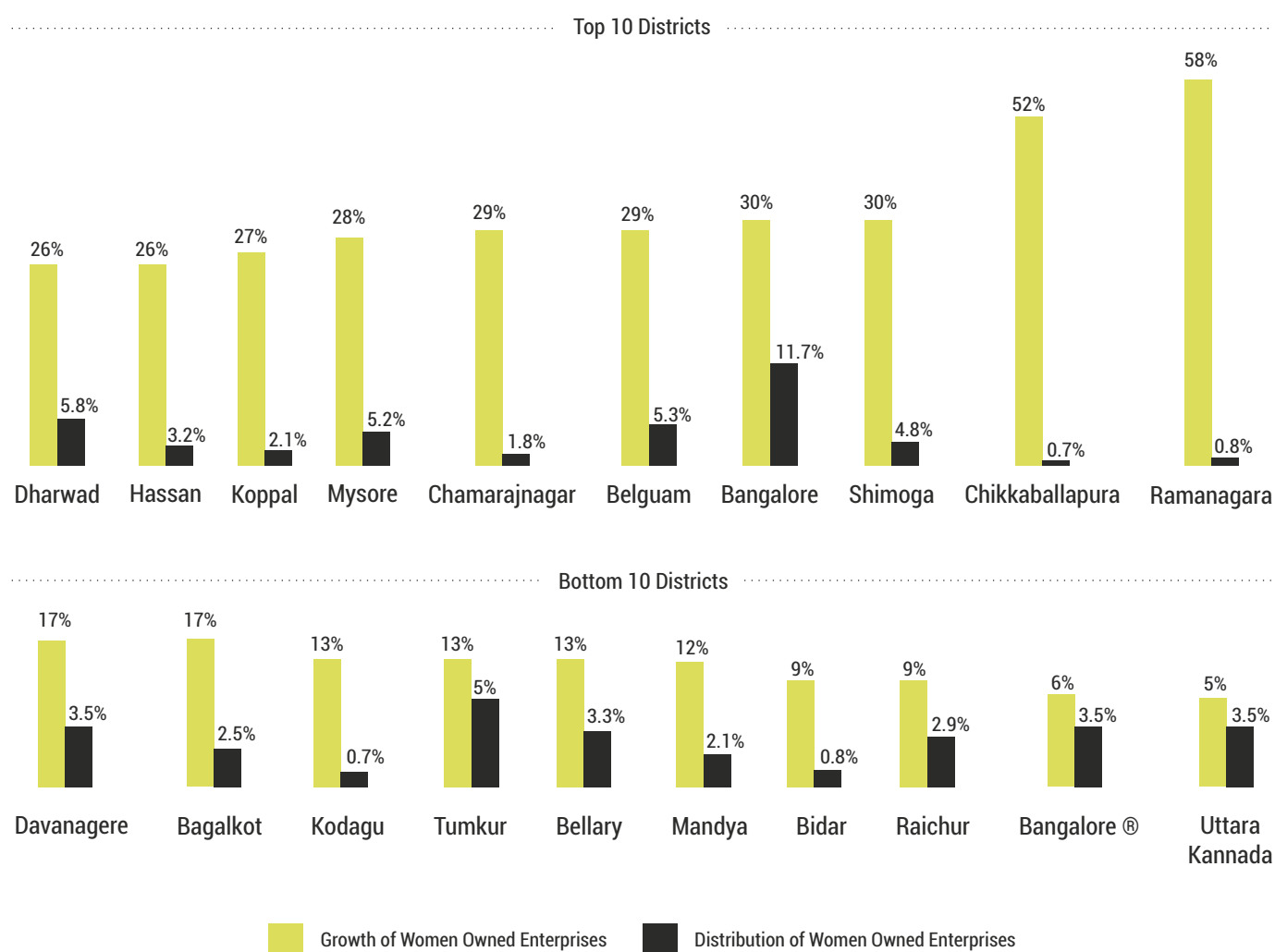
<sup>3</sup>For additional information on the number and growth of women owned firms district wise, refer to Table 1 in the Summary Tables Section in the Appendix

Another interesting dataset to examine is the growth in the number of women owned firms. The number of women owned businesses in Karnataka has increased by 21.26% since 2010-11. The districts which recorded fastest growth in women owned enterprises are Yadgir<sup>4</sup> (642.86%), Ramanagara (58.19%), Chikkaballapura (52.09%), Shimoga (30.44%) and Bangalore (29.81%). The districts with lowest growth in the number of women owned firms between 2010 to 2013 are: Mandya (12.05%), Bidar (9.22%), Raichur (9.18%), Bangalore Rural (5.84%) and Uttar Kannada (4.93%)<sup>5</sup> [Refer Figure 17].

The growth rates of the number of women owned businesses varied across districts. The districts which recorded the highest growth in the number of women owned enterprises have been ranked at the bottom in the total number of women owned enterprises. For example, Bangalore which has 11.7% of the total number of women owned enterprises has witnessed a growth rate of 29.8% only while Ramanagara with 0.8% of women owned enterprises has witnessed a tremendous growth of 58% between 2010-2013.

Figure 18: Growth of Women Owned Businesses (2012-13)

Source: DIC Karnataka and Athena Research



<sup>4</sup>Yadgir district was carved out of from the district of Gulbarga in 2010

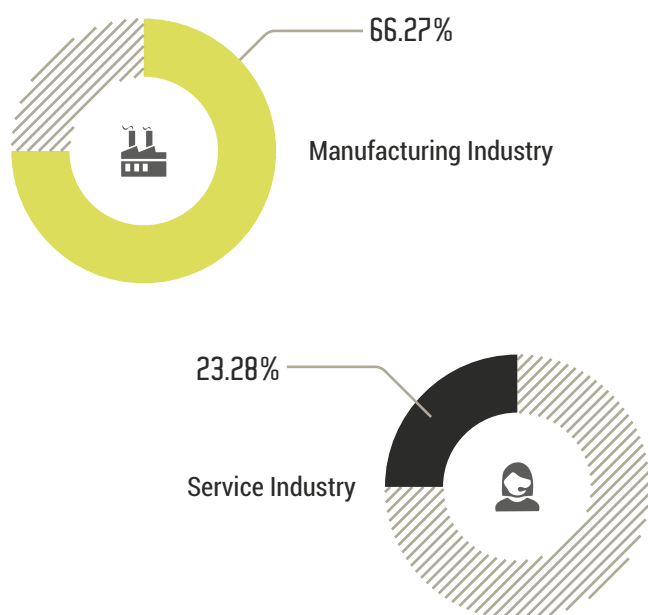
<sup>5</sup>For additional information on the concentration, distribution and growth of women owned firms district wise, refer to Table 1 in the Summary Tables Section in the Appendix

## Distribution by Industry

Women owned firms are starting and growing their enterprises in all industries, diversifying into sectors which are traditionally considered to be male dominated. A significantly large proportion of women owned enterprises in Karnataka are in the manufacturing sector followed by the service industry.

