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Fuelling Entrepreneurship Through Strategic Alliances

**KICK
START**

A Guide for Corporations
Seeking to Engage with
India's Start-Up Ecosystem

**ATHENA
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List of abbreviations and terms

ANDE	Aspen Network of Development Entrepreneurs
BoP	Bottom of the pyramid
BFSI	Banking, financial services, insurance
CAMTech	Consortium of Affordable Medical Technologies
CII	Confederation of Indian Industries
CIIE	Centre for Innovation Incubation and Entrepreneurship
Corporates	Big companies and corporations
CSR	Corporate social responsibility
DST	Department of Science and Technology of the Government of India
E3C Model	Enhanced evaluation of effective change
FinTech	Financial technologies
FITT	Foundation for Innovation and Technology Transfer
ICT	Information and communications technology
IIM Ahmedabad	Indian Institute of Management Ahmedabad
IIT Delhi	Indian Institute of Technology Delhi
IP	Intellectual property
IT	Information technology
MIF	Marico Innovation Foundation
MVP	Minimum viable product
NASSCOM	National Association of Software and Services Companies
O&M	Operation and maintenance
PE	Private equity
PIDIIP	Pfizer–IIT Delhi Innovation and IP Programme
QCA	Qualitative comparative analysis
R&D	Research and development
RTBI	Rural Technology and Business Incubator
SGB	Small and growing business(es)
TISS	Tata Institute of Social Sciences
VC	Venture capital
WEF	World Economic Forum



Executive Summary

India is witnessing tremendous growth in entrepreneurial activity in the start-up and social venture sectors, both of which comprise small and growing businesses (SGBs). The need to remain competitive in a highly dynamic market landscape is as relevant for SGBs as it is for corporates. Driven by the need to constantly innovate, corporates are now keen to foster and gain exposure to innovation through their engagements with SGBs. For some corporates, these kinds of engagements are now crucial components of their strategies to identify and understand disruptive innovations and thereby stay ahead of the market. When engaging with social ventures, corporates tend to be driven by their corporate vision to contribute to socially relevant causes in a sustainable and effective way.

It is important to note that engagements between corporates, intermediaries and SGBs

are by necessity synergistic in nature. As such, it is crucial for stakeholders to identify the key factors driving their engagement and the ways in which support can be offered and absorbed. The resources that corporates can offer include funding support, employee-based support (in the form of mentoring), technology support, the sharing of corporate access to and knowledge of networks, and the sharing of market distribution reach. Additionally, there is a strong case for corporates to develop robust market linkages by engaging with small and growing businesses and intermediaries.

However, information asymmetry with regard to stakeholder motivations and to approaches for accessing quality non-funding-based support is holding back the Indian entrepreneurial ecosystem. This issue particularly affects facilitative intermediaries such as incubators,

accelerators and co-working spaces. Corporates seeking to contribute to the entrepreneurial ecosystem could therefore offer their support – in particular their technical expertise and networks – to these intermediaries, a move that will ultimately benefit SGBs.

This research study seeks to reveal the diverse ways in which corporates design and undertake their engagements with SGBs and intermediaries by analysing multiple examples of current and past corporate–SGB and corporate–intermediary–SGB engagements in India. The study shows that the core motivators for corporates are achieving business-aligned interests and goals related to CSR and social impacts, and facilitating external innovation (for strategic and non-strategic reasons). The kind of support entrepreneurs require from corporates is in accessing networks and markets, mentoring and expertise, funding support, technology know-how, and research and development facilities. Intermediaries, on the other hand, look to corporates when seeking to diversify their funding streams (financial support), to access networks and markets, to collaborate with mentors and draw down expertise for capacity-building measures, and to build their brand image and their prominence and visibility in the entrepreneur market.

The research undertaken for this study has looked at 97 different examples of engagements and shortlisted 14¹ corporates based on the following criteria:

- uniqueness of the structuring or provision of support,
- intensiveness of the sectoral focus or nature of support provided, and
- evidence of the model being high impact or of the model's perceived potential to be highly impactful.

Additionally, the study's broad sectoral coverage also ensured that any possible sector-agnostic insights could be captured.

The preliminary attempt at categorisation exposed the following two broad levers that influenced the way in which the engagement was structured and its outcome: (1) whether the corporate has a strategic business interest in the supported idea or entrepreneur (i.e. whether the SGB was a social venture or a for-profit commercial venture) and (2) whether the engagement occurred directly between the corporate and the SGBs or whether it was facilitated by intermediaries and/or partners such as incubators, accelerators, academic institutions, CSR consulting firms and partner corporates. The research study also covers corporates pursuing hybrid approaches that involve supporting SGBs directly as well as working with intermediaries and/or partners.

This study's framework for analysis included five broad categories:

- business aligned – direct
- business aligned – indirect
- non-business aligned – direct
- non-business aligned – indirect
- hybrid model.

Using Athena's E3C framework, an analysis of corporate–intermediary and corporate–SGB engagements was performed to identify the crucial success factors and, at the same time, take account of the relevant context and inputs (which include background parameters, motivators, model characteristics and ecosystem parameters). The analysis attempted to examine the results in the form of four variables:

- Output (the number of SGBs supported by a corporate)
- Outcome (the synergistic benefits gained by stakeholders)
- Sustainability (how the model has evolved and its degree of replicability)
- Impact (the overall effect of the model at the individual, institutional and ecosystem levels)

¹ Of the 14 corporates studied, 12 feature as case studies in Chapter 6.



The study highlights the inputs that are critical for achieving substantial results for each variable. In particular it also describes key learnings across three broad themes. A corporate should focus on working to articulate, advocate and act upon its identified core competency and should devise approaches that deliver genuine benefits to entrepreneurs. To ensure an effective and sustainable engagement, the partnership must represent a win-win proposition for all stakeholders. Corporates therefore need to structure their engagements innovatively, striking a balance that aligns their motivations for participation with the needs of the SGBs and intermediaries taking part. The study also sheds light on how large corporates from diverse industries could collaborate on supporting innovation at the points where their core skills and expertise intersect.

The objective of this study was to identify key success drivers and critical enablers for these kinds of engagements using a 360° research approach. For this, innovative models currently being developed and deployed in diverse sectors were identified and assessed, and their potential for replication in other situations was ascertained. This handbook serves as a guide for corporates, helping them to choose the right business and operating models for their engagements with SGBs – either directly or through intermediaries such as incubators and accelerators. It is therefore a ready reckoner and useful decision-making tool for influencers, enabling them to kick-start and design appropriate strategic alliances with entrepreneurs.



These kinds of start-ups and social ventures can also be called small and growing businesses (SGB), which the Aspen Network of Development Entrepreneurs (ANDE) defines as **‘commercially viable businesses, with between 5 and 250 employees, that have strong potential for growth and thus for creating social and economic benefits in the community and the economy’**.

The Indian market is competitive and extremely price sensitive, which forces SGBs to find innovative ways to work prudently. Established corporates find themselves in a similar situation; demanding customers and a relentlessly changing competitive landscape require them to adopt innovative practices and to revise their outlooks towards pursuing business objectives.

The innovation agenda (ideas to increase the top line or reduce costs) for corporates is part of their core business strategy. A multitude of sources – employees, customers, supply chain networks, and competitors – are regularly drawn upon to identify possible innovations. SGBs are one such source of innovation. Globalisation, fragmented supply chains and the renewed drive to focus on strategic activities by shedding non-core activities has prompted large corporates to work with external entities using a range of different operating models. The comfort of working with external entities has now percolated through to the innovation agenda as well.

Corporate engagement with SGBs is driven by two key factors: the need for innovation and the need to be ahead of the market in terms of understanding future disruption. Additionally, in some cases the SGBs have a deep local knowledge, developed through their greater involvement with local communities (especially in the case of social ventures), and a deep understanding of the problems faced by target consumers. The growth in social entrepreneurship has fuelled the recent trend where corporates also engage with entrepreneurs on corporate social responsibility (CSR) matters. In both scenarios (commercial or social), corporates can support SGBs to overcome constraints related to financing, market knowledge, talent and/or networks.

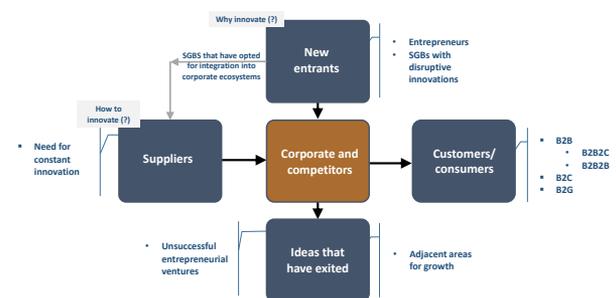
Additionally, corporates that are keen to contribute to the entrepreneurial ecosystem have

realised that supporting intermediaries such as incubators, accelerators and co-working spaces is a sustainable and effective way of reaching out to SGBs. Intermediaries often lack the capacity required to support the strengthening of entrepreneurship to an adequate level. Corporates are therefore well placed to support intermediaries by providing access to their technical expertise, networks and ability to build capacity.

1.2 Corporates and entrepreneurs: needs and expectations and the potential for synergies

Adapted from Porter’s Five Forces framework, the following is an illustration of how a corporate’s commercial interests to be ahead of the innovation curve are closely linked with a start-up’s need to enter the market. It is evident that a corporate’s need for innovation is driven by the desire to offer better products or services to customers. This can be either a stated customer need or one created by innovative products. In this value chain, conventional suppliers play a critical role both in fostering innovation and in adapting to the changing needs of their corporate customers.

Figure 1. The need for innovation – the driver for engagement with SGBs



Most new entrants into a competitive market come with new ideas – ideas that are fuelled by a market need, market gap or innovative product/idea. As such, engaging with SGBs (new entrants) adds to the corporate’s understanding of the market and also helps them to ascertain future directions. SGBs, on the other hand, engage with large corporates to facilitate easy market entry. Engaging with a large corporate as a partner rather than competing with them in a market offers substantial benefits in terms of growth and survival. For example, applications targeted at smartphone users have had a major impact on the actual per-user revenue generated by telecom companies. Established telecom



companies are therefore always seeking to engage with start-ups in the mobile applications space, offering access to its subscribers on a revenue-sharing basis.

The preferences of the typical customer in India are also evolving, with customers wanting to associate themselves with the brands of organisations known for innovation or for social responsibility (two key factors influencing purchases).

The need for such engagements is not just driven by the expectations of the market. Corporates today place significant emphasis on attracting and retaining top talent and these highly skilled workers are also keen to engage in dynamic and innovative activities. Opportunities for driving innovation and for developing possible engagements with start-ups or entrepreneurs offer corporates avenues for employee engagement as well.

Corporates need to



- improve internal approaches, processes and culture for innovation by gaining exposure to (a) new technological approaches, (b) talent and (c) innovative and disruptive ideas
- access new market knowledge/ distribution partners in order to probe 'adjacent spaces'
- develop new products/service offerings
- improve their returns on internal R&D efforts
- rejuvenate their brand/image
- identify new suppliers and distributions partners

Corporates need to



- have novel technologies and skillsets
- are agile
- combine a culture for innovation with an aptitude for risk taking
- emphasise adopting a cost-effective approach for business operations

It is important to ensure that engagements between corporates and SGBs are synergistic, with their complementary skill sets, knowledge

and resources leveraged to achieve mutually beneficial outcomes. The resources that a corporate can offer typically include

- funding support,
- employee contributions (in terms of mentoring, managerial and delivery support),
- technology support (including infrastructural support such as access to laboratories), and
- access to networks and existing markets.

Since the aim of this study is to explore the non-funding support offered by corporates in greater depth, the term 'resources' denotes employee contributions that encompass

- the involvement of top-level management in facilitating strategy-based decision-making for the SGBs and intermediaries,
- the provision of mentoring by experts and experienced employees,
- the provision of specialised skill sets by employees, and
- the provision of delivery-based support (employee engagement).

The need to go beyond providing funding support and focus on building managerial competencies is increasingly being acknowledged as an important aspect of capacity building.

1.3 India's entrepreneurial ecosystem and corporates

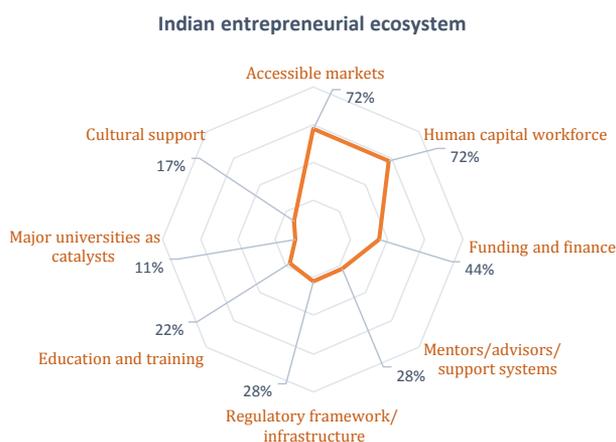
The Government of India has acknowledged that a thriving entrepreneurship ecosystem is a key factor for achieving the country's desired level of economic growth. Indeed, the Government established a separate Ministry for Entrepreneurship in 2014, which promotes SGBs as key stakeholders. The Committee on Technology Innovation and Venture Capital's Planning Commission also acknowledged that, given increased competition (both domestic and foreign), technical progress and innovation involving improved skills, better capital equipment and the development of new products and processes is paramount for the health of Indian industry. A number of factors – strong growth in domestic markets and demand, market



consolidation, evolving technologies and the potential to commercialise such technologies and to source the funding to do so – highlight the increasing focus on enhancing the start-up ecosystem. The number of start-ups is expected to increase from 3,100 start-ups (Economic Survey 2014–15) in 2014 to more than 11,500 projected by 2020. Between 2010 and 2014, the infusion of venture capital (VC) and private equity (PE) increased from USD 13 million to USD 1,818 million. Angel investments also multiplied almost eight times, from USD 4.2 million to USD 32.2 million, during the same period.

The World Economic Forum’s (WEF) closer look at the key enablers of the entrepreneurial ecosystem shows that there are a number of other prerequisites for entrepreneurship besides financing.

Figure 2. Factors influencing the entrepreneurial ecosystem (source: World Economic Forum)



According to the WEF report, India’s entrepreneurial ecosystem has the demand-side characteristics suitable for a thriving entrepreneurial ecosystem – namely a market that is accessible and growing, human capital that has an “entrepreneur’s mindset” and is able to work in high-pressure and innovation-centric start-up environments, and the availability of adequate financing options. However, the enabling environment needs to significantly

improve. The report states that India has room for improvement when it comes to providing a support system that includes both mentoring platforms and formal education. The role that major universities play as catalysts needs to be enhanced and the regulatory environment made conducive to entrepreneurs.

The Government has in the last decade or so (and with renewed vigour under the new administration) recognised the role SGBs can play in fuelling innovation and the positive spill-over effects of their work on the economy. Many schemes and programmes are being rolled out, such as Start-up India, Stand-up India, the India Aspiration Fund, SIDBI Make in India Loan for Small Enterprises, MUDRA Bank’s loan scheme for start-ups, and the Ministry of MSME’s ASPIRE (A Scheme for Promotion of Innovation, Rural Industry and Entrepreneurship) policy. Additionally, the Government is working to simplify taxation rules and investment-related tax exemptions for entrepreneurs.⁴

It is evident to stakeholders that entrepreneurs in India lack an adequate support system to help them create and grow their business ventures, as large gaps exist in the ecosystem. The venture capital industry is still nascent, which means that the availability of domestic capital and venture capital is limited and that the incubation industry in India remains fairly underdeveloped. The incubators, which are majorly concentrated in Tier 1 cities, face various administrative and financial challenges, and there is an undersupply of incubators operating in India’s rural markets where many start-ups and especially social impact enterprises are most active.

The government can support aspects like regulatory frameworks, infrastructure and, to a certain extent, financing. However, there is significant scope for corporates to participate in ensuring a thriving entrepreneurship ecosystem in India. Corporates are also

⁴PTI, ‘DIPP to organise start-up festival in Hyderabad in September’, Economic Times, 4 July 2016, retrieved from <http://economictimes.indiatimes.com/>

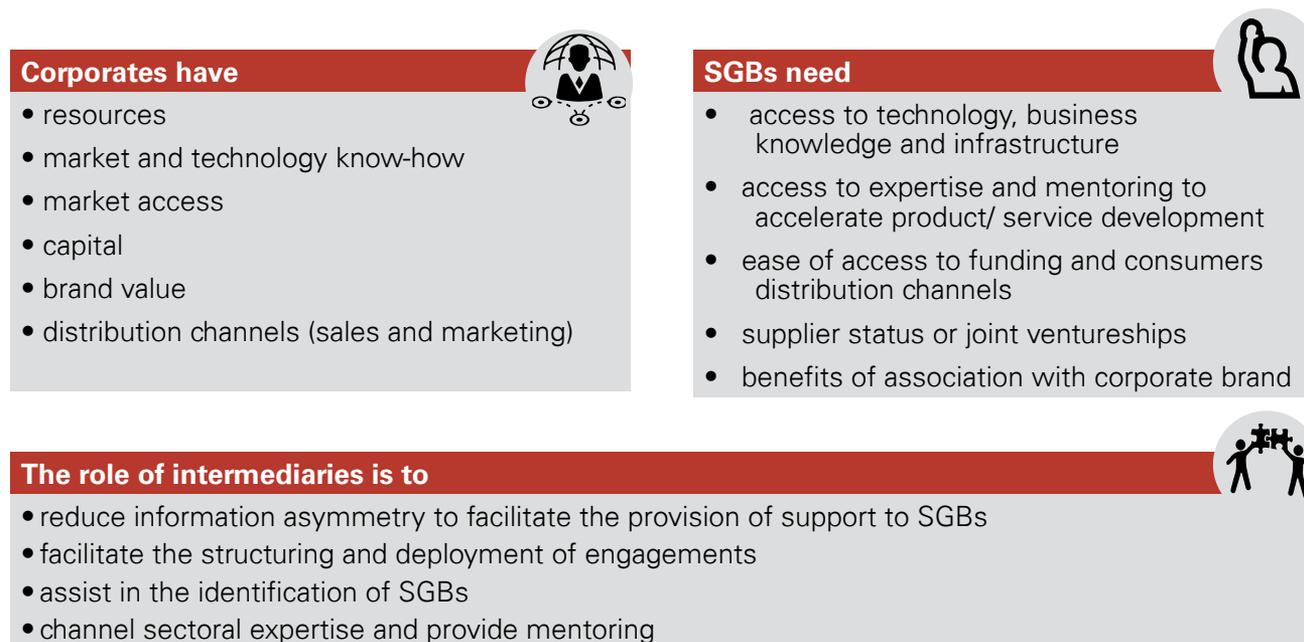


increasingly recognising that they have a role to play in bridging the existing gaps in the entrepreneurial ecosystem by engaging with SGBs and incubators while fulfilling various strategic and non-strategic objectives. Despite growing corporate interest, market failures and information asymmetries mean that the full potential of the synergies between corporates and SGBs remains underexploited. There is no systemic approach to mapping start-up or incubator activity, and both sides have limited

knowledge about the value proposition as outlined earlier.

