Findings and Learnings from the Growtherator™ Programme

Global Alliance for Mass Entrepreneurship (GAME)

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Contents

1. Context

1.1 Background

India is in the throes of a serious unemployment crisis. Unemployment rates have increased from 6.5% in October 2020 to 8.34% in August 2021, following the COVID pandemic[1]. The economy is unable to create adequate jobs to absorb the 12 million additional people who join the workforce annually. Additionally, there continues to be a steady migration out of agriculture. Ideally while this should be absorbed by growth in manufacturing and services, in reality, net job creation in these two sectors has fallen and/or is inadequate. Between 2012 and 2018, manufacturing and services created approximately 1.5 million net jobs, with manufacturing shedding 3.5 million jobs and services adding about 3 million jobs annually[2]. Also, while much of the narrative on entrepreneurship focuses on venture-backed tech-enabled start-ups, these are not able to generate adequate jobs (jobs generated are IQ/capital and not labour intensive). Concomitantly, majority of jobs that are being created are informal in nature – poor quality and low wages. This cocktail of a slowing economy, jobless growth, low and stagnant wages have "*meant that the escalator taking millions of India out of poverty to the middle class*" has broken[3].

Mass entrepreneurship or the movement of people from job-seekers to job-creators is one of the key levers in solving the unemployment crisis. The Global Alliance of Mass Entrepreneurship (GAME) was established in 2019 the mission of catalysing a country-wide movement of entrepreneurship and enabling conditions for the flourishing of entrepreneurship. The goal is to create 50 million jobs in 2030, with atleast a quarter of new businesses being women-owned. Through this movement in India, GAME seeks to inspire and support similar movements in other emerging economies.

What is the raison d'etre of GAME's work? The structure of enterprise in this country is such that there is a huge base of dwarfed enterprises (necessity-based entrepreneurs)[4], tapering to a very small number of large modern innovative firms. That is, there is the problem of a **missing middle**. Contiguously, firms are unable to grow from small to mid to large-size, i.e., the problem of a **broken growth escalator**, hindering wealth creation. The lack of success stories makes entrepreneurship less aspirational, triggering a vicious cycle of limited jobs in the economy. Mass entrepreneurship can potentially address both these problems – as firms grow from small to medium to large, there is a "*mass flourishing of innovation and enterprise*" [5], which in turn leads to wealth, wage, and job creation. It is 'mass' as it is spread across the country, is inclusive and democratic as it includes a diverse nature of entrepreneurs as well as breadth of industries/sectors[6].

1.2 GAME's Approach

GAME seeks to facilitate large-scale job creation by creating and supporting growing enterprises across several segments. The idea is to put new and existing enterprises on the growth escalator, and in this process create jobs. The belief is that sustained job creation happens when overall growth is visible, when it is celebrated, as it inspires entrepreneurs and others in the ecosystem (e.g., financial institutions, policy makers, industry) to replicate growth in a quick and definitive way. To nurture and support growth-oriented entrepreneurship, a **continuum approach of '*seed*', '*soil*' and *'climate*'** is adopted.

[1] CMIE (2021) https://unemploymentinindia.cmie.com/. Urban and rural rates were 9.78% and 7.64% respectively
[2] Mehrotra, S and Parida, J.K (2019). India's Employment Crisis: Rising Education Levels and Falling Non-Agricultural Job Growth. Centre for Sustainable Employment. Azim Premji University
[3] GAME (2021). The Annual Report. The mass entrepreneurship manifesto (2020-2021). Building the escalator (pp: 5)
[4] Of the 6.3 crores Micro, Small and Medium Enterprises, 6 crores are micro enterprises. On an average these employ 2 persons and very few have a share capital of INR 10 crores or more (Ministry of Micro, Small and Medium Enterprises. GoI (2020). Annual Report 2019-2020)
[5] GAME (2021). The Annual Report. The mass entrepreneurship manifesto (2020-2021). Building the escalator.
[6] As the focus is employment generation, venture based, tech enabled start-ups and single person/single employed firms are not included.

- *Seed*: a pipeline of entrepreneurs and job creators, by making entrepreneurship aspirational from a formative age.
- *Soil*: providing inputs to support new and existing growth-oriented enterprises such as market and credit linkages, peer networks and mentorship.
- *Climate*: fostering an ecosystem that celebrates and is conducive to entrepreneurship (e.g. by reducing regulatory burden, demonstrating and celebrating growth stories, through policy advocacy) and which, catalyses a self-replenishing cycle of job creators.

Aligned with this continuum approach are the various **workstreams** of GAME. **Entrepreneurial Mindset Curriculum (EMC)**, which falls under the **'seed'** bucket, develops mindsets and skills of students in schools, colleges, and Industrial Training Institutes (ITIs), to increase their likelihood of becoming job creators rather than job seekers. **Growth** workstream, which falls within the **'soil'** bucket implements the **Growtherator** [TM] **programme** for entrepreneurs, focused on improving top-line growth and profitability, and communicating growth stories to inspire other entrepreneurs and the larger ecosystem to invest in growth. **Ease of Doing Business (EoDB)** and **Access to Finance** for MSMEs, both fall under the **'climate'** ambit. EoDB workstream focuses on reducing the compliance burden on existing firms and making it easier for new firms to start out a formal business by rationalising, decriminalising, and digitizing the compliance landscape. Access to Finance workstream was conceptualized to create new products and policies, that address the challenge of delayed payments and insurance alongside widening access to formal finance particularly for first time borrowers.

1.3 Structure of the Report

Chapter 2 provides a quick overview of the Growtherator [TM] programme and compares it to various elements of Dan Isenberg's Babson Entrepreneurship Ecosystem Project (BEEP) model on which it is based. Chapter 3 details assignment asks or learning questions that actuate this assessment, along with the approach and methodology adopted. Top-line findings on customer (sales/marketing), cash (finance) and capacity (people resources) of the enterprises in Bengaluru and Ludhiana are provided in Chapters 4 and 5. The report concludes with Chapter 6 and 7, that distils and consolidated findings from Chapters 4 and 5 to generate learnings to inform going-forward strategies on programme design and deployment

2. Growtherator™ Programme

The Growtherator™ programme is a six-month, cohort-based programme for entrepreneurs. The pilot programme was launched with entrepreneurs in Bengaluru and Ludhiana. The Ludhiana pilot with 24 entrepreneurs was launched by GAME in partnership with Government of Punjab (GoP) and Chamber of Industrial and Commercial Undertaking (CICU) in January 2021. The Bengaluru cohort with 26 women entrepreneurs was launched in February 2021, with the objective of supporting and scaling women owned enterprises. The cohorts comprise manufacturing and trading enterprises, with an annual revenue of INR 10-50 crores, and services firms with a net annual revenue of INR 2-10 crores, for atleast one Financial Year (FY) between 2018-2021. For women-owned enterprises, those with a net annual revenue of more than INR 2 crores for atleast one FY between 2018-2021 were considered[7].

Why all women-cohort?
An overwhelming majority of MSMEs (80%) are owned by men. While it is widely recognised that the number of women owned enterprises must be bolstered, research demonstrates that women business owners find it difficult to success given individual, familial, financial, and non-financial (training, mentoring, coaching, networking) impediments**. Given this, an all-women cohort will allow for a deeper understanding of experiences of women, which can then be funnelled into more customised programmes to better suit their needs and provide additional support*

**Ministry of Micro, Small and Medium Enterprises. GoI (2020). Annual Report 2019-2020*
***Korreck, S. (2019). Women Entrepreneurs in India: What is Holding Them Back? Observer Research Foundation. ORF Issue Brief.*

2.1 Growtherator™ Model

The Growtherator™ programme, through an amalgamation of curricula, leadership development, mentoring, and bespoke connects seeks to help enterprises grow quickly, and through this inspire other entrepreneurs (role-modelling effect) and ecosystem actors to invest in growth. The curriculum focuses on 3 Cs (i.e., customer, cash, and capacity) parameters. The idea is that majority of micro and small enterprises face impediments along these three axes and removing these, will trigger growth.

a) Customer: The module carries a 50% weightage of the curriculum. *Inter alia*, it educates entrepreneurs to develop a sales strategy, design sales management processes, identify and target customer segments, create scale through distribution, recruit and ensure an accountable sales team.
b) Cash: The module carries a 50% weightage of the curriculum. It is designed with a focus on financial and cash management concepts (e.g., break-even point, pricing, costing), working capital, capital budgeting, and best practices for MSMEs. Entrepreneurs are also equipped with simple tools and templates for better financial analysis and to aid their journey in scaling up their business.
c) Capacity: With 25 per cent weightage, sessions seek to clarify conceptual knowledge on Human Resources (HR) related matters. The module also provides practical insight of aligning business and people strategy, creating and executing talent management strategies, building a performance-oriented culture, and using a data-centric approach to all HR-related decisions.

In addition to the '3Cs', the curriculum also has a **leadership component** to help entrepreneurs reflect on foundational elements of vision, strategy, goal setting, planning, team building, collaboration and communication. Overall, the curricula is designed to be interactive, and action-oriented to enable entrepreneurs to immediately implement learnings in their business. In addition to the 80 hours of formal learning sessions, the Growtherator™

[7] The selection of women entrepreneurs to the cohort was based on 5 key criteria: a) Bangalore-based b) key decision-makers in the business, c) revenue of 60 Lakhs or more, d) sector agnostic (but non-IT product/services) and e) their willingness to attend the program.

programme also comprises 20 hours of mentoring sessions, role model stories, and talks by corporates from the ecosystem. The focus is always to identify common issues/challenges faced by most in the cohort and tackle immediate problems, to enable quick growth events/stories. **Peer-to-peer learning and support,** culture building, learning, and resource sharing are all critical elements of the model. A culture of celebrating growth is created entrepreneurs are encouraged to report these growth events to others in the cohort and these events are also communicated through print and digital media by the GAME programme team.

2.2 Daniel Isenberg's Model

GAME's Growtherator™ programme is modelled on the Babson Entrepreneurship Ecosystem Platform (BEEP) and Scale Up Program, created by Dan Isenberg. The model is based on the philosophy, that growth of local firms leads to a 'climate of growth' – i.e., programmes, institutions, and a culture that supports sustainable regional development. The models have seen success in several ecosystems in the US, South America, Europe, Israel, and Russia. The programme is built on the following four main pillars:

- Demonstrating top-line growth of enterprises quickly
- Communicating 'growth events' to showcase participants as 'role models'. These growth events could include expansion in facilities, sales agreements, new financing, export contracts, recruitments, etc.
- Engaging and activating stakeholders in the ecosystem to invest in resources in growth
- Building the governance, execution, and professional capacities to sustain Scale Up

The Table below outlines the key differences between the Dan Isenberg Model and the Growtherator™ Programme. Both are cohort based, six months programme, focused on growth-oriented entrepreneurs and enterprises that fall within the micro and medium categories. The curricula is focused around the 3Cs, with mentoring sessions and bespoke connects to ecosystem actors. One of the key differences is that the Isenberg model works with both the founder and the C-Suite, which is not the case in the Growtherator ™ Programme. Also, the former includes a deeper focus on scale –through customised planning, workshops and events.

Table 1: Dan Isenberg Model vs. GAME's Growtherator™ Model

Model Elements	Dan Isenberg Model	Growtherator™ Model
Time-Period	6 months (120 hours)	6 months (100 hours)
Cohort	Yes (15-20 companies/cohort)	Yes
Target Group	CEO with the C-Suite	Only the entrepreneur/proprietor
Workshops (Conducted by faculty, curriculum aligned with 3Cs)	Yes	Yes
Scale Plan (Customised accelerated growth plan based on 3Cs)	Yes	• Ludhiana - Discovery conducted by Wadhwani Foundation • Bengaluru – Not conducted
Scale up Marketplace (In each workshop, identify how rapid growth can be achieved)	Yes	No
Growth Log (record growth events and plan how to communicate them)	Yes	Bengaluru - Yes Ludhiana - No

Working Sessions (CEO with C-suite works with faculty)	Yes	No
Scale up Challenge group exercises ***(Structured assignments by Challenge Team of 3 companies)***	Yes	Team assignments related to the 3Cs during workshops
Mentoring Sessions	One-on-one and remote with faculty	Limited number (1-2 sessions) of free mentoring sessions with a curated list of mentors by GAME. After the initial free sessions, entrepreneur to negotiate pay structure with mentor.
Ecosystem Resources	(1) Stakeholders from– finance, public & government officials, educators, corporates, support organisations engage with companies (2) Domain expert presentations & interactions	(1) Stakeholders from – partners, government, media, private sector, industry/trade associations, financial institutions, and academia (2) Key Influencers include government, private sector, industry/trade associations, FIs and academia
Scalerator events	Scale up launch and scale up Finale with 30-300 stakeholders to engage & activate local ecosystem	Yet to be decided
Scale up Badge	For those who complete - Access to alumni networks (being an alumnus is a mark of high potential to bankers, investors, business partners, key talent)	Yet to be decided

3. Creating a Monitoring, Evaluation and Learning (MEL) Plan

3.1 Assignment Ask

GAME commissioned Sambodhi Research and Communication Pvt Ltd. to design and deploy an assessment to capture changes ushered by the programme at an entrepreneur and enterprise level[8]. Specifically, this included the:

1. Co-creation of a Theory of Change to outline how strategies link with outcomes, preconditions and assumptions underlying the causal pathways
2. Development of an Outcomes Framework/Results Chain capturing output, intermediate outcome and outcome indicators, with details on their definition, data collection process, and risks
3. Development of tools to be administered to entrepreneurs as part of baseline (March 2021) and endline (August 2021) assessment and administering the same
4. Analysis of baseline and endline data to understand changes at the entrepreneur level (leadership and peer effects) enterprise level (business health, financial health, employment generation)

This assessment falls within the ambit of a 'formative evaluation'. The focus is to consolidate and distil insights that can inform GAME programme team's feed forward strategies for programmatic decision making (design and deployment) for subsequent cohorts of entrepreneurs. Learning questions that actuate this assessment are provided below. Note that for each of the learning questions, differences across Bengaluru and Ludhiana cohorts is highlighted.

1. Has the programme led to improvements in top-line growth and profitability indicators of enterprises?
    a. *The focus is to identify changes in customer base and cash/financial status of enterprises*
2. Contiguously, has this affected employment generated by enterprises?
    a. *The focus is on exploring changes in employees recruited by enterprises*
3. What is the nature of interactions between cohort members (peer effects)? Have interactions ushered any business related changes?
4. Has the Growtherator™ helped entrepreneurs' tide over and/or cope with exigent situations such as COVID?

3.2 Approach

The assignment started in the first week of January 2021. The Ludhiana and Bengaluru pilot were launched in January and February 2021, respectively. The approach adopted by the Sambodhi team was defined keeping in mind that the programme had already started, and therefore the priority was to collect baseline data from the enterprises at the earliest.