**Figure 19: Distribution of Women Owned Enterprises across Sectors (2012-13)**

Source: DIC Karnataka and Athena Research

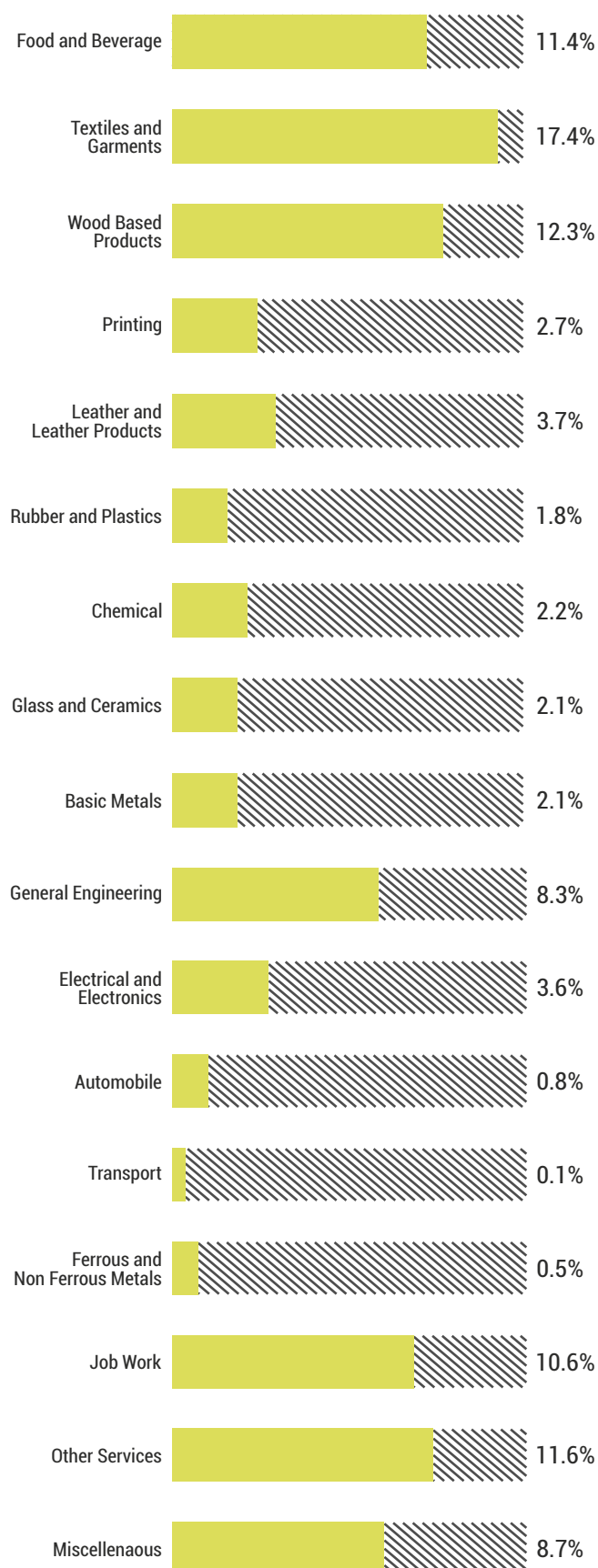


Industries with the highest distribution of women owned firms are: Textiles and Garments (17.4%), Wood Based Industry (12.3%), Service Industry (11.6%), Food and Beverage (11.4%), Job Work (10.6%) and General Engineering (8.3%).

The industries with the lowest concentration of women owned firms with less than 2% of the enterprises being women owned firms are Ferrous and Non Ferrous Metal Industry, Transport, Automobile and Rubber and Plastics.

**Figure 20: Distribution of Women Owned Firms by Industry Sector (2006-07)**

Source: DIC Karnataka and Athena Research



## Role and Performance of Women Owned Business

Women owned firms represent a potential source for the future economic growth of the economy. Hence it is important to evaluate their role and performance in attracting investment and generating employment.

### Investment

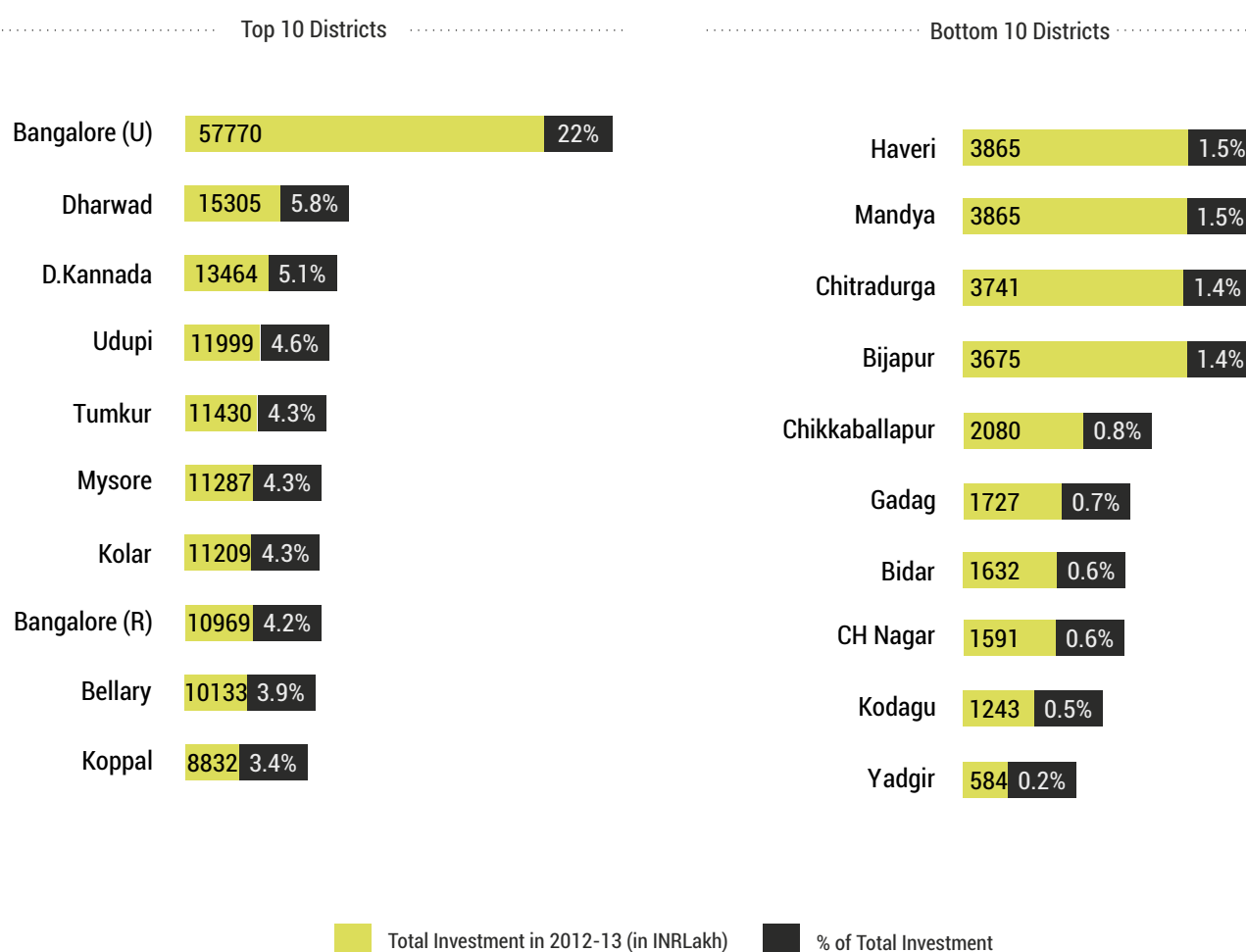
As the number of women owned firms has grown over time, so has their investment. The total