The private sector has an inherent advantage in that it has sectoral expertise, especially in the provision of non-funding support. One of the key aspects of developing the entrepreneurial ecosystem is the need for strong market linkages between corporates on the one hand and SGBs and intermediaries on the other.

Figure 3. Expectations and offerings of corporates and SGBs and the role of intermediaries



Corporate involvement in the entrepreneurship ecosystem is currently highly skewed. There is a heavy bias towards start-ups in the technology, e-commerce and mobile technologies, with 80% of investments focused on technology-based start-ups, of which 80% are focused on mobile solutions. Mumbai and Bengaluru (Bangalore) are the preferred cities for start-up incubation. As of July 2016, only about 5% of the start-ups established since 2008 focus on manufacturing⁵. The Confederation of Indian Industries' (CII) Start-up Conclave Panel has noted that the ecosystem requires inputs to make it more inclusive of non-technology sectors and also sectors that are presently in high demand (e.g. health care, energy efficiency, and education

and skills). In this way, it can achieve a greater impact at the bottom of the pyramid (BoP) and/or in underserved markets. When it comes to social entrepreneurship, although the changes in the CSR rules have made it possible for DST-approved incubators to attract corporate funding and facilitate engagements with SGBs, the progress has so far been slow.

Corporates need to embrace the innovation ecosystem and avoid restricting innovation to in-house ideas. The benefits of collaboration are mutual: SGBs can offer innovative thinking and an agile working culture, and corporates can offer the fruit of their experience in delivering successful strategies and implementing 'go-to-market' lifecycles for innovations.

⁵Sarma and Majumdar, 'Ready, steady, start-up', Livemint, 11 July 2016.





2 Structured deep-dive into corporate–SGB and corporate–intermediary engagement models

2.1 Need for this study

The existing literature largely focuses on entrepreneurs' needs and the interventions required to enable their growth. Substantial research has been carried out that concentrates on best practices, guidelines for fostering new start-ups, business incubation management and the effect of business incubators on start-ups. However, there is a paucity of research on corporates' involvement in this space in India.

This study is corporate-centric as it examines the entrepreneurial ecosystem in terms of how corporates can design and deliver healthy, impactful engagements with SGBs and with the intermediaries that facilitate the engagements.

The stakeholder map below (Figure 4) describes the ecosystem from the corporate perspective.

The core motivating factors that drive the corporates to engage with SGBs are

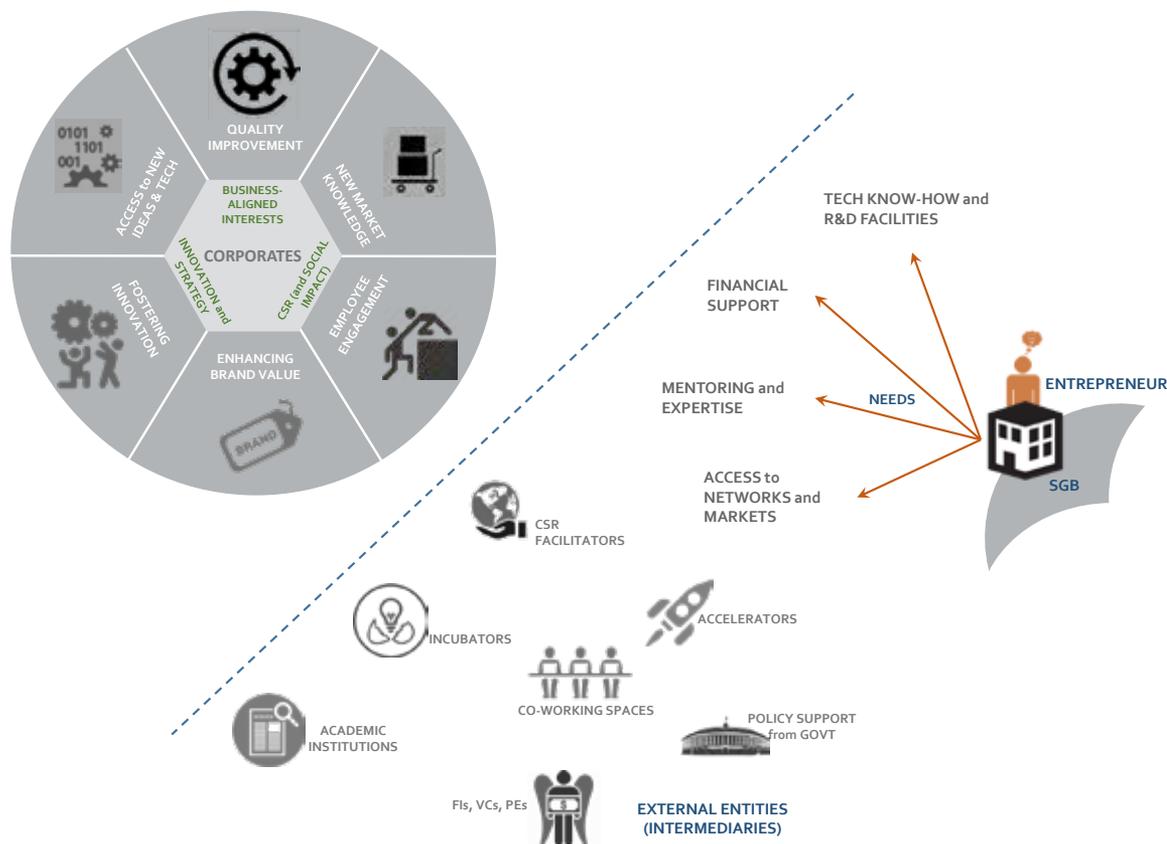
- **the achievement of business-aligned interests** – these interests broadly include improving supplier quality (i.e. bringing in new suppliers) and gathering knowledge about new and adjacent markets and distribution partners;
- **realising social-impact-related and CSR goals** – this factor is aligned with corporates' needs to fulfil their CSR obligations, boost employee retention efforts and enhance brand value and recall; and

- facilitating external innovation (for strategic and non-strategic reasons) – this factor is essentially related to the corporate’s desire to foster and/or gain exposure to external innovation.

Similarly, the entrepreneur(s) leading the SGB(s) are driven by four key needs:

- The need for access to networks and markets
- The need for mentoring and expertise
- The need for funding support
- The need for technology know-how and access to research and development facilities

Figure 4. Corporate-centric mapping of the entrepreneurial ecosystem



From the corporate perspective, the ecosystem also includes diverse stakeholders who can facilitate or enable engagements with SGBs. These stakeholders (or intermediaries) are incubators, accelerators, knowledge partners and academic institutions.

Similar to the SGBs, the intermediaries are driven by the following key needs:

- The need to diversify their funding streams (financial support)

- The need to access networks and markets
- The need for mentoring and expertise to build their own capacities
- The need to build their brand image, making them more prominent and more visible to entrepreneurs

The purpose of this study is to analyse multiple examples of current and past corporate–SGB and corporate–intermediary–SGB engagements in India in order to identify, using a 360° research



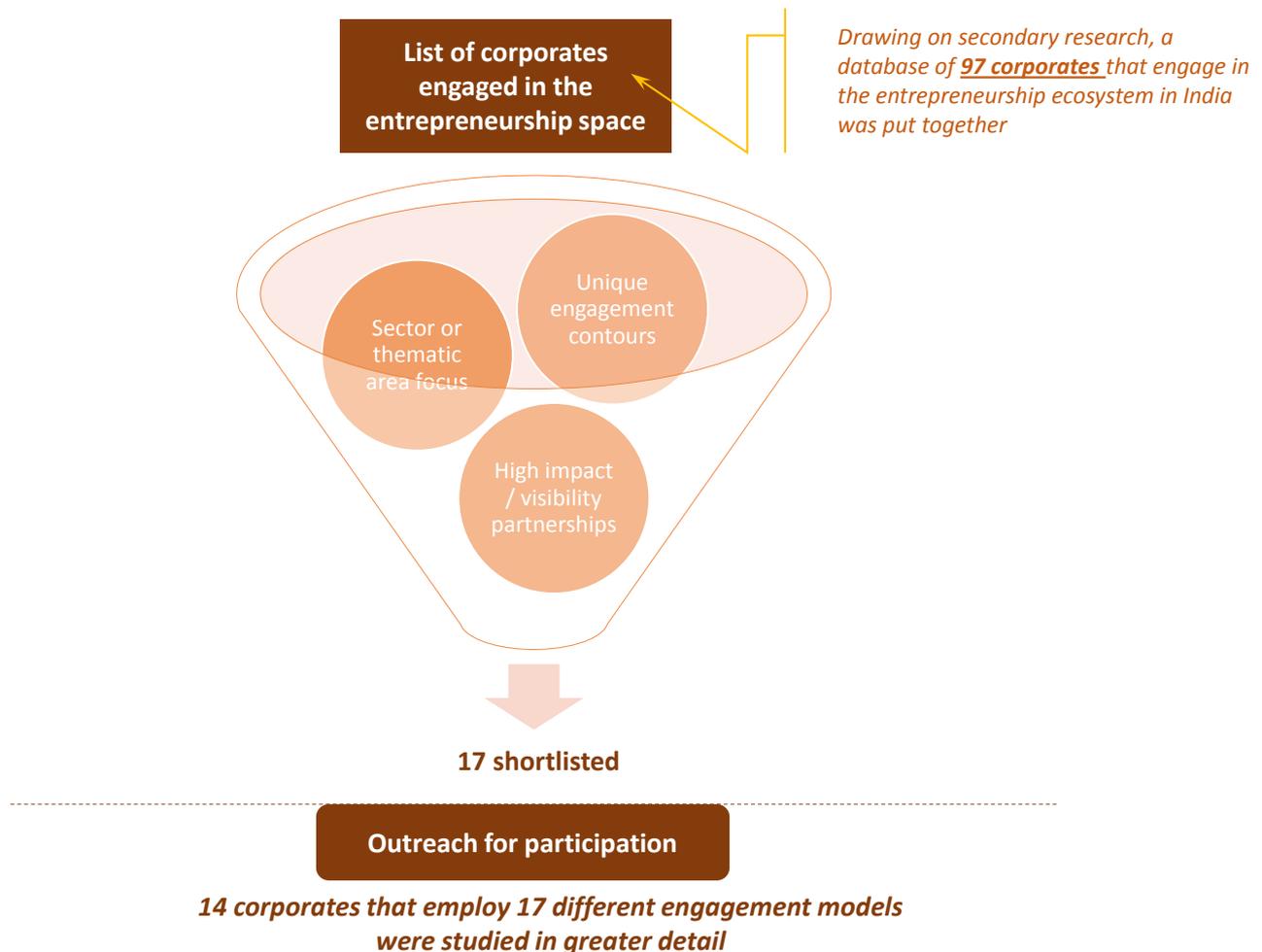
methodology, the key success drivers and critical enablers of these engagements. Innovative models of engagement that are being developed in a range of sectors are identified and described in detail, and an understanding of how these kinds of models can be replicated in other situations is presented. This handbook aims to serve as a guide for corporates, helping them to determine their preferred business and operating models for engaging with SGBs either directly or through intermediaries such as incubators, accelerators, etc.

2.2 Shortlisted engagement examples – an overview

For the purposes of this study, 97 examples of engagements were identified and evaluated for shortlisting. The selection criteria were

- the uniqueness of the engagement – in terms of its structuring or how support is provided;
- the intensiveness of the engagement – in terms of its sectoral focus or the nature of the support provided; and
- evidence of the model achieving a high impact (or, in the case of recently initiated engagements, the model’s perceived potential for achieving a high impact).

Figure 5. The process for shortlisting corporate–SGB and corporate–intermediary examples

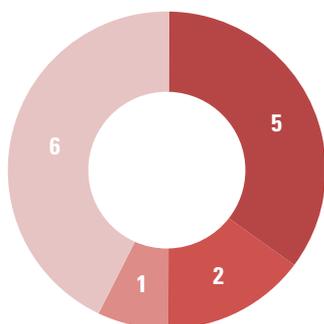


The research was sector-agnostic. However, the corporates discussed in this study operate in sectors that fall into four broad categories:

- Traditional sectors (manufacturing, agriculture, energy and sustainability, etc.)
- Social infrastructure (health, education, livelihood)
- Information communication technology (ICT), including IT services and IT-enabled services
- Consumer (retail, finance, entertainment)

This classification made it possible to select a representative mix of corporate engagements across sectors. Based on these criteria, 14⁶ corporates were shortlisted. The 14 operate in the following sectors:

Figure 6. Sectoral classification of corporates



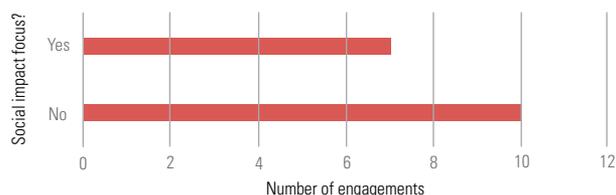
- Consumer (retail, finance, entertainment)
- IT
- Multiple sectors
- Traditional (manufacturing, agriculture, energy and sustainability)

In some cases, the corporate supported multiple SGBs through individual engagements that were diverse in character, involving different kinds of inputs, motivators and structures. The study therefore identified one or more SGB engagements for each shortlisted corporate. In the end, 17 engagements were selected for in-depth analysis based on a range of factors, which are described in greater detail below.

⁶ Of the 14 corporates studied, 12 are covered as case studies in Chapter 6.

One factor shown to affect the structuring and outcome of the engagement is the nature of the SGB – i.e. whether it is a social or a commercial (start-up) venture. A social venture SGB requires support from corporates that focuses on maximising community impacts. This differs from the support required for a commercial venture, which is focused on realising a product or service offering. Examples do exist of commercial collaborations that fall outside the core domain of the supporting corporate; however, most non-business-aligned collaborations occur in the social impact space and are financed by the corporate’s CSR fund.

Figure 7. Share of models focused on achieving social impacts (total of 17 engagements)



The role of intermediaries and partners

Another important criterion relates to the structure of the engagement model. The structures employed in the examples studied herein fall broadly into two main categories:

- I. The corporate engages directly with the SGBs. In addition, this engagement may be
 - o **bespoke**, with the corporate supporting one SGB through a tailored model, or
 - o **a structured platform** where the corporate supports multiple SGBs (e.g. through internal innovation teams, in-house incubators, CSR foundations, etc.).
- II. The corporate indirectly engages with SGBs by employing intermediaries to work with the SGBs in question.

Like SGBs, intermediaries benefit from their engagements with corporates as these



interactions open up new avenues for the further diversification of funds and they enable intermediaries to widen their networks, gain greater access to markets and industry experts, and enhance their visibility through their association with well-known corporates. It is important to note that SGBs are the stakeholders that ultimately benefit from corporate–intermediary engagements because, as the intermediaries’ capabilities and competencies improve, they become better able to address and cater to SGB needs.

External entities play a key role in facilitating and ensuring the appropriate functioning of the engagement. There are several obvious motivating factors that prompt corporates to engage with entrepreneurs directly or through intermediaries, such as the corporates being able to rely on the nuanced expertise of intermediaries for the selection of the SGBs.

The study identified five main types of intermediary that play a role in corporate–SGB engagements:

1. **Incubators**, which are aimed at strengthening and supporting earlier-stage enterprises, primarily by providing technical and managerial support services and funding.

A relevant example is Bajaj Electricals’ collaboration with the Indian Institute of Management Ahmedabad’s (IIM-A) Centre for Innovation Incubation and Entrepreneurship (CIIE) that focused on supporting ONergy Solar. ONergy Solar was an incubatee of the CIIE and was thus ideally placed to be identified by the Centre and recommended to Bajaj Electricals as an appropriate candidate for support. CIIE’s success in supporting this engagement can be gauged from the fact that it is expected to last for at least five to seven years.

2. **Accelerators**, which aim to support more mature growth-stage enterprises where ideation is fairly well developed.

A relevant example is the engagement between Pfizer and the Indian Institute of Technology Delhi’s Foundation for Innovation and Technology Transfer (FITT), which sought to promote intellectual property (IP) generation in the health care sector. The engagement is based on a technology incubator model that aims to attract entrepreneurs who have moved beyond the ideation stage.

3. **Academic institutions**, which, due to the fact that recent graduates are opting in ever greater numbers to pursue their entrepreneurial ambitions, are increasingly seen as fertile ground for budding entrepreneurs. Corporates seeking to connect with promising entrepreneurs at a very early stage and with a minimal investment of time and effort see academic institutions and the incubators and accelerators they house as attractive sources of SGBs.

A noteworthy example is the partnership between Tata Institute of Social Sciences, Mumbai which runs an in-house incubator, and DBS to nurture the entrepreneurial ambitions of students of a postgraduate course in social entrepreneurship. The partnership has allowed DBS to provide guidance to 35 SGBs over the past five years and to significantly contribute to the growth of each participating social venture over the three-year time frame set for each engagement.

4. **CSR consulting firms**, which typically advise corporates on CSR strategy formulation, the design of engagements and the selection of engagement partners (particularly SGBs and intermediaries). Alongside these tasks, CSR consulting firms are also involved in monitoring and reviewing the engagement.



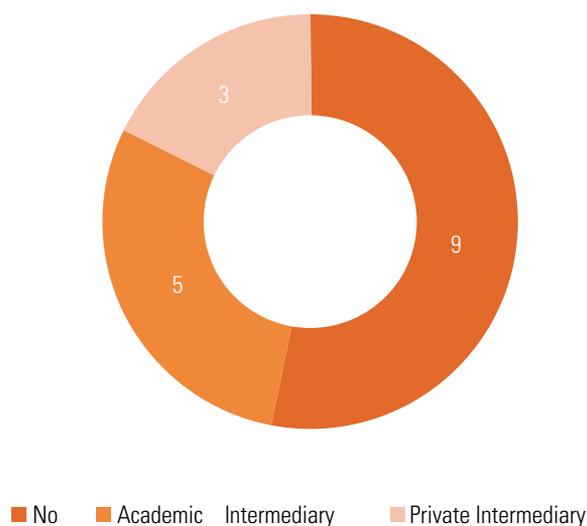
A relevant example here is that of NextGen PMS, which facilitated Mahindra Finance’s engagement with Villgro, a Chennai-based technology business incubator that focuses exclusively on supporting social ventures. NextGen PMS had facilitated a collaboration between Mahindra Finance and the CIIE during the previous round. In addition to scouting and identifying suitable incubators to work with, NextGen PMS assisted Mahindra Finance with its structuring of the engagement and by installing a periodic review and monitoring mechanism to assess the performance of both the incubator and the supported SGB.

- Partner firms.** In addition to the traditional intermediaries, in some cases certain corporates brought in additional corporate partners to enhance the value they can offer to the SGBs.

IBM India partnered with ICICI Bank on a programme to support start-ups in the financial technology (FinTech) domain (see the relevant case study in Chapter 6). Included in the programme was an ‘appathon’, which was designed to facilitate the identification of developers of FinTech-based apps. The partnership enabled IBM and ICICI Bank to leverage their brand value and expertise in order to attract SGBs and offer them support.