The steps followed by Sambodhi team are as follows:

- **Step 1: Deep dive into Growtherator™ Programme** - Review of programme relevant documents and conversations with the programme teams in Bengaluru and Ludhiana to understand programme modalities and learning questions for the assessment

- **Step 2: Create Growtherator™ Theory of Change and outcomes framework** - Visualisation of a Theory of Change (ToC) linking strategies, intermediate outcomes, and outcomes for the enterprise and ecosystem level, surfacing underlying risks, and assumptions. ToC co-created through rounds of iteration with the GAME team. Based on the ToC, a results chain, activity monitoring, and measurement framework were iteratively developed

- **Step 3: Baseline Assessment and Report**

[8] This is part of Sambodhi's overall mandate of designing and deploying a Monitoring Evaluation and Learning (MEL) architecture for all the core interventions of GAME – viz., Growtherator programme, Entrepreneurial Mindset Curriculum (EMC), Ease of Doing Business (EoDB) and Access to Finance.

- *Tool Development* - Literature review on conceptual frameworks outlining transformational (vision, mission, strategy, leadership) and transactional (operational) factors. The Burke Litwin model was selected as an apposite framework to guide development of the tool. Through semi-workshops with the GAME team, the Baseline Assessment Tool was developed
- *Baseline Data Collection* **-** The tool was piloted by the Sambodhi team in Bengaluru and Ludhiana. Training was provided to research associates in both the cities. Data collection began on March 6th in Bengaluru and March 15th in Ludhiana
- *Baseline Assessment Report* - After data entry, data cleaning and analysis, topline findings deck for each cohort prepared for Ludhiana and Bengaluru. Key findings were presented in the Baseline Assessment Deck and report (May -June 2021)

- **Step 4: Review of Ancillary Data Sources:** During the programme, entrepreneurs in both cohorts were asked to maintain data tracking their progress. The Sambodhi team had several rounds of conversations with understand, obtain, and further analyse ancillary data to augment our findings during Endline. From Bengaluru, we obtained weekly reflections, attendance data, and growth stories of entrepreneurs, whereas, from Ludhiana we obtained mid-session review deck shared by entrepreneurs, attendance information and growth stories

- **Step 5: Endline Assessment and Report**
  - *Tool development* – The design of the endline tool was based on the Sambodhi team's learnings from the baseline, both in terms of process and findings. We looked at what worked well, what indicators we did not get any response on, what could be tweaked. These were discussed with the GAME team and through a semi-workshop format the Endline Assessment Tool was crafted. Several changes were made. First, questions whose responses would remain the same such as demographic and household profile were removed. Second, indicators pertaining to a few questions under the 3Cs (e.g., loans from friends & family, from NBFC) we did not get responses for during Baseline were removed. Third, a Literature review was conducted to draft a framework to incorporate peer interaction and effects in the tool, another key concept in Dan Isenberg's Model. To unpack factors that affect peer effects, questions on networks/associations that entrepreneurs were a part of and similar accelerator programmes they had attended were added. Lastly, a section on perspectives on the Growtherator™ program design were added
  - *Endline Data Collection* - Conversations with the programme team in Bengaluru revealed that there were 3 entrepreneurs who had faced losses due to the pandemic and were forced to scale down their business. Therfore, we administered an abridged version of the tool to these 3 enterpreneurs, with limited questions on the 3Cs. For example, we removed questions related to presence of senior management, channels of getting new customers/clients, financial indicators etc. In Ludhiana, all entrepreneurs were administered the fulll version of the tool.

Table 2*: *Breakup of tool administered

Cohort	Full Version Administered	Condensed Version Administered
Bengaluru	17	3
Ludhiana	16	0

The Sambodhi team provided training to research associates before conducting interviews with Ludhiana and Bengaluru entrepreneurs. Data collection for Bengaluru was conducted between July 20th and August 9th, 2021. Ludhiana data collection happened between July 26th and August 16th, 2021.

- *Endline Assessment Report* – After data entry, data cleaning and analysis, topline findings deck was prepared for Ludhiana and Bengaluru, comparing the endline findings to baseline.

Important: This report does not include findings on changes in leadership and foundational elements. During the baseline, entrepreneurs were asked to provide a self-assessment (on a Likert scale) on vision, mission, business acumen, communication, collaboration etc. However, the data reflected social desirability. Therefore, for the endline, to avoid this, the questions were changed and negatively loaded. Given the incongruence between baseline and endline, comparison of findings has proved problematic. The Sambodhi team along with the GAME team are currently in the process of revising the leadership section in the instrument to be deployed for subsequent cohorts.

4. Findings: Bengaluru Cohort

This chapter provides demographic and socio-economic profile of entrepreneurs and highlights changes in their enterprises (business model, ownership stake, 3C parameters) from the baseline. It is important to note the data analysed is for 20 entrepreneurs, i.e. those who remained in the programme. Also, among the 20, 3 were administered an abridged version of the questionnaire. Figures in parentheses indicates the number of women who responded to the question.

4.1 Background of Entrepreneurs

- *Mostly in 40s and married*
- *Small families with about 3 members*
- *Majority held post-graduate degree*
- *All have prior work experience, averaging 11 years*
- *Annual Household Income: 18 – 24 lakhs (average)*
- *Increase in membership in networks/associations from baseline, TiE Bangalore a prominent new network*
- *Three entrepreneurs had attended similar accelerator programmes*

The women entrepreneurs in the Bengaluru cohort were largely in their forties. All the women had a graduate degree, and among them a majority (12) also held a **post-graduate degree**. While 11 entrepreneurs completed their graduate degrees from Bengaluru, most had obtained their post graduate degrees from cities across India. Majority of entrepreneurs (16) in the cohort are **married**. On average, women entrepreneurs came from **smaller families consisting** of 3 members, among which there were 2 working adult members (which included mostly their spouse). The spouses too held post-graduate degrees and worked largely in the private sector. 5 entrepreneurs also stated that their spouses worked with them in their business. On an average, **annual household income** ranged between INR 18-24 lakhs[9]. The women entrepreneurs had on an average 11 years of **work experience** before they embarked on their entrepreneurial journey. 6 entrepreneurs had lived outside India, and 4 of them also had work experience in these countries as well.

We find that more entrepreneurs were **part of formal/informal networks and associations** (16) compared to when they were interviewed as part of the baseline assessment (11). Of the 16, 6 and 4 are members of 2 and 3 networks respectively including university alumni associations[10] and industry/trade/professional associations. In the endline TiE Bangalore, a partner of GAME emerged as a prominent new addition to the list of networks. The most common networks reported include Catalyst for Women Entrepreneurs (CWE)[11], Business Network International (BNI)[12], Laghu Udyog Bharathi (LUB)[13], Association of Women Entrepreneurs of Karnataka (AWAKE)[14], Engineering Manufacturer Entrepreneurs Resource Group (EMERGE)[15], and Karnataka Small Scale Industries Association (KASSIA)[16] among others.

These networks offered entrepreneurs a spectrum of support services – new information resources (13), connects to potential business partners (9), advisors/experts (9) and vendors (8). Networks are used to brainstorm ideas (8) and build deep friendships (8). However, it was observed that these

[9] At the outset it is important to mention that self-reported data on income runs the risk of being under reported. Usually, income data is corroborated by collecting data on consumption/expenditure. However, this does not fall within the remit of this assignment.
[10] Information on alumni associations was not asked during baseline assessment
[11] CWE is a comprehensive ecosystem for women entrepreneurs to start up and scale up their businesses. CWE's platform offers access to Finance, Markets, Trade Networks, Business Skills and Technology, information on government programs and schemes, as well as validated professional service providers especially for women entrepreneurs.
[12] BNI is a network of businesses which offers their members the opportunity to network, share contacts and most importantly business referrals.
[13] Laghu Udyog Bharati (LUB) works for the cause of micro and small enterprises across Karnataka.
[14] AWAKE is an NGO based in Bengaluru which works towards empowerment of women through entrepreneurship development to improve their economic conditions.
[15] Association for Women in Technology, Business, Profession and Services
[16] KASSIA is a premier voluntary state level non Government Institution of Small Scale Industrialists.

networks have not been successful in providing support in the following areas: human resources (1), meeting with 'big-wigs' in the industry (4) and connects with investors (6).

8 entrepreneurs reported having a **mentor or a coach to guide** them in their business decisions, which, is slightly higher than the baseline (7). Three entrepreneurs have also **attended similar accelerator programme**. These programmes are Programme to Accelerate Creation of Entrepreneurs (PACE), Goldman Sachs 10,000 Women Ambassadors Programme and TiE-Airswee. At the outset, it seems that these programmes see more in common with the Isenberg model in terms of involvement of C-suite, investor/vendor connects, networking opportunities and greater handholding.

- ***PACE*** *is a one-year, paid programme focused on management and management strategies. The entrepreneur felt that although the programme may not be as structured as GAME, it provided a lot more handholding. Participants were assigned a coach and they were given assignments in which the participants needed to involve their respective teams. The programme emphasized growth, based on total involvement of the team*
- ***Goldman Sachs 10000 Women Ambassadors Programme*** *is organised by Indian School of Business (ISB). The team provided lot of handholding to the entrepreneur and continues to provide support. The team visits their business unit every year to assess the progress made. The programme also helped in finding new clients and customers by organising stalls for them, helping them pitch their products to members in other Goldman Sachs offices.*
- ***TiE-Airswee*** *is similar to the Growtherator™ but the programme was conducted for a shorter duartion(it was for 3 – 5 days). The objective was to help entrepreneurs create networks and introduce them to topics that would aid their business expansion and organise meetings with new vendors.*

4.2 Background of the Enterprise

Majority of enterprises were **started by the entrepreneur**, with only 2 being inherited. Most firms (14) are relatively young - **established in the last decade** (between 2010-2020). There were 9 enterprises where **ownership stake** was shared between two individuals, and 8 enterprises which had single ownership. Given that more than majority of the enterprises are self-started, it is unsurprising that most women (15) had more than **50% ownership stake** in the business. Ownership was largely shared between two persons – with 7 entrepreneurs reporting that their spouses held stake and 8 stating that others (family, business partner, investor) held stakes ranging between 10-50%.

The cohort had a significant presence of private limited enterprises (12), followed by proprietorships (7). There has been a increase in entrepreneurs(9) which had senior **management/C-Suite**, relative to 7 entrepreneurs in the baseline.

- *Most enterprises started by entrepreneurs*
- *Most firms established between 2010-2020*
- *Majority have more than 50% ownership stake*
- *7 spouses have ownership stake*
- *Equal mix of services & manufacturing*
- *Business Model: increase in combination of B2C and B2B. Addition of Direct to Exporter model*

Most enterprises (7) are in the Food **domain**, followed by, manufacturing (3) and Cosmetology (2). There is almost an equal mix of enterprises in Services (10) and Manufacturing (9). Importantly, we find a shift away from pure **business models** to combination models in the endline. During the baseline the prominent model was B2C (8), followed by an equal number of B2B and a combination of B2B and B2C (6). By July 2021, the number of enterprises with a B2B-B2C combination model increased from 6 to 7, Direct to Exporter model component which was absent during the baseline has been added by two enterprises a Direct to Exporter model and B2B-B2C & Direct to Exporter models that were absent during the baseline was added.

Table 3: Business Model (BL vs. EL)

Business Model	Baseline (n=20)	Endline (n=20)
B2B	6	5

B2C	8	6
B2B & B2C	6	7
B2B, B2C & Direct to Exporter	0	1
B2B & Direct to Exporter	0	1

4.3 Impact of COVID

COVID Impact

- ***Wave 1****: 14 enterprises had a dip in revenue (40-100%), 3 enterprises reported an increase in revenue. No change in 3 enterprises*
- ***Between Wave 1 & 2****: 10 witnessed some recovery, 7 enterprises did not recover during this phase. 3 saw no change*
- ***Wave 2****: 12 enterprises experienced a dip in revenue*

Following the first wave in March 2020, most enterprises (14) witnessed a fall in their revenue. The drop ranged from 100 % (3 enterprises), 70 % (1 enterprise) to 40-50% (2 enterprises). Couple of entrepreneurs provided INR values of the drop of about 50 lakhs. 3 enterprises in the food domain witnessed an increase in revenue, attributed to a change in customer preferences and a smaller number of competitors functioning in the market. Lastly, the remaining 3 entrepreneurs stated the first wave did not impact their revenue. How did the enterprises cope with the first wave? Some of the strategies implemented included: a) pivoting to new business line (4), b) reducing manpower (4), c) restructuring project timelines, d) stalling export activities or giving up one line of business completely. 7 entrepreneurs either did not mention any strategy or mentioned that they did not do anything.

Between the first and second wave (March 2020-March 2021), 10 entrepreneurs reported seeing some recovery in business post September 2020. A few saw 10-15% growth month on month, some said that there revenue increased to reach about 30% of pre-COVID era. One entrepreneur mentioned that there was a 150% recovery. 7 enterprises did not see any recovery post September, and the remaining 3 mentioned that there was no change.

Following the second wave, in March/April 2021, a similar pattern emerged. Majority (12) saw a fall in their revenue ranging from a 'small dip' to 100%. Some (3) entrepreneurs said that the second wave was better than the first wave. Two entrepreneurs were not affected in the second wave. Vis-à-vis coping strategies, not much information was provided by entrepreneurs – some said they paid attention to pricing and diversification in terms of segments and clients. One entrepreneur received help from GAME in better planning and giving discounted offers.

Entrepreneurs (12) felt that COVID did have some silver linings – it pushed them towards pivoting, looking at their organisational structure, streamlining systems and processes and clearing loans where possible. Among these 12, 1 entrepreneur mentioned that with the increase of online consumption during the pandemic**,** they witnessed an increase in their visibility and public relations. This was also because of the stories and posts shared by GAME.[17]

[17] N=17 for this question.

4.3 Capacity (People Resources)

This section discusses trends seen in the 20 enterprises with respect to the number of employees (full time, part time and seasonal) they employ currently and changes since January 2021. they have currently. The section has been divided based on different categories of employees – full time, part time and seasonal.

- *Across full-time, part-time and seasonal employee categories, a total of 171 jobs created, and 19 jobs reduced. Therefore, a total of 154 net jobs created by the Bengaluru cohort*
- ***Full- time employees*** –
  - *Net total full-time jobs created is 161; 7 enterprises account for increase, and within this 1 enterprise accounts for a significant portion.*
  - *Most FTEs paid monthly, and FTEs in 13 enterprises eligible for paid leave (under a formal leave structure)*
  - *Poor formalisation processes in terms of written contracts and coverage under social security schemes*
- ***Part-time employees*** –
  - *8 enterprises employed part-time employees, same as baseline.*
  - *Slight fall in the numbers recruited from January to July.*
  - *Payment made monthly or on a per piece basis*
- ***Seasonal employees*** – *Only 2 enterprises reported recruiting seasonal employees, 1 of them witnessed a drop in number*
- *Increase in number of enterprises with sub-contractor agreements from January 2021*

Overall Employment Trends

Tables 4,5 and 6 provide a quick overview of overall trends in jobs created with respect to Full-time Employees (FTEs), Part-time Employees (PTEs) and seasonal employees. Majority of enterprises employed FTEs and a little less than half had part-time employees. A total of 171 full time jobs and 2 part-time jobs were created, i.e. 173 jobs. A total of 19 jobs were lost. **Therefore, the total net jobs created by the Bengaluru cohort was 154 jobs.** However, as Table 5 shows of the 7 enterprises that contributed to increase in FTEs, a lion's share of 150 jobs were created by 1 enterprise.

