



Finance, market access hinder women entrepreneurs

Nov 20, 2013 Bangalore

A study, Roadmap 2020 and Beyond, was carried out on 200 women entrepreneurs in the Bangalore.

A study carried out among 200 women entrepreneurs in the city over a two month timeframe, says accessing finance to run their businesses and finding markets to sell their products and services are the two key challenges they face.

While 75% find access to finance a major challenge, access to markets was rated challenging by 90% of the surveyed respondents. Apart from these two attributes, what city businesswomen need most is their family's support and mentoring.

The study, 'Roadmap 2020 and Beyond', a US-based survey, was recently conducted in India for the first time.

According to Elizabeth Vazquez, CEO of WEConnect International, that conducted the study along with its associates, Bangalore was chosen among Indian cities, since most startup activity happens here.

"Other Indian cities will follow suit. We chose Bangalore due to its strong women-run businesses and high concentration of MNCs, who are interested in sourcing from women," she said.

The study further stated that most women entrepreneurs in the city are graduates, with considerable work experience.

"Women in Bangalore are driven by motivation to build their own enterprises. There is no compulsion as such to launch startups," said Sucharita Eashwar, executive director, WEConnect International, India.

The study also delves into the fact the unlike men, women-run businesses have some social angle, like say organic food, to products made from recycled materials etc. Experts say there is room for improving the overall ecosystem in the city that can help build more women entrepreneurs.

"There is no policy to promote women entrepreneurship in the city and state. And that is what is needed," said Eashwar.

Study findings

Less than one-third women entrepreneurs are making turnovers of over Rs1 crore

75% find access to finance as challenging to start their business. This rises to 78% during

expansion. 68% of firms depend on personal avenues of financing their enterprises

Access to markets was rated as challenging by 90% of the women entrepreneurs

22% felt the policy and industry ecosystem does not favour women at all.

Good news for entrepreneurs

The state government is looking at starting an angel funding scheme for entrepreneurs, both men and women. MN Vidyashankar, principal secretary, commerce and industries, government of Karnataka, says the government will also soon put up an incubator to incubate and provide hand-holding support to emerging enterprises. “The incubator will help bring out more and more women entrepreneurs.” Moreover, in addition to angel funding and incubation, Vidyashankar says the government will also try and create a mentorship network in the state, that can guide entrepreneurs.