Around 40% of the engagement models captured in this report were driven by different categories of intermediary – in the main, academic and privately run intermediaries (see Figure 8). It is worth noting that direct and indirect models of engagement seem to have different dynamics. Hence, these engagements models were profiled and analysed based on the involvement of intermediaries. (Figure 8).

Figure 8. Share of intermediary-driven engagements





3 Engagement categorisation – an overview

To identify the key factors and drivers of the shortlisted engagements and understand how the engagements fit with India's current entrepreneurial ecosystem, it was first necessary to identify the parameters to use when comparing cases. A framework for analysis was developed to serve as a guide for the overall structure of the analysis and included identifying the parameters that determine each engagement path – from inputs to results – and measuring each stage in multiple dimensions.

As the key parameters – including contextual, structural and motivational parameters – varied from case to case, the shortlisted corporates and their respective engagements were classified into distinct categories based on their key differentiating attributes, as presented in the following sections. This section describes the analysis framework and is followed by a detailed description of the engagement classifications.

3.1 Engagement categorisation/profiling

When assessing the nature of the engagements and their model attributes, the following questions were identified as key for categorising the engagements.

Question 1. Was the mode of engagement direct or was it facilitated by an intermediary?

The first factor to determine is the engagement structure, which is primarily categorised according to the nature of the interactions occurring between the corporates and SGBs. Two structures have been identified:

- **direct engagements** – where corporates engage directly with the SGBs and therefore have control over all aspects of the engagement; or

- **indirect engagements** where corporates rely on intermediaries (e.g. incubators, accelerators, knowledge partners) to facilitate the design and delivery of the engagements. Here, the corporates benefit from having recourse to the intermediaries' skills and expertise in areas including identifying SGBs, providing non-funding support, and helping the corporate to monitor the engagement.

Question 2. Did the corporate have a strategic business interest in the idea/entrepreneur they were supporting?

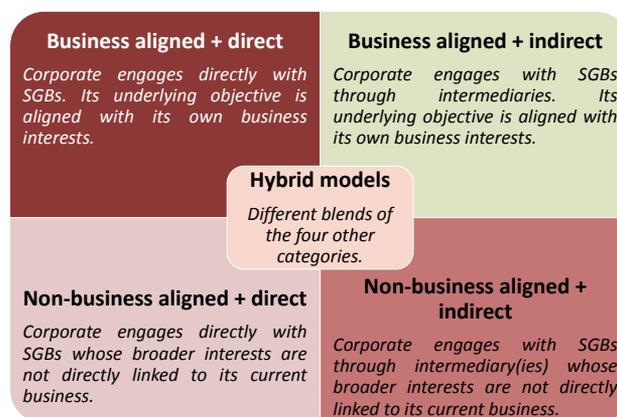
Another key factor is the corporate's motivations for each of their engagements. Two broad types of motivation were identified:

- **Business-aligned interests** – cases where the corporate expects the outcome of the support it provides to an SGB or the entrepreneurial ecosystem to contribute towards its own business objectives. The factors motivating the corporate in this case might be improving supplier quality (i.e. bringing in new suppliers), accessing innovation and learning first-hand about newer and potentially disruptive technologies and products, or gaining access to new markets and distribution channels.
- **Non-business-aligned interests** – cases where the corporate engages with the SGB without consideration to its own business interests. This includes situations where the corporate provides support to entrepreneurs or intermediaries that may operate in sectors different to its own. The factors motivating the corporate in this case range from fostering innovation to creating social impact through BoP business models. Corporates engage in non-business aligned activities either for CSR purposes or to meet non-strategic goals.

These two factors have been key for the analysis of the case studies and for the subsequent categorisation developed using the E3C model and QCA method.⁷ Based on these two primary levels of categorisation, the engagements

considered herein were sorted into five broad categories.⁷

Figure 9. Broad categorisation of engagements



The 14⁸ different corporates studied herein represent one or more of these five models. Some of the corporates engaged with SGBs using a combination of more than one of these approaches and are thus categorised as hybrid models. The chart below breaks the 12 case studies down by these categories.

Table 1. Engagement models used by the corporates that feature in the case studies

Business aligned + direct	Business aligned + indirect	Non-business aligned + direct	Non-business aligned + indirect	Hybrid
Airbus	Pfizer	Marico Innovation Foundation	DBS	Bajaj Electricals
Federal Bank		BASF	Mahindra Finance	IBM
Bosch		Tata Elxsi		Microsoft

The next few sections of this chapter provide more detail on each of these models.

3.2 Corporate–SGB (direct) engagement model

A direct model is one in which the corporate provides support to the SGB directly, without the use of an intermediary such as a private or academic incubator. Within this category, the engagements can be further classified into

⁷ Details of the E3C framework of analysis and QCA methodology are provided in the annex.

⁸ Of the 14 corporates studied, 12 feature in the case studies presented in Chapter 6.



business aligned and non-business aligned, based on the corporate’s motivation for engaging.

Business-aligned engagements

The Business Aligned + Direct model of engagement is evolving in the technology services space and technology products space where corporates stand to benefit from exposure to the latest innovations and potentially disruptive technologies. By developing partnerships with innovative technology start-ups, corporates can enhance their internal innovation strategy and keep abreast of the new products and services being developed by others outside their company.

For example, corporates might work directly and collaboratively with external start-ups in order to provide the latter with a real-world work environment and access to managerial mentoring. Another example is the model adopted by Federal Bank that makes its existing branch-based resources and assets available to start-ups in the form of a one-stop shop for support services. Federal Bank leverages its extensive multi-sector industry exposure to support start-ups across sectors. In addition, Federal Bank intends to use this platform to support start-ups that are specifically operating in the FinTech space. By developing partnerships with suitable start-ups, the bank will hopefully address its internal requirements (see the relevant case study in Chapter 6).

Non-business-aligned engagements

Non-Business Aligned + Direct models of engagement are prevalent in situations where the corporate is supporting SGBs in sectors adjacent to its own (meaning they are not linked to the corporate’s business strategy) in order to foster innovation.

However, direct engagement models are rare in the social entrepreneurship space. Companies’ CSR strategies are characterised by a certain level of inertia when it comes to engaging with for-profit enterprises. This is, in part, due to the fact that the CSR space abounds with one-off support in the form of grants to NGOs or event-based initiatives like health camps. Also, corporate CSR policies tend to display a preference for short-term impacts where outputs take precedence over sustainable long-term impacts. Another factor contributing to this inertia is corporate objectives that require employee engagement, which is often seen as more hands-on when it involves direct interaction with the beneficiary (through health camps for instance).

Marico Innovation Foundation’s (MIF) Scale-Up Programme offers a rare example of this kind of social-innovation-driven direct engagement. MIF’s engagements with enterprises through the Programme seek to effectively utilise the skills and experience of current and retired Marico employees (resources) to provide mentoring to social ventures (see the relevant case study in Chapter 6).

BASF’s engagement with Waterlife India is another good example of how a corporation has used its CSR funds to improve the lives of communities living near its production facilities in Tamil Nadu. This engagement addressed BASF’s strategic goal of deepening its commercial relationship with Waterlife India, which uses the chemical giant’s ultrafiltration technology in its water purification plants (see the relevant case study in Chapter 6).

Summary table for the corporate–SGB (direct) engagement model

The following table indicates which category the direct-engagement case studies fall into:

Table 2. Categorisation of corporate–SGB direct engagements

A summary of each of the case studies is provided in the table below.

Corporate–SGB direct engagements	
Business aligned	Non business aligned
Federal Bank	Marico Innovation Foundation
Bosch	BASF
Airbus	Tata Elxsi



Stakeholders	Key motivator for corporate	Key motivators for SGB(s)	Engagement structure	Key takeaways
<p>Federal Bank works with entrepreneurs in diverse sectors to provide advisory services (fee-based) for scaling up.</p> <p>Federal Bank was assisted by Bloombloom, a knowledge partner providing support on incubation and acceleration services. Bloombloom resources assist Federal Bank in providing legal and funding services.</p> <p><i>See case study in Chapter 6</i></p>	<ul style="list-style-type: none"> To foster innovation in the entrepreneurial ecosystem. To gain exposure to start-ups in the FinTech space. 	<p>Access to mentoring, and guidance on regulatory compliance accounting, human resources and marketing.</p>	<ul style="list-style-type: none"> Collaborative model with the provision of non-funding support in the form of mentoring. Engagement period: six months. Scouting method: walk-ins, open application, registration desks at events targeted at entrepreneurs. 	<ul style="list-style-type: none"> Federal Bank uses its existing infrastructure and resources to provide fee-based support to SGBs, which means it can support SGBs in a cost-effective manner. Federal Bank's approach shows how corporates can take initial steps towards working with SGBs.
<p>Bosch, as part of its strategic vision to support innovative entrepreneurs in the Indian ecosystem, offers support designed to accelerate the 'industrialisation' of the participating start-ups' product and service offerings.</p> <p><i>See case study in Chapter 6</i></p>	<ul style="list-style-type: none"> To gain exposure to external innovation and newer markets. To assist engineering-sector start-ups to scale up. To leverage exposure to external innovation in order to improve Bosch's own approaches to innovation. 	<p>Access to Bosch Group's technological expertise, experience and infrastructural facilities for accelerating product development.</p>	<ul style="list-style-type: none"> Provision of non-funding support (mentoring, early validation, access to Bosch technology, products and infrastructural facilities, guidance for regulatory and statutory compliance). Engagement period: six months to two years Scouting method: open application, start-up events, hackathons/ challenges, support from intermediaries. 	<ul style="list-style-type: none"> The engagement model places an emphasis on avoiding the perils of adhering to a highly structured and systematic process that can inhibit the agility of the SGB.
<p>Airbus has, as part of its global strategy, established a network of aerospace business accelerators to support Indian SGBs that are trying to make inroads into the aerospace domain.</p> <p>NUMA, a cross-industry start-up accelerator with global operations, has assisted Airbus in setting up a facility in Bengaluru (Bangalore).</p> <p><i>See case study in Chapter 6</i></p>	<ul style="list-style-type: none"> To gain exposure to external innovation and improve internal innovation within Airbus. To foster innovation in the Indian ecosystem and facilitate the entry of non-aerospace SGBs into the aerospace domain. 	<p>Access to Airbus's technological expertise, experience and infrastructural facilities</p>	<ul style="list-style-type: none"> Provision of non-funding support (mentoring, infrastructural facilities, market linkages). Engagement period: six months Scouting method: open application 	<ul style="list-style-type: none"> Corporates could gain considerably from exposure to the innovative practices adopted by SGBs operating in other domains.
<p>Marico, through the Marico Innovation Foundation, deploys its CSR-specific funds and resources to support and accelerate the scaling-up of innovative social ventures.</p> <p>So far, Marico has supported more than 20 SGBs. This study has assessed the support offered to two of these: Saral Designs, working in the women's health care segment, and Microspin Machine Works, which designs and builds equipment for processing cotton yarn.</p> <p><i>See case study in Chapter 6</i></p>	<p>To foster innovation in the Indian ecosystem and to catalyse the growth of social ventures with innovative offerings (model/process/product/service).</p>	<ul style="list-style-type: none"> Microspin Machine Works uses Marico's network of textile corporates to create demand and visibility for its products (crafted yarn). Saral Designs draws on Marico's experience and understanding of the Indian market, and benefits from the mentoring provided by the company. 	<ul style="list-style-type: none"> Provision of non-funding support (mentoring, network support). Engagement period: 18 months. Scouting method: referral system both internally from Marico employees and externally from partners in the development space. (The open application process was dropped in favour of the referral system to ensure that compatible SGBs were shortlisted.) 	<ul style="list-style-type: none"> Corporates should consider harnessing their network support and internal resources, developing an approach based on 'patient capital' to support social ventures. This example highlights how corporates need to identify their core competencies, and deploy expert resources and effort to assist the SGB.



Stakeholders	Key motivator for corporate	Key motivators for SGB(s)	Engagement structure	Key takeaways
<p>BASF worked with Waterlife India on a CSR initiative to set up two community water purification plants near their factories in Tamil Nadu (in Singaperumalkoil village and in the Gram Panchayat of Veerapuram in Chennai).</p> <p>Interestingly, Waterlife India already uses BASF's ultra-microfiltration technology for its water purification plants.</p> <p><i>See case study in Chapter 6</i></p>	<p>To undertake CSR-related activities that address in a sustainable way the lack of access to clean drinking water of communities located near its two plants.</p>	<p>To make use of funding support (CSR funds) and non-funding support (BASF's employee engagement).</p>	<ul style="list-style-type: none"> Provision of funding and non-funding support (employee engagement). Scouting method: internal referral system. 	<ul style="list-style-type: none"> This engagement serves as an example of how corporates can work with SGBs that use corporate technologies or products to generate sustainable impacts on communities.
<p>Tata Elxsi, one of India's pioneering design companies, launched the Incub@TE incubation centre programme. Incub@TE works to support external entrepreneurship in the product platform and related technologies that provide services through mobile, social, local, enterprise, cloud and embedded applications.</p> <p><i>See case study in Chapter 6</i></p>	<p>To foster innovation in the Indian entrepreneurial ecosystem by leveraging its in-house expertise so that it nurtures and supports the product platform as well as the SGBs developing related technology-based service solutions. Tata Elxsi felt that it was necessary to address the factors inhibiting the development of SGBs.</p>	<ul style="list-style-type: none"> Leveraging Tata Elxsi's expertise in accelerating scaling-up. Using the Tata Elxsi brand to gain visibility in the funding space. 	<ul style="list-style-type: none"> Provision of non-funding support (skills partnership, access to mentors, infrastructural facilities, market linkages). Engagement period: 15 to 18 months. Scouting method: open application. 	<ul style="list-style-type: none"> This example highlights how corporates should identify their core competencies and infrastructure, and deploy their experts' time and resources to address any gaps identified in the entrepreneurial ecosystem.

3.3 Corporate–intermediaries (indirect) engagement model

An indirect engagement is one where the corporate provides support to the SGB through an intermediary such as an incubator. With this more flexible structure, the corporate can vary its level of involvement. This might range from simply providing funds to the intermediary (which it then uses to provide incubation and advisory support) or offering other types of non-funding support to the SGB, to taking a full and active role in providing various kinds of support in collaboration with the intermediary.

Indirect engagements can be further divided into business-aligned and non-business-aligned models based on the corporate's motivations.

Business-aligned engagements

It is rarely the case that this type of engagement model is employed as the sole mode of engagement; rather, it is usually incorporated in a hybrid model structure with multiple engagements such as that used by IBM (described later). This model is observed in cases

where the corporate employs an intermediary to make contact with SGBs that are working on new technologies in or closely related to its own sector of operation.

An example of an indirect engagement that is business aligned sector-wise is Pfizer's collaboration with IIT Delhi's technology business incubator, the Foundation for Innovation and Technology Transfer (FITT). Their joint programme supports the translation of innovative health-care ideas into business opportunities and intellectual property by providing funding, resources and infrastructural support to start-ups (see the relevant case study in Chapter 6).

Non-business aligned engagements

The CSR mandate does not permit investment in for-profit enterprises. For this reason, corporates seeking to impact on BoP markets must look to engage with incubators or other intermediaries (as proposed in the CSR regulations). The CSR rule in India's Companies Act 2013, which permits corporates to direct their mandated 2% CSR allocation to supporting business incubators,



primarily aims to encourage non-business-aligned engagements and indirect partnerships. By working with incubators, employee engagement has the potential to generate shared value as it enables SGBs to learn from corporate expertise, while allowing employees to use their strengths outside of their workplace.

A good example of this kind of engagement is that between Mahindra Finance and Flybird Innovations, which is facilitated by Villgro, a social business incubator. Mahindra Finance channelled its CSR funds through Villgro, providing funding and non-funding support to innovative social enterprises in the agriculture sector. Additionally, as Villgro has extensive access to mentors, the incubator also provides SGBs with non-funding

support (see the relevant case study in Chapter 6).

Supporting entrepreneurship to create social impact often involves the aspect of ‘patient capital’ – i.e. investments with impacts that only become visible after some time. For this reason, even though this kind of model enables corporates to channel their CSR funding in an effective manner and the incubator/accelerator to gain exposure to corporate practices, it is not very commonly used.

Summary table for the corporate–SGB (indirect) engagement model

This table describes which category the indirect-engagement case studies fall into:

Table 3. Categorisation of corporate–intermediary indirect engagements

Corporate–intermediary indirect engagements	
Non business aligned	Business aligned
Mahindra Finance	Pfizer
DBS	

A summary of each of the cases is provided in the tables below.

Stakeholders	Key motivator for corporate	Key motivators for intermediary (and SGBs)	Engagement structure	Key takeaways
<p>Mahindra and Mahindra Financial Services Ltd.’s (Mahindra Finance) CSR efforts have been focused on supporting enterprises that work to positively impact the lives of rural people. Mahindra Finance channelled its CSR funds through the DST-approved technology business incubator Villgro (an incubator that focuses on social enterprises working to benefit the poor), which supports the incubation of agro-focused start-ups. Mahindra Finance supported Flybird Innovations, a start-up based in Bengaluru that aims to solve farmers’ irrigation-related problems by developing smart irrigation systems. These smart systems automate the fertilisation and irrigation process and improve yields.</p> <p>Scouting method for intermediary selection: NextGen, which offers advisory services in the CSR space, assisted Mahindra Finance on the structuring of the engagement and scouting of relevant incubators.</p> <p><i>See case study in Chapter 6</i></p>	<p>To fulfil its CSR policy objectives, which are closely linked to its mission of promoting positive impacts in communities.</p>	<p>Villgro (social business incubator and intermediary)</p> <ul style="list-style-type: none"> • Making use of diversification in funding. • Gaining access to sector-specific networks. <p>Flybird Innovations (SGB)</p> <ul style="list-style-type: none"> • Leveraging access to funding to scale up operations. • Accessing the mentoring and sector expertise offered by Villgro and Mahindra Finance. 	<p>For Villgro (social business incubator and intermediary)</p> <ul style="list-style-type: none"> • Provision of CSR funds as grants. • Provision of Mahindra Finance’s human resources with expertise in relevant domains for mentoring (tentative). <p>For the SGB</p> <ul style="list-style-type: none"> • Provision of funding and non-funding support (access to mentors, access to networks). • Engagement period: 18 to 24 months. • Scouting method: open application. 	<ul style="list-style-type: none"> • Corporates can partner with intermediaries, such as incubators, to effectively channel their CSR funds and resources for supporting social ventures.



