

DESPITE A FRACTURING AFTERMATH, WOMEN ENTREPRENEURS ARE OPTIMISTIC AND RAPIDLY ADAPTING TO A POST-COVID WORLD

New Delhi – Oct. 14, 2020 – Over 50 percent of India’s urban women entrepreneurs have already changed their business model to resist the short-term impact of the pandemic. This is according to a joint report by **Bain & Company, Google and AWE Foundation** titled, “*Can Covid-19 be the Turning Point for Women Entrepreneurs in India?*” released today. The fundamental attributes of these women-owned enterprises, such as being service-oriented, smaller and less capital-intensive have enabled them to adapt faster to the changing environment, versus larger or more capital-intensive businesses.

Commenting on the brief, **Megha Chawla, Bain & Company partner and the study’s lead author** said, “*The pandemic has been especially devastating for women entrepreneurs, not only due to business coming to a grinding halt, but also because of an unforgiving increase in the domestic care burden. Yet, post the initial few months, there has been rapid responsiveness and adaptation. This agility demonstrated by women; accelerated & widespread adoption of remote interactions across the ecosystem; and the need for an all-hands approach to economic recovery are all re-enforcements of the massive opportunity in women’s entrepreneurship.*”

The 432 million women of working age in India are the country’s largest under-tapped economic resource. In our earlier report, “[Powering the Economy with Her: Women Entrepreneurship in India](#),” we determined how women’s entrepreneurship can be a catalyst for change in their economic role in India. Accelerating growth in the number as well as size of women-owned enterprises can generate potentially transformational employment in India – 150 to 170 million jobs by 2030. However, the health and human toll, in addition to the economic setback caused by COVID-19, especially to India’s small medium businesses, has disproportionately impacted women.

Continuing an ongoing initiative on women’s entrepreneurship in India, Bain & Company and Google surveyed and conducted in-depth interviews with nearly 350 women solopreneurs and small business owners in urban India to understand the impact, challenges and opportunities that COVID-19 has triggered for women. The research uncovered that women-owned businesses experienced a massive decline in revenue—73 percent of the women entrepreneurs surveyed have been negatively impacted by the crisis, with almost 20 percent witnessing the revenue of their businesses nearly wiped out.

The impact of the pandemic on women entrepreneurs can be attributed to several underlying factors. The biggest challenge cited by almost 45 percent of survey respondents was the lack of customer orders leading to muted demand. About 30 percent of women spoke about personal challenges, including significantly increased at-home care responsibilities, as a major obstacle in running their business. With movement restricted across the country, 28 percent of respondents cited disruptions to supply, while 22 percent of women said lack of financial resources affected them severely.

Seema Chaturvedi, founder and managing partner, AWE Foundation said, “*Underscored by public health concerns, COVID-19 has made working from home a very acceptable form and leveled the paradigm with respect to workplace access for women. By integrating urgent digital adoption, we have an unprecedented opportunity to accelerate achieving the United Nations Sustainable Development Goal #5 of Gender Equality. The time to act is now.*”

However, women entrepreneurs have adapted their businesses with agility, by acquiring new skills, redesigning their processes and accelerating the adoption of technology. About 54 percent of the women interviewed have already changed their business model and another 24 percent plan to adapt their business model in the near future. Business model shifts have included new products or services, digital sales and delivery channels as well as a reoriented supply chains.

Speaking about the effort, **Sapna Chadha, senior country marketing director, Google India and Southeast Asia**, said, “*Technology has played the role of a powerful enabler in levelling social inequity and bringing opportunity within the reach of anyone who is seeking knowledge or learning to transform their life. This has been especially true for women who have harnessed the power of the Internet to support their children’s learning or a small business owner who has expanded her market reach, or a student who enhanced her skills.*”

Examples of several entrepreneurs who rapidly responded to the setback, include apparel manufacturers who transitioned to manufacturing safety equipment (masks, gloves, and PPE kits), coaching centres and gyms who expanded their reach dramatically by holding “virtual classes,” and food and beverage businesses who leveraged “vocal for local” positioning to reach a wider audience digitally.

Most important, the crisis has presented some catalysing changes, including an increased acknowledgement and support for women’s contribution towards family income, acceleration in the use of digital channels and a widespread adoption of remote interactions across the ecosystem, all of which have the potential to level the playing field, especially for women. Encouragingly, women are upbeat about the bounce back—90 percent of the entrepreneurs surveyed believe they will be able to survive the crisis, with major changes to their business model and cost structure.

Entrepreneurs’ experiences provide valuable insight into the mechanisms and resources that have helped them adapt in the near term and maintain a strong optimistic outlook. This study attempts to provide selective interventions that will enable women to take advantage of these transformative changes. The analysis has revealed a few crucial imperatives to capitalise on some structural shifts resulting from the pandemic:

- Aggressively bring women into the fold of opportunity creation;
- Embrace technology to expand reach and coverage of incubators and accelerators;
- Develop and expand targeted mentorship models;
- Revamp knowledge and capability building resources to help accelerate recovery and adapt for the post– COVID-19 environment;
- Accelerate financial inclusion; and
- Adapt cultural mindsets to support women.

Despite the fracturing near-term impact of the pandemic, there is clear optimism and rapid responsiveness among women entrepreneurs. Imperatives within the themes mentioned above, implemented in a timely manner can catalyse a major positive shift in the expansion of women entrepreneurs in India.

About Bain & Company

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For further information and access to the full report, please reach out to:

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About AWE Foundation

AWE Foundation is a nonprofit with the mission of Achieving Women Enterprise to enable women’s economic independence and promote gender equitable economic development. AWE Foundation achieves its mission by promoting initiatives in Education, Market Access, Policy Advocacy based on Gender Disaggregated Data and Creating Inspired Communities.