

**Catalyzing Growth in the
Women-Run Small and Medium
Enterprises Sector (SMEs):
Evaluating the Goldman Sachs
10,000 Women Initiative**



ICRW International Center
for Research on Women
where insight and action connect

About the 10,000 Women Initiative

10,000 Women is a five-year, global program that harnesses the power of women entrepreneurs to foster economic growth by educating and supporting them in becoming stronger businesswomen. Launched by Goldman Sachs in March 2008, the program will provide 10,000 women who run small and medium-sized enterprises (SMEs) with high-quality business and management skills training. Research shows that these women are often underserved, in terms of access to business or management training and entrepreneurial networks, despite the enormous potential they have to help grow economies in developing countries.

In an attempt to fill this critical gap, *10,000 Women* invests in women in the SME sector who belong to what is often referred to as the "missing middle." *10,000 Women* reaches women entrepreneurs in 42 countries, from Afghanistan to Brazil, China to Egypt, India to Rwanda, and has partnered with more than 80 academic and nonprofit partners around the world. Program participants, referred to as "scholars," are taught practical skills by

instructors from some of the most well-regarded business schools in the world. Scholars also are offered mentoring, business support services and networking opportunities with partner institutions, local businesses and Goldman Sachs' staff.

In India, the Indian School of Business (ISB) implements *10,000 Women* in several major cities. Working with classes of 30 women in each cohort, the program includes 150 hours of training in entrepreneurship and business management, including business planning, marketing, finance, accounting and human resource management. ISB faculty presents lectures and engages scholars in analyzing local case studies, as well as in panel discussions. Successful entrepreneurs (including *10,000 Women* alumni) participate as guest speakers. Each scholar develops a business plan under the guidance of faculty members. Scholars study on-site at ISB for one week a month for three months. In addition, the program provides scholars with mentoring and networking opportunities with partner institutions.



Catalyzing Growth in the Women-Run Small and Medium Enterprises Sector (SMEs): Evaluating the Goldman Sachs *10,000 Women* Initiative

ICRW conducted an evaluation of Goldman Sachs' *10,000 Women* initiative in India to identify early results of the program on women entrepreneurs' business skills, practices and growth. This brief presents a summary of ICRW's initial findings from the evaluation.

Evaluation of *10,000 Women*

Measuring results has been a priority for the *10,000 Women* program since it was launched. Goldman Sachs and the Goldman Sachs Foundation partnered with the Bridgespan Group to establish a performance monitoring system that collects data on each scholar and her business before she starts the program, then six, 18 and 30 months later. These data, which are validated through site visits and phone calls by a full-time Monitoring and Evaluation Liaison on the local *10,000 Women* team who is responsible for all data collection and analysis, are used for learning about the program's results.

In 2011, Goldman Sachs brought on the International Center for Research on Women (ICRW) to conduct the first independent evaluation of the *10,000 Women* program, which focused on results in India. This brief presents a summary of the initial findings from this evaluation. The results are specific to the program in India, and do not capture the contributions of the program globally.

ICRW's evaluation shows how the *10,000 Women* program — in combination with a number of other factors — is making a difference in graduates' businesses and lives. There is strong evidence that the program has contributed to improving women's business practices and skills. For many graduates, these newfound skills seem to have played a critical role in strengthening their businesses' performance. Further, enhanced confidence as entrepreneurs among many graduates has supported other positive social outcomes within their families and communities.

Some of ICRW's specific findings are as follows:

- The *10,000 Women* program is filling an existing gap in the provision of business services to small and medium women's enterprises.
- Half of the graduates who reported data saw revenues at least double in an 18-month period.
- In the same 18-month period, graduates who reported data said the median number of employees in their businesses increased from six to 10.
- Nearly 100 percent of graduates interviewed expressed that *10,000 Women* had strengthened their business skills and helped improve performance.
- Graduates successfully adopted or improved many of the skills taught in the *10,000 Women* program such as business planning, negotiation, accounting, marketing and the use of computers to advance their businesses.
- A number of graduates described how the *10,000 Women* program gave them increased confidence to engage in male-dominated sectors and expand their businesses.
- Many graduates are "paying forward" the benefits of the program by mentoring other women on business skills, supporting a range of social causes and providing benefits to their employees.
- *10,000 Women* alumni have formed personal and professional networks; some use social media tools like Facebook to help, advise and encourage each other in their efforts to succeed in business.