investment of women owned enterprises totalled INR263116.15 lakh in 2012-13. This represents 16% of the total MSME investment in Karnataka.

Figure 21 shows the distribution of investment of women owned businesses across districts. Women owned enterprises in Bangalore have made a total investment of INR 57770.36 lakh in 2012 which constituted around 21.96% of the total investment by women owned enterprises in Karnataka. Other districts with the largest proportion of investment are Dharwad (5.82%), Dakshin Kannada (5.12%), Udupi (4.56%), Tumkur (4.34%) and Kolar (4.26%). These top seven districts have witnessed a total investment of INR132463.56 lakh and constituted 50% of the total investment in women owned enterprises in Karnataka.

Figure 21: Investment by Women Owned Enterprises (in Rs. Lakh)

Source: DIC Karnataka and Athena Research

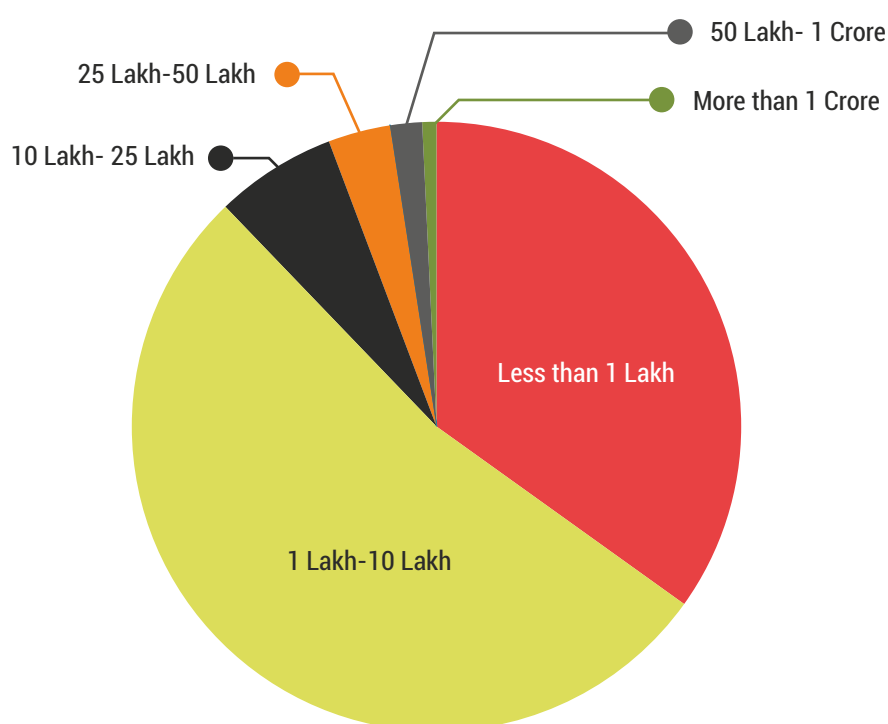


The amount of capital required to start the business is related to the size of the firm as measured by the investment in plant and machinery.

Around 97% of the women owned enterprises in Karnataka during 2007-13 were micro enterprises and a significant proportion of these businesses, around 88%, was started with less than Ten lakh rupees in capital.

Figure 22: Amount of Capital Used to Start Business by Women between 2007-13

Source: DIC Karnataka and Athena Research



Hence women owned businesses in Karnataka tend to be typically smaller than men-owned businesses and there are substantial differences in the financing utilized by women owned businesses.

## Employment

Women owned enterprises in Karnataka employed a total of 4.63 lakh persons and constituted around 16.2% of the total employment in the MSME sector.

The districts with the highest employment are the districts with the greatest number of women owned enterprises.

Women owned enterprises in the districts of Bangalore, Dharwad, Dakshin Kannada, Mysore and Tumkur generated the largest number of employment in 2012-13. The women owned enterprises in these districts contributed 37.3% of the total employment. The districts which generated least number of employment are Gadag, Kodagu, Bidar, Chikkaballapur and Yadgir.

Table 9: Employment by Women Owned Enterprises

Source: DIC Karnataka and Athena Research

Top 10 Districts	Employment	Percent of the Total Employment
Bangalore (U)	82392	18.89%
Dharwad	33974	7.79%
D.Kannada	26104	5.98%
Mysore	20483	4.70%
Tumkur	19577	4.49%
Kolar	17517	4.02%
Belguam	16655	3.82%
Shimoga	15883	3.64%
Udupi	15873	3.64%
Bangalore (R)	14724	3.38%