Stakeholders	Key motivator for corporate	Key motivators for intermediary (and SGBs)	Engagement structure	Key takeaways
<p>Pfizer, the global pharmaceutical corporation, and the Foundation for Innovation and Technology Transfer (FITT), a technology business incubator at IIT Delhi, launched the Pfizer-IIT Delhi Innovation & IP Program (PIDIIP)</p> <p>Scouting method for intermediary selection: internal referral.</p> <p><i>See case study in Chapter 6</i></p>	<p>To foster innovation among Indian entrepreneurs operating in the health care sector and related domains.</p>	<p>FITT, Delhi (intermediary)</p> <ul style="list-style-type: none"> • Access to funding. • Access to Pfizer experts to provide mentoring to incubatees (with a focus on providing tailored support for IP). • Exposure to corporate practices. • Brand visibility. <p>SGBs</p> <ul style="list-style-type: none"> • Leveraging access to funding and support for converting ideas into IP. 	<p>For FITT, Delhi (intermediary)</p> <ul style="list-style-type: none"> • Provision of CSR funds as grants. • Provision of Pfizer human resources with expertise in domains relevant for mentoring. <p>For SGBs</p> <ul style="list-style-type: none"> • Provision of funding and non-funding support (access to mentors, access to networks and infrastructure). • Engagement period: two years (for residential programme). • Scouting method: open application. 	<ul style="list-style-type: none"> • Corporates can partner with intermediaries, such as academic institutions and the incubators, to channel their CSR funds and resources towards supporting entrepreneurs with early-stage ideas.
<p>DBS Bank, the Singaporean multinational banking and financial services company, entered into a partnership with the Tata Institute of Social Sciences to launch the DBS-TISS Social Entrepreneurship Programme.</p> <p>Scouting method for intermediary selection: internal referral at DBS.</p> <p><i>See case study in Chapter 6</i></p>	<p>To meet the requirements of its global CSR policy by engaging with and supporting social enterprises.</p>	<p>TISS-Mumbai (social incubator and intermediary)</p> <ul style="list-style-type: none"> • The need for a 'partner' whose motivations align with those of TISS, and whose support would extend beyond that of providing financial support. • Accessing DBS's human resources and engaging them in developing strategies for and delivering the incubation programme. • Generating brand visibility. <p>SGBs</p> <ul style="list-style-type: none"> • Leveraging DBS's expertise to accelerate scaling-up. <p>Using DBS's brand to generate visibility in the funding space.</p>	<p>For TISS-Mumbai (social incubator and intermediary)</p> <ul style="list-style-type: none"> • DBS's facilitation of the design of the engagement structure. • DBS's provision of funds to support the grants programme for incubatees. • DBS's managerial inputs on the review and monitoring of programme progress. <p>For SGBs</p> <ul style="list-style-type: none"> • An incubation programme that provides seed funding and growth capital to social enterprises. • Provision of funding and non-funding support (access to mentors, access to networks and infrastructure). • Engagement period: three years. • Scouting method: open application from students of the postgraduate course in social entrepreneurship at TISS-Mumbai (and alumni). 	<ul style="list-style-type: none"> • A measured and patient approach to providing support for the scaling-up of social ventures is essential. • The 'partnership' mode of engagement with the long-term objective of providing support to social ventures has been a critical factor in delivering sustainable and impactful outcomes.



3.4 Hybrid engagement model

It has been observed that a few corporates engage with SGBs by simultaneously pursuing multiple modes of engagement. For example, a corporate may be running a programme aimed at engaging directly with SGBs and, at the same time, may have an indirect engagement in place with SGBs delivered through a partnership with an incubator/accelerator. A hybrid model allows corporates that are already at an advanced stage with their technology to (a) engage with a variety of SGBs that are developing new and different technologies and (b) use different modes of engagement and support for these interactions.

Corporates have employed hybrid engagement models as a scouting mechanism to gain access to a diverse set of SGBs. For example, Microsoft manages to attract a substantial number of applications from start-ups for its support programmes. This success is due to the fact that it relies on corporate partner organisations, such as Reliance, and academic and private incubators and accelerators. Similarly, IBM has rolled out a programme that enables it to directly engage with start-ups, has worked with RTBI (a social business incubator) to reach out to start-ups and social ventures that use IT-based solutions, and has partnered with a client (ICICI Bank) to engage with start-ups in the FinTech space (see the relevant case study in Chapter 6).

More importantly, the adoption of hybrid engagement models indicates that corporates have developed a more mature understanding of how such models could benefit them and contribute to the entrepreneurial ecosystem. For example, Bajaj Electricals engages with its vendors for strategic activities. At the same time it collaborates with the Centre for Innovation Incubation and Entrepreneurship (CIIE) to support

ONergy Solar, a social venture that works on decentralised power generation, particularly in north-east India. Adopting a hybrid model of engagement is therefore ideal for pursuing a holistic approach to achieving strategic and non-strategic objectives.

Intermediaries working with corporates under a hybrid model will benefit from a rich working experience – ranging from learning through experimental approaches to working together on structured approaches that have been designed for replicability. The experimental approach is evident in the case of the IBM India–RTBI partnership, where the two stakeholders leveraged their individual strengths to attract social ventures that are attempting to remedy socially pressing issues using IT-based solutions. This endeavour provided the RTBI (Rural Technology and Business Incubator) with an understanding of the unique IT-specific requirements that social ventures expect to receive support on, and IBM learned about the needs and operating constraints of a typical social venture.

Additionally, corporates’ preferences for hybrid models show that they have a clear understanding of the engagement requirements. Therefore, only after a careful assessment of the inputs required for the engagement will the corporate opt to engage with an intermediary. The roles and expectations of stakeholders are therefore likely to be clearly defined, which inevitably leads to better outcomes from the corporate–intermediary engagement.

Summary table for the hybrid engagement model

The following table lists the case studies that involve hybrid engagements:

Table 4. List of hybrid engagements

A summary of each of the cases is provided in the tables below.

Hybrid engagements
IBM
Bajaj Electricals
Microsoft



Stakeholders	Key motivator for corporate	Key motivators for SGBs and intermediaries	Engagement structure	Key takeaways
<p>IBM-RTBI Hackathon</p> <p>IBM India, operating in the computer hardware, consulting and IT services space, has adopted a multi-modal approach to engaging with SGBs in India, using its resources for strategic and CSR objectives.</p> <p>IBM engaged with IIT-Madras' Rural Technology and Business Incubator (RTBI) to conduct a 'hackathon'.</p> <p>IBM selected RTBI as the partner for this initiative through internal referral and networks.</p> <p><i>(See case study in Chapter 6)</i></p>	<p>To support entrepreneurs capable of providing sustainable, technology-based solutions to societal problems.</p>	<p>For RTBI (intermediary-social business incubator)</p> <ul style="list-style-type: none"> • Accessing IBM expert resources for use in providing mentoring to incubatees. • Being able to more easily attract SGBs (that are seeking to solve pressing social issues using IT tools). • Brand visibility. <p>For SGBs</p> <p>Leveraging access to IBM support and mentoring.</p>	<ul style="list-style-type: none"> • A hackathon programme that provides non-funding support (access to the IBM cloud service and to mentoring provided using RTBI and IBM resources). • Engagement period: short. • Scouting method: open application. 	<ul style="list-style-type: none"> • Corporates can partner with intermediaries, such as incubators, to effectively channel CSR funds and resources towards supporting social ventures. • Brand visibility for RTBI.
<p>IBM GEP SmartCamp Initiative</p> <p>This start-up competition promotes networking and mentoring, and it provides IBM with the opportunity to work with SGBs and enable them to more quickly generate revenue while working to build their businesses.</p> <p><i>(See case study in Chapter 6)</i></p>	<p>To foster innovation.</p>	<p>For SGBs</p> <ul style="list-style-type: none"> • Leveraging access to IBM's support and mentoring. 	<ul style="list-style-type: none"> • Non-funding support (access to the IBM cloud service, mentoring provided using IBM resources, access to IBM's knowledge sources and customised incubator curriculum). • Engagement period: 12 months. • Scouting method: open application. 	<p>Corporates could leverage their access to their client base and partner networks to provide SGBs with greater visibility.</p>
<p>IBM-ICICI Bank Appathon</p> <p>IBM India, which operates in the computer hardware, consulting and IT services space, has adopted a multi-modal approach to engaging with SGBs in India, using its resources for strategic and CSR objectives.</p> <p>IBM worked with ICICI Bank on the latter's virtual mobile app development challenge: the ICICI Bank Appathon.</p> <p><i>(See case study in Chapter 6)</i></p>	<p>To support entrepreneurs in the FinTech space.</p>	<p>For the partner (ICICI Bank)</p> <ul style="list-style-type: none"> • Having the opportunity to connect with FinTech app developers. • Rejuvenating its brand image. <p>For SGBs</p> <p>Leveraging access to IBM and ICICI Bank's resources for support and mentoring.</p>	<p>Scouting method for partner</p> <ul style="list-style-type: none"> • ICICI Bank is a client of IBM India (internal reference). <p>For SGBs</p> <ul style="list-style-type: none"> • Hackathon programme that provides funding and non-funding support (access to the IBM cloud service and to mentoring provided using ICICI Bank and IBM resources). • Engagement period: short. • Scouting method: open application. 	<p>Corporates can partner with client partners to offer enriched support to SGBs. In this example, FinTech app developers benefited from the support and exposure provided by IBM (IT) and ICICI Bank (financial services).</p>
<p>Overall takeaway</p>	<p>By pursuing a hybrid model of engagement, IBM India is able to support a large number of SGBs in the IT space. Additionally, the visibility generated by IBM benefits both the SGBs and the partners (ICICI Bank & RTBI).</p>			



Stakeholders	Key motivator for corporate	Key motivators for SGBs and intermediaries	Engagement structure	Key takeaways
<p>Bajaj Electricals and ONergy Solar</p> <p>Bajaj Electricals Limited, a consumer durables and electrical manufacturing company, has adopted a CSR policy that sets sustainability, gender diversity, employee volunteering and community outreach programmes as its key pillars.</p> <p>Bajaj Electricals works with IIM Ahmedabad's CIIE to disburse its CSR funds. With this funding, CIIE has supported the scaling-up of the social enterprise ONergy Solar.</p> <p><i>See case study in Chapter 6</i></p>	<p>To support environmentally sustainable energy production and adoption in under-served markets in India.</p>	<p>For CIIE (intermediary)</p> <ul style="list-style-type: none"> • Making use of funding diversification. • Gaining exposure to and adopting corporate practices (milestone-driven funding). • Accessing corporate resources for use in providing mentoring. <p>For ONergy Solar (SGB)</p> <ul style="list-style-type: none"> • Leveraging Bajaj Electricals' expertise in scaling-up: <ul style="list-style-type: none"> o assistance with research and development (R&D) o achieving operational excellence o building managerial capacity. 	<ul style="list-style-type: none"> • Long-term incubation-based support with grant-based funding as well as non-funding support (mentoring and network access). • Engagement period: five to seven years. • Scouting method: referral by CIIE. 	<p>Corporates can partner with intermediaries, such as incubators, to effectively channel their CSR funds and resources towards supporting social ventures.</p>
<p>Bajaj Electricals and vendors (strategic)</p> <p>Bajaj Electricals supports business-aligned (strategic) initiatives with component vendors. These initiatives involve providing funding and non-funding support that helps vendors to achieve operational excellence (quality improvement) and increase their managerial competencies.</p> <p><i>See case study in Chapter 6</i></p>	<p>By ensuring appropriate-quality throughput from its supply chain, Bajaj Electricals aims to improve its competitiveness.</p>	<p>Funding constraints typically prevent component vendors from providing their human resources with the necessary training and skills development. When corporates engage in this way, vendors can scale up and achieve operational excellence at a faster pace.</p>	<ul style="list-style-type: none"> • Funding and non-funding support for enhancing operational excellence (quality improvement) and improving managerial competencies. • Engagement period: continuous. 	<p>Corporates could leverage their access to vendors and partner-networks to develop sustainable and strategic engagements.</p>
<p>Overall takeaway</p>	<p>This engagement model is an example of how a corporate CSR vision can be multi-layered and can achieve its objectives through different kinds of approaches.</p>			



Stakeholders	Key motivator for corporate	Key motivators for SGBs and intermediaries	Engagement structure	Key takeaways
<p>Microsoft Accelerator</p> <p>Microsoft Accelerator aims to work with potentially disruptive technology start-ups to build strategic partnerships for the future.</p> <p><i>See case study in Chapter 6</i></p>	To foster innovation among IT-based SGBs.	Leveraging non-funding support in the form of access to technology and industry mentors and expertise. There are also opportunities to scale up and deepen market traction.	<ul style="list-style-type: none"> Non-funding support (access to technology and to industry mentors and expertise). Engagement period: four months. Scouting method: open application. 	Corporates can deploy internal accelerator programmes for fostering external innovation and can gain exposure to innovative ideas and practices.
<p>Microsoft Ventures and Reliance Industries' Reliance GenNext Hub</p> <p>Microsoft has partnered with Reliance Industries to provide entrepreneurs with mentoring and access to business units (and Reliance's human resources with capacity-building for technology mentoring).</p> <p><i>See case study in Chapter 6</i></p>	To foster innovation at Microsoft.	<p>For the partner (Reliance Industries)</p> <ul style="list-style-type: none"> Gaining exposure to external innovation. Guidance provided by Microsoft Ventures on identifying and working with entrepreneurs, and on technology mentoring. <p>For the SGBs</p> <ul style="list-style-type: none"> Leveraging access to support and mentoring from Microsoft and Reliance Industries with the aim of accelerating the scaling-up of activities. Access to Microsoft business units for product feedback, marketing and technical guidance. 	<ul style="list-style-type: none"> Accelerator programme that provides investment-based funding as well as non-funding support (access to mentoring, to technical and design experts, and to prominent investors). Engagement period: four months. Scouting method: open application. 	Corporates can partner with client partners to offer enriched support to SGBs. In this example, SGBs benefit from the support and exposure provided by Microsoft (IT) and Reliance Industries (a conglomerate with operations in diverse domains).
<p>Microsoft – academic incubators</p> <p>Microsoft partners with various academic institutions across India, including the Indian School of Business, Ashoka University, etc. Microsoft provides the software and technology support for the programme.</p>	To foster innovation at Microsoft.	<p>For incubators</p> <ul style="list-style-type: none"> Accessing software and technology support. 	Incubation-based support for incubatees in the academic institutions.	Corporates can work with academic institutions to secure the participation of a steady stream of SGBs.
<p>Overall takeaway</p> <p>For a corporate aiming to foster and gain exposure to innovation, the adoption of a hybrid engagement model provides extra advantages in terms of attracting diverse SGBs and nurturing long-term partnerships with partner corporates and institutions. In this way, the sustainability of the engagements is enhanced.</p>				



3.5 Categorising/profiling engagements for analysis

For analytical purposes, the engagement examples are considered through the prism of the following categories:

- **Bespoke engagement – one-to-one engagement between the corporate and the SGB**

In certain cases, corporates have engaged with a single SGB in a bespoke manner, deploying a highly customised support mechanism. A relevant example is that of BASF’s collaboration with Waterlife India.

- **One-to-many engagement – a single corporate engaging with multiple SGBs through a structured platform**

Corporates are increasingly seeking to engage with multiple SGBs using a platform-based approach. In this way, the corporate can deploy resources and efforts in a structured way that includes provisions

for the review and monitoring of progress towards the fulfilment of the stakeholders’ objectives. Additionally, the replicability of the engagement will be significantly higher than that of the bespoke model. A relevant example is Tata Elxsi’s Incub@TE programme.

- **Corporates that have engaged with intermediaries to support SGBs**

Relevant examples include engagements with:

- o **academic institutions** – e.g. DBS partnering with TISS-Mumbai (social incubator);
- o **incubators** – e.g. Mahindra Finance and Villgro engaging with NextGen, a CSR consultancy tasked with facilitating the engagement; and
- o **partners** – e.g. IBM India partnering with ICICI Bank to conduct its ‘appathon’ with FinTech-based SGBs.

Table 5. Categorisation of engagement examples

#	Corporate–SGB	#	Corporate–multiple SGBs	#	Corporate–intermediary–SGB
1	BASF	2	Airbus	10	DBS–TISS
		3	Marico Innovation Foundation	11	Mahindra Finance–Villgro–Flybird Innovations
		4	Federal Bank	12	Pfizer–FITT IIT Delhi–SGBs
		5	Bosch	13	Bajaj Electricals–IIM Ahmedabad CIIE–ONergy Solar
		6	Tata Elxsi	14	IBM India–RTBI (hackathon)
		7	IBM India (through SmartCamp GEP)	15	IBM India–ICICI Bank (appathon)
		8	Microsoft Accelerator	16	Microsoft Ventures–Reliance Industries (GenNext Hub)
		9	Bajaj Electricals–vendors (strategic)	17	Microsoft–academic incubators





4 Drivers for successful partnerships – an analysis

4.1 Introduction to analysis

Achieving successful partnerships in corporate–intermediary and corporate–SGB engagements depends on several crucial factors. This study seeks to uncover these factors while considering the relevant context. The analysis of corporate–intermediary and corporate–SGB engagements uses Athena’s E3C⁹ framework, which covers the following aspects:

- **Programme inputs:** The programme inputs eventually translate into long-term impacts on the intended stakeholder(s). The **Theory of Change** is used to assess and map the causal factors that lead to these various outcomes.

- **Design of the model:** The design of the model is assessed to understand how it translates into a scalable programme (referred to as a **Model of Change**).
- **Incentives:** It is important to understand how stakeholders’ incentives are addressed to ensure that behavioural changes are sustainable in the long-term. The cognitive changes thus effected are critical for ensuring long-term impacts.

Qualitative data has been gathered through primary interviews with corporates, SGBs, intermediaries and other stakeholders in the entrepreneurial ecosystem. The results are derived from the qualitative analysis of this data,

⁹ For more detail, see the annex.

performed using the Qualitative Comparative Analysis (QCA) methodology that involves

1. the creation of a framework of potential factors that have an impact on the outcome of the corporate-SGB or corporate-incubator engagement;¹⁰
2. for each engagement model, the collection of relevant information as per the above framework; and
3. the identification of the causal pathways for the outcomes of interest, which will provide insights into the factors that ensure successful engagements.

The QCA is used to analyse how the inputs (which include background parameters, motivators, model characteristics, ecosystem

parameters) for each engagement work in conjunction to produce the results or outcomes of interest as determined by the E3C framework.

