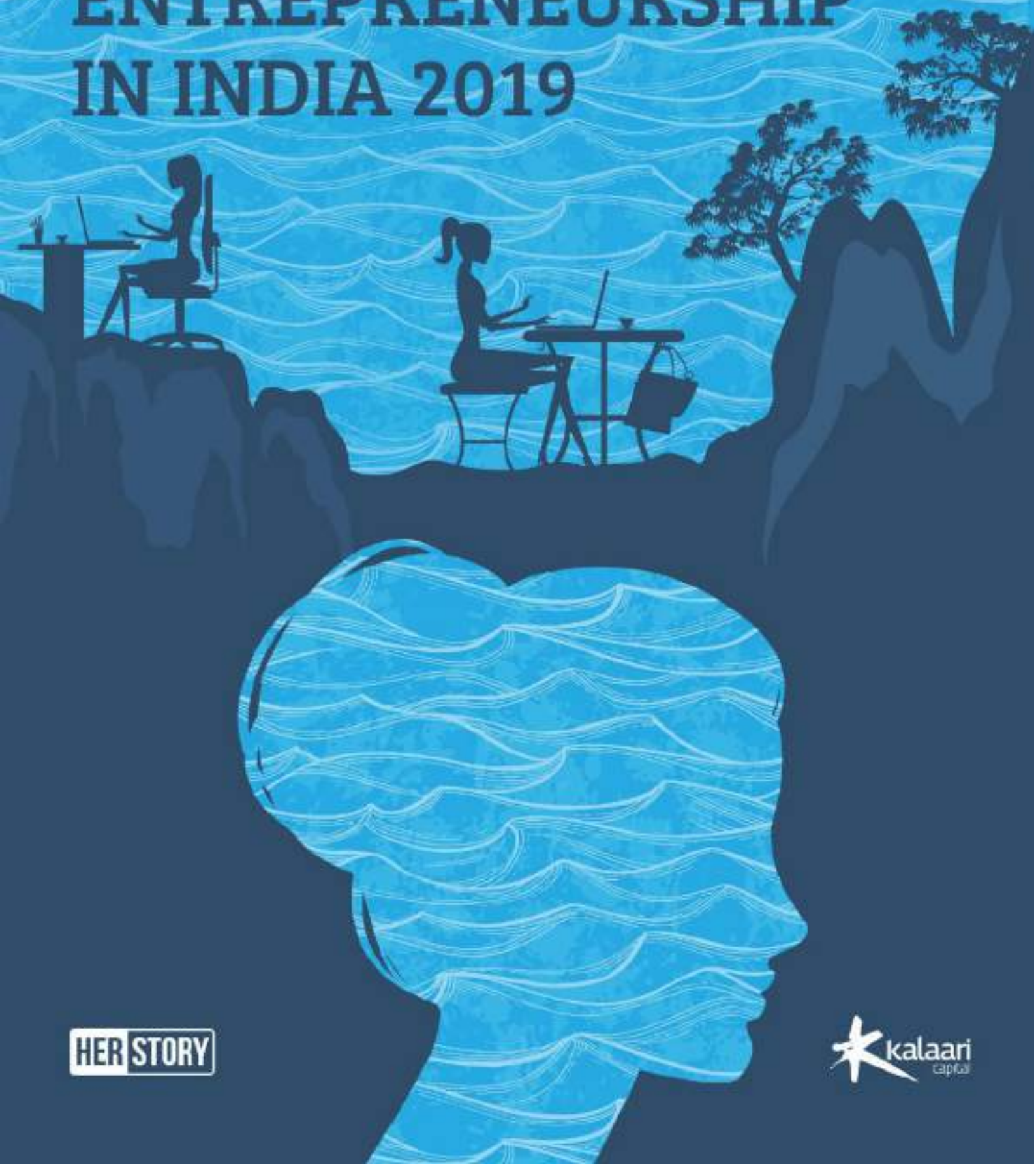


THE STATE OF WOMEN'S ENTREPRENEURSHIP IN INDIA 2019



HER STORY

 **kalaari**
capital

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Foreword



Shradha Sharma
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I have always said that the tag of ‘woman entrepreneur’ is an unnecessary one. I am an entrepreneur who happens to be a woman. We never call men ‘male entrepreneurs’, do we? So why call out the women? And yet, the community of women who are entrepreneurs must sometimes be identified as such because it is a community with the potential to become huge.

I’ve always believed that women are intrinsically more suited to entrepreneurship. The challenges that this life demands calls for a huge amount of courage, resilience, assertiveness, and the ability to do a thousand things at once, without letting anything fall through the cracks.

When we did our first survey of women entrepreneurs in India in 2016, we were pleasantly surprised. Surprised that many of the trends that emerged were not as we might have expected. Yes, there were challenges – and many of those exist even today – but the vibe and the energy that came through was positive.

Three years down the line, our survey results reflect even more optimism. Not just in women’s ability to become entrepreneurs, but to raise funding, find the right mentors, build the networks they need, and scale their business in the way they want to.

Like in 2016, this time too, our survey was an attempt to understand the position of women entrepreneurs within the startup ecosystem. Do the stereotypes exist? Is it really that difficult for entrepreneurs to get access to funding, investors, mentors and even role models? Is it true that women entrepreneurs, especially in tech, aren’t taken seriously?

This time, our survey focuses primarily on the voice of women entrepreneurs – and not just from the big cities, but beyond. An analysis of the pure, unadulterated sentiment behind what it is like to be a woman entrepreneur in India today.

I hope you find this report both useful and thought-provoking.

Preface



Vani Kola
Managing Director
Kalaari Capital

When Malala Yousafzai was a child, she resided in an area where girls were banned from attending schools. With the support of her family, Malala challenged the status quo and went to school. This led to her being shot by the Taliban. However, the incident only made her a stronger advocate for the cause and she went on to receive the Nobel Peace Prize, for her grit and strong advocacy towards equal rights.

My mother did not have the opportunity to obtain a formal education, but she emphasised the value of education in my life. My teachers saw potential in me when I couldn't see it myself. I could become who I am, as my father didn't see me any differently for being a girl. The best gift he gave me was by setting the same standards and expectations of me that he would have for a son. Similarly, I do not distinguish between men and women when I am investing in a company.

Over time, the participation of women entrepreneurs has definitely gone up. However, we still need more women taking up entrepreneurship. I urge all women to first and foremost, to believe in themselves and not limit their own potential.

A simple idea with a firm conviction is the first step to entrepreneurship. Take the first step. And then, unabashedly seek help. When I started out, I did not know how to make a business plan. I went to the library and read books on how to make a business plan. I sought mentors in both men and women.

While your journey progresses, it could be long with many winding turns, but what carries through is self-belief. When the road gets hard, keep your head up and eventually, you will reach a beautiful destination.

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Introduction

Women – five alphabets strung together for a world of meaning. The one word that defines (more than) half the world’s population, and yet, isolates them often enough. While the world talks of women’s issues and biases, gender equality, and equal opportunity and even work-life balance, for many, these are just words. Many women will tell you that to really understand these words, you have to walk a mile (preferably more) in their shoes.