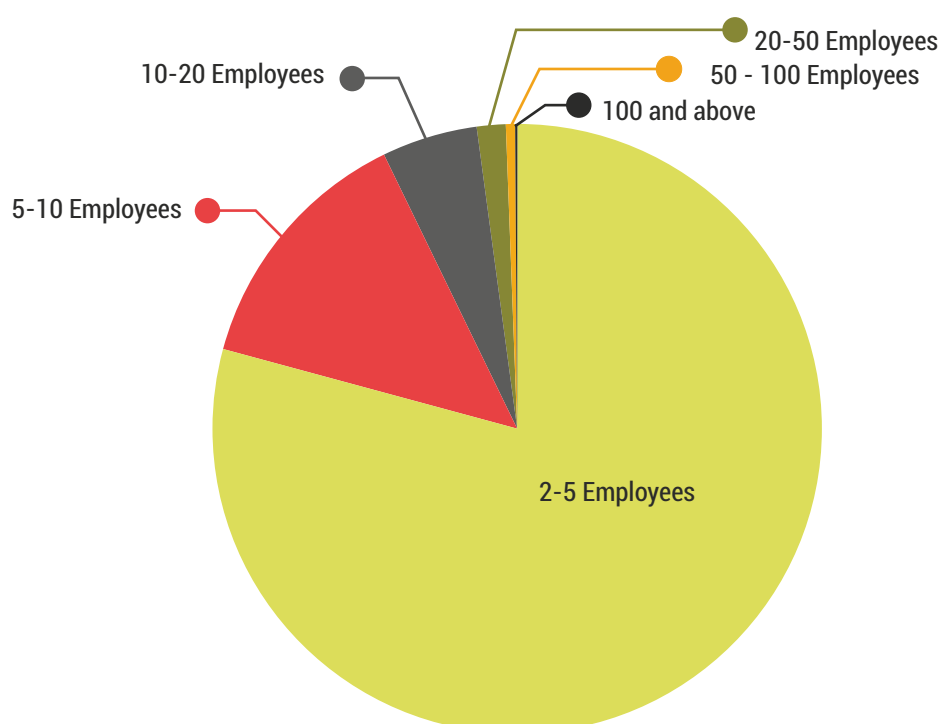
Bottom 10 Districts	Employment	Percent of the Total Employment
Haveri	8747	2.00%
Chitradurga	8059	1.85%
Mandya	7213	1.65%
CH Nagar	5593	1.28%
Ramanagara	5174	1.19%
Gadag	4479	1.03%
Kodagu	3637	0.83%
Bidar	3380	0.77%
Chikkaballapur	2843	0.65%
Yadgir	605	0.14%

As previously stated, most of the women owned businesses in Karnataka are micro enterprises. As a result, the average employment in the women owned enterprise is small and is slightly more than

3 employees per firm. 14% of the women owned enterprises have no employees other than the business owner and only 6% of all firms have more than 10 employees.

Figure 23: Employment Size of Women Owned Enterprises in Karnataka (1990–2013)

Source: DIC Karnataka and Athena Research



## Summary Tables

Table 1: Women Owned Business in Karnataka

District	Number of Women Owned Businesses 2012-13	Concentration of Women Owned Businesses 2012-13	Distribution of Women Owned Businesses 2012-13	Growth of Women Owned Businesses (2010-11 to 2012-13)
Bagalkot	1883	20.80%	2.52%	17.10%
Bangalore	8730	10.54%	11.69%	29.81%
Bangalore (R)	2575	14.50%	3.45%	5.84%
Belguam	3925	10.14%	5.26%	29.45%
Bellary	2497	13.19%	3.34%	12.63%
Bidar	604	7.37%	0.81%	9.22%
Bijapur	2035	20.07%	2.73%	17.49%
Chamarajnagar	1307	14.86%	1.75%	28.90%
Chikkaballapura	546	37.66%	0.73%	52.09%
Chikmagalur	2728	27.84%	3.65%	17.89%
Chitradurga	1971	17.74%	2.64%	18.24%
Dakshina Kannada	5322	22.32%	7.13%	20.65%
Davanagere	2578	25.14%	3.45%	17.29%
Dharwad	4297	21.83%	5.76%	26.12%
Gadag	1146	13.58%	1.53%	21.66%
Gulbarga	2321	12.99%	3.11%	24.58%
Hassan	2398	17.80%	3.21%	26.28%
Haveri	2368	22.21%	3.17%	19.96%
Kodagu	536	14.15%	0.72%	13.32%
Kolar	2776	18.28%	3.72%	20.64%
Koppal	1592	23.88%	2.13%	27.36%
Mandya	1592	14.64%	2.09%	12.05%
Mysore	3869	15.19%	5.18%	28.50%
Raichur	2188	21.84%	2.93%	9.18%
Ramanagara	628	27.75%	0.84%	58.19%
Shimoga	3552	20.07%	4.76%	30.44%
Tumkur	3732	15.10%	5.00%	13.13%
Udupi	2225	22.95%	2.98%	19.88%
Uttara Kannada	2618	24.26%	3.51%	4.93%
Yadgir	156	26.22%	0.21%	642.86%
<b>Karnataka</b>	<b>74665</b>	<b>16.28%</b>	<b>100.00%</b>	<b>21.26%</b>



Table 2: Total Investment and Employment by Women Owned Enterprises

District	Total Women Owned Business (2012-13)	Total Investment (inRs. Lakh)	Employment (in Nos.)
Bagalkot	1883	4917.64	9010
Bangalore (U)	8730	57770.36	82392
Bangalore ®	2575	10969.46	14724
Belguam	3925	8685.46	16655
Bellary	2497	10132.83	12321
Bidar	604	1631.85	3380
Bijapur	2035	3675.09	9766
CH Nagar	1307	1591.09	5593
Chikkaballapur	546	2079.82	2843
Chikmagalur	2728	4592.66	10825
Chitradurga	1971	3741.26	8059
Dakshin Kannada	5322	13463.80	26104
Davangere	2578	6235.52	11373
Dharwad	4297	15304.59	33974
Gadag	1146	1726.62	4479
Gulbarga	2321	5249.35	9740
Hassan	2398	4569.95	9828
Haveri	2368	3865.27	8747
Kodagu	536	1243.40	3637
Kolar	2776	11208.52	17517
Koppal	1592	8831.61	9765
Mandya	1562	3864.57	7213
Mysore	3869	11287.32	20483
Raichur	2188	7938.78	10425
Ramanagara	628	7388.75	5174
Shimoga	3552	6772.46	15883
Tumukur	3732	11429.88	19577
Udupi	2225	11999.08	15873
Uttar Kannada	2618	6184.22	13902
Yadgir	156	583.57	605
<b>Karnataka</b>	<b>74665</b>	<b>263116.15</b>	<b>436259</b>

