

## **FROM THE CEO**

The Covid-19 pandemic has created unprecedented upheaval at all levels of society. Rarely has a situation called for a unified war cry and the need for collective effort, as the one humanity is faced with now. And even in this, the impact of the pandemic is borne most by those who can least afford it. Micro- entrepreneurs who form 95% of all entrepreneurs in India face mass extinction and need dedicated attention to help them through this calamity.

Clearly, there is intent amongst all of us to do our bit. And yet, nothing less than a coming together of a large coalition with a shared purpose to support the recovery of small businesses can lead to a mass resurrection. Over the last few weeks we have spoken to over a hundred partners, gathering substantive data on the reality-ground up. Our partners have helped us identify critical areas to build on as a coalition for small businesses

Liquidity, Supporting the Survival of Mass Entrepreneurs , Enabling New Markets and Evangelising Mass Entrepreneurs are the pillars to build the architecture of small business recovery- a new world emerging from the COVID-19 ashes.

GAME, is above everything else, an alliance and it is with that lens- not to lead, not to follow but truly collaborate towards a cause, that is larger than any of us, that we have begun a sprint for small business survival.

We have taken the initiative to build around some early thoughts that have emerged from our early conversations and identified specific areas we would love to have you collaborate on.

1. **Liquidity** – the biggest need for small entrepreneurs is cash flow. Our proposed solution is a fund (USD 100 million or INR 7.5 billion to begin with) to stabilise micro enterprises so that enterprises can resume work with minimum dislocation. The fund will:
  - **Extend a low –interest short term loan** to eligible micro enterprises to manage liquidity mismatch
  - **Be designed for speedy disbursal** by deployment and recovery through existing channels (MFI, Bank, NBFC). These will use quick-to- implement eligibility criteria, using existing security.
  - **Use blended finance to manage defaults:** Philanthropies may provide 20-30% (or USD **20-30million**) of the corpus to manage NPAs, encouraging commercial/impact funders to lend at 0% (or provide a fully recoverable grant) to upscale the corpus significantly.
  - **Be conducive to upscaling** and accommodate investments beyond USD 100 million and / or support replication



- **Be directed by a board** with representatives from large funders, deployment partners and 1-2 technical experts

Click on the [link](#) for more details. If you would like to be a part of this initiative please do reach out to [ashwin@massentrepreneurship.org](mailto:ashwin@massentrepreneurship.org)

2. **Microenterprise Support Network** - There is an immediate need to understand and empathise with the current challenges for micro-enterprises and enable immediate support for business challenges and entrepreneur challenges to support business continuity.

**The Solution:** Providing soft support to micro-enterprises through a centralized helpline (Micro-entrepreneur Support Helpline or MESH) and distributed fulfilment model. The solution will be enabled on a state-by-state basis beginning with Karnataka, followed by Punjab and potentially other states (to be decided during success of initial roll out and through future deliberations).

MESH will provide support to micro-enterprises under one of the following categories:

- **Category 1:** Support to get information on and avail existing central government schemes (MSME schemes such as PMEGP), state government benefits and Covid 19 related programs, schemes (announced recently by Govt. of India) and legal, compliance and credit related queries.
- **Category 2:** Support to provide counselling support to reduce anxiety and stress caused to entrepreneurs in the current situation.
- **Category 3:** (to be brought out in a staggered manner over time): Support that is industry / sector specific or has high case by case specificity.

Click on the [link](#) for more details. If you would like to be a part of this initiative please do reach out to [pd@massentrepreneurship.org](mailto:pd@massentrepreneurship.org)

3. **Emerging New Market opportunities** to support the revival of small businesses for a "New Normal". We are currently identifying opportunities across a few sectors to identify opportunities.

The sectors include:

- Food-related Consumer Goods
- Food services (retail, restaurants etc.)
- Agri-businesses



- Delivery and Logistics
- Personal Services (Beauty & Wellness, Healthcare)
- Exports
- Imports

During and the post the Covid-19 phase, business and consumer behaviour will see a step-change in certain sectors that would offer discrete opportunities for small entrepreneurs.

Wherever there is a new risk element, but offering a significant reward, an entrepreneur can step in with the right investment, time and effort and create a business opportunity. We are attempting to understand the demand, market sizing, customer behaviour and value chain dynamics for all the above sectors.

Entrepreneurship would also be a sustainable way for all the stakeholders of the economy, as real knowledge assets are developed. Entrepreneurship also encourages capacity-building in organisations across the value chain and in suppliers, which will help the ecosystem weather these future shocks.

If you would like to learn of more details and be a part of this initiative please do reach out to [santanu@massentrepreneurship.org](mailto:santanu@massentrepreneurship.org)

4. **Evangelising Mass Entrepreneurs:** The need to prepare for a “New Normal” for small businesses is necessary and urgent and therefore our focus will be to create a strong ecosystem/network that enables the resurrection of small businesses – building a strong voice of demand through multiple communication channels which establishes an evangelising narrative on mass entrepreneurs and helps them survive this phase.

**Our objective:**

- Society valuing & buying more from MEs:
  - a) To get more citizens to be conscious of the travails of the ME and to make a choice to divert their buying from small entrepreneurs directly, rather than through large corporates.
  - b) Listening, Learning & Amplifying ME’s voice – to help build better policy, advocacy & share this knowledge

Click this [link](#) for more details. If you would like to be a part of this initiative please do reach out to [sandhya@massentrepreneurship.org](mailto:sandhya@massentrepreneurship.org)

Are there other questions we should be seeking answers to? Do you have solutions for existing issues? Are you focussed on a different approach we can consider? Nothing is beyond the realm of the effort we, as an Alliance want to make.



My team and I are a call away or please let us know how we can reach you. Additionally, our [website](#) and all our social media platforms are available for any effort you would like us to shine the spotlight on. Let's do what it takes to create a post-COVID-19 world where small businesses can thrive again.

**Stay Well, Stay Safe**

**M. Srinivas Rao**

**CEO, GAME (Global Alliance for Mass Entrepreneurship)**