Table 4: Employment Trends across enterprises

Category of Employees (#Enterprises hiring)	#Enterprise creating jobs	#Jobs increased	#Enterprises that cut jobs	# Jobs reduced	#Enterprises with no change in jobs
FTEs (19)	7	171	1	- 10	11
PTEs (8)	1	2	1	- 5	5
Seasonal (2)	0	0	1	- 4	0
TOTAL[18]	**8**	**173**	**3**	**- 19**	**16**

[18] One enterprise recruiting PTE and one recruiting Seasonal employees did provide us data for both time periods, i.e. January and July 2021. Hence, it is difficult to deduce a trend for them.

(#Enterprises that increased jobs)	
FTEs (7)	150 jobs created: 1 7 – 9 jobs created: 1 4 – 6 jobs created: 2 1 – 3 jobs created: 3
PTEs (1)	2 jobs created
Seasonal (0)	

Table 5:Jobs created by enterprises

An analysis to explore whether there was any correlation between firm size (based on revenue) and recruitment (see Table 6 below), showed no clear trend. For e.g., 4 enterprises with a revenue above INR 1 crore category reported increase in FTEs, while 4 others in the same category reported no such increase

Table 6: Firm size vs. jobs created (Jan – July 2021)

Firm Size	Increase in uptake of FTE (n=19)	Increase in uptake of PTE (n=8)	Increase in uptake of Seasonal employees (n=2)
Below 50 Lakhs	• Yes: 0 • No: 1	• Yes: 0 • No: 1	• Yes: 1 • No: 0
50 Lakhs – 1 Crore	• Yes: 1 • No: 5	• Yes: 0 • No: 1	• Yes: 0 • No: 0
Above 1 Crore	• Yes: 4 • No: 4	• Yes: 0 • No: 2	• Yes: 1 • No: 0

Full-time Employees (FTE)

FTE is defined by the entrepreneur, as someone who works for more than 8 hours/day and for 6-7 days a week, i.e., more than 48 hours a week. This definition is slightly different from what the Sambodhi team heard during the baseline, where entrepreneurs classified an FTE as a person who worked 8 hours/day, 5 day a week, i.e., 40 hours a week. 19 enterprises reported that they had full time employees.

The **total number of FTEs employed** across all the enterprises was 1028 in January 2021, which increased to 1189 in July 2021. The increase in jobs came from 7 enterprises *(Refer Table 4)*. These enterprises employed FTEs because of an increase in production, and/or to clear the backlog and attend to new orders post the lockdown. As afore mentioned, 1 enterprise accounted for a bulk of FTEs employed both in the baseline and endline, the firm had 850 employees in January which increased to 1000 in July 2021. Only one enterprise reported **a fall in number of employees** (10) since they were scaling down their business.

A few points to note:

1. Total FTE jobs created is 171, and 10 FTEs were let go off. Hence, the net jobs created is 161
2. Food, the most common domain, employed 79 FTEs in January, which, increased to 85 in July 2021. Average numbers for the food domain have also improved slightly from 11 to 12 for the same time frame.
3. Enterprises in the manufacturing domain have increased their FTEs from 116 to 123. The average number shown a marginal increase from 13 in January 2021 to 14 in July 2021.
4. There are 9 enterprises which fall under services category, the total number of FTEs was 903 in January 2021 which has increased to 1057 by July 2021[19].

[19] Total 10 enterprises are in the Services category; however, one enterprise does not have any full-time employees.

Table 7: Breakdown of FTEs according to domain and business category

Domain	Number of FTEs (January)	Number of FTEs (July)	Net Jobs Created
Food	79	85	6
Manufacturing	40	40	0
Cosmetology	8	8	0
Others	901	1056	**155**
Total	**1028**	**1189**	**161**
Category	**Number of FTEs (January)**	**Number of FTEs (July)**	**Net Jobs Created**
Manufacturing	116	123	7
Services	903	1057	**154**
Manufacturing & Trade	9	9	0

Entrepreneurs were asked details about recruitment processes, remuneration structure and provision of social security schemes (provident fund, medical insurance etc) to FTEs. Informal channels for recruitment, creating a JD and conducting interviews were the top three **people processes** followed by majority of the entrepreneurs. Except for career development which only 35% of enterprises said they do, majority of entrepreneurs mentioned that they provide training, annual appraisals and mentoring to their employees. Majority of enterprises (17) **paid their FTEs monthly**. Only 1 paid their FTEs twice a month and 1 paid 40% of their staff on a weekly basis and 60% of staff on monthly basis. 13 enterprises had a **formal leave structure**, and FTEs were eligible for paid leave[20]. 5 of the 13 enterprises provided their FTEs with 11-30 leaves, 2 with 30-60 leaves and 3 with 60-80 leaves. The remaining 3 had no fixed number. Critically, only 7 enterprises provided their FTEs with a **written contract**[21] and in slightly more than half (9) enterprises, FTEs were covered under **social security schemes**. It is important to note that only 3 enterprises in the cohort have more than 20 employees. In India, social security whether health insurance/medical benefit, employee provident fund, gratuity etc apply to businesses with at least 20 employees.

Envisaged Recruitment

100%[22]enterprises stated that they plan to recruit more employees in next 1-2 years. 12 enterprises hoped to recruit more than 5 persons, with the minimum number envisaged being 6 and the maximum 40. Recruitment was also envisaged for full-time employees, with only 1 enterprise stating that majority (80% or more) of their recruits will be part-time employees.

Part Time Employees (PTE)

There are varying definitions of a PTE – (a) those who work for fixed number of hours/days; (b) those who work hours depending on the workload (c) those who had no fixed days or hours, and both were dependent on workload. Most PTEs seemed to work anywhere between 2-7 days. This was again, different from the definition provided during the baseline – where PTEs were those who worked less than 40 hours/week in any possible permutation-combination. 8 enterprises employed PTEs[23] in both the baseline and endline, and the number of PTEs fell marginally from 31 to 30 from January to July[24] (increase of 2 PTEs in Food domain, offset by decrease in 3 PTEs in other enterprises). Two common payment modes seen were – **monthly and per piece arrangement**. 1 enterprise provided **paid leaves** to their PTEs. Only 2 enterprises provided **written contracts** and 1 covered their PTEs

[20] Remaining enterprises could not provide information/had no formal structure
[21] 1 enterprise provide contracts to 60% of the employees and another enterprise said they provide contracts to 20% of their employees rest five enterprises said that written contracts have been provided to all their employees.
[22] Question posed to 17 entrepreneurs
[23] 2 each in food and cosmetology and 4 in the 'other' domain, i.e. a domain that has only 1 enterprise in a particular category.
[24] One firm did not provide data for one of the time periods therefore we considered only 7 enterprises to see if there has been an increase or decrease in total number of PTEs.

under **social security**. Also, only 1 entrepreneur said that as of July 2021 they have their PTEs also covered **under social security schemes**. Other entrepreneurs were unable to answer this question/did not have a system in place.

Seasonal Employees

Seasonal employees are recruited specifically to tide over high demand periods (e.g. wedding season, festive season). They usually worked for 8-9 hours/day and six days/week. Only 2 enterprises reported recruiting seasonal employees and combining both these, a total of 11 employees were recruited. One of these firms reported that they hired less seasonal employees in July 2021, following the second COVID wave. With regards to the payment structure, one enterprise paid their seasonal employees daily, while the other did not provide any data on the same. In one firm, seasonal employees, were provided with a written contract.

Short Term Hires

8 out of 17 enterprises[25] reported they have recruited short term hires and the most common channels used to recruit short term hires are through informal recruitment channels (6) and networks (5). One enterprise has mentioned the **GAME cohort** as one of channels used to recruit short term hires.

Sub-Contractor Agreements

While majority of enterprises did not have sub-contractor agreements in the baseline, in the endline, 7 out of 17 enterprises did[26]. 2 of these were in the food domain, 2 in manufacturing and the 'other domain' and 1 in cosmetology. 6 of the 7, had less than five such agreements. Enterprises also envisaged an increase in sub-contractor agreements over the next one to two years. When asked about employment details of these sub-contractors, 3 mentioned that their sub-contractors had less than 5 persons working of them and the 2 had more than 20 persons.

4.4 Customer (Sales)

- *Enterprises with a B2B-B2C combination model acquired more customers and clients, generated more leads/contacts and also signed more contracts*
- *Contrary to expectations, and especially during the time of the COVID pandemic, online presence of enterprises has not increased. This plausibly reflects inability of entrepreneurs to operationalise what has been taught in the classroom*
- *Majority of enterprises launched new products and about half started selling in new geographies and through new channels*

Table 8 provides additional details on changes in customer/client base, leads/contacts and contracts signed from January to July 2021, disaggregated by business model. **Overall, we find that enterprises with a B2B-B2C combination model, acquired more customers and clients, had more leads/contacts and also signed more contracts.** 5 enterprises reported an increase in number of customers and 6 reported an increase in clients since January 2021. Vis-à-vis customer base, 3 enterprises with a B2B-B2C combination and 2 in B2C reported increases. With regards to increases in clients, it was once again enterprises with B2B-B2C combination that saw the greatest increase. 1 enterprise under B2B and B2B-B2C combination models reported a loss in customers due to the pandemic. In terms of channels used to approach customers and clients, enterprises relied on existing clients and word of mouth. A change was seen in July 2021, with respect to entrepreneurs running enterprises with B2B and B2B-B2C models, in terms of drawing on Growtherator™ peers as a channel to reach out to customers/clients. Here as well, B2B and B2C clients recorded the largest increases from 1 to 5.

[25] There were three entrepreneurs in the Bengaluru cohort to whom we had administered a condensed version of the tool. So, this question was not asked.
[26] There were three entrepreneurs in the Bengaluru cohort to whom we had administered a condensed version of the tool. So, this question was not asked.

Table 8: Customer/Clients - Model wise breakdown

Business Model	Total Number of Firms	Change in customer base	Change in the number of clients	Changes in leads/contacts[27]	Contracts signed[28]
B2B	5		• Increase:1 • Decrease:1 • Constant:3	• Increase:1 • Constant:2 • NA:2	• 0-3:2 • Do not know:2 • NA:2
B2C	6	• Increase:2 • Decrease:1 • Constant:1 • Do not know:2		• Do not know:5 • NA:1	
B2B& B2C	7	• Increase:3 • Decrease:1 • Constant:1 • Do not know:2	• Increase:4 • Constant:1 • Do not know:2	• Decrease:1 • Constant:3 • Do not know:3	• Increase:2 • Constant:2 • Do not know:3
B2B & Direct to Exporter	1		Constant	Do not know	Do not know
B2B, B2C& Direct to Exporter	1	Decreased	Increased	Constant	Increased

Contrary to expectations what we find is that despite the pandemic, there was no significant increase in the online presence of firms. Only 3 enterprises for example mentioned that they have enhanced their digital presence. This is an interesting finding, given that there is a focus on sales/marketing (and digital marketing) in the programme curricula and may indicate that enterprises are not able to operationalise what is taught in the classroom. Handholding at the stage of when the 'rubber hits the road' may be needed. A **significant number of enterprises (13) launched new products,** 8 started selling in **new geographies** and 9 through **new channels**. As mentioned in Section 4.3, entrepreneurs to cope with COVID, pivoted to a new business line and diversified products. What we are seeing is possibly reflective of this.

Table 9: Online presence and expansion strategies of enterprises

Business Model	Online Presence	Launched New product[29]	Setup New Production Facilities[30]	Started selling through New Geographies[31]	Started selling through new channels[32]

[27] N=17 as the entrepreneurs who were given the condensed tool were not asked this question
[28] N=17 as the entrepreneurs who were given the condensed tool were not asked this question
[29] N=17 as the entrepreneurs who were given the condensed tool were not asked this question
[30] N=17 as the entrepreneurs who were given the condensed tool were not asked this question
[31] N=17 as the entrepreneurs who were given the condensed tool were not asked this question
[32] N=17 as the entrepreneurs who were given the condensed tool were not asked this question

B2B	• Increased:1 • Decreased:2 • NA:2	2	0	1	0
B2C	• Decreased:1 • Constant: 4 • NA:1	4	1	2	3
B2B& B2C	• Increased:1 • Decreased:1 • Constant:5	5	0	4	6
B2B & Direct to Exporter	Increased: 1	1	0	0	0
B2B, B2C& Direct to Exporter	Decreased: 1	1	0	1	0
Total		13	1	8	9

4.5 Cash

- *In general, difficulty in obtaining financial information from entrepreneurs. Large missing values in data impeded any data analysis on change in financial health of enterprises*
- *Given this, focus was to understand changes in financial awareness of entrepreneurs. While 9 entrepreneurs were able to provide more data on indicators as compared to baseline, a similar number provided less data on indicators, specifically salary load and net profit after tax*
- *Larger number of entrepreneurs had cash in hand to cover operating expenses for a month*
- *Half were able to receive and clear all outstanding payments by the end of the financial year*
- *Decisions on financial matters taken independently by the woman and collectively with the spouse in equal measure*

One of the pillars of the Growtherator^{TM} programme is to ensure increase in top-line growth and profitability of enterprises. A key measure of this is the financial health ('cash') of the enterprise. Prior to joining the programme, the cohort was required to submit verified and audited data on key financial indicators (i.e. revenue, expenditure, profit, loss, bank borrowing, reserves, receivables, payments) for 2017-2018, 2018-2019 and 2019-2020 and provisional data for 2020-2021.

As part of the assessment, the Sambodhi team collected information on these key parameters for the period 2019-2020 and 2020-2021 (provisional). At the outset, it is important to keep in mind that changes in financial health will be seen only over a period of time, and therefore a data-check point needs to be taken in March 2022 for the same cohort. Also, the losses suffered by the enterprises given COVID, to understand the full impact of the programme, comparison of data as of 31st March 2022, with data pre-COVID and during COVID needs to be undertaken.

In general, the Sambodhi team found it difficult to procure data on financial indicators. Entrepreneurs were either reluctant and/or were unable to provide information. Also, we suspect severe under-reporting in the numbers, and with data on consumption/expenditure not collected, there is no way of corroborating information provided by the entrepreneur. Additionally, the timeline of the programme does not align with the business financial cycles, further complicating the matter. Entrepreneurs for example, were not able to provide information for the period April 2020 to March 2021, as they had

not yet filed their tax returns. Therefore, the Sambodhi team recommends that audited data year on year from the enterprises for 2 years prior and atleast 2 years after the programme be undertaken as a matter of hygiene. Also, it may be useful for the GAME team to consider aligning programme timelines with financial cycles. Given the challenges outlined above, the objective of collecting data during the baseline and endline was more to assess **financial awareness** vis-à-vis health of the enterprise.

Majority of entrepreneurs were confident of increasing revenues in the coming years – 6 envisaged more than a 100% increase. These projections were based on market analysis, trend data on key indicators, plans to diversify, plans to increase capacity and markets opening up after the pandemic. The major factors constraining revenue growth was the absence of a good business development/sales team, poor online presence, and marketing strategies and COVID 19. The Sambodhi team attempted to analyse data provided by the entrepreneurs on financial parameters. However, a large number of missing values impeded any rigorous analysis and the drawing of intelligence from the same. The annexure provides self-reported data. Note that data for 2019-2020 is taken from the audited data provided prior to the women joining the programme

With regards to financial awareness, **9 entrepreneurs were able to provide information on a larger number of financial indicators** in July 2021, relative to the baseline. We find an increase in awareness vis-à-vis information on revenue, expenditure, bank borrowing, non-bank borrowing, reserves, current assets, and current liabilities. However, in the same vein, there were also **9 entrepreneurs who gave information on fewer number of indicators** – specifically with regards to salary load and net profit after tax.