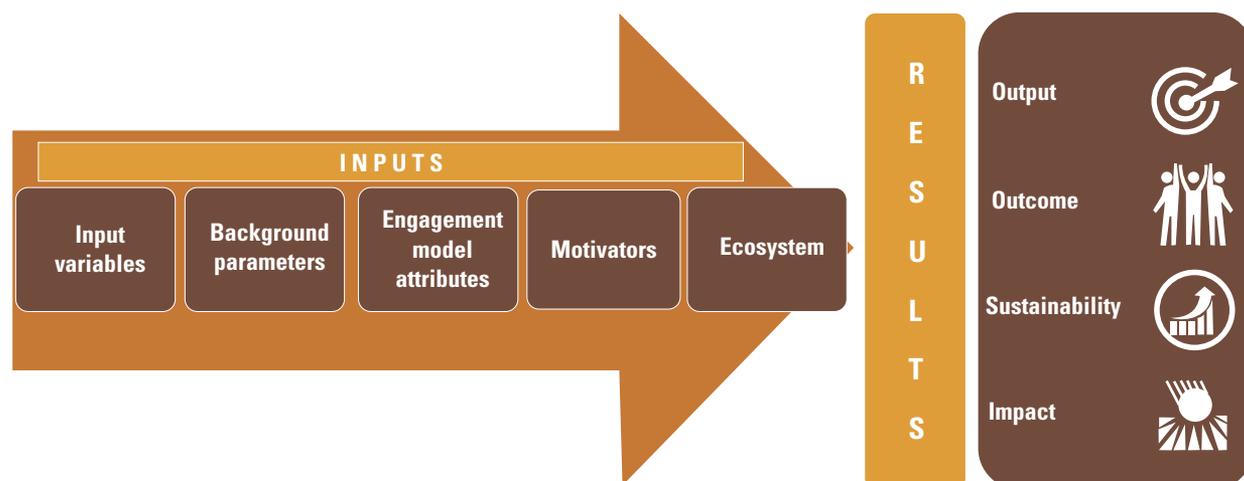
The analysis examined 'results' in the form of four variables: **output, outcome, sustainability and impact.**

Output	The number of SGBs supported by a corporate (to quantify the scale of the engagement model)
Outcome	The synergistic benefits enjoyed by the stakeholders (corporates and SGBs)
Sustainability	How the model has continued to develop and its degree of replicability
Impact	The overall effect the model has had at the individual, institutional and ecosystem levels

The results are described in the following diagram:

RESULTS = function (input variables, background parameters, engagement model attributes, motivators, ecosystem)

Figure 10. Mapping of inputs and results



4.2 Output

4.2.1 Introduction to output – bringing outputs to scale

'Output' describes a quantitative measure of the level of success that each engagement has achieved. Based on the assessment criteria set out below, each case is rated as high, medium or low.

The rating is dependent on the number of engagements undertaken by the corporate or incubator that have been successful in meeting stakeholder objectives. To fairly benchmark the output, each engagement was rated after categorisation based on the following criteria:

- **Level of involvement** (determining whether the corporate's level of involvement was high or low) – this is evaluated based on the intensity of the support provided by

¹⁰ See the annex for details of the input and result variables.

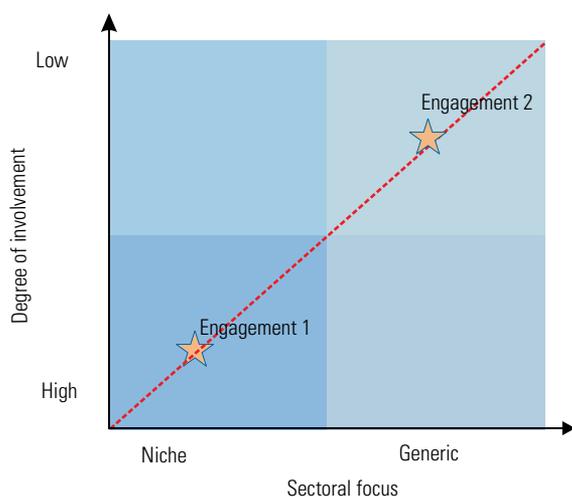


the corporate to the participating SGB or intermediary.

- **Niche or generic** (determining whether the sectoral focus of the targeted SGBs was 'niche' or 'generic') – a corporate that engages with SGBs in one industry vertical is classified as niche, whereas an engagement that has a broader focus is classified as generic.

Each case is categorised in accordance with its placement on Figure 11, which is determined by the scales marked on its axes. Subsequently, each case is rated as high, medium or low, relative to the category that it falls under.

Figure 11. Output coding



Engagement 1 is an example of a niche-focus and high-involvement engagement with the following typical attributes:

- Focused on start-ups or social ventures in specific domains.
- Long-term approach with a long incubation period that typically runs between 12 and 18 months or more.
- Collaboration with a limited number of SGBs, typically fewer than 10, which indicates a higher intensity of support for each start-up.

Engagement 2 is an example of a generic-focus and low-involvement engagement with the following typical attributes:

- Works with start-ups or social ventures across a range of domains/sectors.
- Short-term approach typically spread over a period of less than six months.
- Collaboration with 10 or more SGBs.



Table 6. Success factors for medium to high levels of output



Success factors for medium- to high-level of output						
Motivation	Period of engagement	Mode of support	Sectoral focus	Level of involvement	Output	Relevant cases
Social impact	Long	Access to resources		Medium	HIGH/ MEDIUM	Marico Innovation Foundation Bajaj Electricals–ONergy Solar
<i>Corporates seeking to support social ventures should opt for long-term engagements that provide access to resources (in the form of mentors and experts) and should as a minimum maintain a medium level of involvement</i>						
Access to innovation/ Improving supplier quality	Short	Access to resources and network	Niche	Medium	HIGH/ MEDIUM	IBM–ICICI Bank Airbus
<i>Corporates intending to provide niche support to SGBs in a short-term engagement should necessarily provide resources and access to networks and should as a minimum maintain a medium level of involvement</i>						
Access to innovation/ Improving supplier quality	Long	Access to resources and network	Niche	High	HIGH/ MEDIUM	Bajaj Electricals (Supplier quality) Bajaj Electricals–ONergy Solar
<i>Corporates intending to provide niche support to SGBs during a long-term engagement should provide resources and access to networks and should maintain a high level of involvement</i>						
Access to innovation/ Improving supplier quality	Long	Access to resources and network or financial support	Generic		HIGH/ MEDIUM	DBS–TISS IBM Smartcamp Microsoft Ventures–Reliance GenNext Hub Federal Bank
<i>Corporates intending to provide generic support to SGBs during a long-term engagement should provide resources and access to networks, or financial support</i>						
Foster innovation/ Access to innovation	Short	Access to resources	Generic	Medium	HIGH/ MEDIUM	Microsoft Ventures–Reliance GenNext Hub IBM Smartcamp Federal Bank Airbus
<i>Corporates seeking to foster innovation during a short-term engagement with a generic sectoral focus should provide access to resources and should as a minimum maintain a medium level of involvement</i>						



For both direct and indirect engagements, it is observed that engagements with a low level of involvement always result in low output, and this can mainly be attributed to the amount of support provided by the corporate. In such cases, the corporate often only provides one-off funding support, which is not easily scalable. It should be noted that the output for each engagement was determined after a benchmarking/normalisation process.¹¹ For instance, despite supporting a lower number of SGBs, Tata Elxsi is classified as 'high output' as it represents a niche engagement with a high-level of involvement from the corporate.

For the generic category of engagement, the output is seen to increase in line with rises in the level of involvement. This can be explained by the fact that, in such cases, SGBs are interested or incentivised to enter into the engagement because they expect to receive support in predefined areas, which differs to niche engagements where SGBs seek to gain from association with a particular corporate (that often offers only a single mode of support). This trend is observed in the hybrid model of support that Microsoft Ventures employs to engage with the start-up ecosystem and which

comprises three engagements with varying levels of involvement. It is observed that output corresponds to the level of involvement in each of these engagements: high in the case of its own accelerator programme, where its level of involvement is high; medium in its engagements through GenNext Hub, where its involvement is at a medium level; and low in its engagements through academic incubators, where the level of involvement is low (see the relevant case study in Chapter 6).

Niche engagements with a low level of corporate involvement are found to support a relatively low number of SGBs owing to their bespoke nature. BASF, for instance, engaged with Waterlife India to set up two community water purification plants. This niche engagement, where BASF focuses on improving the quality of life in the communities surrounding its plants, is a one-off engagement and has limited scope for replication in different contexts (see the case study in Chapter 6). However, niche engagements of medium to high intensity still have a good chance of being successful, mainly because the SGBs engage with corporates to access niche support and they know their precise needs at particular stages of their growth trajectories.

Key takeaways

Corporate-SGB engagements

- The output for models where the corporate engages with a single SGB through a tailored engagement structure is dependent on the nature and intensity of support offered by the corporate. A high level of support on identifying and addressing the knowledge and capability gaps of the SGB in question is considered a crucial factor for ensuring medium to high output.
- The nature and intensity of the support required by the SGB have also been shown to be dependent on whether the model aims to use either a niche or generic focus when targeting SGBs.

¹¹ As shown in Figure 11.



Corporate–multiple SGB engagements

For platform-based engagement models where the corporate provides support to multiple SGBs, the success factors vary depending on the corporate’s motivation and on the sectoral focus of the model.

- Social ventures expect the corporates offering them engagement-based support to have a ‘patient capital’ mind-set. The inherent feature of this mind-set is that the engagement must continue for a considerable period (with an extended time horizon typically beyond 18 months). SGBs in the social impact domain expect corporates to provide resource-based support and have at least a medium level of involvement, ideally over a long-term engagement. Marico Innovation Foundation’s programme for instance provided support to Saral Designs and Microspin for three years. The non-funding support was provided mainly in the form of mentoring and network support.
- If corporates seeking to foster innovation opt for **short-term engagements**, the provision of resources and skills **must** be in the form of **short bursts** of **intense engagement**. This is particularly true for SGBs operating in the **commercial realm**. For example, the Airbus BizLab engagement (an accelerator programme to engage with start-ups) is characterised by the provision of niche support over a short period that included access to resources and skills. Since Airbus BizLab’s objective is closely linked to Airbus’s innovation strategy, its high level of involvement provides mutual gains for both Airbus and the aerospace- and non-aerospace-related start-ups participating.

Corporate–intermediary engagements

With regard to output, a main difference arises between direct corporate–SGB engagements and indirect corporate–intermediary engagements that relates to the nature of the SGBs the corporate is seeking to recruit. For instance, IBM engaged with RTBI, a social business incubator, to conduct a hackathon, which served to leverage RTBI’s expertise of the social sector space and thus attract social entrepreneurs to its programme. In the case of Bajaj Electricals, the intermediary, CIIE, played a key role in identifying ONergy Solar to meet Bajaj Electricals’ CSR objective of supporting sustainable energy production and adoption in underserved markets in India.

4.3 Analysis of outcomes – drivers for synergistic partnership

4.3.1 Outcome – assessing synergies

‘Outcome’ captures the extent to which the objectives of the stakeholder have been met. The objectives typically pertain to matters of the finances, strategy, business operations, and ideology of the stakeholders involved in the engagement. Upon assessment, each case is categorised as high, medium, low or failed.

For each case, the outcome for both the corporate and the SGB is determined by assessing whether their respective objectives for the engagement have been met, partially met or not met. The outcomes for each party are then considered in conjunction, as depicted in the matrix in Figure 12. In this way, the overall outcome rating of high, medium, low or failed¹² is arrived at.

Figure 12. Categorisation of overall outcomes

		Overall Outcome		
		Low	Medium	High
SGB outcomes	Objectives met	Low	Medium	High
	Objectives partially met	Low	Low	Medium
	Objectives not met	Failed	Low	Low
		Objectives not met	Objectives partially met	Objectives met
		Corporate outcomes		

¹² For the analysis, cases determined as ‘failed’ were awarded a ‘low’ rating as they are still in the early stages of development.



4.3.2 Results

QCA revealed the following insights for achieving medium to high levels of outcome:

Table 7. Success factors for medium to high level outcomes



Success factors for medium- to high-level of outcome						
Motivation	Intermediary	Mode of support	Sectoral focus	Level of involvement	Outcome	Relevant cases
Social impact/ fostering innovation		Access to resources	Niche	High	HIGH/ MEDIUM	Tata Elxsi's Incub@te Bajaj Electricals (supplier quality) Bosch
<i>When the sectoral focus is niche and the corporate's primary mode of support is access to resources (in the form of mentors and sectoral experts), a high level of involvement is required</i>						
Social impact		Access to resources		Medium	HIGH	Marico Innovation Foundation
<i>When the corporate's motivation is creating social impact and the primary mode of support is provided in the form of resources, at least a medium level of involvement is necessary</i>						
Fostering innovation	Present	Access to resources		Low	HIGH	Microsoft (with academic incubators)
<i>When the corporate's motivation is to foster innovation and it mainly provides access to resources with a low level of involvement, achieving a high-level outcome requires the inclusion of an intermediary</i>						
Social impact	Present	Financial support		Medium	MEDIUM	DBS-TISS
<i>When the corporate's motivation is creating social impact and the primary mode of support is in the form of financial support with a medium level of involvement, the inclusion of an intermediary will lead to a high-level outcome</i>						
Access to innovation/ improving supplier quality		Access to resources		High	HIGH	Microsoft Accelerator Bajaj Electricals (Supplier quality)
<i>When the corporate is motivated by business-aligned interests and the primary mode of support is access to resources, a high level of involvement is required</i>						

When engaging with social entrepreneurs by providing funding support, corporate involvement by necessity needs to be on the higher side to ensure stakeholder objectives are met. This highlights how important the intensity of the engagement is for ensuring the success of SGBs working to create social impact. Employee engagement in the form of mentoring and

advisory services serves to address knowledge and skills gaps and enhances the SGB's capacity for scaling up. A low level of involvement in such a scenario has been shown to result in a low-level outcome.

It has been observed that the corporate's level of involvement, especially in cases where the SGBs are seeking support in the form of corporate



mentoring and advice, plays a significant role in determining whether the engagement will realise the stakeholders' objectives. This is particularly true for engagements with a niche focus.

In terms of programme structure, it is mainly in non-business-aligned engagements that the presence of an intermediary is found to make a difference. Conversely, in business-aligned engagements, the programme structure is not found to make a significant difference to outcomes.

Key takeaways

Corporate–SGB

In an engagement where the corporate engages with one SGB through a bespoke approach, the intensity of support it provides in terms of access to mentoring and advisory services comes out as an important factor. There needs to be a clear understanding of the type of support being sought by the SGB at the outset so that the corporate can adopt a tailored approach when providing support. An example of this kind of tailored engagement could be one in which the corporate's business units as well as its CSR department provide non-funding support to the SGB (social venture) in the form of capacity-building/market access/mentoring as well as support on accelerating its community impact.

Corporate–multiple SGBs

- The study's results indicate the importance of the intensity of support for achieving high-level outcomes in non-business-aligned engagements that seek to deliver social impacts or foster innovation. It has been observed that the corporate's level of involvement, especially in cases where the SGBs are seeking support in the form of corporate mentoring and advice, plays a significant role in whether stakeholder objectives are realised as a result of the engagement. The effect is more pronounced in the case of niche engagements. The case of Bosch's Accelerator Programme shows that the direct provision of resources, access to networks, and infrastructural support to niche SGBs in tandem with a high level of involvement from Bosch has resulted in high-level outcomes (see the case study in Chapter 6).
- When the corporate provides support to commercial SGBs primarily in the form of resources and is also motivated by business-aligned interests, a high level of corporate involvement significantly influences the achievement of high-level outcomes.

Corporate–intermediary

- When the corporate is not highly involved in an engagement where the primary driver is the creation of social impact or fostering innovation, channelling support through intermediaries such as private or academic incubators results in higher outcomes. This is particularly true when support is provided in the form of resources, such as access to corporate mentoring and sectoral expertise. An example of this is the DBS–TISS Social Entrepreneurship Programme, where DBS engaged with the Tata Institute of Social Sciences (TISS) to provide seed funding and growth capital and access to networks and resources to help social enterprises to scale up. This is also evidenced by the high-level outcomes achieved through Microsoft's engagement with the academic incubators of Ashoka University and the Indian School of Business (ISB), despite a low level of corporate involvement.
- This result highlights the fact that a corporate's direct involvement can be supplemented with non-funding support provided by external intermediaries that usually offer a network of mentors and sectoral experts.

4.4 Sustainability analysis

4.4.1 Introduction to sustainability

The 'sustainability' of an engagement model refers to its durability in the real world and to its flexibility for effectively evolving over time. The evolution of the model is necessary if it

is to provide its intended stakeholders with a consistent and continued impact.

Each engagement case was defined as sustainable, partially sustainable or not sustainable based on the following two factors:

- **Replicability**, which is deemed to have been achieved when a model is replicated



by the corporate more than once and has successfully delivered a continued impact over time. The assessment of replicability is based on whether the engagement model has ceased, continued, or grown to incorporate multiple SGBs.

- **Current level of success**, which is determined by the model’s overall outcome classification and is thus graded as high, medium or low.¹³

4.4.2 Results

QCA revealed the following insights for achieving sustainable engagements:

Box 2. Marico’s Scale-Up Programme (see the relevant case study in Chapter 6)

Marico Innovation Foundation’s Scale-Up Programme is an example of a sustainable model of engagement.

- Scale-Up was launched in 2011 and is currently in its fifth round.
- Several start-ups are enrolled in the 24-month programme and many have already successfully graduated.
- Scale-Up has supported SGBs across different sectors, such as Saral Designs and Microspin Machine Works, and it adopts a pan-India approach.

Table 8. Success factors for medium to high levels of sustainable outcome



Key Parameters for a sustainable outcome						
Motivation	Engagement period	Mode of support	Output	Level of involvement	Sustainability	Relevant cases
Social impact		Access to resources		Medium	SUSTAINABLE	Marico Innovation Foundation
<i>When the corporate’s motivation is non-business-aligned, such as social impact, and the mode of support is access to resources, then at least a medium level of involvement is required</i>						
Improving supplier quality		Access to resources		High	SUSTAINABLE	Microsoft Accelerator Bajaj Electricals (supplier quality)
<i>When the corporate’s motivation is business-aligned, such as improvement of supplier quality, and the mode of support is access to resources, then a high level of involvement is necessary</i>						
Access to innovation/ improving supplier quality/social Impact/fostering innovation	Long	Financial support/no infrastructural support			SUSTAINABLE	DBS-TISS
<i>When the primary mode of support is financial in nature and the corporate does not provide infrastructural support, a long-term engagement is required – whether the engagement has a business-aligned or non-business-aligned motivation</i>						
Fostering innovation	Long	Financial support/no access to network	High	High	SUSTAINABLE	Tata Elxsi’s Incub@TE
<i>When a high number of SGBs are supported, and they receive support in the form of access to resources but not to networks or finances, the engagement period needs to be long with a high level of corporate involvement</i>						



Key determinants of programme sustainability include the period of engagement and the flexibility of the model. Sustainability requires a programme structure that is long-term and geared towards realising high-level outcomes in the form of SGB capacity-building (that includes developing their abilities for scaling-up and maximising impacts). A programme that is structured to evolve and adapt will be more sustainable, even when deployed in other contexts.

The multi-modal engagement model undertaken by Bajaj Electricals is an example of a structured engagement model that identifies appropriate incentives for various stakeholders and achieves its diverse objectives through a multi-

layered approach (see the relevant case study in Chapter 6). On the other hand, a bespoke engagement between a social enterprise and a corporate that has a dual institutional structure consisting of a not-for-profit arm and a for-profit arm offers a unique example of how synergies can be achieved when pursuing business and non-business objectives, owing to the novel hybrid structuring of the social enterprises. The corporate, as part of its efforts to add strategic value, could provide direct support to the for-profit arm (e.g. to its supply chain by sourcing sustainably). In parallel, the corporate could engage with its not-for-profit arm by adopting a non-business-aligned objective that seeks to deliver its CSR vision.

Key takeaways

Corporate–SGB

When it comes to tailored engagements with a single SGB that are not aimed at replication, the sustainability of the model will depend on whether the engagement has had a lasting impact on the SGB's capacity to scale up. In socially motivated engagements, sustainable positive impacts achieved in target communities also become a determinant of the engagement model's sustainability. For example, when BASF worked with Waterlife India to set up a community water plant in Tamil Nadu in order to improve access to safe drinking water for its target communities, the response was highly positive. Encouraged by this result, BASF went on to set up a second plant, a move that confirms the engagement's potential to deliver a sustainable impact.