While no one report can address all issues that women face with the appropriate amount of fairness, here we attempt to highlight what it means for a woman to be an entrepreneur in the Indian startup ecosystem.

To be the one that the world looks to for answers – be it a breakthrough in medicine, or enterprise solutions, artificial intelligence, or safer products for everyday use. To be the one expected to lead by example. The one who creates jobs and does her bit to keep the economy growing. One who is ready to work and deal with everyone – from investors to shareholders and co-founders to vendors and customers. One who is doing what needs to be done for her business.

More than one study shows that the number of women in the workforce in India has been on the decline. And much of it has to do with the fact that women still share a majority of the familial and domestic responsibilities – out of choice or otherwise. This is just situation where entrepreneurship can become a viable option. It is not just about being your own boss, but also being a boss to many others. And then, there is an entire breed of women who are jumping into entrepreneurship right out of college or after a short stint at a regular job.

They need to be celebrated. And applauded. Equally important, we as an ecosystem need to understand the issues they face and do our bit in creating a level playing field.

A big chunk of women in our survey said they needed no special treatment for being a woman. They just wanted to be treated as equals when it came to solving problems, raising funding, and hiring people.

As we celebrate yet another International Women's Day, this is the one thing to remember - women do not ask for special treatment. They have the talent, the grit, and the tenacity. All they need is an occasional pat on the back, a safe environment to work in, and opportunities that are equal to what their male counterparts have received.

Onward and upward!



Then and now: what has changed for women entrepreneurs in three years

In our last report on the topic, published in 2016, we wrote, how until the turn of the century, the term ‘woman entrepreneur’ conjured up images of small businesses that could be owned and operated out of a home or a home-like environment, essentially cottage industries. Women ran hundreds of thousands of such businesses, but only a handful could scale beyond a point.

Nearly two decades into the twenty-first century, the term ‘woman entrepreneur’ is now associated with startups and technology-driven (or at least technology-backed) businesses owned by smart women – young and old, in metros and small cities – who are living life on their own terms and are clear about what they have set out to do.

At **HerStory** – a YourStory initiative – we have the privilege to meet such marvellous women every day. And over the past few years, we have seen how the narrative has been quietly changing, chiefly driven by technology.

Today, a food business need not be limited by how far an entrepreneur can travel to sell her wares. Online sales and a host of ecommerce enablers ensure that she doesn’t have to worry about packaging, shipping, logistics and whatnot. A textile business does not have to depend on large wholesalers picking up their stock for a song because the whole world is their market.

Backed by technological expertise and the marvels of the internet, a strong foundation of successful startups and investment available from venture capital firms, angel investors, and the government are helping blur the gender lines. Women entrepreneurs finally have more role-models to look up to across tech and non-tech sectors. There is hardly a sector left in the startup ecosystem where a woman entrepreneur is yet to make her mark.

It was against this backdrop that we ran our survey of women entrepreneurs in India, first in 2016 and now in 2019. This time too, we had over 500 women respond with their views on what it means to be a woman entrepreneur in India today, what has changed, what has not (and must), and how we can make things better. And just like before, as an ecosystem, we need to:

Consider: Understand hopes, dreams, challenges

Create: Opportunities for women entrepreneurs to network, share, learn and overcome obstacles

Consolidate: Strengthen the ecosystem and help women entrepreneurs flourish

What the numbers tell us this time

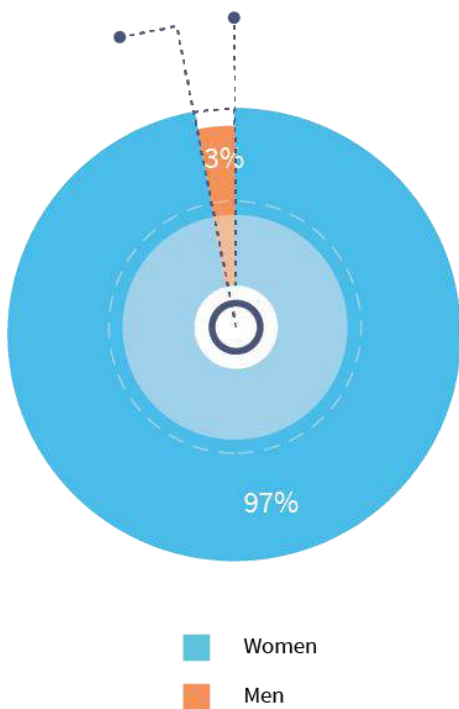
The **HerStory Survey of Women Entrepreneurs 2019** was conducted over four weeks, ending late February. The survey findings reflect some compelling trends. Over 97% of our 500+ respondents were women. And nearly 28% of respondents had businesses based beyond the big metros in tier II cities and beyond.

The responses do affirm that gender bias is alive and well, but also provide insights into why this is skewed and more importantly, what is needed to change this.

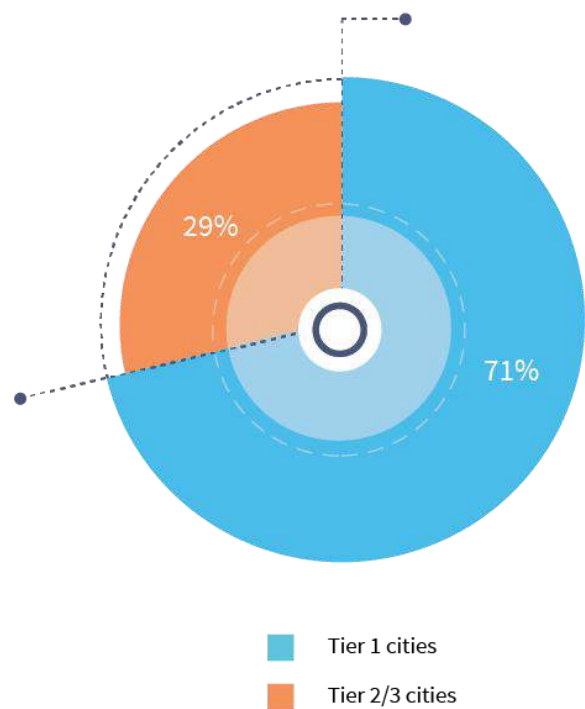
One thing that was starkly different was the tone of the responses. Our last survey had an unusually high number of questions that called for qualitative answers.

This time, the scope for providing responses in your own words was limited. Nevertheless, for the questions that did allow for qualitative responses this time too, the tone was different. In 2016, the responses survey reflected struggle, frustration, even a call for help.

Who took the survey



Where our respondents were based



This time, they went beyond rhetoric and dug deep, laying out some very practical suggestions on how things can be changed with a concerted effort – starting at home, in school, in college, at the workplace and beyond.

We would like to think that this change reflects both the maturity of the startup ecosystem and some societal changes that have gradually occurred in the last few years.