Table 10: Change in overall financial awareness of entrepreneurs

No.	Change in Overall Financial Awareness	Number	Range wise distribution
1.	Entrepreneurs reported information on more indicators relative to Baseline	9 (45%)	• Below 20% increase: 0 • **20-30% increase: 4** • 30-40% increase: 2 • 40-50% increase: 3
2.	Entrepreneurs reported information on fewer indicators relative to Baseline	9 (45%)	• Below 10% fall: 0 • **10-20% fall: 4** • 20-30% fall: 3 • 30-40% fall: 2
3.	No change in financial awareness	2 (10%)	

With regards to **operating expenses**, 8 enterprises have enough cash in hand to cover expenses for a month, which is slightly higher (7) than what was reported in the baseline. 4 of these were in food domain and 1 in manufacturing. Majority stated that by the end of the financial year they were able tfo **receive all outstanding payments**; while a little more than half (11) were able to **clear all outstanding payments**. Most entrepreneurs reported that they **plough back 80% or more of profits** back into the business. 10 entrepreneurs take the **final call on all financial matters**, and for the rest, it was a collective decision, with their spouses playing an important role (in the case of 7 entrepreneurs).

The **top three problems** that entrepreneurs grapple with include an inability to do long term planning, poor monitoring of budgets and expenditure exceeding cash reserves. Women expressed a felt need for support in budgeting and unpacking tax structures and expressed the need for someone

at the cofounder level to help in raising funds. 5 entrepreneurs said that they were implementing the financial templates provided by the GAME and felt that it will be useful if they could be provided with some handholding to operationalise the same.

4.7 Peer Effects

- *Frequent interactions between women seen – women interact both to discuss business and to socialise*
- *Prior social ties and overall homophily effect weak. Women who had lived outside Bengaluru interact more with each other, plausibly reflective of the fact that wider exposure makes people interact more pe se*
- *Women running enterprises with the same business model interact more with each other – separate whatsapp groups seen for B2B, B2C enterprises*
- *After their spouse and family support, women cite peers as a source of support*
- *Peers provided connects to vendors/market linkages/suppliers/customers seen, 6 entrepreneurs believe it has positively affected revenues*
- *Direct business ties forged between peers*

Background

One of the key ingredients of accelerator programmes and indeed much of their value stems from the fact that they engineer social interactions – peer-to-peer connects and support between entrepreneurs (Hallen eta l 2014, Chatterji et al 2018, Hochberg & Fehder 2015, Hochberg 2016)[33]. These are informal social networks that provide individuals with access to information, financial assistance, customers, and markets; all which can potentially result in improved business outcomes, growth, and profitability[34]. To enhance peer learning, the Bengaluru programme team they worked towards building a sense of community among cohort members, emphasised certain values that had to be respected by all and highlighted similarities and common reasons of why women were part of the Growtherator™. Women were constantly asked to repeat the mantra '*Get-Set-Grow*' and '*You are here for growth*'. Even during introductions, entrepreneurs were constantly asked – *"What are you here for?", "What will you take from here?"* and "*What will you give?".* In addition, an emphasis was laid on values such as celebrating and reiterating successes of peers – there were constant conversations about wins of entrepreneurs and these were relayed on WhatsApp groups.

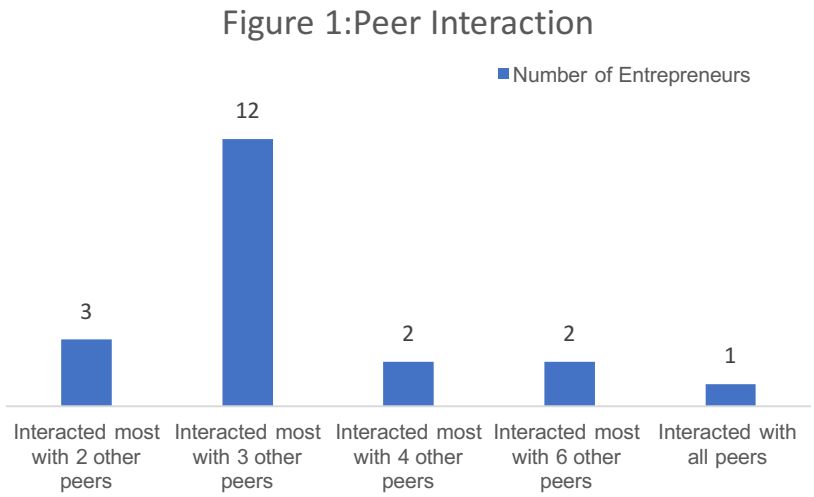
Initially, the program team nudged entrepreneurs to form connections, to work together, share networks and resources, collaborate, and learn from each other. Over time, interactions were more organic – entrepreneurs started approaching their peers by themselves, formed their own smaller groups that worked together on assignments and organized their own smaller sessions. The Bengaluru cohort was required to document meticulously their ***weekly reflections*** and share these on WhatsApp groups. In these weekly reflections, entrepreneurs had to fill what they learnt from other entrepreneurs (and whom) and what they had contributed to others' journeys. Their ***WhatsApp groups*** were another means to seek help/connects/leads when needed. For instance, from the main group several other smaller groups grew organically, such as B2Bs and B2Cs, who formed their own groups.

Research demonstrates that several **factors affect the formation** of new connections between individuals. First, there are **prior ties of individuals**. Evidence suggests that individuals with many ties (with collaborators, advisors, friends), outside of entrepreneurship programmes, pay lesser attention to cultivating new connects with peers, even if they are easily accessible (Kim et al 2006, Hasan and Koning 2019)[35]. Understanding existing social

[33] Hallen, B et al (2014). "Do accelerators accelerate? A study of venture accelerators as a path to success?" *Academy of Management Proceedings* Vol 1: 12955. Chatterji, A et al (2018). "When does advice impact startup performance?" *Strategic Management Journal* Hochberg, Y.V (2016). "Accelerating entrepreneurs and ecosystems: The seed accelerator model". *Innovation Policy and the Economy* Vol 16(1): 25-51. Hochberg, Y.V and Fehder, D.C (2015). "*Accelerators and ecosystems*". *Science* 348 (6240): 1202 - 1203

[34] See the seminal article by Granovetter (Granovetter, M.S (1973). "The strength of weak ties". *American Journal of Sociology* Vol 78(6): 1360-1380) on social capital & networks. For a general overview of network theory, see Bramoulle et al (2016). The Oxford Handbook of the Economics of Networks. Oxford: Oxford University Press

[35] Hasan, S., and Koning, R (2019). "Prior ties and limits of peer effects on startup team performance" *Strategic Management Journal* Vol 40(9): 1394-1416. Kim, Tai-Young et al (2006). "Framing interorganizational network change: A network inertia perspective". *Academy of Management Review* Vol 31(3): 704-720



structures and networks in which individuals are embedded is therefore important if we want to understand whether accelerator programmes are effective channels for peer learning and advice. Second, once individuals are put together, **effects of homophily** set in, i.e., the tendency of individuals to seek out those similar to themselves (Carrell et al 2013)[36]. Hence, the benefits of peer learning fail to materialize. Third, peer effects exist only when individuals **interact frequently**, and closely to be able to observe each other's behaviours (Mas and Moretti 2009).

Decoding peer interaction

Based on the theoretical framework, the Sambodhi team identified indicators for analysis. These include individual level characteristics (education, household income, membership in networks/associations), business level characteristics (domain, model) and frequency of interaction (knowledge exchange between peers[37], attendance[38]).

Engagement with peers: Peer interactions were not just limited to sessions. Most women (18) remarked that they interacted with peers to discuss work and to socialise outside the classroom as well. 11 of these women, said that they interacted with peers once or twice a week and others said that they meet once or twice a month or visit each other on a need basis. We asked women to list the top 3 participants that they most interacted with. To understand peer effects, we looked at the names mentioned by entrepreneurs against names mentioned in weekly reflections and attendance data. We found that the largest number of entrepreneurs (12) interacted with 3 peers in their cohort, with whom the most frequently interacted with.

Individual level characteristics: Analysis did not bring forth any noticeable differences in interaction based on education, household income or membership in networks/associations. What stood out was that **interactions were higher between entrepreneurs who have lived outside Bengaluru**. For example, 15 entrepreneurs had lived outside the city, of the 15, only 2 interacted with those who had not lived outside the city. It may be plausible that wider exposure makes people more interactive per se and/or there may be more commonalities within this group. Of course, we also need to keep in mind that a majority of women had lived outside the city!

Business level characteristics: To understand whether there is an association between interactions and **domain** in which enterprises are housed, we looked at interactions across the dominant domains of food, manufacturing, cosmetology/health and wellness. What we found is that interactions are domain agnostic. The obvious reason for this is that there is diversity in domains in cohorts, that precludes exclusivity. However, data reveals that interactions are higher between entrepreneurs who run enterprises with the same **business model**. As mentioned earlier, we find smaller break-out whatsapp groups for enterprises operating on B2C, B2B models.

Table 11: Peer interactions by domain

Peer interaction in same domain	No. of Entrepreneurs	Peer interaction in different domain	No. of Entrepreneurs

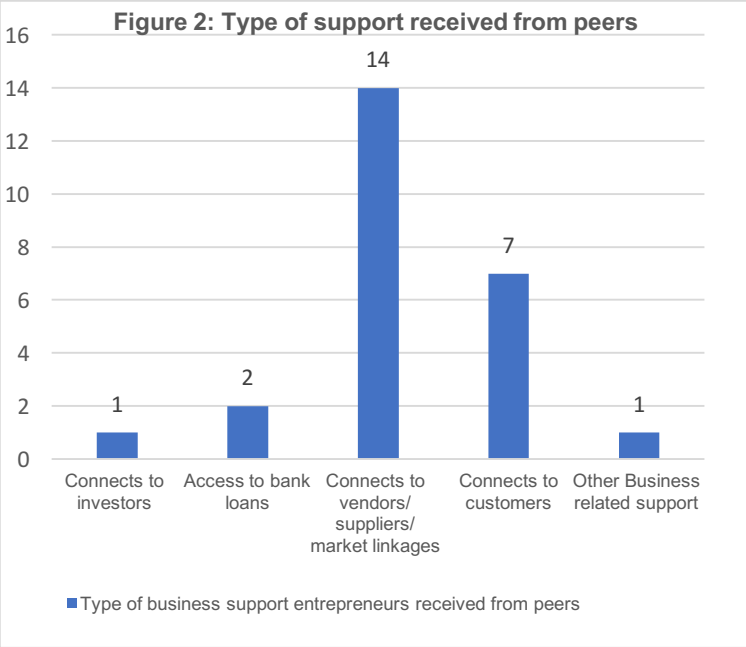
[36] Carrell, S et al (2013). "From natural variation to optimal policy? The importance of endogenous peer group formation". *Econometrica* Vol 81(3): 855-882
[37] Obtained from Weekly Reflections documented by GAME Program team in Bengaluru.
[38] Data obtained from GAME Program team in Bengaluru

No Interaction with entrepreneurs from same domain	3	Interaction with **one** entrepreneur from another domain	5
Interaction with **one** entrepreneur from same domain	5	Interaction with **two** entrepreneurs from another domain	2
Interaction with **two** entrepreneurs from same domain	3	Interaction with **three** entrepreneurs from another domain	4
Interaction with **three** entrepreneurs from same domain	1	Interaction with **four** entrepreneurs from another domain	1
Interaction with **seven** entrepreneurs from same domain	1 (Outlier)	Interaction with **thirteen** entrepreneurs from another domain	1 (Outlier)

Frequency of interaction: When analysing data on the top three peers that entrepreneurs had interacted with, names which were least referred to were those who had irregular attendance. For example, 3 entrepreneurs whose names was only mentioned by one other entrepreneur had the highest number of missed sessions/classes. This corroborates the literature which, states that peer effects exist only when individuals interact frequently.

What did entrepreneurs learn from their peers?

As a starting point, the cohort were asked about their source of support for business related advice. Most entrepreneurs (11) ranked their spouse as the first source of support. 6 entrepreneurs mentioned their family. Since family was a constant pillar of strength, only 7 entrepreneurs felt that they lacked a sounding board. Growtherator™ peers also figured in this list, with 8 entrepreneurs mentioning their peers as a source of support.



A vast majority (17) received some kind of support from peers[39]. Women obtained connects (18), learnt business and financial skills (16), bounced ideas and business-related concerns (16) with their peers. Of the 18 women, 13 received connects to vendors/suppliers/markets and 7 got connects to their customers. For 8 entrepreneurs, these connects had translated into increased sales/revenue. A little more than half (11) were also engaged in direct business with their peers – 6 did business with 4 to 6 peers, and 4 did business with 1 to 3 peers.

Aside from more tangible business- related support, women also stated that they received **feedback from their peers** about improving their performance in the programme. 9 and 7 entrepreneurs found this useful and somewhat useful respectively. Some (12) of them were comfortable in discussing personal problems as well, while others (8) were hesitant in sharing personal problems with peers.

Overall, women felt that there were no disadvantages of working closely with peers. Only 1 entrepreneur felt that close collaborations revealed information on overheads and consumables and pressured the entrepreneur to give heavy discounts.

[39] Remaining 3 entrepreneurs reported not receiving any support from peers.

5. Findings: Ludhiana Cohort

This chapter provides demographic and socio-economic profile of entrepreneurs and highlights changes in their enterprises (business model, ownership stake, 3C parameters) from the baseline. The initial cohort comprised of 26 entrepreneurs, including 24 men and 2 women. During the baseline assessment in March 2021, the Sambodhi team interviewed 20 entrepreneurs, which included 1 woman. By the endline however, it was a male-cohort with 19 entrepreneurs. *Note that only 16 entrepreneurs form part of the endline assessment, as 3 entrepreneurs could not be contacted during data collection.*

5.1 Background of Entrepreneurs

- *Relatively young cohort and mostly married*
- *Reside in extended families, with about 5 members*
- *Half hold graduate degrees*
- *Average of 2 years of work experience before joining the enterprise*
- *Annual Household Income: Above 36 lakhs (average)*
- *Fathers seen as mentors; slight increase in membership in networks/associations*
- *One has attended a similar accelerator programme*

The cohort is a **relatively young**, with entrepreneurs largely below the age of 30. Half the entrepreneurs (8) possess a **graduate degree** and majority of them (12) had a couple of years of **work experience** before they embarked on their entrepreneurial journey. Most of them had lived in cities other than Ludhiana and 3 had lived in countries outside India. Entrepreneurs lived in **larger extended families**, with about 4 working adult members (parent or sibling). Most men (11) were **married**. Only 2 men mentioned that their spouses also worked in the enterprise. The **average household income** was above 36 lakhs, significantly higher than the average of 18-24 lakhs in the Bengaluru cohort.

