

BUSINESS



Support groups

Corporates lend a hand to budding entrepreneurs

BY SHARMISTA CHAUDHURY

Unique synergies are being created between some of India's corporate behemoths and start-up entrepreneurs, possibly owing to the realisation that if India has to grow, the growth has to be broad-based. We might have seen venture capitalists, angel investors and private equity investments, but corporate India is taking a different shot at it.

Entrepreneurs are faced with many challenges, and the solutions, at times, are not close at hand. Harsh Mariwala, who built the ₹4,000-crore Marico empire from a traditional commodity-based enterprise, had to find his "own solutions" in the process. "The biggest

failure I see is, the entrepreneur is not willing to delegate. If you don't delegate, you cannot grow. If the whole management style is centralised, it acts against growth initiatives," said Mariwala. He recommends a change in mindset. "You must be willing to trust others," he said.

It is this trust that Mariwala wants to build on. His current goal—personal social responsibility, as he calls it—is to find a way to make knowledge sharing easier for entrepreneurs. That is why he came up with Ascent, a platform for small-time entrepreneurs, with Milind Sarwate, group CFO of Marico, and Manak Singh, former executive director of TiE Mumbai. Sarwate is chief enabler, and Singh chief evangelist, at Ascent.

Though the motive is to scale up, the keyword here is trust. Every month groups of ten entrepreneurs meet to discuss their businesses. Ascent divides the groups according to the entrepreneurs' net worth, and all their discussions follow a set structure.

Manisha Sanglani, director of Priority Marketing Pvt. Ltd, has been a participant of the programme, and after six months she has found a peer group she can rely on. "You cannot talk to people who are working with you. You don't talk to your competitors or your family because you always want to retain an image. For the first time, we are put up against ten people who are at the same level as us, and here we have broken a facade and we are very transparent when we discuss our

PHOTOS: AMEY MANSABDAR



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will get ₹4 lakh each and four winning ideas will get ₹2 lakh each. In the grand finale, the winning project will get ₹40 lakh, and two runners up will get ₹20 lakh each. Also, the winning idea will get ₹20 lakh and the runner up will get ₹10 lakh.

At Mahindra Towers in Mumbai, social entrepreneurs are undergoing a training programme to bolster their business ideas and ventures. Among them sits Uma Maheswar Ivaturi, a school teacher from Tanuku in Andhra Pradesh, who was fed up of long hours without electricity. The mathematics and science teacher decided to put theory into practice and came up with the idea of using friction to generate electricity. The concept was to install massive flywheels beneath the road at selected points on the highway in such a manner that frictional energy is converted into mechanical energy. The flywheels will rotate the dynamo attached to them and produce electricity. The idea is still in the preliminary stage but getting the attention of Spark the Rise was a big boost for Ivaturi.

Another entrepreneur, Seth Petchers, wants to bring fair trade to Indian markets by working with farmers in rural India and bringing their products to the urban market through his venture Shop for Change. "More than the money it is the credibility that comes along with ventures like this that goes a long way," said Petchers.

Mahindra's intention was to give a platform for the huge talent out there. The participants of Spark the Rise get not only a prize money if they win, but also guidance on how to start up or manage their ventures.

The diversity of ideas can be mind-boggling, but it is also something that

Better solutions: Pragati Software, a corporate IT training house, benefited from attending Ascent meetings; (left) Harsh Mariwala, chairman & managing director of Marico, with Manak Singh, chief evangelist, Ascent

issues," she said.

Attending an Ascent group meeting is like attending a group therapy session. A group can consist of diverse businesses. Sanglani's group, called Eagles, consists of entrepreneurs like Preeti Sharma (Pragati Software, a corporate IT training house), Amit Goenka (an exporter) and Rajeewa Ranjan (Viraj Clean Sea Enterprises, a marine emergency response, environmental preservation and coastal security company). The aggregate annual turnover of the group is around ₹229 crore.

The discussions range from employee retention and appraisal procedures to complex issues like creating a shareholding pattern. "If anybody has a problem, the person gets nine options," says Ranjan. The mantra is to grow by design, not by default.

The group has met six times, and the members agree they have seen tangible impact on their businesses. "I was feeling despondent about the issues I faced until I came here and realised that everyone's problem is the same," said Sharma, who thought she had

hit a wall despite running a relatively well-known company. Attending the meetings helped her make changes in her business that could help it grow. "I got ideas on how to market better. I revamped my entire web site, which we could not do in the last four years. I learnt how to delegate at a higher level," she said. Topics covered in the meetings include working capital management, volatility of raw materials, capacity utilisation, work-life balance, marketing a high-value product and methods to establish an exclusive niche.

Ascent, too, is planning to scale up. Mariwala's aim is to add 10,000 entrepreneurs, and Ascent invites applications every four months. "The multiplier effect of Ascent is going to be the most exciting bit, especially if you see it from a philanthropy point of view. The first 100 entrepreneurs constitute three-fourths of a billion dollars. Every four months 100 more will be added," said Manak Singh.

While Marico focuses on helping entrepreneurs firm up their position in the market, Mahindra Group wants to give social entrepreneurs a platform to rise. Spark the Rise is a programme which funds social entrepreneurs whose initiative or ideas win the maximum number of votes on its web site. Every month, eight winning projects

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helps the group, said B. Karthik, senior general manager, corporate brand management, Mahindra & Mahindra. "There are many benefits of doing something like this. On one end there is the brand part and what it does to your brand equity over a period of time. Secondly, Mahindra as a group remains open to exploring opportunities with submissions that come in, both as a business and through the various foundations we run," he said.

A long-term goal is to create an innovator ecosystem. "These are bright minds with capabilities in businesses we are in. It is conceptual at this time but it is the way to go as far as innovation in the corporate world goes. No longer will it be restricted to the four walls where scientists work," said Karthik.

As there are no set norms for creating an enterprise, there aren't any to help it either. Tata Group, for instance, helps even student entrepreneurs through Tata First Dot and Tata Social Enterprise Challenge. Tata First Dot has five components—regional workshops, a national competition, an online 'people's choice' competition, a two-day national conference and

an ongoing mentoring support for the winners of the competition.

Tata Social Enterprise Challenge, launched in partnership with the Indian Institute of Management Calcutta, is a quest to find India's most promising social enterprises. The aim is to create an ecosystem for social entrepreneurship and encourage sustainable, scalable and measurable social impact.

Teams who have either an early-stage venture (not older than three years) or a promising idea with a plan can submit their business plans online. The ventures will be judged on three parameters—business model, social impact and sustainability.

And young India seems to be brimming with ideas, like ventures in cyber security and forensics and creating simulated altitude training room

Another impact of Tata engaging with budding entrepreneurs is the transference of values and ethics.

Ignited minds: Entrepreneurs at a Spark the Rise workshop

and online beauty stores. First Dot, which was started in partnership with National Entrepreneurship Network, is a way for the group to engage with young India. Said Atul Agrawal, vice-president, corporate affairs, Tata Services: "We work with early-stage entrepreneurs who are at a stage where they need maximum support and information and guidance. The young entrepreneurs also get visibility and recognition and gain renewed confidence."

Another impact of Tata engaging with budding entrepreneurs is the transference of values and ethics. "We can show them how to conduct business in the right way, as part of society, and how their entrepreneurial activities can create wealth and do good over all," said Agrawal.

The underlying reason for all these efforts is the same—India needs to grow, and grow together. While inequalities exist all over the country, giving a hand to the bottom of the pyramid is a way to ensure that the bigger picture becomes equitable with time. ●