Key discoveries

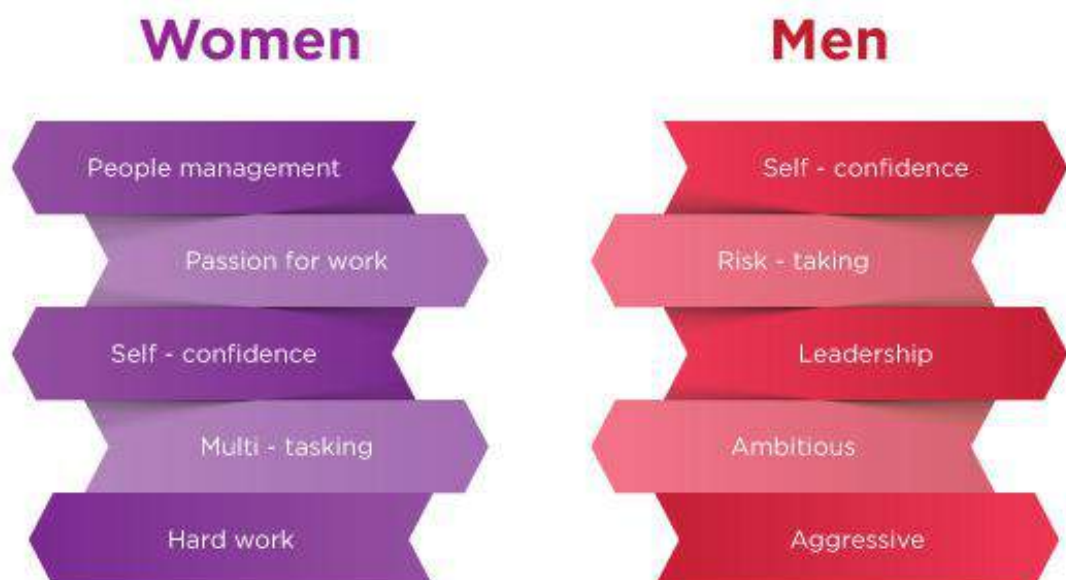
Over 83% of respondents felt that women entrepreneurs face a struggle that is different from that of their male counterparts (up from 71% in 2016).

Women face a number of challenges that men do not. Lack of investor confidence continued to top the list, followed by gender bias, including being asked personal questions (marriage, children, work-life balance) which men are typically never asked. And rounding off the top three was having their commitment to the venture questioned.

And just like in 2016, these were closely followed by the challenge of balancing professional and personal commitments.

Note that this isn't a perception – these are women saying that balancing these commitments is an actual challenge.

Two challenges that resurfaced included not being taken seriously as entrepreneurs by investors and others, and lack of a strong network to tap business opportunities.



Perceptions about traits

We asked our respondents if traits typically displayed by men (self-confidence, risk-taking ability, leadership, ambition and aggression) are valued more than traits perceived as typically female (people management, passion for work, self-confidence, multi-tasking and hard work). **In 2016, 68% of our respondents felt this was true; this time, that number rose to 78%.**

This change could well be connected to the maturity of the Indian startup ecosystem. Well into its second decade, there is a much larger pool of entrepreneurs, investors and other stakeholders who have a greater understanding of what it takes to set up and scale a business and make it profitable.

Over the past three years, the Indian startup ecosystem has gone through a winter of sorts when risk capital became scarce, promising companies folded, and many wondered if ‘the bubble’ had burst.

It had not.

But the lesson learned was that the ‘irrational exuberance’ that may have marked the glory years of 2014 and 2015 was not about to return anytime soon.

Good entrepreneurs with great ideas and even greater teams – both men and women – would get the funding they needed. Even now, women at the CXO level are a minority, even at large startups.

But success would have to be fought for in a lucrative yet cutthroat market like India. And when it comes to succeeding in a business, you have to have an appetite for risk, you have to be aggressive and you have to be ambitious.

“Society tends to encourage risk taking behaviour more amongst men than women,” says **Meena Ganesh, Co-founder and CEO of health service startup, Portea**. Women are either discouraged from taking risks, or judged to harshly if they fail, by others and by themselves.

It’s time for that to change.

Perceptions around abilities

We then looked at perceptions surrounding abilities. We laid out these 9 traits and asked respondents to state who they thought excelled at each one, or if they thought both were equally good.

*“How we raise girls to think for themselves, chase their dreams, appreciate their individuality and **NOT** to fear failure is sometimes more critical than any form of technical education.”*

Annu Talreja
Co-founder of Oxford Caps

Respondents had to choose if they felt men did better in these tasks or women did, or if both fared equally well.

- a. Team building & management
- b. Multi-tasking
- c. Risk-taking
- d. Building a technology platform
- e. Networking
- f. Raising capital
- g. Governance & compliance
- h. Resilience and bouncing back from adversity
- i. Scaling an organization rapidly

Just like in 2016, **multi-tasking emerged as the top ability for women. Close to 87% of respondents stated that women are better at multi-tasking, while 44% felt women were better at resilience and bouncing back from adversity.**

Men were deemed to be better at risk-taking (69%) and raising capital (66%). This time, they were edged out on the parameter of building a tech platform – 45% said men are better at this but 50% said men and women are equally good at this.

Respondents ranked women on par with men when it came to team building (49%), building technology platforms (50%), networking (41%).

The vote was split down the middle when it came to scaling an organisation rapidly: 43% believed men did a better job but 44% believed that both men and women were equally good at this.



Networking forums and platforms to seek mentorship

While the number of networking platforms exclusively for women entrepreneurs has increased in the past few years, this is area remains one where we are yet to see an improvement.

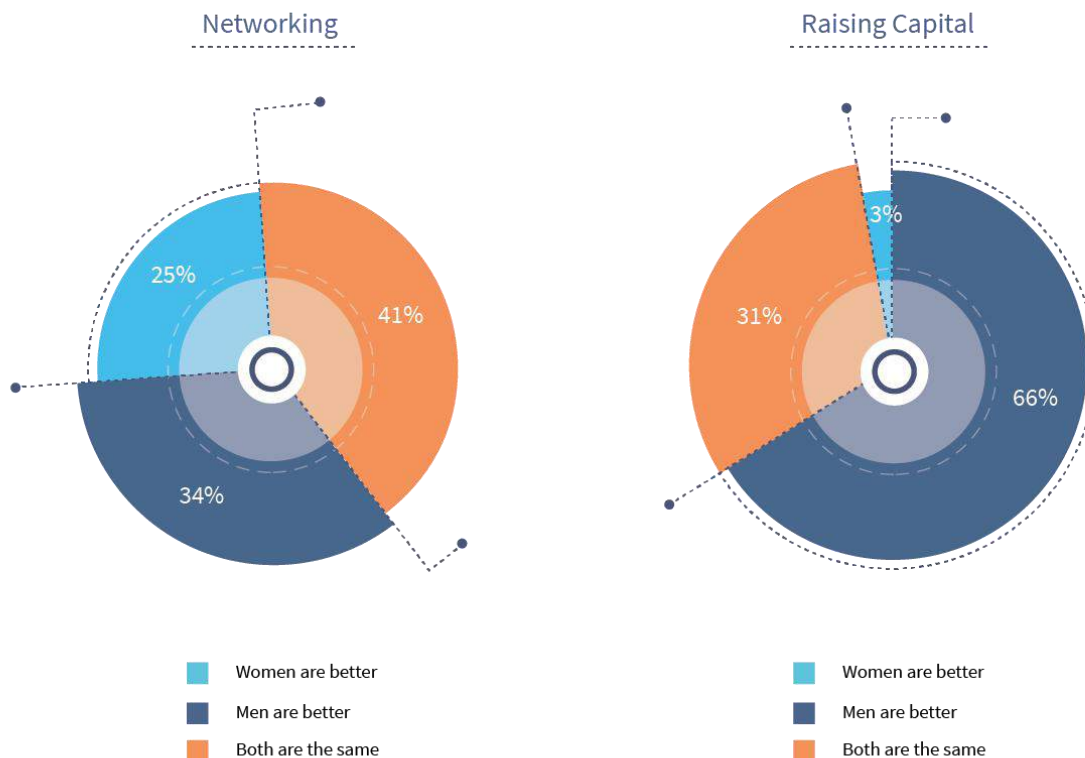
Close to 73% of our respondents believe that networks and forums on female leadership entrepreneurship are necessary to bring about change and foster an environment that supports women in entrepreneurial positions.