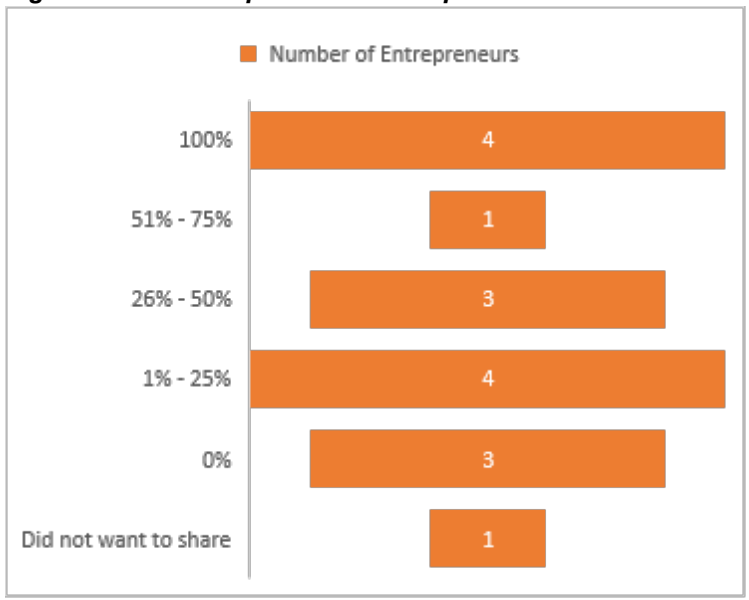
A slight increase in **membership in networks/associations** was seen over the period January to July 2021 (9 to 11 entrepreneurs). 4 entrepreneurs were part of either 1 or 2 networks, and 3 were part of 3 networks. These were largely for manufacturing and training establishments such as the Chamber of Industrial & Commercial Undertaking (CICU)[40], Indian Institute of Material Management (IIMM)[41]. We find that 5 entrepreneurs are also members in their alumni networks and an equal number leveraged religious and/or cultural networks[42]. Networks provided various support services – new information/resources (11), connects to advisors (9), connects to business partners and buyers (7), meetings with 'big-wigs' in the industry (7). Networks were also used to brainstorm ideas (8), build deep friendships (7) and inspired entrepreneurs to take risks/do more (7). However, entrepreneurs felt that these networks could do more in terms of providing support for human resources and connects with investors. What members derived from these networks and what they find wanting, is similar to the women cohort in Bengaluru. Dissimilar to Bengaluru, entrepreneurs cited their fathers as their **mentor or coach** to guide them in their business decisions. This is unsurprising, as most enterprises are family-owned businesses, with fathers and other family members playing a critical role at all levels of decision making. Only 1 entrepreneur had attended another **accelerator program**, which was conducted by Mr. Rahul Jain. The programme was very different to the Growtherator™ model as it focused on a particular business model and aimed to bring improvements in the business owner as well as the business.

5.2 Background of the Enterprises

There is an almost equal mix between started (9) and inherited (7) enterprises. This is starkly different from Bengaluru, where enterprises were started by women. Less than half the firms (7) were established between 2010-2020, with the rest equally divided between those set up between 2000-2009 and prior to 2000. Overall, we find much **older enterprises** in Ludhiana as compared with Bengaluru. Vis-à-vis legal status, enterprises are largely proprietorships (7) followed by private limited companies (5).

[40] CICU is registered as a non-profit making society, which represents Industry & Trade Sectors of the State of the Punjab Since 1968. Presently, they have direct membership of more than 1200 enterprises and indirect membership of 13,000 enterprises of 34 different associations affiliated with us as Associate Members.
[41] Indian Institute of Materials Management (IIMM)" with its Headquarters at Navi Mumbai, is the National Apex body representing a wide spectrum of professionals engaged in various facets of Material Management, responsible for planning, sourcing, Logistics & Supply Chain Management.
[42] Note that the question on membership in alumni networks was not asked during the baseline

Figure 3: Ownership stake of entrepreneurs



Given that several businesses are family owned, it is unsurprising that **ownership** is shared on average between 3 persons. Ownership of programme participants ranged from 0 to 100%. Note that in the case of the women cohort, the average ownership stake of the entrepreneur averaged at 50% given that the businesses were started by them. Of the 11 married entrepreneurs, 3 stated that their spouses had a stake in the business. Other members with a stake included family members - father, mother, brother, cousins, sister-in-law.

Another point of departure between the two cohorts is that in Ludhiana, enterprises in the textile **domain** predominate (7), followed by enterprises in the metal domain (2), and **manufacturing** is the dominant business category. The rest of the 7 enterprises fall in the 'other domain', populated with individual enterprises. Akin to Bengaluru, there was a shift from 'pure' to 'combination' business models. For example, there was a drop in number of B2B enterprises from 9 to 2. During the baseline, the prominent **business model** was B2B (9), followed by a combination of B2B and B2C (5). During the endline, 5 enterprises had made **additions to their existing business mode l**- prominently an increase in B2B-B2C combination models. B2B and Direct to Exporter combination model made an entry.

Table 12 : Business Model(BL vs EL) - Ludhiana

Business Model	Baseline (n=16)	During Endline (n=16)
B2B	9	2
B2C	1	0
B2B & B2C	5	9
B2B, B2C & Direct to Exporter	1	3
B2B & Direct to Exporter	0	2

5.3 Impact of COVID

Following the **first wave of COVID in March 2020**, majority (9) of entrepreneurs were negatively affected, with loss in revenue ranging between 50 to 100%. For 2 entrepreneurs an increase in revenue was seen. How did the enterprises cope with the first wave? Entrepreneurs reflected on ways in which they could cut costs, focused on new marketing strategies such as telemarketing and used different channels such as videoconferencing to continue meeting with vendors. In addition, and importantly, there was a pivot in manufacturing. Recognising the demand for PPE kits and masks, 3 enterprises started production of these, and this helped bring in revenue

Between the **first and second wave in March/April 2020**, most entrepreneurs (12) witnessed a **recovery in revenues post September** when the lockdowns were eased, and production started happening again. Much variation was seen in the recovery rates – ranging anywhere between 10 – 70%.

- *Wave 1: 9 entrepreneurs saw a dip in revenue ranging from 50% – 100%*
- *Between Wave 1 & 2: 12 witnessed some recovery (between 10% - 70%)*
- *Wave 2: 7 enterprises experienced a dip in revenue, 2 witnessed increase in revenue, 2 did not feel any impact*

Following **the second wave of COVID in March/April 2021**, fewer entrepreneurs (7) felt that their revenues were negatively hit. This was because factories could remain open as per government orders, and production of primary products continued. In addition to the adaptation strategies adopted during the first wave, entrepreneurs during the second wave explore different sectors they could venture into and started a barter system to procure raw materials. Overall, entrepreneurs felt significantly more prepared to deal with the second wave. They felt that COVID brought with it some silver linings in that it helped them reflect, envision future geographies and products that could be launched and streamline and let go of non-profitable products. It also helped them realise the need to adapt to the digital age. At a personal level, several felt that the pandemic had given them a moral boost when even small businesses were given authorisation and approval to make PPE kits.

In general, it seems that enterprises in Ludhiana were less hit by the pandemic as compared to those in Bengaluru. In the latter, the enterprises were mostly in the services sector, specifically food, cosmetology, health & wellness, which have been badly hit. Additionally, entrepreneurs could not pivot a completely different product either. Also given their smaller size, lesser corpus of cash in hand and reliance on customers (as opposed to clients/businesses), the resilience of enterprises to cope with exigent circumstances is lesser.

5.3 Capacity (People Resources)

- *Across all categories (full-time, part-time and seasonal) a total of 303 jobs were created and 19 were lost. Net jobs created was 284*
- *Full Time Employees:*
  - *All enterprises employed FTEs. Total number of FTEs increased by 164 (33%)*
  - *FTEs in manufacturing increased by 46%. Highest increase seen in textile domain, corroborating research that textile/garment industries generate large scale employment*
  - *Majority of enterprises provided their FTEs with a monthly salary*
  - *Very few have a written contract, but most covered under some form of social security*
- *Part Time Employees:*
  - *4 enterprises employ PTEs. Slight increase in total number of PTEs*
  - *PTEs paid on a monthly basis. No written contract, formal leave structure or social security provided*
- *Seasonal Employees recruited by 4 enterprises in the textile domain. Significant increase in numbers seen – from 88 to 205 over the January to July period*

Overall Employment Trends

Tables 13 and 14 below provide an overview of the Full-Time Employees, (FTEs), Part-Time Employees (PTEs) and seasonal employment generated by enterprises. Overall, a total of 303 jobs were generated, and 19 were lost during the period January to July 2021. The total net jobs created therefore were 284. All 16 enterprises employed FTEs and 7 generated, 183 jobs. Of the 7 enterprises, 4 generated between 1-10 jobs. While increase in PTEs was minimal, a significant number of seasonal jobs were generated by 4 enterprises. Enterprises created jobs covering a range of 20 to 50.

Table 13: Employment Trends across enterprises

Category of Employees (#Enterprises hiring that category)	#Enterprises - Increased jobs	#Jobs increased	#Enterprises - Reduced jobs	# Jobs reduced	#Enterprises - Constant jobs
FTEs (16)	7	183	4	- 19	5
PTEs (4)	2	3	0	0	2
Seasonal (4)	4	117	0	0	0
TOTAL	**13**	**303**	**4**	**- 19**	**7**

Table 14: Jobs created by enterprises

Category of employee	No. of enterprises (LUH)
FTEs	Above 60 jobs created: 1 50 - 60 jobs created: 1 11 - 20 jobs created: 1 **1 – 10 jobs created: 4**
PTEs	1 – 3 jobs created: 2
Seasonal	41 – 50 jobs created: 1 31 – 40 jobs created: 1 21 – 30 jobs created: 1 1 – 10 jobs created: 1

As table 15 below shows there is no clear trend between firm size (based on revenue) and uptake of PTEs – with firms with varying revenues recruiting employees.

Table 15: Firm size vs. jobs created (Jan – July 2021)

Firm Size	Number of firms which saw an increase in uptake of FTE (N = 16)[43]	Number of firms which saw an increase in uptake of PTE (N = 4)	Number of firms which saw an increase in uptake of Seasonal employees (N = 4)[44]
Below 1 Crore	• Yes: 1 • No: 0	• Yes: 0 • No: 0	• Yes: 0 • No: 0
1 – 5 Crores	• Yes: 3 • No: 6	• Yes: 2 • No: 2	• Yes: 1 • No: 0
5 – 10 Crores	• Yes: 1 • No: 2	• Yes: 0 • No: 0	• Yes: 1 • No: 0
Above 10 Crores	• Yes: 1 • No: 0	• Yes: 0 • No: 0	• Yes: 1 • No: 0

Full Time Employee (FTE)

[43] 2 enterprises did not provide the required data
[44] 1 enterprise did not provide the required data

FTE is defined as an individual who works for atleast **8 hours/day and for 6 days/week**, i.e., a minimum of 48 hours a week. This is akin to the definition provided by the Bengaluru cohort (except there, it was slightly more than 48 hours). All enterprises employed FTEs. The **total number of FTEs employed** across all the enterprises was 495 in January 2021 and this had increased to 659 (164, 33%) by July 2021. The average number of FTEs reported in January and July were 40 and 41 respectively. 7 enterprises reported an increase in their FTEs, 4 reduced their labour force and for 5, no change was seen. Enterprises that increased their workforce did so to cope with increased demand (5), clear pandemic related backlogs (1) and to meet their production targets (1). In enterprises with reduced workforce, a shift in FTEs to PTEs was seen, and some sales staff were let go off as field visits were not taking place

A few important points to be noted here:

1. Total FTE jobs created was 183, whereas and jobs lost were 19. Hence, the net FTE jobs created by is 164
2. Total FTEs in manufacturing enterprises (9) has increased from 370 to 540 (46%), with the average also rising from 41 to 60
3. FTEs in enterprises in the textile domain increased from 270 to 430, and average numbers increased from 38 to 61. Most enterprises in this domain have more than 20 employees.
4. Metal, the domain with the second highest number of enterprises has witnessed a decrease in total FTEs from 46 to 43 over the January to July period. There are two enterprises which fall under this domain among them one has above 20 employees and the other had under three employees in July 2021.
5. Total FTEs in services (5) witnessed a slight dip from 114 to 111, with a marginal fall in average numbers from 23 to 22

Table 16: Breakdown of FTEs according to domain and business category

Domain	**Number of FTEs (January)**	**Number of FTEs (July)**	**Net Jobs Created**
Textile	270	430	**160**
Metal	46	43	-3
Others	179	186	7
Total	**495**	**659**	**164**
Category	**Number of FTEs (January)**	**Number of FTEs (July)**	**Net Jobs Created**
Manufacturing	370	540	170
Services	114	111	-3
Trade	7	7	0
Trade & Export	4	1	-3
Total	**495**	**659**	**164**

The top three processes used to recruit FTEs include using informal channels to source employees, people planning and creating a Job Description (JD). Except for career development which only 25% of enterprises said they do, majority of entrepreneurs have mentioned that they provide **training, annual appraisals and mentoring to their employees**. With regards to **payment structure**, in 11 enterprises FTEs were paid once a month and in the remaining 5, twice a month. However, of the 16 of the 16 enterprises, only 5 reported providing a **written contract** to their FTEs. Of the 5, 3 stated that all FTEs were provided with a written contact. Additionally, 9 enterprises reported that all their FTEs are eligible for **paid leaves** (12-14 annually). Dissimilar to the case in Bengaluru, we find a much higher portion of enterprises (13) covering their FTEs under **social security schemes**. This is probably reflective of the fact that enterprises in Ludhiana have a larger number of employees, necessitating them under the law, to provide security to their employees. There were 7 enterprises who had more than 20 employees – 5 among them provided some form of security to 100% of their employees, and in 2, this coverage was 80%[45].

[45] Data not provided by in the case of one enterprise

Envisaged recruitment
Enterprises envisage recruiting employees in the next 1-2 years – with a range of between 10 to 100 employees. Only 2 enterprises stated that they plan on recruiting more part-time employees.

Part Time Employees (PTE)
PTEs are individuals who work varying hours/day and days/week, contingent upon their workload. 4 enterprises employ PTEs; no change is seen in this number from the baseline. Of the 4, 2 were in the services category. Total number of PTEs across all enterprises has increased slightly from 46 in January to 49 in July. Of the two enterprises that hired more PTEs, one said that they did so after attending a Growtherator™ session on capacity. FTEs were paid on a monthly basis. This is in contrast with what we found in Bengaluru, where PTEs were paid basis a per piece arrangement or a monthly payment. Like Bengaluru, we find lacunae in provision of written contracts, formal paid leaves structure and coverage under social security schemes. None of the PTEs employed by the enterprises for example had a written contract and social security. Enterprises did not provide paid leaves and/or were not aware of the same.

Seasonal Employees and Short-Term Hires
4 enterprises in the textile domain reported recruiting seasonal employees during periods of high demand (e.g. festive, wedding season). Employees worked for 9-12 hours/day and 6-7 hours/week. In January, these 4 enterprises employed 88 employees, and this has significantly increased to 205 in July. Plausible reasons could be an increase in orders post the lockdown and/or clearing of backlogs post lifting of the lockdown. Payment was made on a per piece arrangement. We find 7 enterprises have recruited short-term hires through informal recruitmnet channels, database of previous hires and other sources.