Table 3: Industry Wise Distribution of Women Owned Enterprises

Districts	Food and Beverage	Textiles and Garments	Wood Based Products	Printing
Bangalore(U)	3.7%	15.6%	4.6%	6.4%
Belgaum	7.3%	18.6%	10.4%	2.8%
Bellary	12.0%	26.0%	14.4%	1.1%
Bijapur	16.2%	17.5%	12.7%	2.1%
Bidar	21.0%	24.6%	10.3%	1.8%
Chikmagalur	15.6%	17.5%	23.2%	2.0%
Chitradurga	16.7%	17.2%	12.7%	1.6%
Kodagu	23.8%	14.0%	7.6%	2.1%
Dharwad	10.2%	10.2%	6.7%	2.3%
Gulbarga	10.3%	15.6%	18.3%	1.8%
Hassan	12.7%	14.6%	22.4%	1.4%
U.K.	16.0%	8.1%	18.9%	2.1%
D.K.	22.5%	11.6%	13.6%	2.6%
Kolar	8.3%	32.2%	15.9%	1.5%
Mandya	12.7%	20.3%	7.3%	3.7%
Mysore	7.8%	8.5%	20.3%	1.5%
Raichur	12.1%	17.8%	11.1%	4.5%
Shimoga	11.6%	21.9%	13.9%	2.1%
Tumkur	10.8%	20.0%	16.0%	1.6%
Bangalore ®	5.5%	23.2%	6.1%	0.9%
Bagalkote	12.6%	23.6%	10.0%	2.6%
C. Nagar	21.4%	35.0%	11.3%	1.6%
Davanagere	13.7%	15.2%	8.0%	2.5%
Gadag	14.2%	25.2%	12.6%	2.1%
Haveri	20.3%	13.5%	15.1%	2.3%
Koppal	26.8%	15.0%	14.2%	3.0%
Udupi	26.0%	11.9%	9.9%	4.8%

Table 3: Industry Wise Distribution of Women Owned Enterprises(contd...)

Districts	Leather and Leather Products	Rubber and Plastics	Chemical	Glass and Ceramics
Bangalore(U)	1.5%	5.4%	4.6%	1.9%
Belgaum	7.2%	1.5%	1.1%	3.2%
Bellary	3.8%	1.0%	1.0%	2.0%
Bijapur	5.1%	0.7%	0.9%	2.2%
Bidar	9.2%	1.2%	1.5%	0.2%
Chikmagalur	2.9%	0.8%	1.7%	2.0%
Chitradurga	2.6%	1.7%	1.5%	0.2%
Kodagu	0.8%	2.4%	1.4%	4.4%
Dharwad	11.4%	3.0%	2.6%	1.4%
Gulbarga	7.5%	0.9%	1.4%	1.0%
Hassan	1.9%	0.8%	1.7%	0.9%
U.K.	1.9%	0.8%	1.6%	1.8%
D.K.	0.8%	2.5%	1.8%	2.2%
Kolar	1.1%	1.0%	1.7%	6.9%
Mandya	0.9%	0.8%	2.9%	1.2%
Mysore	3.0%	1.2%	4.9%	2.0%
Raichur	3.1%	0.4%	0.4%	2.3%
Shimoga	2.2%	1.5%	2.4%	1.7%
Tumkur	1.6%	0.8%	1.9%	3.0%
Bangalore ®	1.3%	0.2%	0.8%	0.6%
Bagalkote	7.9%	0.7%	1.3%	2.4%
C. Nagar	0.6%	0.4%	2.2%	2.8%
Davanagere	1.2%	1.4%	1.7%	1.3%
Gadag	4.8%	1.3%	1.4%	1.9%
Haveri	6.4%	0.5%	0.7%	0.6%
Koppal	0.4%	1.1%	1.2%	5.7%
Udupi	1.6%	2.6%	3.2%	4.6%

Table 3: Industry Wise Distribution of Women Owned Enterprises (contd...)

Districts	Basic Metals	General Engineering	Electrical and Electronics	Automobile	Transport
Bangalore(U)	2.2%	21.5%	10.0%	1.2%	0.1%
Belgaum	4.5%	10.6%	3.2%	0.6%	0.1%
Bellary	2.7%	5.8%	1.7%	0.5%	0.1%
Bijapur	2.4%	4.9%	2.2%	1.1%	0.3%
Bidar	2.1%	2.4%	1.1%	0.3%	1.0%
Chikmagalur	2.4%	5.6%	1.8%	0.4%	0.0%
Chitradurga	2.2%	5.2%	5.5%	0.6%	0.1%
Kodagu	0.9%	6.6%	5.8%	1.5%	0.1%
Dharwad	1.3%	9.8%	1.5%	0.3%	0.0%
Gulbarga	2.0%	4.4%	1.6%	0.4%	0.0%
Hassan	0.4%	6.0%	3.5%	0.8%	0.0%
U.K.	6.7%	6.5%	1.9%	0.1%	0.0%
D.K.	2.7%	4.8%	3.4%	1.0%	0.0%
Kolar	2.4%	6.3%	1.9%	0.8%	0.1%
Mandya	0.9%	5.6%	2.4%	0.5%	0.2%
Mysore	1.0%	5.2%	3.5%	1.3%	0.3%
Raichur	0.9%	5.1%	3.0%	1.0%	0.1%
Shimoga	2.4%	5.3%	4.4%	3.0%	0.0%
Tumkur	0.1%	6.4%	2.7%	0.2%	0.4%
Bangalore ®	1.0%	5.2%	1.8%	0.6%	0.0%
Bagalkote	0.8%	4.9%	2.5%	0.8%	0.0%
C. Nagar	0.4%	3.7%	0.7%	2.1%	0.1%
Davanagere	2.3%	6.7%	4.3%	0.7%	0.1%
Gadag	2.5%	4.8%	2.3%	1.1%	0.0%
Haveri	1.2%	5.0%	2.0%	1.7%	0.0%
Koppal	0.7%	9.8%	3.3%	1.2%	0.0%
Udupi	5.4%	5.6%	1.7%	0.3%	0.0%

Table 3: Industry Wise Distribution of Women Owned Enterprises (contd...)

Districts	Ferrous and Non Ferrous Metals	Job Work	Other Services	Miscellaneous
Bangalore(U)	0.4%	5.9%	8.3%	6.8%
Belgaum	0.3%	12.9%	7.9%	7.9%
Bellary	0.5%	10.9%	9.7%	6.9%
Bijapur	0.2%	13.6%	11.3%	6.5%
Bidar	0.3%	6.3%	12.6%	4.1%
Chikmagalur	0.3%	13.4%	4.8%	5.7%
Chitradurga	0.3%	9.8%	9.8%	11.9%
Kodagu	0.7%	8.5%	8.7%	10.6%
Dharwad	2.5%	9.1%	22.2%	5.4%
Gulbarga	0.0%	9.0%	15.0%	10.5%
Hassan	0.0%	6.9%	12.1%	13.7%
U.K.	1.3%	6.8%	12.9%	12.6%
D.K.	0.4%	14.6%	7.2%	8.3%
Kolar	0.7%	8.5%	6.7%	4.0%
Mandya	0.2%	9.3%	12.8%	18.4%
Mysore	0.4%	5.5%	20.7%	13.0%
Raichur	0.0%	19.9%	10.9%	7.3%
Shimoga	0.1%	8.9%	10.7%	7.7%
Tumkur	0.5%	16.1%	10.9%	6.9%
Bangalore ®	0.2%	21.5%	18.5%	12.4%
Bagalkote	0.9%	12.1%	9.5%	7.3%
C. Nagar	0.2%	4.4%	5.1%	7.9%
Davanagere	0.6%	21.7%	8.4%	10.3%
Gadag	0.2%	8.9%	9.2%	7.3%
Haveri	1.7%	6.0%	11.0%	12.1%
Koppal	0.1%	4.5%	8.6%	4.4%
Udupi	0.1%	7.9%	8.4%	5.8%

## Accelerating Women Entrepreneurship: Karnataka Roadmap

### TARGET RESPONDENT:

*Women entrepreneurs owning and managing a business*

S. No.	
Name of Interviewer	

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 to undertake a study on women entrepreneurship in Karnataka. 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. 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 30-40 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 (IT/Consulting, Education etc)   c. Retail and Distribution   d. Engineering Services
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.