Catalyzing Growth in the Women-Run Small and Medium Enterprises Sector (SMEs):

Table 1: Data Sources for ICRW Evaluation

Data Source	Data	Number of Respondents
In-depth interviews conducted by ICRW with <i>10,000 Women</i> graduates	<ul style="list-style-type: none"> Collected data on: <ul style="list-style-type: none"> - Business skills and practices, business health and success, use of credit, professional growth, effects on family and other women. - Experience of participating in the <i>10,000 Women</i> program. - Business revenues and number of employees during the last three years. Data collected between 21-25 months after women graduated from <i>10,000 Women</i>. 	25 women from Hyderabad and New Delhi
Indian School of Business-Goldman Sachs <i>10,000 Women</i> performance monitoring system	<ul style="list-style-type: none"> Questionnaires administered to graduates covered topics including: graduates' revenues, employees, self-confidence, business practices used, mentoring and professional networking. Data collected at three points in time: baseline, 6 months after the program, 18 months after the program. 	41 women from Hyderabad and New Delhi ¹
In-depth interviews conducted by ICRW with women who applied, but were not admitted to <i>10,000 Women</i> (non-participants)	<ul style="list-style-type: none"> Used to identify differences in experiences of graduates and non-participants, and non-participants' ability to access comparable business training. Collected data on: <ul style="list-style-type: none"> - Business skills, practices and growth; professional growth. - Experience obtaining business training programs in the last three years. - Business revenues and number of employees during the last three years. 	25 women from Hyderabad and New Delhi
Environmental scan — literature review and interviews conducted by ICRW with entrepreneurship experts in India	<ul style="list-style-type: none"> Collected data on the broader socio-environment and the factors affecting women entrepreneurs in India, with a focus on New Delhi and Hyderabad. Conducted interviews with experts from enterprise training agencies, financial institutions, NGOs and entrepreneurial associations, and government ministries. 	23 experts at 16 organizations

¹ Forty-one graduates from the New Delhi and Hyderabad cohorts examined completed both baseline and 18 month follow-up surveys.

Evaluating the Goldman Sachs 10,000 Women Initiative

Evaluation Design

ICRW designed a mixed-methods evaluation for the India program, which combined qualitative interviews of program graduates and women entrepreneurs not selected into the program, with program monitoring data and a scan of the environment for women's businesses.² The India program was particularly attractive for analysis because it offered both the characteristics of a traditional developing country, as well as the high levels of recent economic growth in line with the top emerging market economies. As one of the first programs to launch in the *10,000 Women* initiative, the India program has performance monitoring data covering a longer period of time. ICRW examined two cohorts in the India *10,000 Women* program—one in New Delhi and one in Hyderabad (located in the state of Andhra Pradesh).

ICRW's evaluation of *10,000 Women* seeks to understand how the business skills, practices and growth of program graduates in India have changed since completing the program. It also seeks to assess how the program has contributed to these changes. It explores tangible as well as less tangible changes supported by the program, including graduates' professional growth and some of the "multiplier effects," or the benefits that women's entrepreneurship has had on their families and communities.

Overall, the evaluation provides a preliminary snapshot of the program's effectiveness. It also seeks to contribute meaningful insights to the broader development community about the ways in which a pragmatic business education program in a specific setting has affected women entrepreneurs in the SME sector. Table 1 details the various data sources that ICRW collected and leveraged in conducting this evaluation.



"I learned the route to business by taking part in the [10,000 Women program]... I was a businesswoman before I went there, but I did not really know what business was."

Asha,³ New Delhi Graduate

Initial Key Findings

The *10,000 Women* program equipped its graduates in India with valuable business skills and instilled in them important business practices to pave the way toward sustaining or furthering business growth. Graduates almost universally described benefits from the *10,000 Women* program in terms of their increased understanding of important business skills and practices, as well as their professional growth as women entrepreneurs.

Business Growth

Both the monitoring data and interviews indicate that many graduates' businesses experienced substantial growth after participating in the program. The program also seems to have contributed in different ways to the growth of many graduates' businesses, which we explore in more detail later.