An equal number (74%) believe that there aren't enough platforms for women entrepreneurs in India.

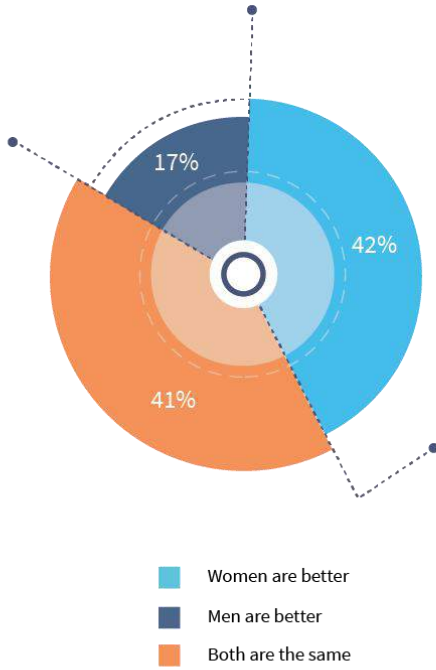
The problem identified last time by so many of our respondents – that women didn't have access to the networks they needed – has been addressed to some extent over the past few years by both the government and private players. YourStory and HerStory too have worked with various stakeholders as part of their mentoring programmes for women.

What stood out this time – and in a big way – was what women wanted from networking forums.

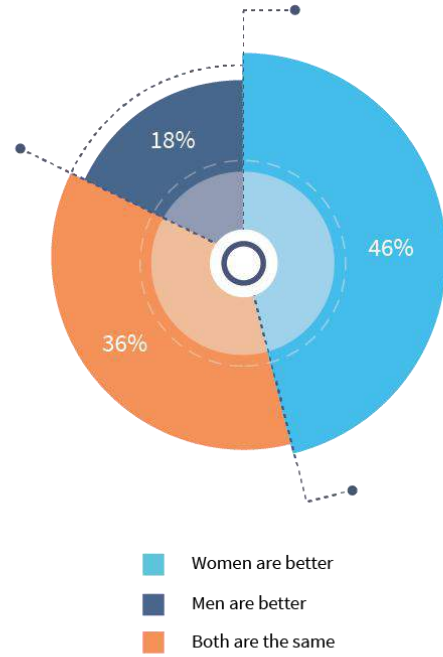
- In 2016, 27% of respondents – the single biggest group – said their foremost expectation from such networks was mentoring.
- This time, 33% said that their biggest expectation from such a network or platform was access to business opportunities.



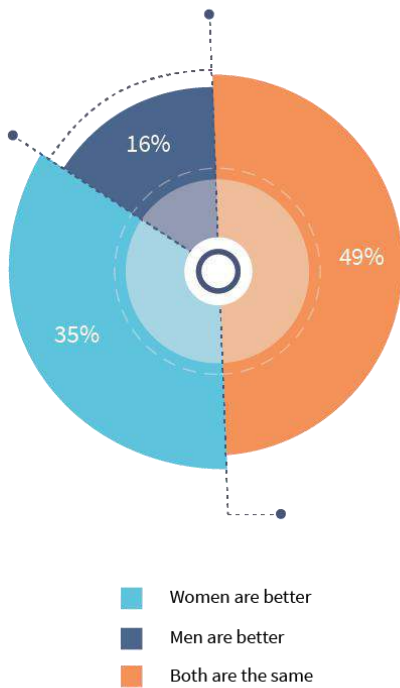
Governance & compliance



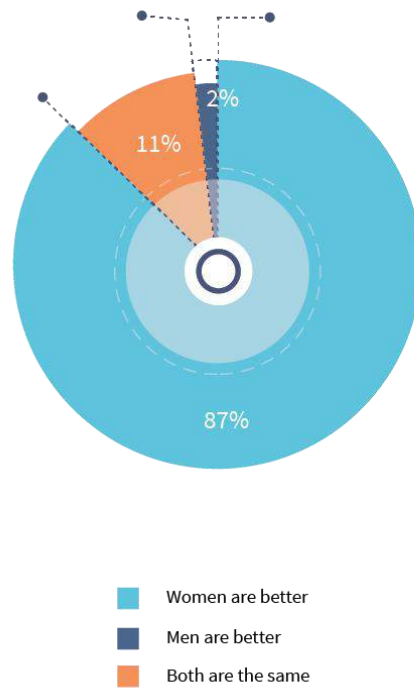
Resilience and bouncing from adversity



Team Building and Management



Multitasking



(As far as mentoring goes, 71% of respondents said they had a mentor.)

The question, therefore, is whether these networks are as powerful as they need to be.

Do they provide the kind of connections that the old boys networks do? Are they powerful enough to open doors to tangible business opportunities?

A few women entrepreneurs we spoke to said on condition of anonymity that networks and forums have a limited role to play in actually helping to scale a business.

Close to 85% of respondents believe that the current networks and platforms need to adapt more to changing times.

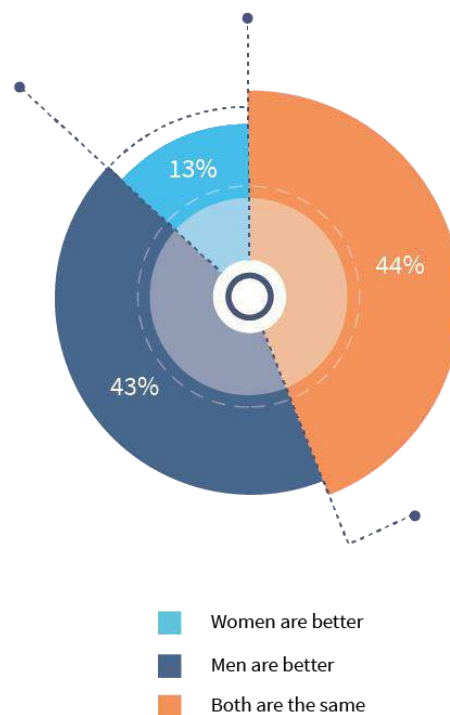
Facing a bias when hiring others

Yet again, a related question underscored that gender bias is alive and well: **72% agreed that women believed women entrepreneurs faced a bias when hiring senior management.** (In 2016, this figure stood at 68%.)