Sub-Contractor Agreements
There has been no change in the number of enterprises with sub-contractor agreements since the baseline (7). Of the seven enterprises, 3 are in Textile domain and 1 in metal. Largely, enterprises had less than 5 agreements, and only 2 had more than 7-8 sub-contractor agreements. Also, entrepreneurs stated that most of their sub-contracts employed anywhere between 5-20 persons, making them larger entities as compared to sub-contractors engaged by the Bengaluru cohort[46]. Majority of entrepreneurs with current contracts, envisage an increase in agreements over the next few years.

5.4 Customer (Sales)

- *Enterprises with a B2B-B2C combination model acquired more customers and clients and generated more leads/contacts. Increase in client base also seen among B2B enterprises*
- *Contrary to expectations, and especially during the time of the COVID pandemic, online presence of enterprises has not increased. Increase seen only among B2B-B2C enterprises*
- *Majority of enterprises launched new products and about half started selling in new geographies and through new channels*

Table 17 provides details on changes in customer/client base, leads/contacts and contracts signed from January to July 2021, disaggregated by business model. **Overall, we find that enterprises with a B2B-B2C combination model, acquired more clients, and generated more leads. B2B**

[46] Among the enterprises which reported that they have sub-contractor agreements, 3 were unaware their sub-contractors had and 4 enterprises reported that their sub-contractors employed have 5 - 20 employees.

enterprises also witnessed increases in their client base. B2B-B2C enterprises also reported a loss in clients due to COVID. In terms of channels used to approach customers and clients, all enterprises relied on existing clients, and B2B-B2C enterprises also undertook active (offline) outreach. A change was seen in July 2021, with 1 B2B, B2B-B2C and B2B & Director to Exporter enterprise in each category mentioning that they drew on Growtherator™ peers as a channel to reach out to customers/clients.

Table 17: Customer- Model Wise Breakdown

Business Model	Total Number of Firms	Change in customer base (Jan - July 2021)	Change in the number of clients (Jan - July 2021)	Changes in leads/contacts	Contracts signed
B2B	2		Increase:2	• Decrease:1 • Do not know:2	• Decrease:1 • Do not know:2
B2B& B2C	9	• Increase:1 • Donot know:8	• Increase:7 • Decrease:1 • Do not know:1	• Increase: 3 • Decrease: 1 • Do not know:5	• Increase:1 • Decrease:2 • Do not know:6
B2B & Direct to Exporter	2		• Increase:1 • Constant:1	• Constant:1 • Do not know:1	Do not know:2
B2B, B2C& Direct to Exporter	3	• Increase:1 • Do not know:2	• Increased:1 • Do not know:2	• Increase:2 • Do not know:1	• Increase:1 • Constant:1 • Do not know:1

One would expect that during the COVID pandemic, enterprises would enhance their **online presence** to reach customers/clients. Interestingly, this is not the case. There are only 3 B2B-B2C enterprises that reported increasing their presence. Majority (10) enterprises reported a constant digital presence. Except for setting up new showrooms/branches majority of the firms have undertaken some form of expansion activities to build and grow their businesses.

Table 18: Digital presence and expansion activities by enterprises

Business Model	Online Presence	Launched New product	Setup New Production Facilities	Started selling through New Geographies	Started selling through New channels	Setup new showrooms/branches
B2B	• Decreased:1 • Constant:1	2	2	1	2	0
B2B& B2C	• Increased: 3 • Constant:5 • Do not know:1	8	4	5	3	1

B2B & Direct to Exporter	• Increase:1 • Constant:1	2	0	1	1	0
B2B, B2C& Direct to Exporter	• Constant-3	1	0	2	3	0
Total		13	6	9	9	1

5.5 Cash

- In general, difficulty in obtaining financial information from entrepreneurs. Large missing values in data impeded any data analysis on change in financial health of enterprises
- Given this, focus was to understand changes in financial awareness of entrepreneurs. 10 entrepreneurs able to provide greater information on all financial indicators except salary load and reserves
- 6 of the 16 enterprises had enough cash in hand to cover operating expenses for a quarter
- Very few were able to receive and clear all outstanding payments by the end of the financial year
- Decisions on financial matters taken collectively, given the dominance of family-owned businesses

One of the pillars of the Growtherator^{TM} programme is to ensure increase in top-line growth and profitability of enterprises. A key measure of this is the financial health ('cash') of the enterprise. Prior to joining the programme, the cohort was required to submit verified and audited data on key financial indicators (i.e. revenue, expenditure, profit, loss, bank borrowing, reserves, receivables, payments) for 2017-2018, 2018-2019 and 2019-2020 and provisional data for 2020-2021. However, the GAME programme team was unable to collect this data from the Ludhiana cohort. Therefore, the Sambodhi team relied completely on self-reported data for the period 2019-2020 and 2020-2021 (provisional).

As mentioned in the cash section in Chapter 4, the Sambodhi team found it difficult to procure data on financial indicators. Entrepreneurs were either reluctant and/or were unable to provide information. Also, we suspect severe under-reporting in the numbers. Misalignment in timeline of the programme with business financial cycles, further complicates matters. Entrepreneurs for example, were not able to provide information for the period April 2020 to March 2021, as they had not yet filed their tax returns. Having said this, entrepreneurs were able to provide projected data for April 2021 to March 2022 to a larger extent than the Bengaluru cohort. Given the challenges outlined above, the objective of collecting data during the baseline and endline was more to assess **financial awareness** vis-à-vis health of the enterprise.

As opposed to Bengaluru where only 3 entrepreneurs were happy with the scale of business, a majority of entrepreneurs (10) in Ludhiana were pleased with the present scale. They were confident of increasing revenues in the coming year – 8 envisaged more than a 100% increase, with these projections based on new expansion plans made by enterprises based on a deep-dive into market potential. COVID, poor quality of assets and not having qualified human resources were seen as impediments in achieving envisaged increases. The Sambodhi team attempted to analyse data provided by the entrepreneurs on financial parameters. However, a large number of missing values impeded any rigorous analysis and the drawing of intelligence from the same. Annexure provides self-reported data. Note that all the data provided is self-reported.

Given the challenges outlined above, the objective of collecting data during the baseline and endline was more to assess **financial awareness**, vis-à-vis health of the enterprise. 10 entrepreneurs were able to report information on a greater number of financial indicators relative to the baseline. Indicator level awareness show that there has been an increase in number of entrepreneurs who were able to give information on all the indicators except for salary load and reserves. A similar situation was seen in Bengaluru as well with entrepreneurs finding it difficult to provide data on salary load. Having said this, 5 entrepreneurs were able to give information on fewer number of indicators in the endline relative to baseline.[47]

Table 19: Awareness on financial indicators

No.	Change in Overall Financial Awareness	Number	Range wise distribution
1.	Entrepreneurs reported information on more indicators relative to Baseline	10	• Below 20% increase:6 • 20-30% increase:3 • 30-40% increase:0 • 40-50% increase:1
2.	Entrepreneurs reported information on fewer indicators relative to Baseline**	5	• Below 10% fall: 2 • 10-20% fall: 1 • 10-20% fall: 2 • 30-40% fall: 0
3.	No change in financial awareness	1	

With regards to **operating expenses**, 6 enterprises mentioned that they had enough cash in hand to cover operating expenses for a quarter. This is more than in Bengaluru, where women reported that they could cover a month. Most entrepreneurs put back 50% or more of their profits back into the business. Very few (2) **receive all the outstanding payments** by the end of financial year and 6 were able to **clear all their outstanding payments by end of the financial year**. This is starkly different from the all-woman cohort. One of the reasons may be that the dynamics of business cycles for manufacturing and trading companies may be different than service enterprises.

Given the dominance of family-owned businesses, only 5 entrepreneurs take the final call on financial matters, while the remaining mentioned that the **final call was based on collective decision of the entrepreneur with their spouse/partners/family**, or the decisions made by the senior management.

One of the pillars of the Growtherator™ programme is to ensure increase in top-line growth and profitability of enterprises. A key measure of this is the financial health ('cash') of the enterprise. Prior to joining the programme, the cohort was required to submit verified and

[47] Ludhiana Cash sheet

audited data on key financial indicators (i.e. revenue, expenditure, profit, loss, bank borrowing, reserves, receivables, payments) for 2017-2018, 2018-2019 and 2019-2020 and provisional data for 2020-2021. However, the GAME programme team was unable to collect this data from the Ludhiana cohort. Therefore, the Sambodhi team relied completely on self-reported data for the period 2019-2020 and 2020-2021 (provisional).

As mentioned in the cash section in Chapter 4, the Sambodhi team found it difficult to procure data on financial indicators. Entrepreneurs were either reluctant and/or were unable to provide information. Also, we suspect severe under-reporting in the numbers. Misalignment in timeline of the programme with business financial cycles, further complicates matters. Entrepreneurs for example, were not able to provide information for the period April 2020 to March 2021, as they had not yet filed their tax returns. Having said this, entrepreneurs were able to provide projected data for April 2021 to March 2022 to a larger extent than the Bengaluru cohort. Given the challenges outlined above, the objective of collecting data during the baseline and endline was more to assess **financial awareness** vis-à-vis health of the enterprise.

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Table 24: Awareness on financial indicators

No.	Change in Overall Financial Awareness	Number	Range wise distribution
1.	Entrepreneurs reported information on more indicators relative to Baseline	10	• Below 20% increase:6 • 20-30% increase:3 • 30-40% increase:0 • 40-50% increase:1

[48] Ludhiana Cash sheet

2.	Entrepreneurs reported information on fewer indicators relative to Baseline**	5	• Below 10% fall: 2 • 10-20% fall: 1 • 10-20% fall: 2 • 30-40% fall: 0
3.	No change in financial awareness	1	

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5.7 Peer Effects

- *Interaction with peers less frequent than what was seen in Bengaluru – more need based*
- *Main source of support for business related advice is the family. Programme peers do not figure prominently on the list*
- *Majority did not receive connects to vendors/suppliers/markets/customers/investors*
- *Only 2 entrepreneurs entered forged direct business ties with peers*

Background

The Growtherator™ programme team in Ludhiana, worked towards building a sense of community among cohort members emphasised certain values that had to be respected by all, highlighted common reasons for being part of the programme, underscored the importance of peer learning and the need to celebrate success of peers. At the outset it is important to note that while for the Bengaluru cohort the Sambodhi team had access to multiple sources of data – attendance, weekly reflections, growth stories, to delve deeper into the peer effects narrative, this was not the case for Ludhiana. For example, to document the growth in business and in peer interactions, the programme team asked the entrepreneurs to fill in weekly reflections. This was not undertaken by the entrepreneurs[50]. Additionally, attendance data of entrepreneurs was not available, impeding analysis on frequency of

[49] Ludhiana Cash sheet

[50] As an alternative, it was suggested that a video be recorded with a few entrepreneurs. This did not work either. Eventually a mid-session review was conducted at the end of 3 months, in which entrepreneurs shared a PowerPoint presentation in one slide presenting the impact/delta in terms of 3Cs and other indicators, and number of jobs they have created.

interactions. The Sambodhi team was informed that interaction levels among participants drastically subsided following a shift to the virtual format of sessions post COVID.

Research demonstrates that several **factors affect the formation** of new connections between individuals. First, there are **prior ties of individuals**. Having many ties outside of the entrepreneurship programmes, reduces the attention that an individual pays to forging new connects with peers, even if they are easily accessible (Kim et al 2006, Hasan and Koning 2019)[51]. Second, once individuals are put together, **effects of homophily** set in, i.e. the tendency of individuals to seek out those similar to themselves (Carrell et al 2013)[52] sets in. Hence, the benefits of peer learning fail to materialize. Third, peer effects exist only when individuals **interact frequently**, and closely to be able to observe each other's behaviours (Mas and Moretti 2009).

Decoding peer interaction

Based on the theoretical framework, Sambodhi team assessed peer effects by looking at various variables. These included individual level (age, educational qualification, annual household income, membership in networks/associations) and business level (domain, category, legal status) variables.

Engagement with peers: 11 entrepreneurs stated that they interacted with peers to discuss work and to socialize as well. They meet with peers once or twice a month or on a need basis. Some entrepreneurs (4) meet with peers only during sessions. We asked entrepreneurs to list the top 3 entrepreneurs that they most interacted with. To understand peer effects, we looked at the names mentioned by entrepreneurs against individual and business level indicators. We found that the 6 entrepreneurs mentioned 2 peer names, and another 6 mentioned names of 3 peers with whom they most frequently interacted.

Individual level characteristics: Analyses did not bring forth any noticeable differences in level of interaction based on age, average annual household income and membership in networks/associations[53]. While analysing interaction based on **educational qualification**, it was observed that those with graduate degree (8) interact more with others who have a graduate degree. Similar to Bengaluru, those who had lived outside Ludhiana exhibited an **affinity towards peers who had also lived outside the city**. It may be plausible that wider exposure makes people more interactive per se.

Business level characteristics: Patterns of interaction for enterprises in the textile domain were analysed. While in Bengaluru, interactions between peers are domain agnostic, in Ludhiana, **there is greater interaction between enterprises in the same domain.** Likewise, it was observed that manufacturing enterprises largely interact exclusively with those who are in the same category (7/9). However, enterprises in Services did not show a prominent pattern, which could also be since it consists of a smaller number of enterprises.

What did entrepreneurs learn from their peers?

As a starting point, entrepreneurs were asked about their sources of support for business related issues. The cohort ranked their family (10) as the first source of support for business related advice. Mentor/coach came in as second (5). Despite this, most entrepreneurs felt a lack of a sounding board. This is an interesting observation, given that in Bengaluru, where, family, again was the primary pillar of support, this lack was not felt by entrepreneurs. Most entrepreneurs did not mention a third source. Growtherator™ peer network was mentioned by 3 entrepreneurs as the third source of support. All entrepreneurs (16) learnt business and financial skills from their peers. They also brainstormed (15) with peers about business related concerns. There was an equal split in those comfortable (8) in discussing personal problems, and those who were hesitant (8).

[51] Hasan, S., and Koning, R (2019). "Prior ties and limits of peer effects on startup team performance" *Strategic Management Journal* Vol 40(9): 1394-1416. Kim, Tai-Young et al (2006). "Framing interorganizational network change: A network inertia perspective". *Academy of Management Review* Vol 31(3): 704-720

[52] Carrell, S et al (2013). "From natural variation to optimal policy? The importance of endogenous peer group formation". *Econometrica* Vol 81(3): 855-882

[53] Most entrepreneurs in Ludhiana did not have common networks with their peers.

A significant number of (10) entrepreneurs did not receive any **connects from peers** to vendors/ suppliers/ market linkages and customers. All entrepreneurs reported they did not receive any connects to investors or in accessing bank loans. Majority (13) reported that these connects from peers did not translate to changes in businesses' growth and profitability. However, one entrepreneur mentioned that because of connects received from the peers he saw an increase in revenue of INR 25-30 lakhs and another mentioned that the peers helped him finding a new vendor which helped him in reducing costs and saving money. Very few entrepreneurs (2) engaged in **direct business with peers** in the cohort. Both entrepreneurs did business with 1 to 3 peers. During interactions, entrepreneurs also received **feedback from peers** about improving their performance. While 8 entrepreneurs felt the feedback was useful, 5 entrepreneurs confirmed the feedback was somewhat useful. Except for one entrepreneur who felt that there could be a possibility of rivalry in future since everyone knew each other's business, no mention of rivalry/competition was made by other entrepreneurs.