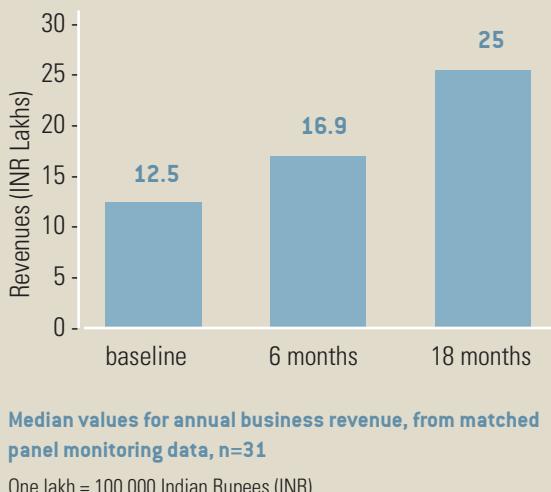
Of the 31 program graduates who completed the performance monitoring questionnaires, 25 reported an increase in revenues. Median revenues increased by about 100 percent. **In other words, half of the graduates at least doubled their revenues since participating in the 10,000 Women program** (Figure 1). Of 37 businesses that provided data on employment, **the median number of total employees had increased from six to 10 in the 18 months after the program**.

² ICRW received input on the evaluation design from an Advisory Committee comprised of Ruth Levine (Director of Global Development and Population Program, The William and Flora Hewlett Foundation) and Geeta Batra (Head of Results Measurement for Advisory Services Unit, International Financial Corporation).

³ The names of graduates have been changed to preserve their privacy.

Catalyzing Growth in the Women-Run Small and Medium Enterprises Sector (SMEs):

Figure 1: Graduates' Median Revenues



Quantitative data provided by graduates during the interviews conducted by ICRW researchers support the finding that revenues had increased substantially for many graduates' businesses in the 18 months since completing the program. These data show an increase in median annual revenues from 12 lakhs Indian Rupees (INR) in fiscal year 2008 to 28 lakhs INR in fiscal year 2010 (or from about 27,000 USD to about 62,000 USD). However, only 17 of the 25 women interviewed provided information on revenues. For applicants who were not selected into the program, or non-participants, data show smaller increases in median annual revenues. However, it should be noted that the median non-participant's business was larger in size than the median graduate's business before entering the program, and that data are available for only 11 of 25 non-participants interviewed, making any direct comparison difficult.

The large increases in graduates' business revenues and employment can be attributed to several factors. First, positive economic growth in India coincided with the establishment of the *10,000 Women* program. The national economy grew at a rate of 8.62 percent between 2005-2006 and 2009-2010; in Andhra Pradesh, the economy grew by 8.73 percent.⁵ During a similar time period, New Delhi experienced economic growth of 10.2 percent.⁶ In general, this economic resiliency has created a supportive environment

for businesses, including SMEs, to flourish. Thus, the growth of both graduates' and non-participants' businesses can in part be explained by this environment of economic growth.

The program also selected women entrepreneurs whose businesses had a high potential for growth — not start-ups — and who stated an interest in business expansion. Many of their businesses had been growing even before they entered the *10,000 Women* program. A key criterion for selection into the program is that individuals already run businesses that are "primed for growth," to increase the likelihood of job creation. In addition, most of the graduates interviewed were able to leverage financial resources from their families. Graduates often also benefited from moral or technical support from husbands or other family members in operating their business. Without this support, they might not have been able to reach the stage they were in with their businesses before the program, and they might not have been able to grow as rapidly after the program.

A few graduates said that although their businesses were ready to expand, the *10,000 Women* program provided the impetus to actually make the necessary decisions for expansion. For example, one graduate who runs an architecture company credits the program with encouraging her to "let go" of fears about expanding her business by delegating responsibility to other staff. She felt that the *10,000 Women* program was one of a few critical ingredients needed to catalyze this change. Another graduate described how the business plan she had developed in the *10,000 Women* program spurred her to reach out to more retail outlets for her products.

Not all graduates experienced business growth after the program, in part because of competing demands on their time. Some graduates cited opportunities for growth that they had not pursued so they could devote more time to other personal or family goals.