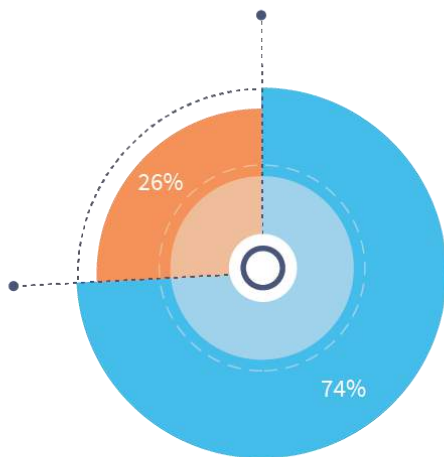
We also asked nearly a dozen startup founders/co-founders who happen to be women, what they felt was the general perspective of male co-founders, potential customers, investors, vendors and other stakeholders towards women entrepreneurs. (Note: These were women who had been running their businesses for at least five years.)

Over 90% of them believed that being a woman did not change the behaviour of their co-founders towards them. Close to 75% believe that potential customers too do not show any bias against them. Vendors are a different matter. Many women entrepreneurs told us they had found vendors to be very supportive, while others said that in some sectors, there was a grudging reluctance.

Scaling an organisation rapidly

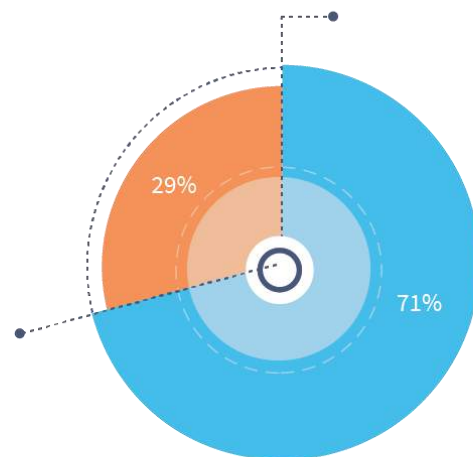


Do you believe that there are enough platforms for women entrepreneurs in the country?



No
Yes

Do you have a mentor?



No
Yes

Pooja Bajaj Chadha, Founder of ExtraMile, says she has been fortunate when it comes to how different stakeholders perceive her. “Internal stakeholders like my employees, vendors and agencies are the ones who have seen me grow as an entrepreneur and have been very supportive and appreciative. External stakeholders are and will always be the ones who see an entrepreneur/founder with a lens.”

What was concerning, though, was that over 65% believed that investors tended to not take women startup founders as seriously as their male counterparts.

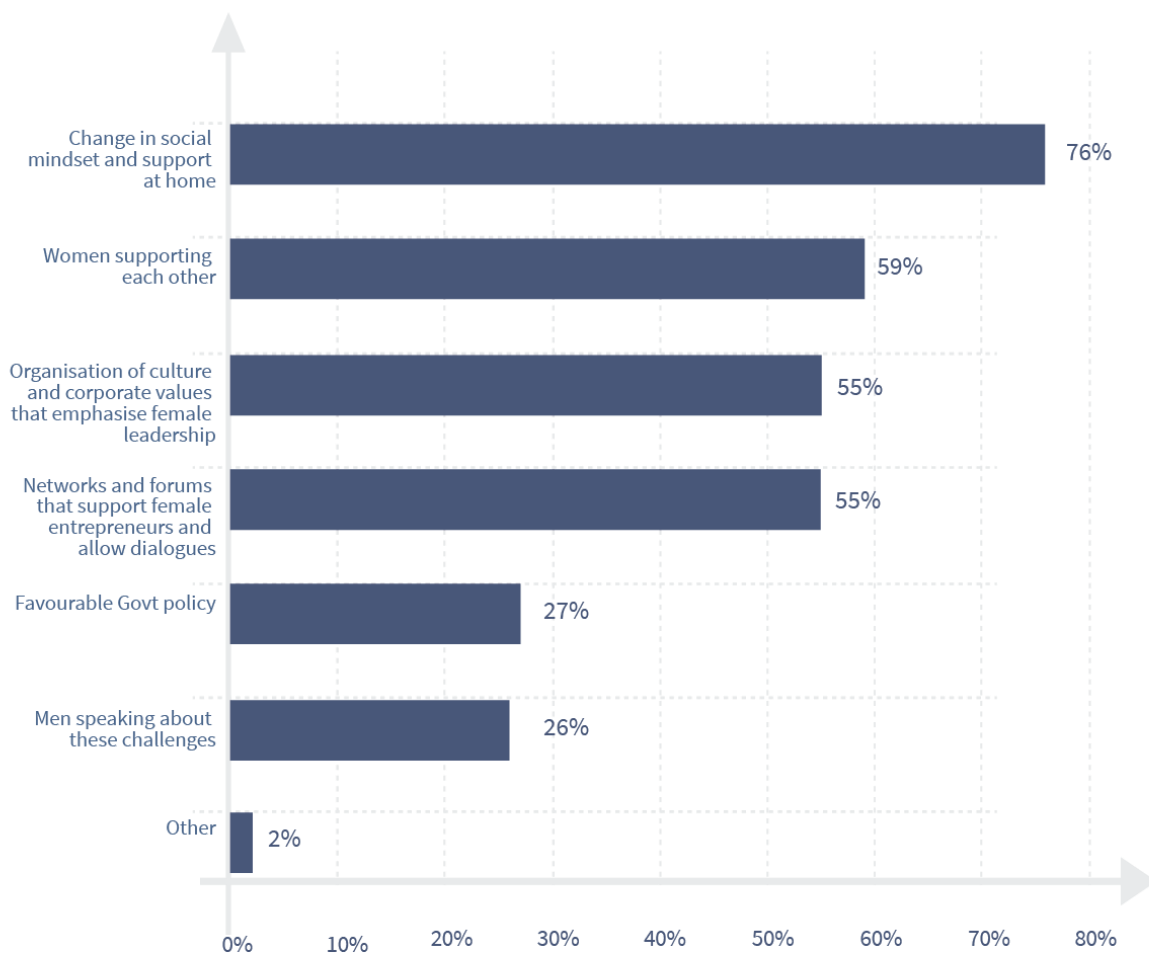
Women and fundraising is discussed in detail on page 26.

The best ways to overcome stereotypes about female leadership and entrepreneurship

This brought us to the larger and more significant question about how to overcome stereotypes. More than three-quarters of respondents (76%) voted for a change in social mindset and support at home. This was followed by women supporting each other (59%) and a re-organisation of culture & corporate values that emphasize female leadership (55%).

See chart below. (Note: respondents ranked the choices in order of preference, so the total is >100%).

What do you believe is/are the most effective way(s) to overcome stereotypes about female leadership and entrepreneurship?