Corporate–multiple SGBs

- In structured platform-based engagement models that involve multiple SGBs, the level of corporate involvement plays a role in determining the sustainability of the model. A high level of corporate involvement in terms of the intensity of the mentoring and advisory support provided is another determining factor for a model's sustainability. An example of this is Tata Elxsi's Incub@TE, a long-term engagement programme that provides tailored support for product design and services technology.
- In cases where the engagement aims to support social entrepreneurship, the length of the engagement period is significant, as it is long-term engagements that prove to be sustainable. Remember that the concept of 'patient capital' is inherent to investment in the social entrepreneurship sector, so returns will only be visible only after some time.

Corporate–intermediary

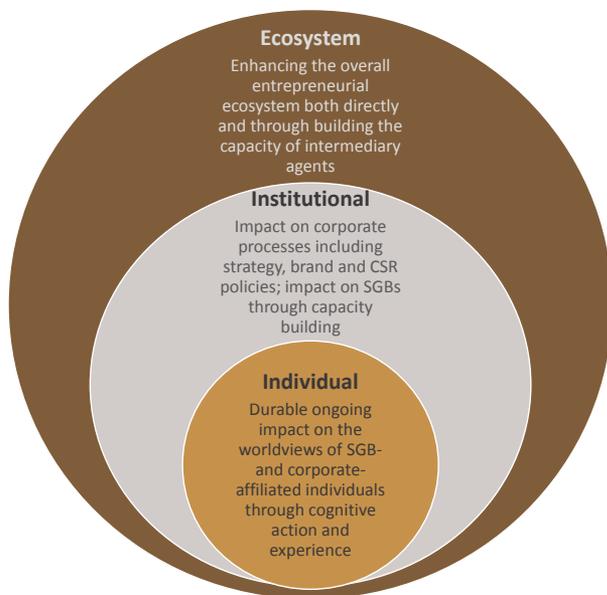
- In an indirect corporate engagement where an academic or private intermediary such an incubator is involved, the intensity of support provided by the corporate is not observed to affect the sustainability of the engagement model. In these cases, support from intermediaries in the form of expertise, mentoring and access to their network of resources reduces the need for the corporate to be directly involved.
- Furthermore, when the corporate aims to engage with SGBs in a sector different to its own, partnering with organisations that have the required sectoral experience will enhance the model's replicability in multiple engagements. An example of this kind of partnership is the IBM–ICICI Bank appathon, which aimed to foster entrepreneurship in the mobile banking space. IBM partnered with ICICI bank, leveraging its position in the financial technology space to attract SGBs interested in expanding into the same sector.



4.5 Impact analysis

Impact typically refers to the long-lasting changes experienced by the actors and stakeholders and in the ecosystem that are directly attributable to the engagements. Therefore, an impact analysis needs to be carried out on three different levels: individual, institutional and ecosystem.

Figure 13. Distinct levels for impact analysis



Individual

The feedback and responses received from respondents indicate that the engagements with corporates are designed to substantially influence the worldview of participating entrepreneurs and corporate employees.

The typical entrepreneur possesses skill sets that are suited to solving the problem at hand. However, the entrepreneur or team of entrepreneurs do not necessarily have all the basic skill sets in place that are critical if the SGB is to be run in a sustainable manner. Engaging with corporates is therefore an attractive way to secure relevant, timely and targeted support.

Entrepreneurs often acknowledged the critical role that corporate engagements play in promoting the growth of the SGBs. The learning

gained from interacting with corporate resources and from exposure to the inner workings and corporate culture of these firms leaves the entrepreneur better prepared and thus more proactive when it comes to seeking external support, especially funding support from grant-making bodies, venture capital and private equity.

When working on their CSR objectives, corporates tend to focus on giving their employees the opportunity to take the lead. If this kind of employee engagement is to yield greater work satisfaction and workforce retention, the engagement structure needs to ensure that the employee's core competencies and willingness to work with external intermediaries can be leveraged. (It is pertinent to note that one social venture founder gained the inspiration to set up this venture when participating in her previous corporate employer's CSR programme).

Institutional

An engagement between a corporate and an SGB that enables the SGB to leverage access to the corporate's body of knowledge and institutional memory is, without doubt, an immensely beneficial interaction for the SGBs involved. However, it has been observed in this study that such engagements involve all stakeholders – particularly the corporates – in a constant process of learning and unlearning. Most of the engagements are also driven by a desire to deliver beneficial impacts on the work culture, such as making employees more agile in their decision-making.

For some corporates, engaging with SGBs is a way to rejuvenate the brand image and subtly reposition themselves. This is especially true for long-established brands in the technology and engineering space, as well as global conglomerates operating in various domains, such as Bosch Limited (see the relevant case study in Chapter 6).



Ecosystem

There is ample evidence to show that an increasing number of corporates are keen to offer support to start-ups and social ventures – and it is probably this burgeoning interest that is having the greatest impact on the Indian entrepreneurial ecosystem today.

This study provides significant evidence to show that, through their exposure to and engagements with corporate partners, the intermediaries (e.g. incubators and accelerators) are scaling up their managerial capabilities and operational excellence.

Additionally, certain of the large corporates' engagements with SGBs are being replicated by other companies that have in the recent past progressed from being a start-up. These companies do this because they have set themselves on a sustainable trajectory and are now keen to offer their experience and sector-specific expertise to support emerging start-ups (Box 3). This is an encouraging sign, as it would seem to signal that, having worked through their own pains and learned from the experience, companies are more willing to contribute to the ecosystem.

Box 3. Examples of start-ups engaging with entrepreneurs that are developing early-stage ideas

- Tracxn is a research platform aimed at private market investors. Tracxn set up an incubator, Tracxn Labs, with the aim of (a) investing in start-ups operating in the sectors in which it performs analytics and (b) developing a network for the provision of funding to start-ups.
- Zerodha is an Indian financial services company that was established in 2010. It has since set up the incubator Rainmatter in Bengaluru (Bangalore), which provides strategic and market-insight-based support to financial technology start-ups.

The ecosystem would also greatly benefit from engagements in which the corporate and intermediaries function as 'partners' on an equal footing, so that both parties can join forces and leverage their respective unique strengths. An example of this kind of partnership is that established between DBS Bank and Tata Institute of Social Sciences (TISS) Mumbai, which provided students of the Institute's postgraduate programme in social entrepreneurship with funding and non-funding support. DBS provided funding support to the social entrepreneurs at the TISS' Incubation Centre, and TISS provided the relevant non-funding support (see the relevant case study in Chapter 6).

Additionally, it has been observed that intermediaries, especially incubators and CSR consultancies, are acting as agents for the allocation of CSR funding. A case in point is the channelling of Mahindra Finance's CSR funds through Villgro, a social business incubator, which then provided funding and non-funding support to innovative social enterprises in the agriculture sector. For this engagement, Mahindra Finance made use of the services of NextGen, which supported the CSR consultancy activities (see the relevant case study in Chapter 6).





5 Recommendations for corporates seeking to kick-start an engagement

As mentioned at the outset, this report is unique in terms of its positioning. Most studies on entrepreneurship ecosystems build the research around the entrepreneur or the start-up ecosystem. Conversely, this study primarily revolves around large corporates and how they can meaningfully engage with the entrepreneurial ecosystem.

The overall assessment of the current corporate–SGB and corporate–intermediary collaboration ecosystem (aided by a deep-dive understanding of the 14¹⁴ corporate examples) offers a number of key lessons not only for corporates seeking such collaborations, but also for those currently

engaging with SGBs and seeking to understand the drivers that are critical for achieving a successful outcome.

The summary and recommendations section is primarily divided into two main sections. While Chapter 3 has provided detailed analysis and key takeaways from the perspective of identifying success factors, three specific themes stand out as critical to the success of any engagement in general. Section 5.1 below on key learning focuses on these three broad themes and references supporting case studies that highlight the importance of these themes. As the intention for this report is to provide action-oriented

¹⁴ Of the 14 corporates studied, 12 are presented as case studies in Chapter 6.

research, the second part of the summary chapter includes a schematic decision toolkit for any corporate that wants to engage in this space. Based on the study's results, a recommended modus operandi for each type of corporate need is also provided as a ready reckoner.

5.1 Key learning

5.1.1 Theme 1: Articulate – Advocate – Action

The corporate's ability to articulate, advocate and act upon its identified core competencies and to understand how best to offer these to entrepreneurs is critical for ensuring effective and sustainable engagements.

Corporates are an amalgam of various resources – namely skilled personnel, tangible assets and a work culture aimed at achieving the corporate's strategic vision. The same core beliefs and expertise that determine the corporate's culture need to be reflected in its efforts to engage with the SGBs and intermediaries.

In today's ecosystem, commercial start-ups and social ventures have plenty of avenues for identifying financiers. Therefore they often seek corporate engagement that goes beyond that of monetary assistance. Commercial start-ups and social ventures are looking to tap into the vast array of resources pertaining to corporates and, in so doing, to further their own journey towards corporate status. SGBs are very clear in defining their needs and in targeting the corporates and intermediaries that can offer them the support they require – be it mentoring, skills and expertise, infrastructure and research labs, or access to a network or supply chain that they can plug their idea into.

While the demand from the SGBs is clearly identified by the SGBs themselves, **in many cases it is the corporate's motivation and the services it can offer to the SGBs and intermediaries that are not clearly articulated. Articulating the offer clearly and then taking action by structuring an engagement**

model to deliver the support offered is critical if engagements are to be effective and sustainable. Intermediaries also find themselves in a situation similar to that of the corporates. However, unlike the corporates, the intermediaries lack the capacity or capital to enhance their capabilities sufficiently quickly to cater to the needs of the SGBs.

For example, Marico successfully overcame the constraints of a tough and competitive Indian market by adopting market innovative solutions, and it has identified this methodology as its core competency. Marico's social-impact-focused accelerator programme hinges on its promise of sharing this invaluable experiential knowledge with the SGBs it supports (see the relevant case study in Chapter 6).

Similarly, technology and engineering corporates like Airbus or Tata Elxsi have core expertise in product design, prototype development and the industrialisation of solutions, which is important as the focus of the entrepreneurial ecosystem in India is currently skewed towards service innovation (be it in technology, retail or even bottom-of-the-pyramid innovations). A market therefore exists for corporates prepared to offer core competencies in design and manufacturing, which will not only serve the entrepreneurs emerging in this space (and who unfortunately often fail to progress due to a lack of mentoring or precedence), but will also promote the broader goal of driving product and manufacturing innovation in the country. Corporates with these strengths have, in their own unique ways, risen to this challenge.

Airbus's provision of guidance and support to help automotive and heavy engineering innovations find a market in the aviation sector and Bosch's work with entrepreneurs to help them industrialise their products are just two examples of how technology and engineering corporates are contributing.

The case of Tata Elxsi is particularly noteworthy, mainly because the stated vision of the



engagement was to ‘foster innovation and make India a relevant player in the technology products space’. This vision also flows from Tata Elxsi’s parent company, the Tata Group, and its socially responsible brand positioning. It is for these reasons that Tata Elxsi, with its focus

on addressing the current dearth of product-design-related start-ups in the entrepreneurial ecosystem, is presented in this study as an exemplar, and one that is pertinent to the Articulate – Advocate – Action theme.

Figure 14. Details of Tata Elxsi’s engagement through Incub@TE



In the corporate–intermediary engagement between DBS–TISS, the stakeholders clearly articulated their expectations. DBS was keen to pursue an engagement in India that would fit with its global CSR strategy of supporting social ventures. TISS sought to work with a partner that would provide funding and non-funding support to its social incubator venture and, at the same time, enable TISS to build its own competencies in nurturing social entrepreneurs. With this clear articulation of expectations, DBS and TISS were able to work together as partners, which resulted in greater levels of involvement and enhanced support to SGBs.

5.1.2 Theme 2: Aligned incentives for successful and sustainable programmes

A successful and sustainable partnership is one that presents all stakeholders with a win–win proposition. As the corporates come from a position of strength, SGBs and intermediaries may worry that their incentives and key motivations for participating (which are critical factors for any engagement’s success) may end up being side-lined or diminished through inevitable compromise. The corporates therefore need to innovatively structure their engagements, striking a delicate balance that aligns their incentives with those of the participating SGBs and intermediaries.

The CSR provision was included in India’s Companies Act (2013) with the expectation that it would boost corporate investment in fostering entrepreneurship, yet this goal has not fully been achieved. There are two possible reasons:

1. The fact that entrepreneurs – both commercial and social – are fundamentally for-profit business entities. Therefore, the idea of assisting entrepreneurs, even though indirectly, by providing them with CSR funds is not intuitive to many corporates.
2. Corporates issuing CSR funds to socially responsible businesses do not realise the quick impacts that occur in their philanthropic work, such as when sponsoring eye-camps, setting up public health facilities or building toilets.

The first reason, a mind-set issue, can be overcome by getting corporates more engaged in the CSR provision, which generates a greater appetite for such investments. However, the second reason, involving the clash between patient capital and quick impacts, is an issue of incentive alignment, which can only be solved through the adoption of innovative engagement models. For example, many social entrepreneurs want funding support to undertake further product or prototype research. However, the



corporates that engage with entrepreneurs via an incubator want to maximise the impact of the fledgling business by getting it onto the market and scaling it up.

This issue of incentive alignment is even bigger in the commercial realm, with commercial corporates looking for strategic outcomes from their engagement with SGBs. Here we see that, again, the SGBs motivation to scale up and access the corporate's networks may, at times, be at odds with the corporate's motivations to foster innovation and product integration in their own product portfolio.

In both cases, the engagement models need to be structured innovatively to ensure that they stay on the right side of the law and also align each partner's incentives. Such engagement models will be complex and difficult to develop, but if the model is clearly defined and every stakeholder delivers on their commitments, it is highly likely that the outcomes of the engagement will be good. The intermediaries play a key role in this scenario as they help the corporates to structure their engagements in a way that ensures the CSR funds are channelled in compliance with the relevant legislation.

A critical first step in aligning incentives is to identify them. For example, in the Bajaj Electricals case, a genuine effort was made to identify each stakeholder's motivations and to structure the engagement to meet all their expectations. Although this particular case was a multi-modal (hybrid) engagement, the corporate's ability to align incentives – be it with suppliers or with the social entrepreneur funded – is a common success factor in all the engagement models.

Bajaj Electricals used its CSR funds (disbursed via the CIIE of the Indian Institute of Management, Ahmedabad) to scale up ONergy Solar. Bajaj Electricals prides itself on its presence in the east and north-east of India. Its CSR department therefore found ONergy's focus on underserved markets in the country's north-east particularly attractive. From ONergy Solar's perspective, the

support it requires in optimising its manufacturing and supply chain is set to be provided by Bajaj Electricals staff who are strongly motivated to assist ONergy.

Bajaj Electricals also provides its component vendors with support on improving quality and enhancing their managerial competencies. It provides its vendors, which are usually resource constrained, with the opportunity to scale up and achieve operational excellence. This approach highlights the importance of identifying and meeting the differing needs of each SGB through carefully structured multi-layered approaches (see the Bajaj Electricals case study in Chapter 6).

As mentioned above, one of the key reasons partnerships are unsuccessful is the misalignment of corporate and SGB incentives. In the case of partnerships between corporates and SGBs, where the key motivating factor has been to improve the distribution and sales network of the SGB's products, it is unwise to rely exclusively on a single corporate for support or guidance. This is because, in cases where SGBs are solely reliant on a single corporate to provide access to its network of sales and distribution, any disruption in the engagement will affect revenue flows and thus the sustainable operation of the SGB. One solution is ensuring that neither party is obliged to ensure exclusivity, especially when it pertains to accessing sales and distribution channel support.

5.1.3 Theme 3: Corporate partnerships – a case of the SUM being greater than the PARTS

Most innovative entrepreneurs have the need to engage with both sectoral and thematic experts. A model of engagement, hitherto unexploited, that involves large corporates from different industries coming together to support innovation at the point where their core areas of expertise intersect is certainly promising.

It is evident that SGBs working on sector-specific innovations will want to work with corporates operating in that sector – and most such innovations are technology linked. Therefore,



SGBs that are offered the chance to work with industry leaders in both their specific sector and the technology space will most likely leap at the opportunity.

Large corporates are collaborating with each other as clients or partners. They are also well equipped to ensure that there is no intellectual property violation or any undue advantage given to one party over another. More importantly, they are clear about their motivations and objectives for engaging in such collaborations. Additionally, the models of engagement they offer help in deepening industrial linkages and commercial relationships. All these factors will benefit the participating SGBs. As such, models that focus on the intersection of technology and specific sectors seem to be the way forward. It is probably the lack of publicity about this kind of approach that has deterred corporates from trialling these kinds of models.

One of the 12 case studies presented herein provides a relevant example of the partnership model: the ICICI Bank and IBM appathon. The two partners devised the appathon to attract SGBs operating in the FinTech space and to offer support to a selected few. In this approach, instead of offering generic IBM accelerator programmes or engagements with ICICI Bank that only provide domain-specific mentoring, participating SGBs are able to access both ICICI Bank's networks and IBM's technological prowess (see the relevant case study in Chapter 6).

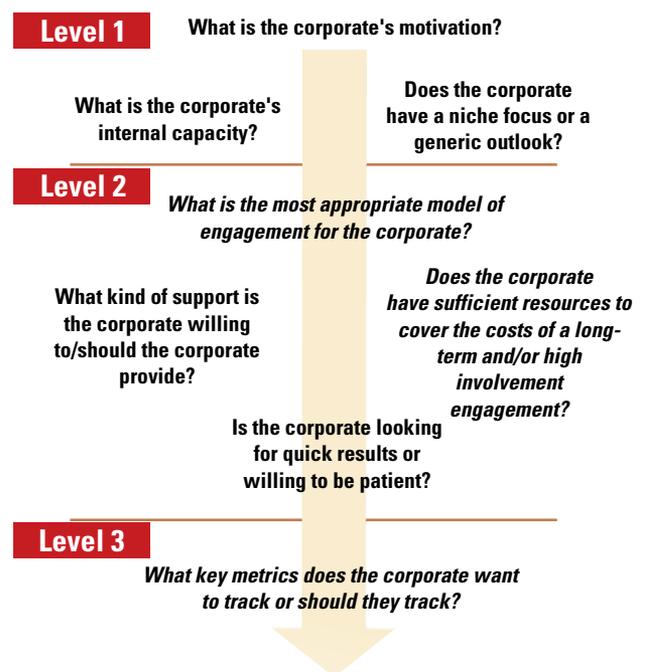
5.2 Ready reckoner guide for corporates

Based on the detailed assessment of different corporate models undertaken for this study, a decision tree has been designed for use in determining recommended models of engagement and specific model attributes. Using this decision tree requires a set of input conditions, which are primarily related to the motivations and capacities of the corporate and the scope of what they want to influence.