⁴ One lakh is equivalent to 100,000 Indian Rupees (INR)

⁵ Andhra Pradesh State Financial Corporation Annual Report, 2010-2011.

⁶ Delhi 12th Five-Year Plan, 2012-2017.

Evaluating the Goldman Sachs 10,000 Women Initiative

Asha's Plan

Asha's four-year-old business involves organizing academic conferences. When she joined *10,000 Women*, she had already begun to streamline her operating procedures in order to cut down the amount of time it takes to prepare for a conference. By putting new planning skills she learned through *10,000 Women* into practice, she has been able to leverage her increased efficiency toward securing more clients and growing her business.

"I just took it as it came. But when we joined [the *10,000 Women* program] they made us do a business plan for five years... Then we realized that we have to look at the future and plan and that is how... I have three conferences next year!"

Improved Business Skills and Practices

Graduates adopted a broad range of business practices recommended by the *10,000 Women* program, as revealed in both the interview and monitoring data. The benefits included increases in general business acumen, acquisition of specific business skills and improved business practice. Graduates said they gained greater "clarity," "structure" and "focus" in their business thinking.

A large number of graduates stressed the role that the *10,000 Women* program played in improving their use of business planning and negotiation skills. Graduates also described benefits from acquired skills in accounting, marketing and advertising, product differentiation and the use of technology. Many graduates said that business planning was one of the more important skills they learned over the past two years, and reported increased use of such plans.

Diksha's Strategic New Market

Diksha has been in business in New Delhi for over a decade, first as a fabric supplier to the export garment industry and, more recently, as a clothing manufacturer and retailer. She describes how the *10,000 Women* program gave her the skills, confidence and courage to start a new manufacturing and clothing retail business. It has meant a nearly 100 percent increase in her employees and increased revenues.

"Two years ago I did not know business planning was important. I just thought: 'How do you plan when you don't know what tomorrow will be?' When I look back, I really feel it has added a lot of value to my way of thinking ... the way I am more willing to take a risk, the way I don't feel scared now. ... Had it not been for [the *10,000 Women* program] maybe I would not have [moved from] fabric to garment ... because I would still think 'As long as it is taking care of my bread and butter why do I need to do more?'"

Catalyzing Growth in the Women-Run Small and Medium Enterprises Sector (SMEs):

Smita's Competitive Edge

Smita runs a very successful packaging company. She described how *10,000 Women* taught her to understand the value of knowing her competition.

... [when] we were doing our business plans [for *10,000 Women*] ... this came up ... do we know our competitors? ... I did not understand this totally before, I did not know how to use this but I realized that it is very important to know.

Understanding her competitors has enabled her to negotiate more effectively and to secure more clients. She recently approached a potential customer. When he told Smita that a larger company was already supplying his boxes, she was well prepared to shift her tactics to win his business:

"I knew that their prices were much higher than ours. So I told him, '... I will match the quality ... and give you a lower price. Because I know his price.' So, it helped me to know my competitor. I knew his strengths, I knew his weaknesses. ... So the guy said 'OK, are you sure?' and I said 'Yeah, I am very sure.'"

Smita recently secured a large contract with a multinational company and her business continues to grow.

A number of women said they had no idea what a business plan was before starting the *10,000 Women* program. They reflected positively on the value of mapping out one's business as opposed to keeping information "all in the head."

A few graduates described how learning about and using a business plan had direct benefits to their businesses, in terms of encouraging them to seek new clients, develop new products or pursue new business ventures. By contrast, few non-participants reflected on business planning skills at all. Among those who did, most did not seem to have the same comprehension of their intended purpose.