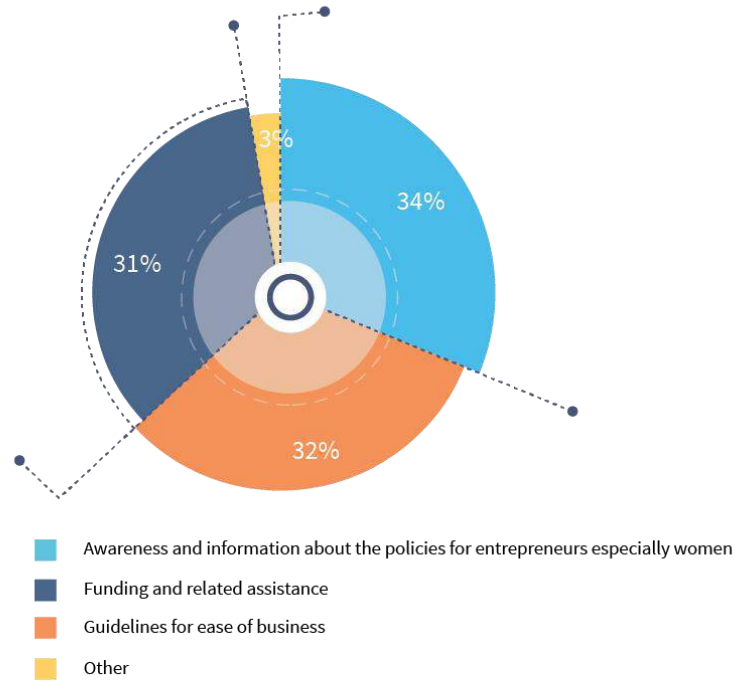
Then and now: what's different

Last time, we wrote that the survey findings reflected that certain stereotypes remain deep-rooted (e.g. the belief that women entrepreneurs will prioritise family over venture, or that balancing professional and personal commitments will prove too daunting a task). Other stereotypes (e.g. men are better at building a technology platform) are being challenged and close to destruction.

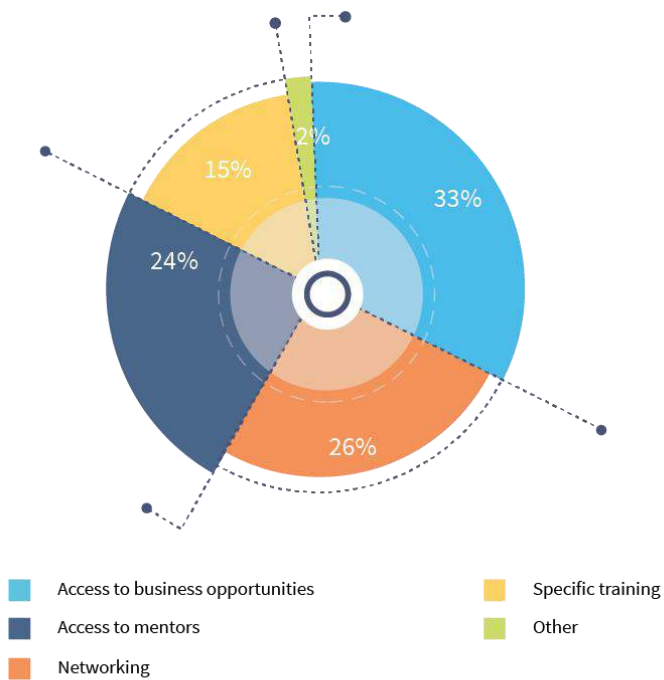
Three years on, the survey results may not be vastly different enough but the one thing that stood out was that women know what they want, how to get there, what support they need and whom to get it from.

One thing, though, was very clear. Women entrepreneurs want to succeed. They are aware of what they need, of what they are not getting, and why they are being denied what should be rightfully theirs. And they want things to change. Soon.

What kind of support from the government do you think will help you?



What would your expectation be from such a platform on network?



Emerging trends in 2019

In our 2016 report, self-confidence ranked first among the top five traits of male entrepreneurs. It ranked third among the top five traits of female entrepreneurs. This time around, it ranked third for women, and fourth for men. This time, we were pleasantly surprised to see that it is no longer as big a problem, or even as important, as it used to be. With a growing number of startups being founded or co-founded by women across sectors, the focus seems to be clearly on entrepreneurship and how to build a successful, profitable business.

In the past three years, government programmes such as Startup India have, at the very least, created some awareness about entrepreneurship as a viable career option. As we said earlier, at HerStory, we have seen the number of programmes and platforms engaging women entrepreneurs increase. While the jury is out on how effective they have been, the sheer increase in their number has played a role in making entrepreneurship more acceptable than it used to be.

Technological advances and data penetration too have made it easier for people to try their hand at being an entrepreneur. A recent report said that India had the cheapest data plans (brought on by Reliance Jio's aggressively low pricing) and entrepreneurs are utilizing this advantage to the maximum.

Three years back, it was considered to be a big deal if you ran your business off a Facebook page. Today, thousands of women in small cities and towns run successful businesses off WhatsApp. [Chennai's Shanmuga Priya](#), for instance, earns crores every year selling sarees over WhatsApp. Her business today includes manufacturing and exports too. Over in Sonipat, Haryana, [Ritu Kaushik earns Rs 7-8 lakh a month selling bags](#) on Indian online retail giant, Flipkart. And he is just one among a host of women who have pursued their passion and, in doing so, transformed themselves from being housewives to becoming top sellers. In fact, in 2018, [women entrepreneurs across India accounted for 10 percent of the total number of sellers on Flipkart](#).

One might argue that these are not startups, that they are tech-enabled rather than tech-driven businesses. Sure, they are. But the fact remains that they are successful entrepreneurs who have taken advantage of what they had and overcame the obstacles they faced.

The goal, then, is to work on ensuring that more women become consider entrepreneurship as a viable option by bridging the gap by making it easier to go from thinking about it to actually doing it.

Where is the biggest gap when it comes to women turning entrepreneurs?

Who better to talk about the gaps that need to be bridged to allow more women to become entrepreneurs than women entrepreneurs themselves? And so, for this section, we decided to let the voices of the entrepreneurs tell the story of their collective journey, their observations, their struggles and their victories.

Men outnumber women by a huge margin when it comes to starting their own ventures. But to understand why that is, we must first look at women's participation in the workforce itself.

India's missing women in the workforce has long been a blot on our otherwise remarkable economic progress over the past few years. **According to the International Labor Organization, nearly 77 percent of women of working age in India are locked out of the labour market,** which implies a tragic waste of human resources and talent.

Female labour force participation rate (LFPR) in India fell from 35.8% in 1994 to a paltry 20.2% in 2012. The global average across developed and developing nations stands at 40%.

Think of the impact on our economic and social well-being if we were to include them in the formal economy. A study by *The Economist* in July 2018 summed up the impact on our economic and social well-being by citing IMF estimates, "Were India to rebalance its workforce, the world's biggest democracy would be 27% richer."

Some of this decline has been ascribed to girls and young women staying in schools and colleges for longer than before. But much of this is also ascribed to women leaving at mid-management levels to prioritise families. Then there is the socio-cultural belief that families that are 'well-off' don't need (and therefore do not want) their women to work.



Entrepreneurship – which often demands long hours, crisis management at the most unexpected of times, and a 24/7 commitment to the venture – is therefore seen as worse than a regular job when it comes to work-life balance.

Dr Sunita Maheshwari, a medical doctor and Co-founder of medtech solutions company Teleradiology Solutions, says, “The good news is we have talented women, in fact many times more conscientious and efficient than male entrepreneurs. The bad news is that they don’t enter the workforce or entrepreneurship for reasons beyond their control e.g. marriage and the need to be the caretakers for in laws, having kids and no child care support, commute time being too long, eating into family time leading to family resistance.”