Determining the corporate's motivation to engage with the entrepreneurship ecosystem is fundamental: at the broadest level, it will be either business aligned or non-business aligned. These two broad categories can be further broken down as follows:

- business aligned: supplier quality improvement and/or access to innovation
- non-business aligned: fostering innovation and/or social impact

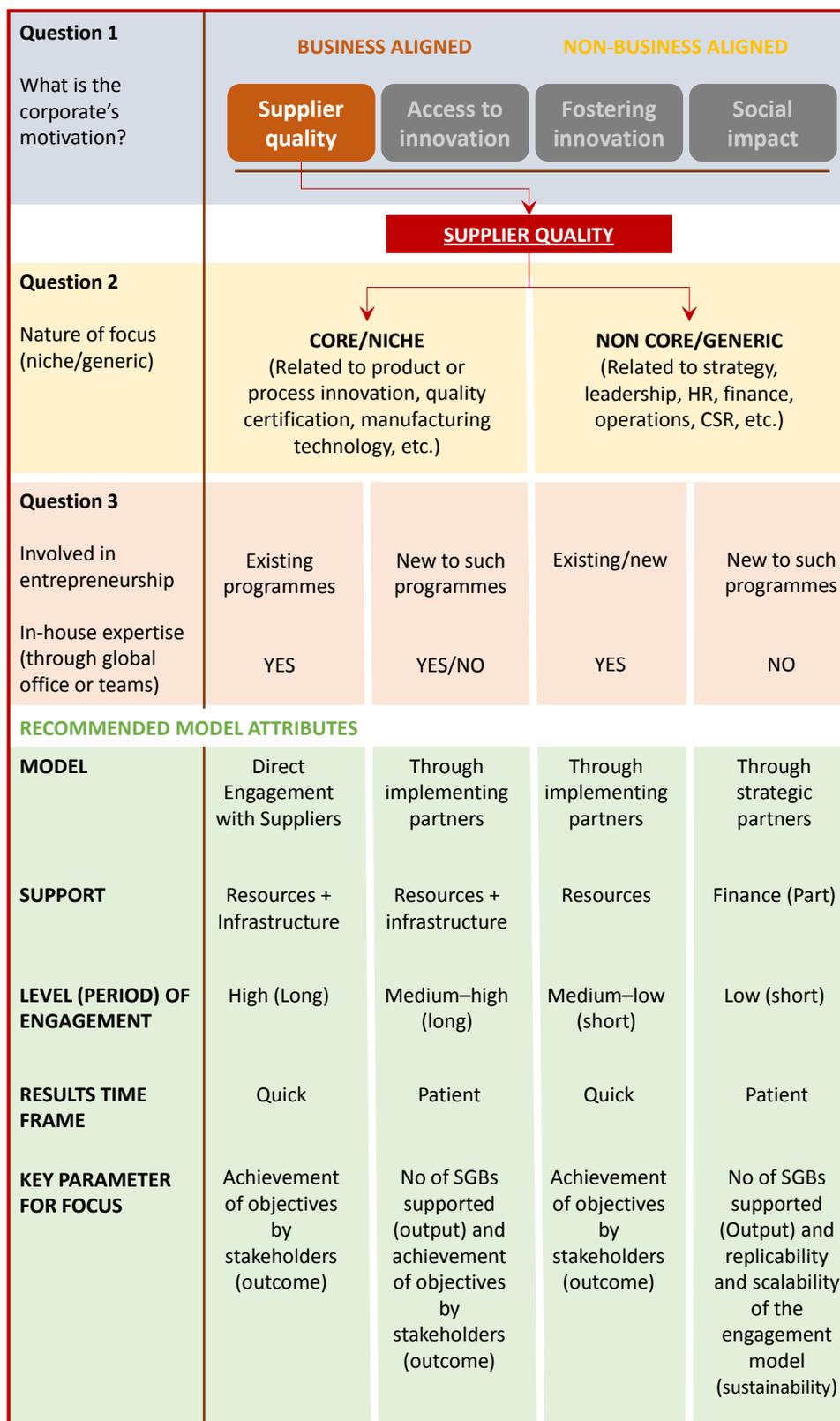
Based on the motivation identified and the answers to a subsequent set of questions, the study determined a highly recommended model of engagement and engagement attributes. The set of key questions that corporates seeking to engage in this space must answer are as follows:



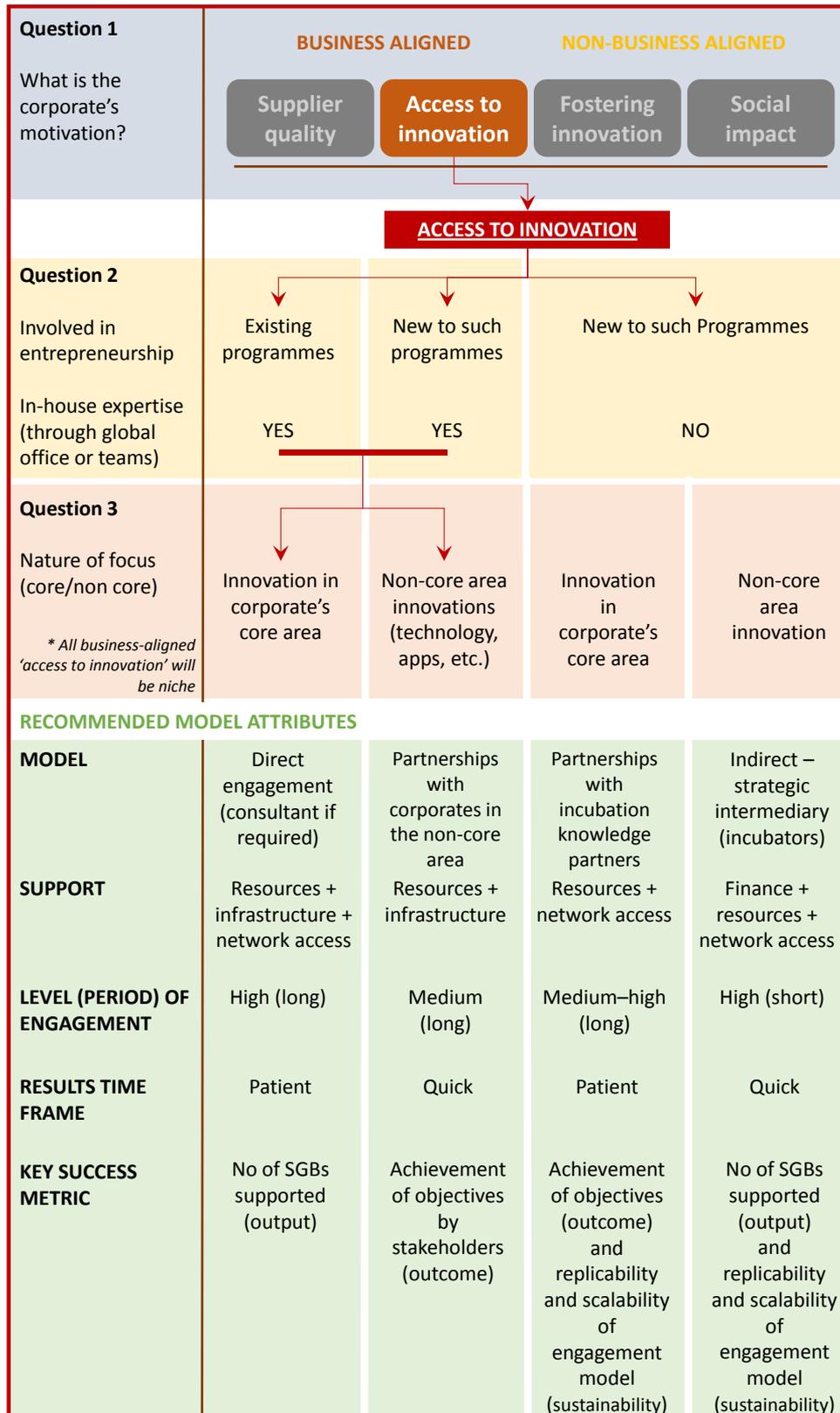
Once the corporate's motivation is broadly determined and the above questions are answered, the appropriate engagement model attributes are identified in the following decision-charts:



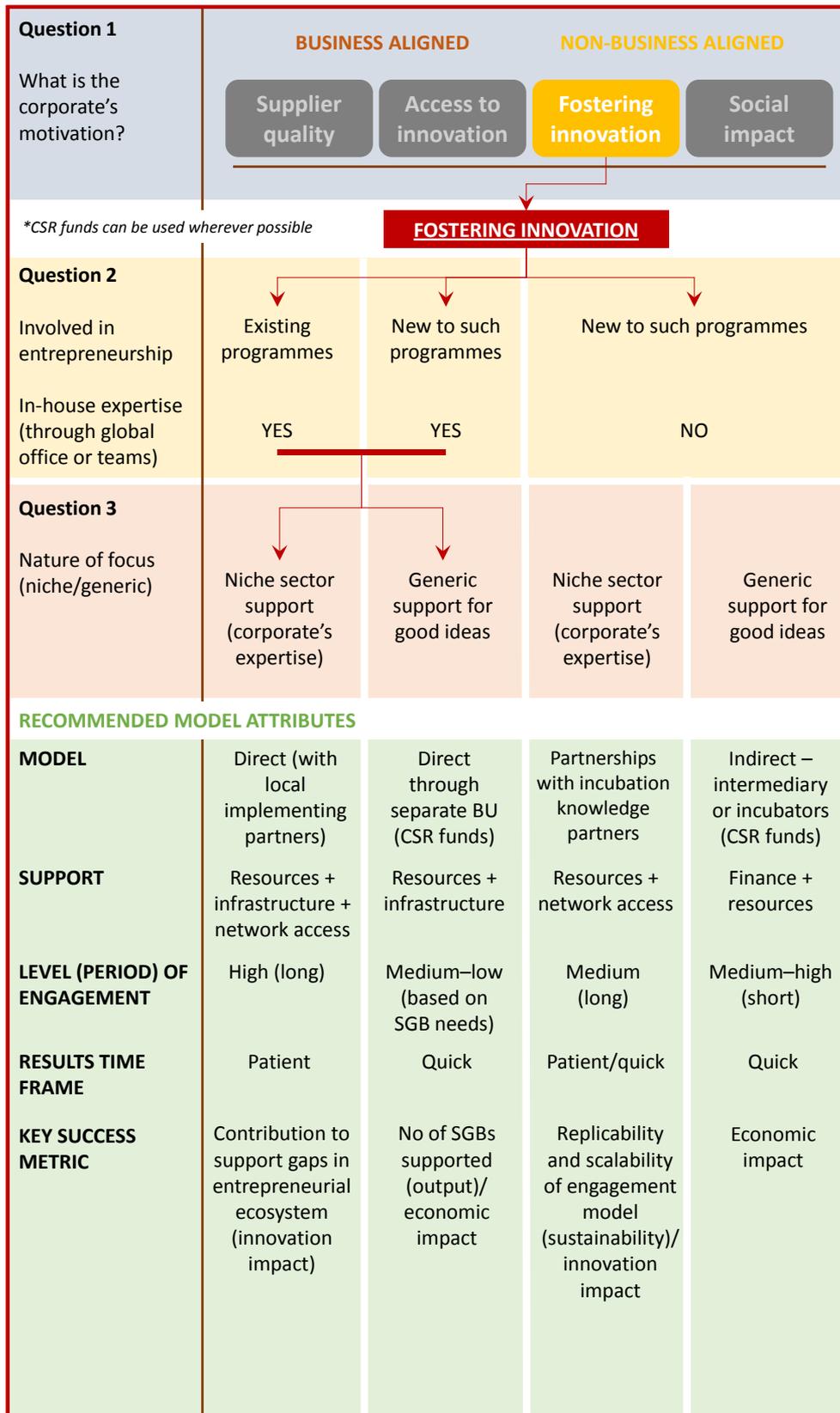
5.2.1 Decision chart for 'enhancing supplier quality'



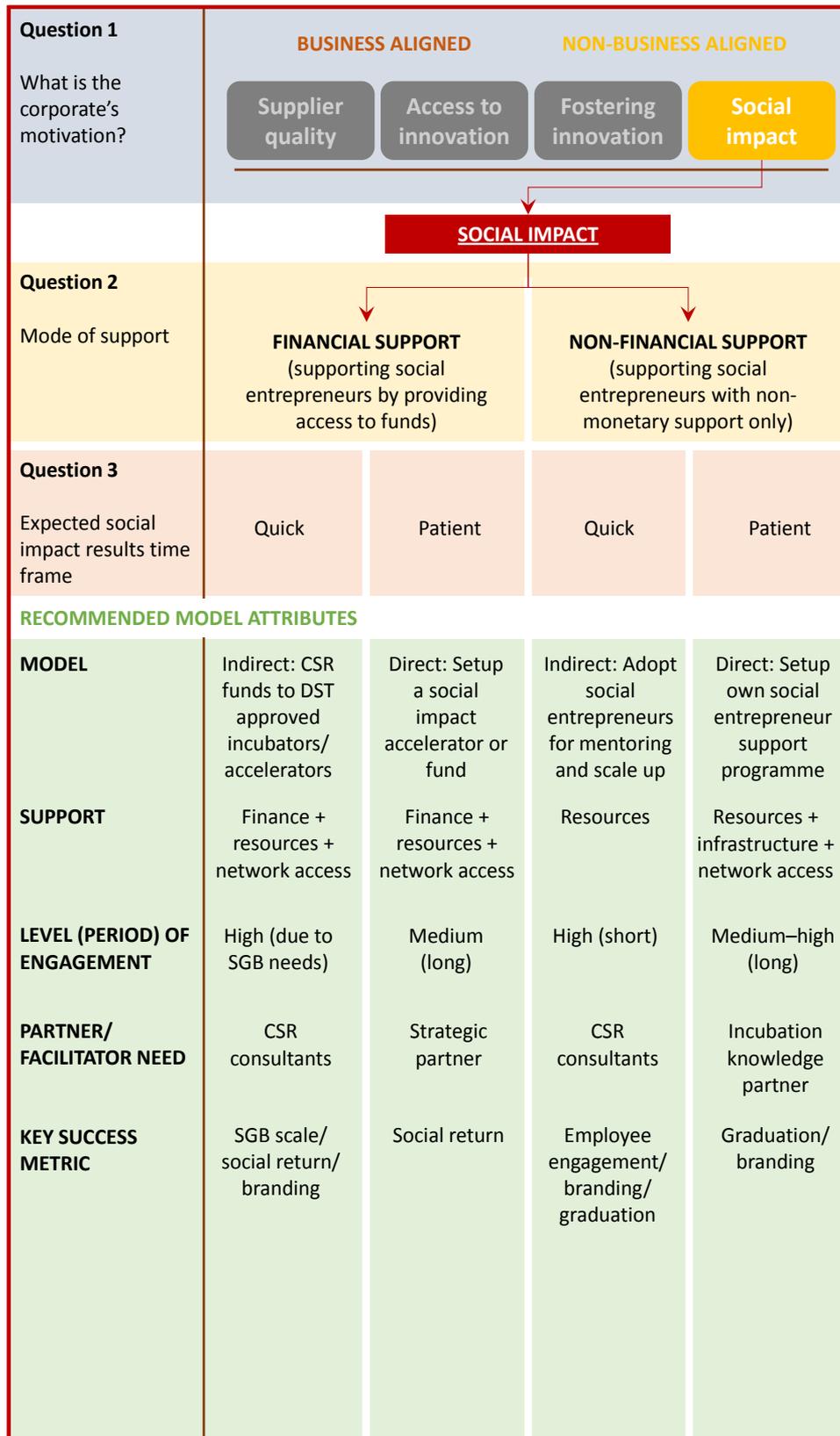
5.2.2 Decision chart for 'access to innovation'



5.2.3 Decision chart for ‘fostering innovation’



5.2.4 Decision chart for 'social impact'



5.3 Conclusion

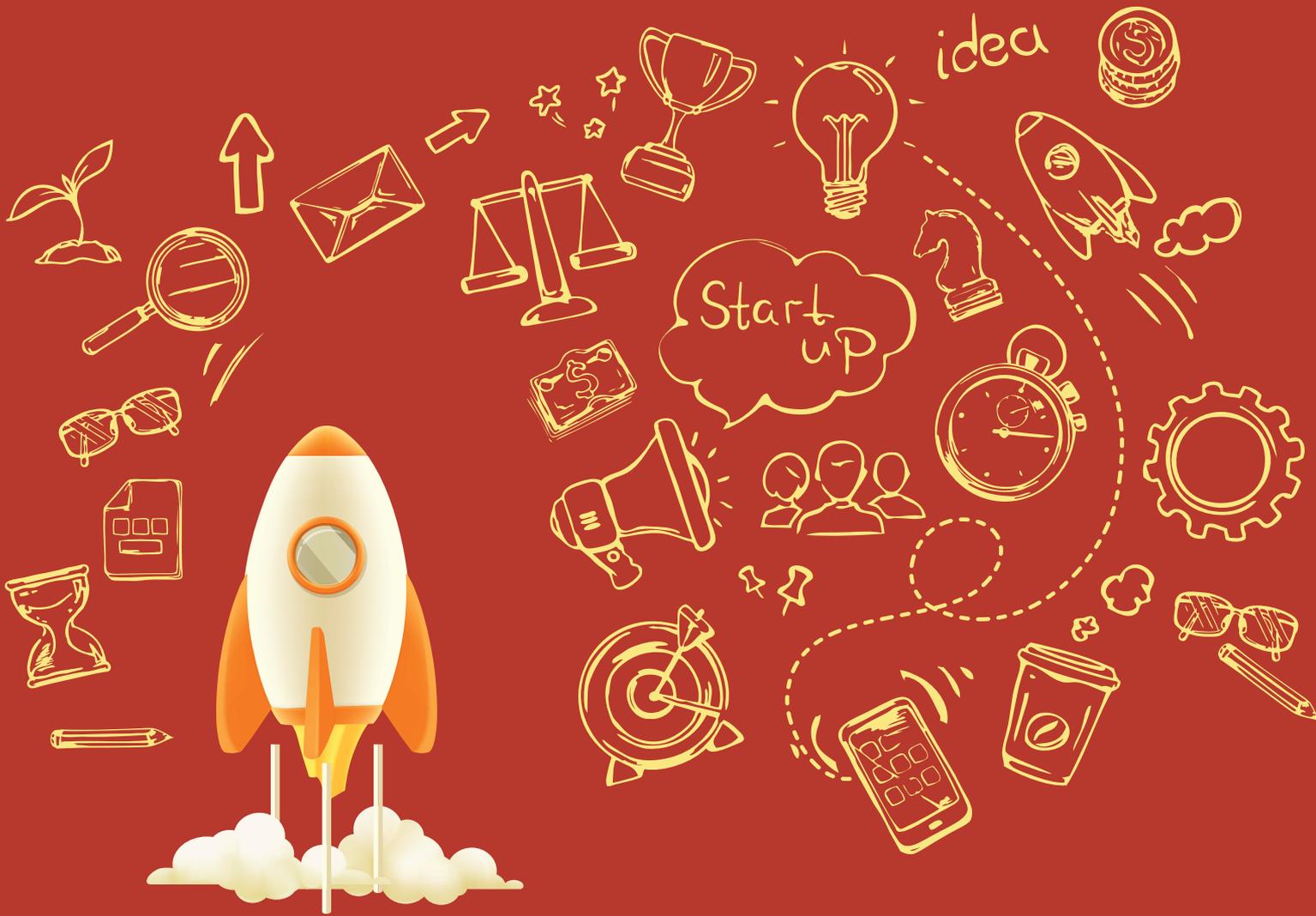
This study set out to reveal possible trends and best practices from the current entrepreneurship ecosystem, focusing specifically on how large corporates engage with the ecosystem. The overall assimilation of information from experts, the 12 corporate case studies and the distinctive analysis carried out using the QCA tool have provided a number of interesting insights.