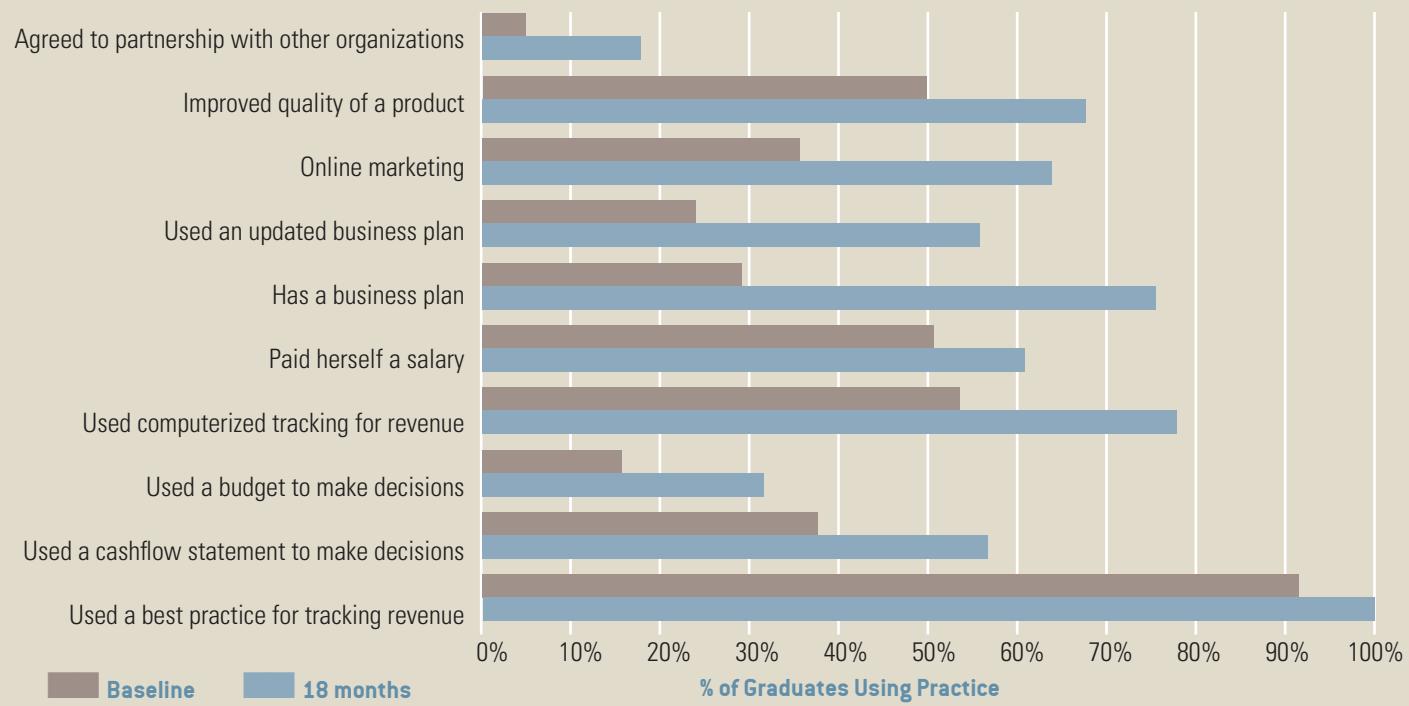
Many graduates reflected on how the *10,000 Women* program had improved their negotiation and communication skills. While both graduates and non-participants often saw negotiation as a skill that developed over time from experience and learning on the job, some graduates mentioned that they had learned the importance of patience and more effective techniques for communicating with suppliers, clients and employees. Graduates also described how the program led them to appreciate the importance of understanding their competition, and how to better distinguish their products in the market from those of their competitors.

Graduates and non-participants differed in how they spoke about changes to their overall business skills and practices during the last two years. A number of graduates spontaneously described improvements in skills and practices taught by the *10,000 Women* program. In contrast, non-participants were more likely to describe material differences, such as improvements to infrastructure or technology—changes that do not necessarily reflect improvements in how they think about business or pursue business goals.

The performance monitoring data also indicate high adoption rates among graduates of other practices recommended by the program (Figure 2). For example, graduates' use of budgets and cash flow statements to make business decisions increased from baseline to 18 months after the program. More women began using computers as a tool for online marketing and a means to track revenues. Use of these various best practices supports and contributes to business growth, by enabling graduates to better plan, track business and use data to make key decisions such as how to improve product design.

Evaluating the Goldman Sachs 10,000 Women Initiative

Figure 2: Changes in Business Practices from Baseline to 18 month follow-up



Professional Growth of Entrepreneurs

Many graduates elaborated on how the *10,000 Women* program advanced their professional growth. This is particularly important in a country like India where these women entrepreneurs are forging new paths and opportunities for other women. Graduates reported benefits ranging from gains in confidence and greater assurance in their business decisions. As underserved women who otherwise would likely not have access to courses at an institution like ISB, the women also earned respect as alumni of a major business school from clients, customers, families and friends.