Ihitashri Shandilya
Founder & CEO of
MITHILAsmita

The list goes on. To cut a long story short, women have familial obligations that men most often do not. “That, combined with restrictions (societal or self-imposed) such as security issues when working late or having to travel extensively while balancing a family needs, makes them less likely to choose entrepreneurship which needs 24/7 energy and time investment,” Sunita points out.

Ihitashri Shandilya, CEO- MITHILAsmita, a social impact venture that preserves and promote heritage art forms, believes that a majority of Indian families are yet to accept

women working in a 9-to-6 job, let alone start business.

“Working women are constantly judged. Patriarchal mindsets of society believing men to be ideally leading a family (both financially and psychologically) also hurts entrepreneurial aspirations of women,” says Ihitashri, who worked with IBM and SAP Labs before deciding to set up her venture to empower rural artisans.

“Entrepreneurship is not even presented as an option,” points out **Jyotsna (Jo) Pattabiraman, Founder and CEO of organic foods business, Grow Fit.**

Sonia Sharma, Co-founder of outsourced product development firm (OPD) and UX design studio, GoodWork Labs, believes the biggest gap when it comes to women turning entrepreneurs is the way girls are raised.

“They are not raised as equals. They are told to compromise. They are told that having a career is not mandatory. You don’t turn into an entrepreneur

overnight. The stage has to be set for it during the formative years,” she says.

Sumitra Goenka, Co-founder and CEO of recruitment outsourcing provider Triangle Global, believes women are missing out on the key ingredients when it comes to thinking about entrepreneurship: “The biggest gap when it comes to women turning entrepreneurs is lack of education, exposure and experience. So, they believe that they have low risk-taking ability, which in turn leads to lack of confidence.”

Let the change begin...at the beginning

The change, therefore, needs to begin at home, which is very often the place where gender stereotypes are formed and fossilised. Girls are often imparted a set of chores – cooking, sewing, cleaning – that their brothers are not. And just as often, they are asked to take up subjects that are ‘more suitable for women’ which has led to a dearth of women in science, engineering and technology.

“Let’s raise our daughters as equals. Believe in them, dream big for them and I am sure we’ll create woman entrepreneurs ‘in our homes’ and ‘out of our daughters’,” says Sonia, who is a techie and responsible for delivery and project management at GoodWork Labs.



Upasana Taku
Co-founder of MobiKwik

The government launched the Atal Innovation Mission and set up Atal Tinkering Labs to encourage the idea of entrepreneurship while in school, there is a need at the classroom level to ensure that girls are encouraged to participate in these experiments just as much as boys are.

“While more and more schools and colleges are encouraging entrepreneurship, they also need to ensure that girls participate actively, build businesses that involve other women, and also build more businesses in STEM fields,” points out Radhika Ghai.

And once they’re all grown up, women need to learn to delegate, says **Nidhi Yadav**, who went from working in management consultancy to learning fashion merchandising and running [her ethnic wear brand Aks, on major online marketplaces](#).

“Women take their family role too seriously and want to be perfect in each and every role,

which is not possible. It's a trade-off. So, one must learn to delegate responsibilities within the family," proposes Nidhi.

It is a view that **Upasana Taku, Co-founder of fintech platform MobiKwik**, echoes. "Lack of support from the family discourages women too. But now the time and mindset has evolved. Both men and woman now share responsibilities at home as well."

Suchi Mukherjee, Founder & CEO of ecommerce marketplace LimeRoad shared with us a story that puts things in perspective for many.

"While we were growing up, my mom used to tell my sister and me that certain professions were better suited for women. We paid no heed because that our dad made us believe that we super-girls who could do anything we wanted to!

"In retrospect, I think what she meant was that the biological clocks and the professional clocks tend to collide for women. You end up deciding to have kids just as when you are making the biggest bets in your careers. It also happens to coincide with when our parents seem to be getting older.

"So, choosing to become an entrepreneur compounds the complexity, and becomes really hard, unless of course you start straight after grad school.

"With or without kids, entrepreneurship is hard. The only way to get through the hardship is to have strong support systems. These often may not be readily available. Either because we have not learnt to seek and find them, or because of limited reach."

But it's not all gloom and doom

Women entrepreneurs today have more role models to look up to India than just a few years ago. Today, the media too has shared their stories – of their struggles, their dreams, their failures, and their successes.

"Today, powerful and driven female business leaders have begun to shatter the glass ceiling and are well managing their marriage, maternity and motherhood along the way," says **Kanchan Mittal, COO & Co-founder of ipsaa Day-Care**.



Suchi Mukherjee
Founder & CEO of LimeRoad

Trends in funding raised by women entrepreneurs in India

The importance of funding when it comes to developing and scaling a potentially disruptive idea cannot be understated. No doubt, funding should not be considered a milestone that defines a startup's 'success'. There are plenty of startups out there who have remained bootstrapped and scaled by ploughing in their profits and not diluting equity. GoodWork Labs, Teleradiology Solutions, Zerodha are just a few examples. However, for many ideas that are category creators or require scale to create real impact, equity funding is often necessary.

Globally, women entrepreneurs remain a minority, and more so in the startup ecosystem. When it comes to fund-raising, that number falls even further. In the US, as in India, 2018 was a record year when it came to deployment of risk capital.

According to PitchBook and All Raise, an organisation that supports women in venture capital and the startup ecosystem, female founders in the US raised \$2.88 billion across 482 startups in 2018. That's just 2.2% of total funding raised (\$130 billion), a slight decline over the 2.53% in 2017.

Data from **YourStory Research** shows that funding raised by all-female founding teams in India last year was an abysmal 0.63% of the total \$13 billion raised (down from 1.6% raised in 2017). That percentage improves to 5.4% when you take into consideration companies with at least one female co-founder. That's still less than the 12% in the US.

In our 2016 report, women entrepreneurs called out investor bias – that investors did not take them seriously and often asked questions about their commitment to the venture if they got married or if they had family commitments. These are questions that male founders are rarely asked, possibly because one thing hasn't changed much: by default, women are still considered to be responsible for all things domestic. And women, on



their part, tend to not delegate many domestic responsibilities for a variety of reasons.

The investor community in India – as elsewhere in the world – is predominantly male. In the survey this time, 81% of respondents (vs 79% in 2016) said that women entrepreneurs faced specific challenges while raising funds. Lack of investor confidence topped the list this time too, once again followed by gender bias (personal questions around marriage and family) and having their commitment to the venture questioned. It is a pity that some things haven't changed.

Radhika Ghai, Co-founder and Chief Business Officer of ecommerce marketplace Shopclues, believes there is still a long way to go before the scenario with investors changes.

“A female entrepreneur is more than twice as likely to get funded if a woman is part of the investor decision-making team; but beyond that, women bring an entirely different perspective to the pitch evaluation of the founder - male or female. I often see male investors tuning out as soon as they see it is a woman pitching, so from the start, the female founders may not even get a chance to be heard.”

Says Ghazal Alagh, Co-founder of new-age beauty products brand Mamaearth, “Verbally, you will find most investors talking about having a better diversity ratio or funding more female led startups, but their portfolios still don't walk the talk. I think they need to be a little more proactive in correcting these ratios and not worrying about our maternity leaves impacting the business.”