<p><b>6. What products/services do you offer?</b></p>
<p><b>7. How old is your enterprise? [SINGLE CODING]</b></p> <p>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</p>
<p><b>8. What motivated you to start or join this business? [MULTIPLES POSSIBLE]</b></p> <p>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</p> <p>e. Continuing family run business</p> <p>f. Felt entrepreneurship would be more financially rewarding than being employed</p> <p>g. Wanted to work in a more creative, innovative or challenging environment</p> <p>h. Ease of regulatory procedures      i. Sector benefits from women specific schemes/quotas</p> <p>j. Making a contribution to society      k. Drive to scale new heights</p> <p>l. Other, specify _____</p>
<p><b>9A. What was your annual turnover in the last year? (IN INR)</b></p> <p>a. Less than 10 lakhs      b. 10-50 lakhs      c. 50 lakhs to 1 crore      d. 1- 10 crores      e. More than 10 crores</p> <p><b>9B. If your enterprise is making a profit, how long did it take for this to happen? _____Months _____Years</b></p>
<p><b>10. How would you classify your business? [SINGLE CODING]</b></p> <p>a. Micro    b. Small    c. Medium    d. Don't know</p> <p><b>11. (ASK IF OPTION 'D' IS CHOSEN) How much is your total investment in plant and machinery? _____</b></p>
<p><b>12. How many employees does your business have?</b></p> <p>a. Men _____ b. Women _____ c. Total (In case respondent is unaware of split up) _____</p>
<p><b>13. To what extent you use ICT as a main tool in any of the following business functions? [Multiple Possible]</b></p>



	To a great extent	To a small extent	Do not use
a. Means of communication and networking			
b. Inventory control			
c. Marketing			
d. Accounting			
e. Other (specify)_____			

**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]**

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

**18.[Ask if option b or c was chosen] If they are involved, in which of the following areas do they assist you in?**

a. Finance    b. Technology related    c. Dealing with clients    d. Dealing with Government    e. Legal aspects  
 f. Networking and finding new customers    g. Human Resource Management    h. All of the above  
 i. Other (specify)\_\_\_\_\_

## Section II: Challenges

### Access To Markets

**19. 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 (includes friends and family)		
b. Large Domestic Firms		
c. Domestic MSME Firms		
d. Multinational Companies		
e. Exports		
f. Government (Departments/ Public Sector units )		
g. Other (Specify)_____		

**20. Being a woman entrepreneur, what challenges have you faced in your business with respect to accessing markets?**

**Please rate your level of difficulty on a scale of 5 where 1 is very difficult to 5 very easy. [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]**

	1 (Very Difficult)	2 (Difficult)	3 (Neither Difficult nor easy)	4 (Easy)	5 (Very Easy)	DK/NA
a. Gaining information on markets						
b. Selling to Government (if applicable)						
c. Ability to approach MNCs and selling to MNCs						
d. Exporting products						
e. Getting on preferred vendor lists						
f. Gaining access to and participating in vendor development programmes						
g. Gaining access to and participating in trade fairs, buyer seller meets						
h. Overall access to markets at START UP phase						
i. Overall access to markets at EXPANSION phase (if applicable)						

**21. Please highlight why any of the above have been a challenge, giving references to any specific instance.**

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**22. [ASK IF RESPONDENT SELLS TO GOVERNMENT] In your opinion, how should Government procurement from women entrepreneurs be improved?**

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**23. [ASK IF RESPONDENT SELLS TO MNCs] Have you benefited from any supplier diversity initiatives, vendor development programmes organized by MNCs?**

a. To a great extent      b. To a small extent      c. Not at all      d. Not aware/Not applicable

**24. In your opinion, what should be done to increase/ improve levels of MNC procurement from WBEs?**

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**25. What in your opinion 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    d. Don't know

## Access To Finance

**26. 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. Equity (Agent Investor / Venture Capital)		
c. Institutional debt (loans from banks etc.)		
d. Reinvested profits		
e. Other, specify _____		

**27. Being a woman entrepreneur, what challenges have you faced in your business with respect to access to finance? Please rate your level of difficulty on a scale of 5 where 1 is very difficult to 5 very easy. [READ OUT AND TICK AS APPROPRIATE,**

**MULTIPLE POSSIBLE]**

	<b>1</b> (Very Difficult)	<b>2</b> (Difficult)	<b>3</b> (Neither Difficult nor easy)	<b>4</b> (Easy)	<b>5</b> (Very Easy)	<b>DK/NA</b>
a. Access to working capital						
b. Access to fixed capital						
c. Obtaining finance from Angel investors and VCs						
d. Obtaining institutional debt from Banks						
e. Obtaining funding from Government						
f. Overall access to finance at START UP phase						
g. Overall access to finance at EXPANSION phase (if applicable)						

**28. What was the nature of challenge faced? (MULTIPLE POSSIBLE, TICK AS APPROPRIATE)**

- a. Procedural    b. Sanction    c. Disbursement    d. Personal    e. Attitude/behaviour of officers  
f. Documentation    g. Discrimination    h. Other specify\_\_\_\_\_

**Policy Environment**

**29. Have you received any support from the Government for your business (financial and non financial)?**

- a. Yes    b. No (If no, skip to Q30)

**29A. If yes, what support did you receive from the Government?[READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]**

- a. Support for gaining access to markets  
b. Training and capacity building  
c. Finance and credit  
d. Product development  
e. Technology upgradation  
f. Support infrastructure

g. Other (specify) \_\_\_\_\_

**29B. Could you please name the scheme(s) under which you availed the support.**

\_\_\_\_\_  
\_\_\_\_\_

**30. If no, have you ever applied for support from the Government?**

a. Yes b. No (If no, skip to Q31)