The *10,000 Women* program also provided women with needed reassurance in their decisions and the additional confidence necessary to assert themselves vis-à-vis male business partners, clients or buyers. A few graduates said they felt they were "on the right path" after *10,000 Women*. Another graduate recounted that prior to the program she would let her husband do all of the talking in their jewelry showroom, despite knowing that she could have just as easily addressed any question. **She said that the program "opened" her up and explained "especially after [10,000 Women] I am a changed person."**

Building a Network

Another critical benefit of the *10,000 Women* program has been the lasting personal and professional networks that have formed. These networks have enabled graduates to provide moral support to one another as they engage in male-dominated fields. Graduates have also shared technical know-how and insights with each other both during and after *10,000 Women*. For example, one graduate in Hyderabad described joining forces with a fellow *10,000 Women* alumna in marketing ventures. Many graduates maintain contact with each other through social media such as Facebook, as a way to learn about new initiatives or schemes for women entrepreneurs.



Catalyzing Growth in the Women-Run Small and Medium Enterprises Sector (SMEs):

Paying it Forward

Graduates described a strong interest in giving back to their communities. One group of graduates from New Delhi, for example, meets monthly to contribute to a different social cause with their time and money. Also, a few graduates run businesses explicitly motivated by social causes, such as a business that provides educational training to underprivileged children, or a business whose profits are channeled to construct and maintain an orphanage.

Many graduates said they felt the *10,000 Women* program helped them better appreciate the importance of nurturing their employees. They described how they were providing employees with safety nets for support in difficult times, salary advances to pay children's school fees or on-the-job training to increase their skills.

Finally, graduates are helping to bring up the next generation of women entrepreneurs. A few are actively supporting and training women, including those within their own family, to enter business. A larger number of graduates said they were doing their part by hiring female employees. A few graduates helped women rise within the company ranks; others were committed to ensuring that younger female employees prioritized their education.

Filling a Gap

10,000 Women plays an important role in delivering business education to women at the SME level in India, specifically in New Delhi and Hyderabad. Interviews with experts in Indian enterprise development suggest that the policy environment in New Delhi and Andhra Pradesh for supporting women entrepreneurs at the business growth stage has remained fairly weak over the last decade.

Also, most business training programs in New Delhi and Hyderabad target the microenterprise sector and entry into entrepreneurship, rather than small and medium enterprises and established entrepreneurs. Very few non-participants in either city were able to find other sources of business training in the last two years, according to data from interviews. If they did find a program, almost none were comparable to *10,000 Women* in terms of length, intensity, content and quality. We therefore conclude that the *10,000 Women* program fills an existing gap in women's enterprise development support in India.

Conclusion

Although the *10,000 Women* program has only been operational for a relatively short period of time, this initial assessment of the businesses and lives of women entrepreneurs in India leads us to believe that the potential for more widespread gains in the future is high. High returns are already evident. The doubling of revenues and an increase in job creation in an 18-month period, widespread adoption of best practice skills like business planning and negotiation, "paying it forward" to their families and communities, and the formation of networks that benefit women, all support this conclusion. While the evidence shows that *10,000 Women* was not the only factor contributing to women's business success and growth, our preliminary findings indicate that it was instrumental in the process. *10,000 Women* has provided women entrepreneurs in New Delhi and Hyderabad with the critical tools needed to manage and grow their businesses.



Evaluating the Goldman Sachs 10,000 Women Initiative





International Center
for Research on Women
where insight and action connect

Headquarters
1120 20th Street, NW
Suite 500 North
Washington, DC 20036
www.icrw.org
Tel: 202.797.0007
Email: info@icrw.org

Asia Regional Office
C-139, Defence Colony
New Delhi, India – 110024
Tel: 91.11.4664.3333
Email: info.india@icrw.org

East Africa Regional Office
ABC Place
Waiyaki Way, Westlands
P.O. Box 20792, 00100 GPO
Nairobi, Kenya
Tel: 254.20.2632012
Email: info@icrw.org