6. Growtherator™ – Key Takeaways

This assessment falls within the ambit of a 'formative evaluation', that is, the focus is to consolidate and distil insights that can inform GAME's feed-forward strategies for both design and deployment for subsequent cohorts of entrepreneurs. This chapter revisits the four main learning questions that actuate this assessment and provides key takeaways under each of these. Cohort specific findings are interwoven under each of these questions.

The four learning questions are as follows:

1. Has the programme led to improvements in top-line growth and profitability indicators of enterprises?
    a. *The focus is to identify changes in customer base and cash/financial status of enterprises*
2. Has the programme led to changes in employment generated?
3. What is the nature of interactions between cohort members (peer effects)? Have interactions ushered any business related changes?
4. Has the Growtherator™ helped entrepreneurs' tide over and/or cope with exigent situations such as COVID?

6.1 Has the programme led to improvements in top-line growth and profitability of enterprises?

- *Across the board, there has been a shift from 'pure' to 'combination' models. Largest increases seen in enterprises adopting a B2B-B2C combination, with more of these in Ludhiana*
- *B2B-B2C enterprises reported larger customer/client base, lead generation and signing of contracts. Ludhiana enterprises reported higher increases*
- *No increase in digital presence of enterprises, despite COVID. Possibly signifies difficulty in operationalising what is taught in the classroom. Greater handholding support needed*
- *Difficulty in procuring financial data from entrepreneurs. Large missing values in the dataset impedes rigorous data analysis and drawing of intelligence.*
- *Focus is on understanding changes in financial awareness – improvements seen across the board*
- *Drops in revenue after COVID, but steeper in Bengaluru. Enterprises are less resilient – they are in the service sector, limited cash in hand, small client/customer base and greater difficulty in pivoting during exigent situations*

To answer this question, the focus is on identifying changes in customer/client base and cash/financial health of the enterprise. Vis-à-vis the former, there is a shift from 'pure' to 'combination' business models, specifically B2B-B2C models. This shift has paid off – these enterprises have been more successful in acquiring customers/clients, generating leads/contacts and in signing contracts. Overall, enterprises in Ludhiana reported a higher increase in both customer and client base. Also, fewer enterprises reported dips due to the pandemic. Interestingly and contrary to expectations given COVID, digital presence of enterprises has not increased. Having said this, Ludhiana enterprises seem slightly more proactive in this regard. This is interesting, given that there is a focus on sales/marketing in the programme curricula and may indicate that enterprises are not able to operationalize what is taught in the classroom and may require some handholding support. Important to note that significantly larger number of women entrepreneurs drew on bespoke connects of their peers to reach out to potential customers and clients.

Another key parameter for top-line growth is cash/financial health. Overall, the Sambodhi team found it difficult to obtain data from entrepreneurs – who either did not know the data or were reluctant to provide the same. Additionally, misaligned timelines between the programme and financial cycles further complicated the matter. Data was received on very few indicators and not for all time periods asked for. Also, we suspect severe underreporting of data, and with no consumption/expenditure data collected, there is no way to corroborate the data either. Our recommendation is to ensure collection of audited data each year, for 2 years prior to and 2 years after the programme as a matter of hygiene. The GAME team can also consider aligning

financial and programme timelines. Given this, the focus turned to understanding changes in the awareness of entrepreneurs vis-a-vis financial health of their enterprise. Relative to the baseline, we find that entrepreneurs were able to provide greater details on most financial indicators, with the exceptions of salary load (across both cohorts), reserves (Ludhiana) and net profit after tax (Bengaluru). Improvements seen are higher for Ludhiana This is possibly because of the focused attention being paid to financial and cash management concepts by the partner CFO Bridge, during the sessions and the provision of tools and templates for use.

Across the board, entrepreneurs cite decreases in foundational indicators – revenue, gross and net profit, indicative of the COVID effect. Having said this, the drops are steeper in the case of Bengaluru cohort. Being smaller companies, with B2C models, in the service sector (specifically food, cosmetology, health & wellness), with a smaller corpus of cash in hand, enterprises are less resilient/have been hit harder, and have found it more difficult to recover. Also, B2B enterprises in Ludhiana have a wider range of clients – anywhere between 7 to 150 businesses as opposed to 2-5 clients/businesses for Bengaluru. Additionally, manufacturing enterprises in Ludhiana, have been able to pivot, incorporating more combination business models and starting of PPE kits and masks.

6.2 Has the programme led to changes in employment generated?

- *Total of 483 jobs created across both cohorts – 154 in Bengaluru and 284 in Ludhiana*
- *Ludhiana accounted for a larger share of full time jobs created, corroborating research that manufacturing sector, especially textile/garment's contribution to large scale employment*
- *Ludhiana also exhibited increased recruitment of part time employees and significantly higher number of seasonal employees*
- *Biggest gap seen in terms of formalisation of people processes – in terms of provision of written contracts, paid leave structure and coverage under social security schemes*
- *More enterprises in Ludhiana provided social security to their employees. With larger number of employees (greater than 20), these enterprises are mandated by law to do so.*

A total of 438 jobs were created across both cohorts. Ludhiana accounted for a larger chunk at 284 net jobs and Bengaluru at 154 jobs. Of these, a larger share of full-time jobs was created (325). Ludhiana accounted for a significant portion of these jobs, corroborating research which shows that the manufacturing sector, especially textile/garment's contribution to large scale employment. In Bengaluru, enterprises employed 1028 persons in January 2021, which increased to 1189 in July 2021 (16% increase). 7 enterprises contributed to increase. Major chunk of jobs were accounted for by 1 firm in both time periods. In Ludhiana, enterprises generated 495 jobs January 2021 and 659 in July 2021 (33%). While equal number of enterprises (7.) in both cohorts, created full time employees, a greater number of employees recruited in Ludhiana. Also enterprises in Ludhiana recruited marginally higher number of part time employees as compared to the baseline and significantly higher number of seasonal employees. The latter were recruited by enterprises in the textile domain.

Table 20: Employment Trends across enterprises

	#Jobs increased (#Enterprises)	# Jobs reduced (#Enterprises)	#Enterprises where jobs remained constant

Category of Employees	LUH	BLR	LUH	BLR	LUH	BLR
FTEs	183 (7)	171 (7)	- 19 (4)	- 10 (1)	5	11
PTEs	3 (2)	2 (1)	0 (0)	- 5 (1)	2	5
Seasonal	117 (4)	0 (0)	0 (0)	- 4 (1)	0	0
TOTAL	**303 (13)**	**173 (8)**	**- 19 (4)**	**- 19 (3)**	**7**	**16**

The biggest lacunae are seen in formalization of employees processes – enterprises across both cohort provided written contracts, or covered even their full time employees under social security schemes. Note that in Bengaluru, only 3 enterprises have more than 20 employees, and therefore, they may not be mandated by law to do so. Given that GAME's overall mandate is not only job creation, but to ensure that secure jobs are provided, this is an area that could be taken up as part of the curricula.

6.3 What is the nature of interactions between cohort members (peer effects)?

- *Greater interactions between women as compared to men.*
- *Entrepreneurs that have lived outside their current city, tend to interact more. It may be possible that those with more exposure tend to be more open to interactions*
- *In Bengaluru, we found interactions were higher for entrepreneurs with the same business model (B2B, B2C etc.). In Ludhiana, both business domain and business category played a role*
- *Greater connects to customers/vendors/suppliers/clients/markets seen in Bengaluru*
- *Collaborations among peers significantly higher in Bengaluru*

In order to fully comprehend the differences in peer interaction between the two cohorts, a succinct exposition of the differences in entrepreneur profiles is warranted. The Bengaluru cohort is an older cohort, with women having worked for several years (mostly in the corporate sector) before embarking on their entrepreneurial journey. Programme participants are more educationally qualified, with more participants having lived and worked in other cities and countries (i.e. reflective of wider exposure). Women belong to a wider net of networks/associations and rely on external mentors/coaches. With well-established family businesses, accounting for more than half of the total enterprises in the cohort, we find that in Ludhiana, entrepreneurs, post completion of their graduate degrees were quick to join the business. Entrepreneurs are largely part of networks that focus exclusively on manufacturing/trading concerns and rely heavily on their families for mentorship and business related decision making.

Given this, peer interactions played out very differently in both the cohorts. In Bengaluru, all entrepreneurs interacted with peers, both to discuss work and to socialise outside the classroom as well. For example, women stated that Growtherator™ peers were an important source of support, which was not the case in Ludhiana. In the latter, interactions were infrequent and need-based and became even more muted after classes shifted to a virtual format. Across both cities, we find that individual level characteristics such as age, education and membership in networks/associations did not play a role in triggering interactions. However, what stood out was that individuals who had lived outside the city interacted more with others who had also lived outside the city – possibly indicating that individuals with greater exposure tend to interact more per se. In Ludhiana, the homophily effect is stronger – interactions are stronger within the same domain and sector. While both cohorts brainstormed ideas with peers and discussed business concerns, a significantly larger percentage of women obtained bespoke connects to customers, vendors, suppliers, markets, investors from their peers. Additionally, the cohort witnessed direct business collaborations between 11 entrepreneurs.

6.4 Has the programme helped entrepreneurs' tide over/cope with the COVID situation?

- *5 entrepreneurs in Ludhiana and 10 in Bengaluru felt that they did not get much support from the programme and hence in its absence the situation would be no different.*
- *Support from the programme more at a personal/emotional level in Bengaluru compared to Ludhiana*
- *Support in restructuring thinking about growth, expansion, generating new revenue streams – perspective building, cited in Bengaluru*
- *Support in financial management, sales, streamlining lagging areas in the business, cited in Ludhiana. Several felt that their revenues would have been lower had they not been part of the programme*
- *Publication of stories brought visibility and public relations to some entrepreneurs in Bengaluru*

The effects of the pandemic have been devastating for small businesses. According to a survey conducted by Dun & Bradstreet,[54] more than 82% of small businesses have experienced a negative impact, with manufacturing sector at 87% and services sector at 78%. 70% small businesses believe it will take them nearly a year to recover demand levels prior to COVID-19[55]. As soon as the entrepreneurs joined this programme in January 2021, they experienced the unprecedented effects of COVID first wave and the national lockdown of 2020. During the course of the programme, they experienced impact of the second wave in April and May 2021.

Entrepreneurs (11) from the Bengaluru cohort expressed that the emotional support was the biggest help they got from the programme during COVID. Even though the pandemic had affected their personal life and business, it provided them solace to know that they were not the only ones affected. It prevented them from feeling lonely and depressed. Aside from this, the programme helped entrepreneurs restructure their thinking on growth and expansion, provided them with a new perspective, helped them in developing new market strategies, and also visibility through the stories published about them by GAME. Entrepreneurs also felt that the tools/templates provided to them as part of the curricula, would assist them tremendously in the future. In Ludhiana, entrepreneurs felt that the programme supported them in financial management, sales, streamlining areas where they were lagging and expanding the scope of business. Few entrepreneurs (4) echoed the Bengaluru entrepreneurs' views, that the programme provided motivation and emotional support. Some entrepreneurs (3) in Ludhiana did not respond and conveyed that they had not thought about the support provided by the programme.

7 entrepreneurs in Ludhiana anticipated that in the absence of Growtherator^{TM}, their revenues would have been lesser. This number stood at 4 for Bengaluru. 1 women said that in the absence of the programme, she would have closed her business.

[54] In this survey, Dun & Bradstreet approached 250 randomly selected owners of Small Businesses with annual revenue between INR 1 bn and INR 3 bn across 7 big cities in India to learn the impact of COVID-19 on their businesses.
[55] Dun & Bradstreet (April 2021). Impact of COVID-19 on Small Businesses in India and the Way Ahead. [White Paper]. Retrieved September 18, 2021, from https://www.dnb.co.in/file/reports/Whitepaper_Impact-of-COVID-19-on-Small-Businesses.pdf

6.5 Insights for Programme Design and Deployment

- *Across both cohorts, entrepreneurs willing to pay for the programme. Willingness to pay higher among Ludhiana participants*
- *Entrepreneurs preferred a cohort-based programme, with in-person sessions. Ludhiana participants exhibited a greater need for a mixed-gender cohort*
- *Facilitator cited as key component of the programme. Facilitator - entrepreneur interaction higher in Ludhiana, with participants stating that facilitators' performance exceeded their expectations. In Bengaluru, a few felt that communication skills of facilitators needed to be fine-tuned*
- *Connects to customers/vendors/markets/suppliers/investors viewed as inadequate across both cohorts. Also, entrepreneurs felt that there was a need for more focused attention on individual mentorship*
- *Need for a more tailored/customised approach*

Willingness to Pay

Majority of entrepreneurs (13 in Bengaluru, 14 in Ludhiana) were willing to pay for the programme. In Bengaluru, the amount ranged from a minimum of INR 10,000 to a maximum of INR 3 lakhs for a six-month programme, with only 2 entrepreneurs willing to pay more than INR 50,000 INR. Half of the entrepreneurs recommended a cost of upto 50,000 INR[56]. In Ludhiana, the range was between INR 5,000 to a maximum of INR 5 lakhs. While four entrepreneurs are willing to pay more than 90,000 INR, additional four entrepreneurs recommended a price range between 50,000 - 70,000 INR.

Format

Majority (12 in both Bengaluru and Ludhiana) also preferred a cohort-based programme with in-person sessions (12 in Bengaluru, 13 in Ludhiana). While a few entrepreneurs felt that online sessions will provide flexibility, those in Ludhiana were also cognisant that they often lost interest and were less attentive during online classes. Participants in Ludhiana (9) preferred a mix-gender cohort, while most women (12) were happy with an all women cohort.

Role of the Facilitator

All entrepreneurs, save for 3 in Bengaluru felt that their experience would be affected if the facilitator was not part of the programme. Two-way communication between facilitator and entrepreneur was more frequent in Ludhiana at about once or twice a week as compared to Bengaluru where it was need based. Conversations revolved around similar topics – brainstorming ideas, obtaining guidance on business problems, administrative/operational issues. Majority of entrepreneurs in Bengaluru felt that facilitators were component and did what was expected of them. In Ludhiana, most felt that facilitators' performance exceeded their expectations.

Vis-à-vis the role performed by facilitators – women felt that the facilitators did a good job coordinating the sessions, provided handholding support, and passed suggestions on to the GAME management. The men mentioned that facilitators built a personal bond with the entrepreneurs, ensure participation, and provided support. In short, both cohorts felt that the facilitator acted as a bridge between the cohort and the GAME team

Expectations and ranking of the Growtherator™ programme and areas of improvement

In Bengaluru, 10 entrepreneurs stated that the programme met their expectations. Majority (13) acknowledged bringing about changes to their business after going through the programme. These included – working on their marketing strategy, especially digital marketing , implementing sales and finance tools/templates, financial planning, evaluation of customers and improving the ways to pitch to a customer, time management and having an overall positive perspective.

[56] One entrepreneur did not mention any range.