**30A. If yes, what support did you seek? [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]**

- a. Support for gaining access to markets
- b. Training and capacity building
- c. Finance and credit
- d. Product development
- e. Technology upgradation
- f. Support infrastructure
- g. Other (specify) \_\_\_\_\_

**30B. Could you please name the scheme(s) under which you sought support**

\_\_\_\_\_

**30C. Why was the support not provided? [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]**

- a. Not eligible for the support
- b. Status of the application unknown
- c. Issues in submitting and processing application
- d. Other (specify) \_\_\_\_\_

**31. [Ask if No to Q 29 and Q30] If no, what are the reasons you have not utilized or sought support from the Government? [MULTIPLE POSSIBLE]**

- a. Not aware of any support/schemes or programmes
- b. Didn't think it would be relevant/ useful to my business
- c. Didn't want to engage in cumbersome procedures
- d. Did not know how to avail the support and who to approach
- e. Did not feel the need
- f. Haven't thought about it
- g. Other (specify) \_\_\_\_\_

**32. Are you aware of the recently introduced Public Procurement Policy for MSMEs?**

a. Yes b. No

**33. Being a woman entrepreneur, what challenges have you faced in your business with respect to the policy environment?**

Please rate your level of difficulty on a scale of 5 where 1 is very difficult to 5 very easy. [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]

	1 (Very Difficult)	2 (Difficult)	3 (Neither Difficult nor easy)	4 (Easy)	5 (Very Easy)	DK/NA
a. Accessing information on support made available (includes navigating Govt websites)						
b. Receiving support in a timely manner						
c. Application procedures for schemes – high documentation requirements						
d. Procedures associated with registering a business, obtaining licenses etc.						
e. Laws and regulations that govern a women's access to resources (land, property etc.)						
f. Interacting with Government officials						
g. Overall access to support made available by Government for businesses at START UP phases						
h. Overall access to support made available by Government at EXPANSION PHASE (if applicable)						
i. Other (Specify)_____						

**34. Please highlight why any of the above have been a challenge, giving references to any specific instance.**

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**35. Are there any specific regulatory provisions that you would like the government to relax?**

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**36. What role do you think the government should play in encouraging women entrepreneurship?**

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**37. On a scale of 5, what is your level of satisfaction with the Government in enabling greater access to the following?[Bringing out role of Government as a catalyst]**

Area	Very dissatisfied (1)	Dissatisfied (2)	Neither satisfied nor dissatisfied (3)	Satisfied (4)	Very satisfied (5)	DK/NA
a. Markets						
b. Infrastructure						
c. Finance and credit						
d. Technology						
e. Training and capacity building (soft and technical skills)						
f. Empowering women business enterprises in particular						
g. Any other (specify) _____						

### Support from Private Sector

**38. Have you accessed any support programmes organized 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] 39. Why haven't you accessed these programmes? [ MULTIPLE POSSIBLE]**

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

**[If Yes] 40. 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 _____		

41. Please specify the name of the organization \_\_\_\_\_

42. On a scale of 5, what is your level of satisfaction with the support offered by the private sector in enabling greater access to the following? [Bringing out role of Private sector as a catalyst]

Area	Very dissatisfied (1)	Dissatisfied (2)	Neither satisfied nor dissatisfied (3)	Satisfied (4)	Very satisfied (5)	DK/NA
a. Markets						
a. Infrastructure						
b. Finance and credit						
c. Technology						
d. Training and capacity building (soft and technical skills)						
e. Empowering women business enterprises in particular						
f. Any other (specify) _____						

43. Who do you think is better equipped to support/facilitate women businesses Government or Private Sector? Please explain why?

\_\_\_\_\_

\_\_\_\_\_

## Access To Networks

44. Are you part of any business associations and other informal networking groups? (Eg: CII, AWAKE, EMERGE, BNI etc.)

a. Yes b. No [IF NO, SKIP TO Q50]

If YES: Please specify \_\_\_\_\_

**44A. Are you part of a women specific business association?** a. Yes b. No

If yes, specify \_\_\_\_\_

**45. What is your level of participation in these groups? [SINGLE CODING]**

- a. Actively participate in all or most events organised  
b. Participate at times c. Do not participate in any events

**46. What kind of events have you participated in? [MULTIPLE POSSIBLE]**

- a. Training programmes b. Mentoring services c. Buyer-seller meets d. Any other (specify) \_\_\_\_\_

**47. On a scale of 5, What is your level of satisfaction with the Business Association/networking group in helping you overcome your challenges as a woman entrepreneur in the following areas? [Bringing out role of business associations]**

Area	Very dissatisfied (1)	Dissatisfied (2)	Neither satisfied nor dissatisfied (3)	Satisfied (4)	Very satisfied (5)	DK/NA
a. Gaining access to markets (meeting potential buyers)						
b. Information on new technologies						
c. Information on how to access Government support						
d. Obtaining easier access to finance and credit						
e. Improving soft skills						
f. Improving technical skills						
g. Obtaining sector specific knowledge						
h. Any other (specify) _____ —						

**If NO to Q44: 48. What are the reasons you are not in a business association or networking group? [ MULTIPLE POSSIBLE]**

- a. No need b. Lack of information/Do not know any

- c. Association fee                      d. Access complicated  
e. Does not apply to my business    f. Only male members  
g. No time                                h. Other, specify \_\_\_\_\_

**49. Being a woman entrepreneur, what challenges have you faced with respect to networking? Please rate your level of difficulty on a scale of 5 where 1 is very difficult to 5 very easy. [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]**

	1 (Very Difficult)	2 (Difficult)	3 (Neither Difficult nor easy)	4 (Easy)	5 (Very Easy)	DK/NA
a. Gaining information on networking organizations						
b. Participating at a time convenient to me						
c. Overall access to networking at START UP phases						
d. Overall access to networking at EXPANSION PHASE (if applicable)						

**50. Please highlight why any of the above have been a challenge, giving references to any specific instance.**

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## Socio-Cultural

**51. Being a woman entrepreneur, what challenges have you faced with respect to the socio-cultural environment? Please rate your level of difficulty on a scale of 5 where 1 is very difficult to 5 very easy. [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]**

	1 (Very Difficult)	2 (Difficult)	3 (Neither Difficult nor easy)	4 (Easy)	5 (Very Easy)	DK/NA
a. Having independence to take decisions – financial and other critical decisions of the firm						
b. Having others believe in your						

abilities						
c. Doing business in traditionally male dominated sectors						
d. Gaining respect and recognition (from employees, family, friends)						
e. Absence of role models						
f. Dealing with socio-cultural barriers/gender risks at START UP phase						
g. Dealing with socio-cultural barriers/gender risks at EXPANSION phase (if applicable)						

**52. Please highlight why any of the above have been a challenge, giving references to any specific instance.**

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**53. Do you feel the need for role models?**a. Yes b. No

