



Improving the financial health and business prospects of women entrepreneurs

Strategic Insights # 7

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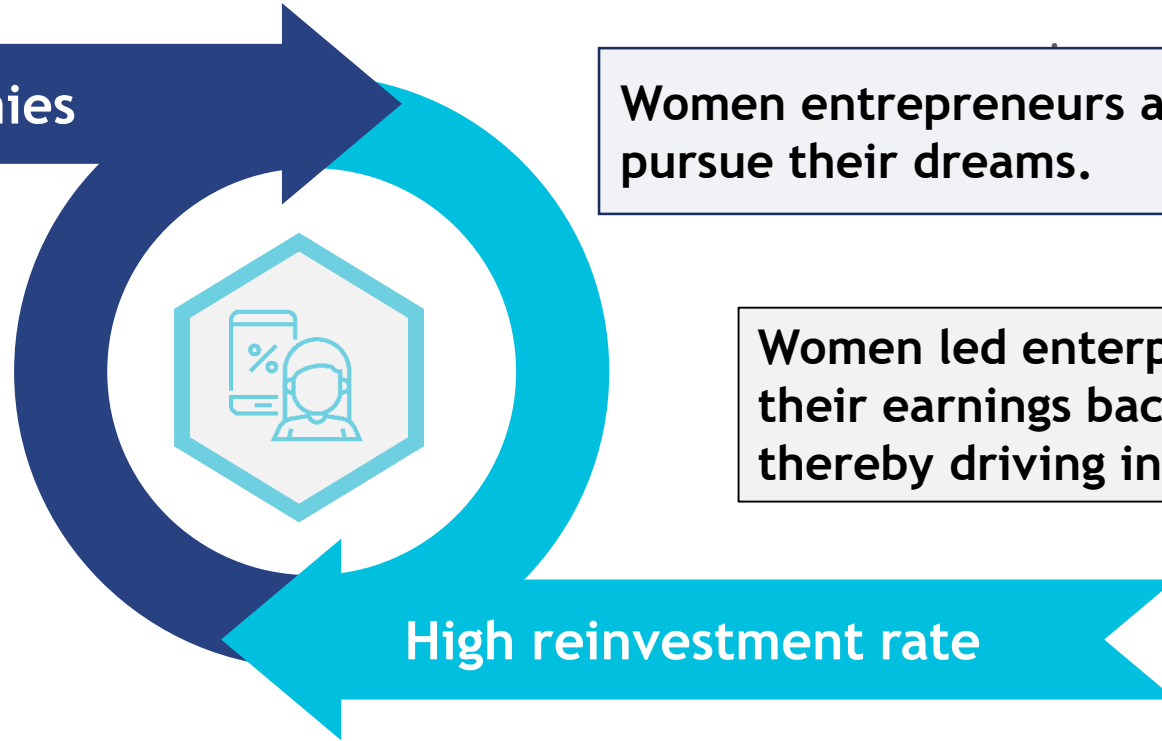
The world needs more successful women entrepreneurs

Women entrepreneurs tend to create more jobs for women, help diversify the local and national economies

Asia-Pacific will gain 70% in per capita income by eliminating gender disparities in employment!

Diversified Economies

The world could see as much as USD 28 trillion in global growth by 2025, if women and men participated equally in the economy



Women entrepreneurs also inspire other women to pursue their dreams.

Women led enterprises put as much as 90% of their earnings back into their local economy, thereby driving inclusive growth.

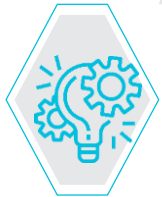
High reinvestment rate

What keeps women entrepreneurs behind?

Women entrepreneurs find it harder to access the skills and capabilities that are critical to success



44 % of the micro enterprises did not put much importance on a regular check on customer satisfaction



33% entrepreneurs scored poorly on business acumen



55% of the micro enterprises struggled with the strategy to onboard new customers



34% entrepreneurs did not know how to grow their business

Only 1/3rd of women-run enterprises were both successful and sustainable*!!

Women micro-entrepreneurs rely heavily on learning business operations through trial and error, or through friends.



*MSC, with support from FDC, recently conducted a study of the success factors of 335 women-owned micro-enterprises in 10 districts of India. It identified customer centricity, business acumen, and business strategy as the three key ones.

Existing ecosystems are not conducive for women entrepreneurs

Existing support solutions are not optimized to build capacities of women led businesses



Current credit assessments have gender blind spots that become biases against women limiting access to much needed credit.



Lack of understanding and hence limited confidence in using digital tools keeps women entrepreneurs behind in an ever - digitizing business place.



Existing business solutions are gender agnostic in nature—book keeping, inventory management, EMIs, etc. However, businesses run by women have nuanced gender-based needs.



Mentorship programs aimed at women-run businesses on financial health and business practices have not been successful in the medium to long-term.

How can we support women entrepreneurs?

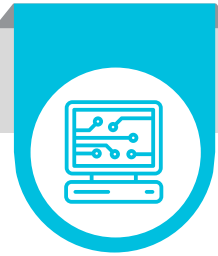
Chances of success for women-led businesses can be enhanced through:



Unleashing the effect of networks

Developing 'Women Entrepreneurship Hubs' that provide customized support to develop business:

- Generic digital capabilities
- Adoption of digital transactions
- Access to actionable information
- Building customer centricity
- Mentorship
- Communities of practice



Platform Economics

Leveraging platform economics offers opportunities for social commerce, agtech, edtech and fintech.