In Ludhiana, entrepreneurs (7) conveyed that the Growtherator™ met expectations in a few domains, and there was room for improvement. 7 said it met their expectations and for 1, the programme fell short. Majority (13) embarked on changes to their business - changes in sales and finance analysis, changes to Human Resource (HR) policy, team building, customer relations, and building a social media presence. At a personal level it helped them think in a more structured way

Tables 21 and 22 focus on expectations from the programme and which of these were met and the overall ranking of various component of the programme. Expectations that were met – e.g., peer-to-peer learning, financial management, streamlining organisation systems and processes were met. The biggest gap has been in the provision of networking/connects to customers, vendors, suppliers, financial institutions, investors etc. In fact these were the shortcomings that programme participants had highlighted in similar accelerator programmes attended by them. Aside from this, entrepreneurs felt that a more customised approach in terms of content was needed. For example, women in the non-food domain felt that takeaways were few for them. Both these gaps are highlighted in the ranking provided of various programme components in Table 22 These are highlighted in red

Table 21: Expectations from the programme

Bangalore			**Ludhiana**		
Baseline expectations	*Areas where expectations were met*	*Expectations not met*	*Baseline expectations*	*Areas where expectations were met*	*Expectations not met*
• Networking, connects (esp govt officials) • Mentorship • Peer to peer learning • Focussed support for decision making – expansion, scale up, raising funds • Financial Mgt (cash/financial tools) • Sales & marketing • Digital marketing	• Financial Mgmt (cash/financial tools) • Sales & Marketing • Customer outreach • Mentorship • Peer to peer learning	• Individual mentorship • Digital marketing • Networking/connects (especially govt officials)* • More practical sessions • Limited opportunities for those in domains other than food	• Learning something new • Networking, connects • Practical knowledge on how to convert ideas into results • Peer to peer learning, relationships with like-minded people • Organization structure & systems (HR, finance, sales etc)	• Connects with customers • Peer to peer learning, relationships with likeminded people • Organisation structure & systems (HR, finance, sales etc.) • Technical assistance • Leadership growth	• Tailored approach – customisation of content • Industry specific professionals • Individual mentorship • Collaborations with banks, FIs* • Information on govt schemes* • Backward-forward supply chains, banking, lending

Table 22: Ranking components of the Growtherator™

Parameters	**Bangalore**	**Ludhiana**

Overall	• Good: 17 • Neutral: 2 • Poor: 1	• Good: 11 • Neutral: 4 • Poor: 1
Curriculum	• Good: 15 • Neutral: 5	• Good: 10 • Neutral: 6
Quality of trainers	• Good: 19 • Neutral: 1	• Good: 15 • Neutral: 1
Role of facilitators	• Good: 17 • Neutral: 2 • Did Not Mention: 1	• Good: 13 • Neutral: 3
Quality of cohort	• Good: 14 • Neutral: 6	• Good: 8 • Neutral: 6 • Poor:1 • Did Not Mention: 1
Team's ability to personalise content	• Good: 9 • **Neutral: 8** • Poor: 2 • Did Not Mention: 1	• Good: 3 • **Neutral: 7** • Poor: 4 • Did Not Mention: 2
Connects to mentors and coaches	• Good: 8 • **Neutral: 5** • Poor: 4 • Did Not Mention: 3	• Good: 8 • **Neutral: 6** • Poor: 1 • Very Poor: 1
Connects to customers/investors	• Good: 2 • **Neutral: 7** • Poor: 5 • Very Poor: 2 • Did Not Mention: 4	• Good: 2 • **Poor: 10** • Very Poor: 2 • Did not mention: 2
Connects to markets/vendors	• Good: 2 • **Neutral: 6** • Poor: 3 • Very Poor: 3 • Did not mention: 6	• Good: 4 • Neutral: 2 • **Poor: 4** • **Very poor: 4** • Did Not Mention: 2
Support from GAME Team	• Good: 16 • Neutral: 4	• Good: 10 • Neutral: 5 • Poor: 1

Recommend Growtherator™ to Others

All entrepreneurs would recommend the programme to others. However, in Bengaluru this number fell from 20 to 15, if the programme was to become a paid one. Most entrepreneurs in Bengaluru and Ludhiana had spoken to other people in their network about the

Growtherator™ program. Besides family members, most entrepreneurs spoke to friends, entrepreneurs in professional network and entrepreneurs in personal network (10). In Ludhiana, entrepreneurs also spoke about the programme to business partners, mentors/coaches, investors and vendors.

7. Recommendations

Based on a consolidation of insights from various data sources, a few recommendations are proposed for future cohorts:

●Critical to the Dan Isenberg model is demonstration of top line growth and profitability of enterprises. Obtaining basic financial indicators (i.e. revenue, expenditure, profit, loss, salary load, receivables and payments) becomes critical. While audited data for Bengaluru has been procured, this has not been possible for Ludhiana. We recommend that financial data should be a pre-requisite during the application process. The endline data for these indicators can be obtained as part of the last session on the cash module

●The underlying hypothesis of the ToC is that two elements, i.e., increase in top line growth and profitability coupled with peer learning and support will lead to higher employment generation. An interesting situation is encountered. Relative to Bengaluru, Ludhiana enterprises are more established, in the manufacturing domain, profitable, and more resilient during exigent situations . They seem to have taken away more of the 3C curricula and applied it for growth and profitability, the first element. However, the second element of the Isenberg model of peer support is higher for the Bengaluru cohort – they used peer connects to reach out to customers/markets/vendors and did direct business with their peers. However, this has not yet translated into growth. So, currently, we do not see both elements of the Isenberg model working in tandem to achieve employment generation. Given that it is still very early days, more data over subsequent cohorts is needed to determine the type of enterprises to be onboarded.

●An important decision for the GAME team is between a diverse vs. homogenous cohort. Currently, food and textiles dominate in Bengaluru and Ludhiana respectively. Greater homogeneity means greater peer interaction (as is seen in the case of Ludhiana and to some extent in Bangalore). However, entrepreneurs in the non-dominant group expressed a felt need for customization of content. Cognisant that diversity brings with it greater cross pollination of ideas and best practices, one way of dealing with the lack of customization can be to create small break-out rooms and provide customised training to the smaller groups where entrepreneurs with similar nature of business can interact, connect and explore means for possible collaborations.

●Increase focus on providing connects to mentors/coaches, customers/investors, and markets/vendors. Both cohorts gave a poor rating to the programme in these areas since the networks they are a member of do not provide this networking support and connects to various business stakeholders, which they expected from Growtherator™.

●In addition to implementing a more comprehensive module on digital marketing for both cohorts, certain cohort specific modules should be introduced keeping in mind the diversity of the cohort and the flavour of enterprises represented in future cohorts. For instance, since Ludhiana has predominantly manufactured enterprises, the need for modules on supply chain, operations and production was expressed by the cohort.

●Also, handholding support for implementing knowledge garnered in the classroom sessions is needed

●To gain a finer understanding of the nature of jobs created and formalization processes, more qualitative questions should be included in the next cohort baseline and endline questionnaire. The section on capacity needs to include accounts of everyday HR practices of these firms and an estimate of the level of talent employed.

8. ANNEXURES

8.1: Annex - Bengaluru Financial Data

Table 23: Revenue Details (BLR)

	Revenue details for Bengaluru (in millions)[57]			
ID number	April 2019 - March 2020	April 2020 - March 2021	April 2021-July 2021	April 2021-March 2022
1001	78.65	6	5	97
1002	664237.8	12.5	97	35.2
1003	179.453	155	160	97
1004	878941.3	97	97	97
1005	1,04,30,94.3	10.1	6.4	97
1006	99	5.5	1	97
1007	97	8.4	3.5	97
1008	66,19,88.4	4.8	0.77	97
1010	107476220	15	97	97
1011	713059.2	6.7	97	97
1013	99	12	10	97
1014	97	97	97	97
1015	2,55,63,91.8	19	9	97
1017	97	97	97	97
1018	97	0.7	0.2	97
1019	1674370.1	22	97	20
1020	97	97	97	97
1021	73150000	5.5	1.8	97
1022	97	15	97	20
1023	99	9.4	2.5	97

[57] The table shows the revenue figures for Bengaluru cohort;97 represents cases where data was not provided by the entreprenuers.

Table 24: Expenditure Details (BLR)

	Expenditure details for Bengaluru (in millions)[58]			
ID number	**April 2019 - March 2020**	**April 2020 - March 2021**	**April 2021-July 2021**	**April 2021-March 2022**
1001	28.104	6	4.5	97
1002	272650.1	15	97	37.5
1003	97	97	97	97
1004	97	97	97	97
1005	97	8	5	97
1006	1.431	97	97	97
1007	97	97	97	97
1008	99	6	0.835	97
1010	633816.9	15	97	97
1011	97	97	97	97
1013	99	8	0.5	97
1014	97	97	97	97
1015	2,56,56,4740	19	9	97
1017	97	97	97	97
1018	97	97	97	97
1019	97	3.6	97	97
1020	97	97	97	97
1021	3.007	4.4	1.08	97
1022	97	13	20% margin	97
1023	97	97	97	97

Table 25: Gross profit & net profit after tax (BLR)

[58] The table shows the expenditure figures for Bengaluru cohort;97 represents cases where data was not provided by the entreprenuers.

ID number	Gross Profit & Net Profit details for Bengaluru (in millions)[59]							
	Gross Profit				Net Profit			
	April 2019 - March 2020	April 2020 - March 2021	April 2021- July 2021	April 2021- March 2022	April 2019 - March 2020	April 2020 - March 2021	April 2021- July 2021	April 2021- March 2022
1001	33.94	0	0.5	97	3.155	0	0.3	97
1002	97	97	97	97	-58,01,95.9	97	97	97
1003	97	97	97	97	97	97	97	97
1004	38,22,47.1	97	97	97	97	97	97	97
1005	28,09,08.3	2	0	97	97	97	97	97
1006	97	97	97	97	97	97	97	97
1007	97	97	97	97	97	97	97	97
1008	97	-1.2	-0.105	97	97	97	97	97
1010	97	0	97	97	-66235	97	97	97
1011	97	97	97	97	97	97	97	97
1013	99	97	97	97	97	97	97	97
1014	97	97	97	97	97	97	97	97
1015	97	97	97	97	97	97	97	97
1017	97	97	97	97	97	97	97	97
1018	97	97	97	97	97	97	97	97
1019	97	5	97	97	97	97	97	97
1020	97	97	97	97	97	97	97	97
1021	4.308	97	97	97	0.092	0.3	97	97
1022	97	97	97	97	97	97	97	97
1023	97	97	97	97	97	97	97	97

Table 26: Salary Load (BLR)

[59] The table shows the gross profit and net profit figures for Bengaluru cohort;97 represents cases where data was not provided by the entreprenuers.

	Salary load details for Bengaluru (in millions/percantage)[60]			
ID No.	**April 2019 - March 2020**	**April 2020 - March 2021**	**April 2021-July 2021**	**April 2021-March 2022**
1001	17-18%	3	4.2	97
1002	40%	20%	97	97
1003	50%	97	97	97
1004	20%	97	97	97
1005	10%	97	97	97
1006	40-50%	97	0.72	97
1007	30-35%	4.8	4.8	97
1008	40%	9,07,00	1,30,00	97
1010	10%	1.8	97	97
1011	30%	97	97	97
1013	97	2.4	0.8	97
1014	30-40%	97	97	97
1015	30%	4.2	1.4	97
1017	97	97	97	97
1018	30-35%	97	97	97
1019	20%	1.8	97	97
1020	3.6	97	97	97
1021	30%	97	97	97
1022	30%	97	97	97
1023	97	97	97	97

[60] The table shows the salary load figures for Bengaluru cohort;97 represents cases where data was not provided by the entreprenuers.

8.2: Annex - Ludhiana Financial Data

Table 27: Revenue & Expenditure (LUH)

ID No.	Revenue and Expenditure details for Ludhiana (in millions)[61]							
	Revenue details				Expenditure Details			
	April 2019 - March 2020	April 2020 - March 2021	April 2021- July 2021	April 2021- March 2022	April 2019 - March 2020	April 2020 - March 2021	April 2021- July 2021	April 2021- March 2022
1002	97	30	97	40	97	97	97	97
1003	10.3	97	97	97	1.1	97	97	97
1004	97	10.3	97	15	97	97	97	97
1005	21.7	18.5	5	97	19	10.8	5	97
1006	97	40	97	60	97	4.8	97	97
1007	50	50	97	90	97	97	97	97
1009	97	400	97	400	97	97	97	97
1010	97	97	97	97	97	97	97	97
1011	25	50	20	97	97	97	97	97
1012	30	25	97	35	97	22.5	97	27.5
1014	280	395	119.3	97	70	97	97	97
1015	97	40	15	97	97	97	97	97
1017	60	60	28	97	97	97	97	97
1018	25	30	97	60	97	0.7	97	0.7
1019	97	40	97	60	97	97	97	97
1020	60	63	97	97	46	97	97	80

Table 28: Gross Profit & Net Profit after Tax (LUH)

[61] The table shows the revenue and expenditure figures for Ludhiana cohort;97 represents cases where data was not provided by the entreprenuers.

	Gross Profit & Net Profit details for Ludhiana (in millions)[62]							
ID No.	**April 2019 - March 2020**	**April 2020 - March 2021**	**April 2021- July 2021**	**April 2021- March 2022**	**April 2019 - March 2020**	**April 2020 - March 2021**	**April 2021- July 2021**	**April 2021- March 2022**
1002	97	3	10%	97	97	2.1	97	2.8
1003	1.595	97	97	97	0.66	97	97	97
1004	97	0.927	97	1.35	97	97	97	97
1005	2.6	4	1.1	97	1	3.4	0.8	97
1006	97	7.2	97	97	97	97	97	97
1007	97	97	97	97	97	97	97	97
1009	97	97	97	97	97	97	97	97
1010	97	97	97	97	97	97	97	97
1011	97	97	97	97	97	97	97	97
1012	97	2.5	97	7.5	97	0.3	0.5	97
1014	97	94.8	97	24%	9.8	97	97	97
1015	28%	6	97	18%	97	12%	97	15%
1017	97	97	97	97	97	97	97	97
1018	97	97	97	97	97	97	97	97
1019	97	97	97	97	97	97	97	97
1020	5	8	97	15	97	1.7	97	2

[62] The table shows the grossprofit and net profit figures for Ludhiana cohort;97 represents cases where data was not provided by the entreprenuers.

Table 29: Salary Load (LUH)

	Salary Load details for Ludhiana (in millions/percentage)[63]			
ID No.	**April 2019 - March 2020**	**April 2020 - March 2021**	**April 2021-July 2021**	**April 2021-March 2022**
1002	80%	10%	10%	97
1003	97	97	97	97
1004	1	0.103	97	97
1005	0.55	30%	30%	97
1006	8%	60% expenditure	97	97
1007	4	97	97	97
1009	97	30-40%	30-40%	97
1010	5-7%	97	97	97
1011	97	30%	30%	97
1012	80	97	1.8	97
1014	2	17.78	5.36	97
1015	15	97	4.8	97
1017	60%	97	97	0.1
1018	90%	97	97	97
1019	70%	70-75%	70-75%	97
1020	7%	15%	97	97

[63] The table shows the salary load figures for Ludhiana cohort;97 represents cases where data was not provided by the entreprenuers.

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