YourStory Research bears this out. In 2018, only 34 companies headed by a female founder raised \$80 million in funding. In contrast, 103 companies with both male and female co-founders raised \$607 million in funding.

Would it help to have more female investors?

We also asked women entrepreneurs if having more female investors would help change this. Surprisingly, only 61% believed that it would. According to PitchBook, only 17% of investment-level positions at VC firms globally are occupied by women. While it would help to have specialized funds that invest in a company only if at least one co-founder is female – SAHA Fund in India has been one such – what is needed is to ensure that there is diversity in funding, based on merit.

For now, data collected by HerStory shows that there are only about 50-60 women investors at the decision-making level at venture capital firms and family offices in India.

“Male investors often struggle with relating to what a lot of female founders are pitching and may not make the effort to really understand the problem and the solution to see the opportunity. They also have plenty of

investment opportunities with founders whose patterns match to what they are comfortable with,” says Radhika.

And here’s what one of our respondents had to say. The response is one of many that voiced a similar sentiment. “Men seem to overcommit, and investors find it appealing to fund them. Women will go with grounded reality and make investors look at it as hobby. Possibly because they don’t commit 10X growth. It’s worthwhile to research who perseveres through more.”

At the same time, nearly 50% of qualitative responses said that gender had nothing to do with where investors put their money. Here are a few of these.

One respondent, an entrepreneur, said, “I believe that (the) ability to raise funds is largely dependent on the investor-investee chemistry and their trust in each other. The business model, scalability, quality of founders (male or female), sector interest are all more critical aspects of fund raise decision making process, in my experience.”

Another said, “I don't think having women as VCs or investors will help in raising funds. The challenge is not being able to convince someone to invest, the challenge is the access. Just because there's a woman at the other end doesn't make the connection easier.

Jo Pattabiraman of GrowFit believes something similar. “As in all other things, women have to work twice as hard to be seen as competent but if you do that homework, investors are happy to work with you.”

Another set of respondents agreed with that too. Here’s one such:

“I believe that irrespective of a male or female, a good VC will spot a business with good potential. I don't believe that as women we should expect soft corners, that way we end up expecting more favours for being women. If we have the grit to chisel a masterpiece, it will fetch itself a great audience.”

While there is plenty that needs to be done to ensure that women entrepreneurs – just like women in every other field – are given a level playing field, let us not ignore that things are changing. As more women entrepreneurs show what they’re capable of, investors too are sitting up and taking notice. Companies where women are founders or co-founders are raising more money than before.

According to YourStory Research, companies founded/co-founded by women raised the following amounts in the past four years.

“Most women are concerned about the uncertainty and the worried about the impact on their finely-honed balance. Women have been struggled to be taken very seriously as entrepreneurs in the past decade, by the investor community.”

Meena Ganesh
Co-founder, Portea

- 2015: \$611 million
- 2016: \$368 million
- 2017: \$492 million
- 2018: \$687 million

What is the way forward?

What we would like to see is an increase in the amount of funding raised by women entrepreneurs. That will happen only if there are more women entrepreneurs in the ecosystem. And for that to happen, we as a society need to encourage women to consider entrepreneurship as a real opportunity.

For more women to tun entrepreneurs, there needs to be a perception change at every level - school, college, and the society at large. School curriculums need to include, and even encourage, entrepreneurship as a viable career option, while colleges can have courses and from the very beginning. This may, and hopefully will, translate to a change in the perception of the society that still sees women as homemakers and caregivers for the family, and not as entrepreneurs.

Encouraging girls to take up STEM studies (for more than the ‘prestige’ of becoming a doctor or engineer) and pursue higher studies could also lead to a higher number of women entrepreneurs. And until that happens, we just need to try and change perceptions, one family at a time.

“Let us make mistakes. Don’t be judgmental. Don’t try to rescue us but help us learn to pick ourselves up. Don’t offer us special privileges but explain to us what we are doing right or wrong without mansplaining.”

A woman entrepreneur who responded to the survey

Conclusion

Today, we have the role models, the success stories, the stories of failure (and what can be learned from them). We have special schemes from the government to provide support to women-led companies. We have the risk capital to encourage early-stage ventures. All we need is the will to make it happen.

Says **Swati Bharagava, Co-founder of Cashkaro**, “I think times are changing and ventures are evaluated on the basis of the product market fit and the value it’s creating. If that were not the case, many of today’s women-led ventures would not have been funded. From Shopclues led by Radhika Aggarwal to Anu Acharya's Map My Genome, today there are many women-led startups, and some have even proved to be category leaders.”

Adds Kanika Tekriwal, Founder of JetSetGo, “One will have to address the fundamental mindset issue and women realise their innate strength and the power to overcome every NO. The road to success is paved with losses, mishaps and mistakes, but it still can lead to where you want to go as long as you don’t lose sight of your ultimate destination. I can aptly say - Take in all the feedback; filter out the noise and the naysayers; learn from your mistakes and try not to make them again. But whatever you do, do not give up.”

MobiKwik’s Upasana Taku sums it up when she says, “My suggestion to the women entrepreneurs would be, “Dream big! Prove your point right to the world and why they need your insight, knowledge and talent. Make them believe that you are the one who can bring them the best deals on the table. And last but not the least, follow your heart to conquer the world.”

One of our survey respondents said it was time to free all entrepreneurs of the gender tag, and simply treat them as 'entrepreneurs' without categorising them into 'male' or 'female' entrepreneurs. Which would be great. That would mean that we would never need have another edition of this report.

Wouldn’t that be awesome?

Postscript: What women want

Feedback we received via the survey for open-ended questions provided some interesting insights into what women truly feel about being entrepreneurs. A number of women entrepreneurs too voiced their views on these issues. Here's what they said.

On being role models for the rest of the community

“Women already in positions of authority or power or influence should make it a point to bring diversity to each platform they become a part of, even if it be a simple panel discussion. It starts with no Manels (men-only panels). Representation of more women leads to more voices, which take into consideration of issues that women face, which may be different than what men face.”

A woman entrepreneur who responded to our survey

On equality

“I think women don't need or ask for favouritism. Women are as smart, as capable, to make room for themselves in different fields...We have to be a little patient and allow for the star entrepreneurs (women in this context) to find their rightful place. There is momentum and encouragement in the right direction.”

Prerna Mukharya, Founder of OUTLINE India

“We should expect that our girls are as likely to study computer science as our boys and expect that our girls are as likely to become leaders within their schools as our boys. When we expect girls to succeed, I think we will see that they will.”

Sanna Vohra, Founder of The Wedding Brigade

On what is needed

“There are a lot of myths around entrepreneurship in smaller towns and cities which have to be busted at a younger age and more conversations need to happen in this space.”

Supriya Paul, Co-founder of Josh Talks

“We need to have more awareness about the mental challenges which a woman has to go through while building a business, nobody talks about it. We need to talk more about the failures rather than success, because entrepreneurship is not just about the good life we see on media. We need to be exposed to tenders, policies, equally as men so that they start believing that we are there.”

A woman entrepreneur who responded to our survey



HER STORY