**53A. If no, why not?**

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**54. Who do you consider as your role model in business?**

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**55. 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. Dealing with employees			
c. Dealing with male partners/associates			
d. Interacting with clients and customers			
e. Participating in business associations			
f. Interacting with financial institutions			
g. Accessing public support programs			
h. Accessing training and workshops			
i. Other (please specify)			

## Personal And Aspirational

### 56. What is your highest degree of education? [SINGLE CODING]

- a. High School                                      b. Secondary School                                      c. Diploma  
d. Graduate degree (BA, BSc etc)                                      e. Post Graduate and above (Master's, PhD, MBA)                                      f. Professional Degree  
g. Other (specify) \_\_\_\_\_

### 57. Have you worked in the same sector your business operates in before you started or joined it?

- a. Yes      b. No

### 58. Being a woman entrepreneur, what challenges have you faced that pertained to your skill sets? Please rate your level of difficulty on a scale of 5 where 1 is very difficult to 5 very easy. [READ OUT AND TICK AS APPROPRIATE, MULTIPLE POSSIBLE]

	1 (Very Difficult)	2 (Difficult)	3 (Neither Difficult nor easy)	4 (Easy)	5 (Very Easy)	DK/NA
a. Managing employees						
b. Dealing with clients						
c. Adapting to change and innovation						
d. Managing work and family						
e. Taking risks						
f. Managing operations of business related to technology, finance						
g. Self confidence and believing in your abilities						
h. Gaining access to training						
i. Overall level of difficulty experienced with personal and aspirational aspects at START UP phase						
j. Overall level of difficulty experienced with personal and aspirational aspects at EXPANSION phase (if applicable)						

### 59. Please highlight why any of the above have been a challenge, giving references to any specific instance.

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### 60. Have you received any recognition/ awards for your entrepreneurial activities? a. YES b. NO

60 A: If yes, please specify \_\_\_\_\_

**61. How willing or interested are you to expand your business in terms of entering new markets/new products/new service offerings/new locations? [SINGLE CODING]**

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

**62. What challenges have you faced in expanding or deciding to expand? (MULTIPLE POSSIBLE)**

- a. Lack of financial capital      b. Lack of human capital      c. Lack of skill sets      d. Lack of  
trusted networks      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)

\_\_\_\_\_

**63. In your opinion, are there benefits of being a women entrepreneur compared to male counterparts**

**A. No B. Yes (specify)**

\_\_\_\_\_

\_\_\_\_\_

### Section III: Overall Satisfaction with Entrepreneurial Environment .....

**64. Is Karnataka the ideal state for women entrepreneurship?**

- a. Yes    b. No

**65. What comparative advantages do you see for operating your business in Karnataka? [MULTIPLE POSSIBLE]**

- a. Easier access to markets  
b. Favourable policy environment  
c. Easier access to credit  
d. Lower costs of production due to industry presence  
e. Larger network of entrepreneurs  
f. More support from private sector organizations in the state in terms of training etc.  
g. Availability of labour  
h. No benefits  
i. Any other (specify) \_\_\_\_\_

**66. What other states are offering greater opportunities for women entrepreneurship?**

**67. In your opinion, do women entrepreneurs face different challenges from male counterparts? If yes, please pick the appropriate options that apply to you. [READ OUT, MULTIPLE POSSIBLE]**

- a. Not Different   b. Access to market   c. Access to finance   d. Access to networks   e. Dealing with Government agencies  
f. Access to Private sector support   g. Access to Public sector support   h. Don't know   i. Other (specify)

**68. Which stage of operating the enterprise did you find the most challenging? (Tick as applicable)**

- a. Ideation stage   b. Start up phase   c. Expansion/growth phase   d. Maturity   e. Exit stage

**69. Overall, 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
a. Training and capacity building		
b. Mentoring		
c. Networking opportunities		
d. Financial support		
e. Technical support		
f. Managerial support		
g. Support from family		
other		

**70. In which of the following areas do you require training support? [MULTIPLE POSSIBLE]**

- a. Pricing   b. Finance related   c. Technology related   d. Marketing   e. Communication   f. HR related   g. Technical sector specific skills   h. Soft skills (Leadership, team work etc)   i. No support required   j. Other (specify) \_\_\_\_\_

**71. What is the level of importance you attach to the following aspects on a scale of 1 to 5, where 1 is not at all important to 5 very important. [READ AND TICK AS APPROPRIATE]**

Area	Not at all important (1)	(2)	(3)	(4)	Very important (5)	DK/NA
Policy environment						
Financial ecosystem						
Market						



Networks						
Socio-cultural environment						
Knowledge - support available to enhance soft and technical skills						

**72. What is your overall satisfaction with the entrepreneurial environment on the following aspects, on a scale of 5, where 1 is very dissatisfied to 5 very satisfied. [READ AND TICK AS APPROPRIATE]**

Area	Very dissatisfied (1)	Dissatisfied (2)	Neither satisfied nor dissatisfied (3)	Satisfied (4)	Very satisfied (5)	DK/NA
a. Policy environment						
b. Financial ecosystem						
c. Market						
d. Networks						
e. Socio-cultural environment						
f. Knowledge - support available to enhance soft and technical skills						
g. Overall entrepreneurial environment						

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

## Section IV: Questions about the Entrepreneur

**74. What is your age? [SINGLE CODING]**

a. 20-30 years   b. 30-40 years   c. 40-50 years   d. Greater than 50 years

<b>75. Are you married?</b>	a. YES	b. NO
<b>76. If yes, do you have children?</b>	a. YES	b. NO
<b>77. Is there anything else you would like to share with us?</b> <hr/> <hr/>		

Address																							
Mobile																Email:							

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

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*Note: Data on the current state of entrepreneurship in Karnataka for the years 1990 to 2014 was directly sourced from the DIC office in Bangalore, Karnataka.*

## Lead Research Partner:



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.

## In collaboration with:



Engineering Manufacturer Entrepreneurs Resource Group is a not for profit, network of women in engineering, technology and services, started by 7 women entrepreneurs in the electrical and mechanical engineering sector. The members have wide experience in enterprise management, have travelled extensively and have a desire to give back to the society by playing a vital role in the economic growth of the country focusing on the progress of the SME sector, with a special focus on women. EMERG provides training to rural unemployed to gear up their skill capabilities, enabling them to be absorbed by industry. EMERG conducts activities such as training, mentoring with a focus on imparting computer literacy.

initiatives that build capacity, change policies, 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.



Quantum Leaps is a Washington D.C. based NGO that aims at accelerating the global development of women's enterprises by catalysing strategic



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 multi-national corporate purchasing organizations outside of the United States.



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