This would require these platforms to be gender sensitive by design, and use behavioural nudges to break social norms that impact women negatively.



Credit Services

Provider level innovations, including fin-tech, policy level pushes to promote access to credit for women entrepreneurs.

Specialised credit rating for women owned business, credit guarantee funds, possible asset restructuring solutions that re-jig bad debts of women enterprises etc.

Annexure 1: Glossary of terms

- **Success:** We considered successful enterprises as those who: enjoy year on year growth in sales & revenue; who are willing to continue the business; who feel that the business is rewarding; and who feel satisfied about the state of their business.
- **Sustainability:** We considered businesses to be sustainable where the owner has purchased a productive asset for the business or diversified her business offering or opened new outlet.
- **Business acumen:** Is defined as conducting research to understand customer need, competitors' strategy, cost/benefit etc.
- **Customer centricity:** Is the ability of entrepreneurs to target specific customer segments, match their preferences and seek feedback.

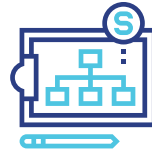
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International financial, social & economic inclusion consulting firm with **20+** years of experience



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Projects in **~65** developing countries

Our impact so far

325+
clients

>850
publications

Assisted development of digital G2P services used by **875 million+** people

Implemented **>850 DFS projects**

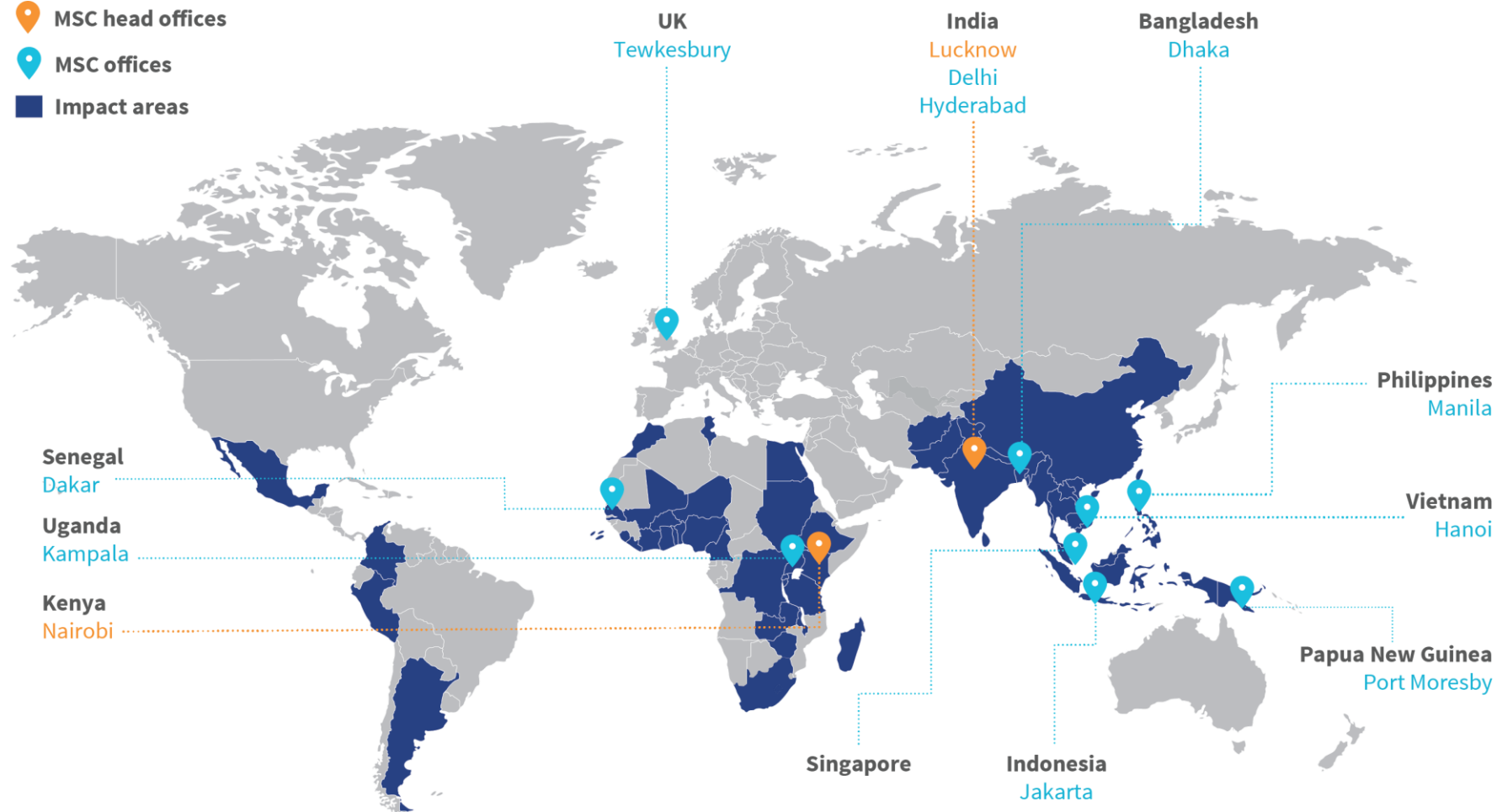
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Trained **9,000+** leading FI specialists globally

Some of our partners and clients



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