Specifically, it is interesting to determine the nature of the drivers that influence the results of the interventions. Largely informed by the case studies and information available from secondary research and primary interviews, the ecosystem assessment clearly lays out specific models of engagement for each of the broad combinations of corporate motivation–expertise–capacity.

The fact that corporates lie at the heart of this study should prove helpful for those corporates seeking to engage with this ecosystem for the first time, as the study provides ideas and indicates possibilities. For corporates that are already operating in the ecosystem in some form, the decision-charts provide them with an opportunity to reflect on how to tweak their models for better results.

All in all, as the name of the report suggests, the objective of this study was to encourage both new and existing corporates to successfully kick-start effective and strategic engagements with the entrepreneurial ecosystem in India, thereby fostering greater innovation and enabling sustained economic growth.





6 Detailed case studies

BASF: Powering clean water for communities

BASF Catalysts India Private Limited (BASF), an Indian subsidiary of the German conglomerate BASF, engaged with Waterlife India, a social enterprise that works with underprivileged

communities to promote safe drinking water provision and the adoption of sustainable sanitation solutions.

Type of SGBs supported	Waterlife India Private Limited (http://www.waterlifeindia.com/) Sector: social infrastructure (water and sanitation)	
Overview of engagement model	BASF worked with Waterlife India on a CSR initiative to set up two community water purification plants in Tamil Nadu near their manufacturing plants. The intervention sites were Singaperumalkoil village and the Gram Panchayat of Veerapuram, Chennai.	

Stakeholder objectives and the structuring of the engagement

Corporate
For BASF, the objectives for initiating this engagement were to: <ul style="list-style-type: none"> • address the lack of purified water available in the community and install sustainable potable water provision through its CSR initiative; • contribute positively to society and bring about sustainable change by leveraging available resources and existing networks; and • partner with SGBs and, balancing the social, economic and environmental needs of the communities around the manufacturing sites, to deliver a sustainable change in society.
SGB
For Waterlife India, the objectives for engaging with BASF were to: <ul style="list-style-type: none"> • utilise BASF’s CSR funds to install more water purification plants in communities in Chennai; and • deepen the relationship with BASF (Waterlife India used a BASF filtration membrane for ultrafiltration).

The following diagram describes the CSR-driven engagement between BASF and Waterlife India:



Synergies in the engagement

BASF’s key objective for its CSR-based activities was to enhance access to clean drinking water for underprivileged communities located near its plant in Tamil Nadu. BASF also intended to deploy its resources to engage with the community members. BASF was seeking a partner that could ensure the sustainability of interventions by interacting with the communities in question (working with local stakeholders), taking charge of operation and maintenance, and conducting

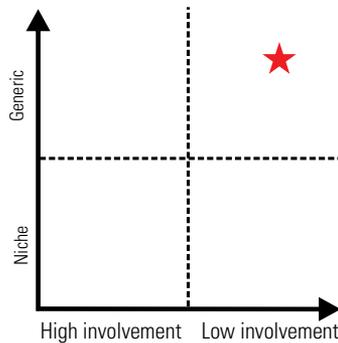


periodic checks on water quality (including audits). Through this engagement, Waterlife India was able to access the funds required to set up the plants and, more importantly, to access sites suitable for the installation of its units.

Programme structure and chain of impact

The following table contains information on the process chain elements (namely programme structure, scouting method, performance assessment and criteria for success):

PROCESS CHAIN	Programme structure	Funding support <ul style="list-style-type: none"> Use of CSR funds to pay for the installation of water purification units Non-funding support <ul style="list-style-type: none"> Engagement of BASF employees Provision of BASF technology (membrane) to Waterlife India (for superior performance)
	Scouting method	BASF identified Waterlife India based on its selection criteria <ul style="list-style-type: none"> Need to focus specifically on the south of India Need for a partner that could ensure a sustained presence in the field following the installation of the water filtration units
	Performance assessment	<ul style="list-style-type: none"> Monthly evaluation of checks and audits performed on water quality, maintenance and service
	Criteria for success	<ul style="list-style-type: none"> Discernible impact on the community's access to clean water, which is sufficient to improve villagers' health



<ul style="list-style-type: none"> BASF established two filtration units in communities without access to clean water. Waterlife India had access to BASF technology and the community. 	<ul style="list-style-type: none"> Serves as a proof of concept for corporate-driven initiatives that work for communities. Can be replicated by other corporates. 	<ul style="list-style-type: none"> Exemplifies how CSR funds can be deployed in combination with the leveraging of in-house technology expertise. Positive impact on community members' quality of life.
Output	Outcome	Impact
RESULTS CHAIN		

Cognitive outcomes

BASF: The engagement enabled BASF employees to engage with the communities located near their plants.

Waterlife India: The model showcases the benefits of working with corporates – namely access to CSR funds, technology-based support, access to sites, and an emphasis on community involvement to ensure the intervention's sustainability.

Assessment of the engagement model

Strengths

By employing this model, it was possible to use BASF's CSR funds in a way that benefited local communities and ensured compliance with the relevant statutory provisions.

Aspirations

This model is suitable for corporates wishing to ensure that their CSR aspirations have a sustainable impact on target communities.



Opportunities

The replicability of the model for other CSR activities, especially in cases where the corporate can make technological contributions to fulfil SGB needs.

Risks

This engagement model relies on the corporate having a physical presence near the target communities – an aspect that is critical if the original interventions are to be sustained. A risk to the sustainability of interventions might therefore be the relocation of corporate assets or changes in the corporate's CSR strategy.

Key takeaways

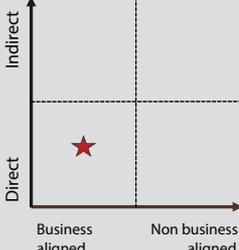
The engagement serves as proof of concept for alternative modes of providing SGBs with access to CSR funds. This CSR-oriented model capitalises on the strengths of BASF – particularly their ability to provide technological support and access to suitable communities – to improve community welfare.



Airbus: Helping start-ups have a successful flight¹⁵

Airbus Group is a global aircraft manufacturer and provider of aeronautics, space and related services that currently operates in more than 170 countries worldwide. As part of its global strategy, Airbus has been rolling out Airbus BizLabs, a global network of aerospace business accelerators. The first was set up in Toulouse in March 2015, followed by another in Hamburg

in September 2015. In light of India's growing technological capabilities and market potential, Airbus decided to establish its third BizLab in Bengaluru (Bangalore). Airbus has partnered with NUMA, a French cross-industry start-up accelerator, and its BizLab is collocated with them in Bengaluru. Through Bizlab, Airbus seeks to engage with Indian start-ups operating in or aspiring to enter the aerospace sector.

Type of SGBs supported	SGBs operating in or aspiring to make inroads into aerospace sector – e.g. Shoonya Games, Open Turf, Qualitas
Facilitator	NUMA, a French cross-industry start-up accelerator that launched a centre in Bengaluru in 2015.
Overview of engagement model	<p>Business accelerator model</p> <p>Provision of non-funding support</p> <ul style="list-style-type: none"> • Access to mentors and experts • Access to investors • Access to co-working space 

Stakeholder objectives and the structuring of the engagement

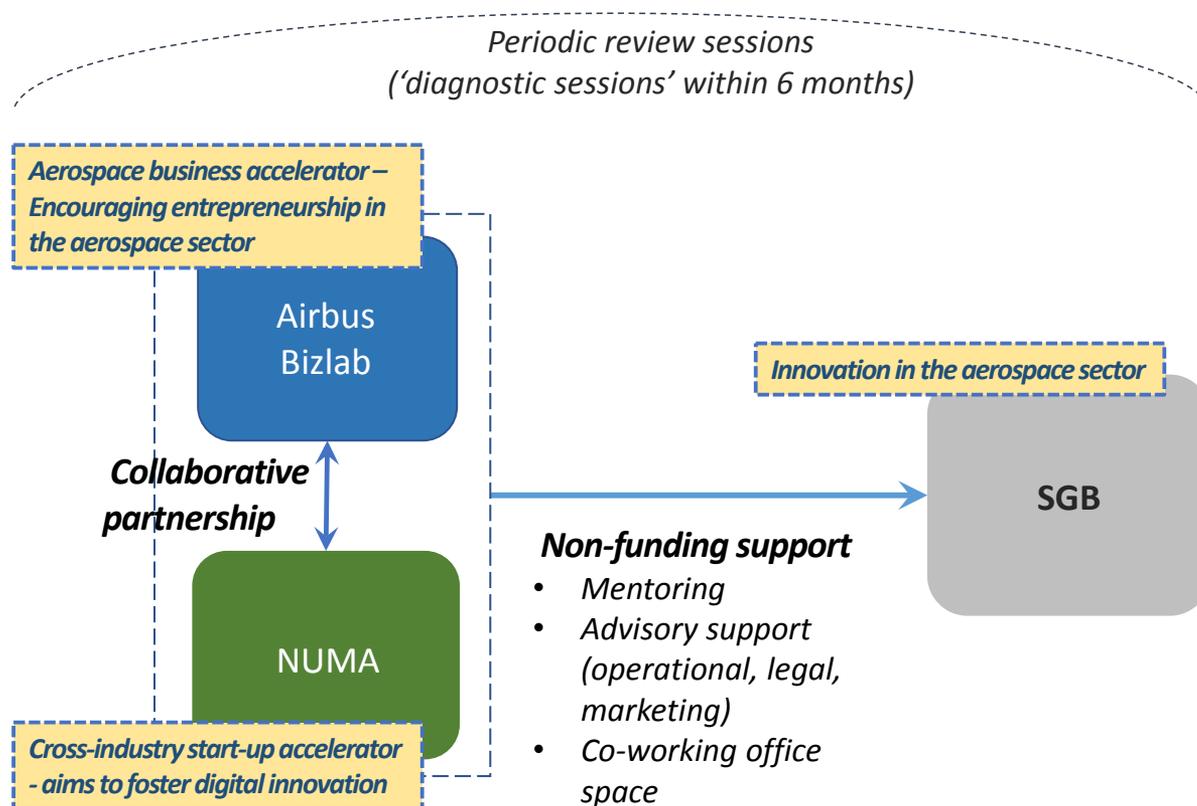
Corporate	Airbus's established BizLab as part of its innovation strategy to engage Airbus's internal entrepreneurs with external start-ups and, in so doing, facilitate and expedite the transformation of innovative ideas into viable businesses. Through these engagements, Airbus gains exposure to and learns from innovations occurring outside the company but within the aerospace sector. Airbus aims to promote the incorporation of the latest and most innovative technologies in their existing platforms to enhance the innovative nature of their products.
Intermediary	<p>NUMA's motivation for engaging with start-ups in India stems from its belief that digital innovation is a way to generate economic and social value. According to Frederic Oru, COO of NUMA, the accelerator aims to leverage India's vibrant ecosystem and have an impact in the country by bringing about progressive change.</p> <p>To set up the accelerator facility, Airbus decided to collaborate with NUMA and other partners such as Zinnov. By leveraging the expertise of each stakeholder, Airbus was able to adopt a relatively hands-off approach to managing the activities at the accelerator.</p>
Innovators and start-ups	The SGB's primary motivation is to gain from Airbus Group's wealth of expertise in the aerospace sector and to accelerate their own scaling up by leveraging access to Airbus's resources and facilities.

The following diagram describes the roles adopted by Airbus Group and the SGBs, and the support Airbus Group provided to the SGBs. In this engagement model, the corporate and SGBs

work together through a collaborative platform that leverages the scale and agility of the stakeholders.

¹⁵ The research team would like to acknowledge the inputs for this case study made by Mr. Ashutosh Agrawal, Innovation Manager at BizLab Bengaluru, India.





Synergies in the engagement

At Airbus BizLab, the Airbus Group has adopted a hybrid concept, where intrapreneurs (internal participants) and external entrepreneurs are subject to similar selection processes and, once selected, work on the same innovation for six months, thus fostering an innovation-enabling environment. Adopting a hybrid approach means that interactions with start-ups are more efficient and, at the same time, there is broader scope for internal employees to absorb entrepreneurial traits. Additionally, exposure to the latest in ideas, technologies and work cultures in the aerospace and non-aerospace sectors enriches learning for both Airbus employees and the participating start-ups. The Airbus BizLab programme provides these start-ups with an understanding of the intricacies of the aerospace sector and the requirements of large aerospace corporates.

This exposure is crucial for start-ups if they are to successfully make inroads into the aerospace sector.

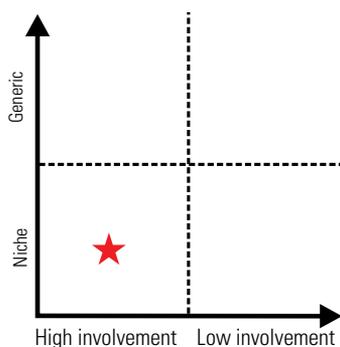
Through its association with Airbus, NUMA is building its expertise in operating co-working spaces targeted at niche technology-focused SGBs.

Programme structure and chain of impact

The following table contains information on the process chain elements (namely the programme structure, scouting method, performance assessment and criteria for success) and elements of the results chain (namely output, outcome and impact). The unique feature of this accelerator model is that it also supports SGBs operating outside the aerospace domain to tailor their solutions towards the requirements of the aerospace industry.



PROCESS CHAIN	Programme structure	<p>Business accelerator model tailored to aerospace projects (non-residential programme) over six months</p> <p>Non-funding support</p> <ul style="list-style-type: none"> • Access to coaches, experts and mentors in various domains (including aerospace technology knowledge, law, finance, and marketing and communications), with mentors and experts sourced internally by Airbus and NUMA, and also mentors sourced externally with the assistance of Zinnov and Kyron (accelerator services) • Infrastructure: office space (co-working spaces) and access to prototyping and testing facilities • Implementation support • Market linkages: access to the market and the non-aerospace innovation ecosystem for enhanced learning and networking • Access to partner facilities' ecosystems and networks • Access to the entrepreneurial community within Airbus <p>The acceleration programme is based on the Lean Start-up methodology, which involves developing and adapting products and businesses by creating a minimum viable product (MVP), then gathering frequent customer feedback or 'validated learning' to finesse the offer.</p> <ul style="list-style-type: none"> • Post-programme support in terms of access to Airbus's decision-makers, venture capitalists, customers and partners
	Scouting method	<ul style="list-style-type: none"> • Airbus publishes information in the public domain, including on the F6S platform, and holds rounds of open applications for <ul style="list-style-type: none"> o early-stage SGBs in the aerospace domain and o SGBs that have established product or service offerings in non-aerospace domains • Subsequently, a screening committee, which includes Airbus's Chief Innovation Officer and the Head of Airbus BizLab, selects ideas that fit with the programme's three pillars: customer desirability, solution feasibility and business viability • A month-long evaluation is then carried out to assess the maturity and relevance of applicants
	Performance assessment	<ul style="list-style-type: none"> • Once the six-month acceleration programme completes, a 'diagnosis session' is held to discuss progress • Successful start-ups are invited to attend a demo day
	Criteria for success	<ul style="list-style-type: none"> • The successful creation of relevant technology-based product or service solutions and the identification of new customers in the aerospace and aviation sectors • Funding is raised during the 18 months they are enrolled in the programme • Adoption of the product/technology solution within Airbus Group
	Programme history	<ul style="list-style-type: none"> • Number of SGBs supported so far: three (initiated in 2015) • Number of successful SGBs: n/a • Tentative approach for scaling up or deepening engagements: using the Bengaluru BizLab facility to address entrepreneurial support requirements in the Asia-Pacific region



<p>Airbus</p> <ul style="list-style-type: none"> • Provision of support to SGBs that are seeking to promote products in the aerospace sector through market access and business opportunities <p>SGB</p> <ul style="list-style-type: none"> • Finalisation of product and business model, and business opportunities • Gaps in experience, exposure and marketing knowledge addressed • Access to experts and mentors 	<ul style="list-style-type: none"> • Specific focus on the aerospace domain and a tailored support structure to speed up product development and enhance product reach 	<ul style="list-style-type: none"> • Accelerated scaling up of SGBs
Output	Outcome	Impact
RESULTS CHAIN		



Cognitive outcomes

Airbus BizLab: The incentive for Airbus to engage with external start-ups is (a) the exposure it offers to innovation occurring outside the company and (b) the opportunity to infuse start-up thinking and entrepreneurial spirit into Airbus's corporate culture.

SGBs: Since the SGBs are either early-stage start-ups or operating in the non-aerospace domain, the benefits of participating in this engagement are significant in terms of increasing their learning.

NUMA: Collaborating with Airbus enabled NUMA to expand its support to SGBs operating in the niche aerospace sector and its related domains such as heavy engineering and automotive technology. As NUMA also supports SGBs operating in diverse domains, the SGBs that are affiliated with NUMA interact with peers in other domains and gain exposure to innovative practices, which enriches their learning and experience.

Assessment of the engagement model

Strengths

The aerospace sector is technology- and effort-intensive, particularly with respect to accessing and understanding customer requirements and to the lengthy certification processes involved. Through this engagement, the corporate can offer aerospace-sector-specific mentoring to SGBs

covering the technical and procedural aspects of the aerospace domain, while benefiting from exposure to new ways of working and ideation.

Aspirations

This is a successful example of an engagement model that is primarily based on non-funding, multi-stakeholder support, which means it will be easier to replicate in different markets and geographic areas.

Opportunities

This model can be replicated for corporate-SGB engagements in technology-intensive sectors such as medical health care, automotive technology, etc.

Risks

Since the focus is niche, non-programme-related causes (failure to gain relevant certification, poor acceptability among consumers, etc.) are high-risk factors for SGBs and can lead to failure. Therefore, a robust 'learning from failures' approach is required to enhance the effectiveness of the programme.

Key takeaways

This model highlights how corporates can benefit from actively seeking to gain exposure to innovative practices being developed inside of their own sector by engaging with SGBs and multiple intermediaries operating in this sector.



Marico Innovation Foundation: Sustaining the spark of innovative entrepreneurs

Marico Innovation Foundation (MIF) is a not-for-profit institution that was created in 2003 as a subsidiary of Marico Limited (a consumer goods company) to drive its CSR initiatives. MIF's objective is to foster innovation in the business and social venture ecosystem in India. MIF

identifies and provides support to innovative social ventures that aim to have an impact on the base of the pyramid (BoP). It works to accelerate the scaling up of the SGB during its growth phase.

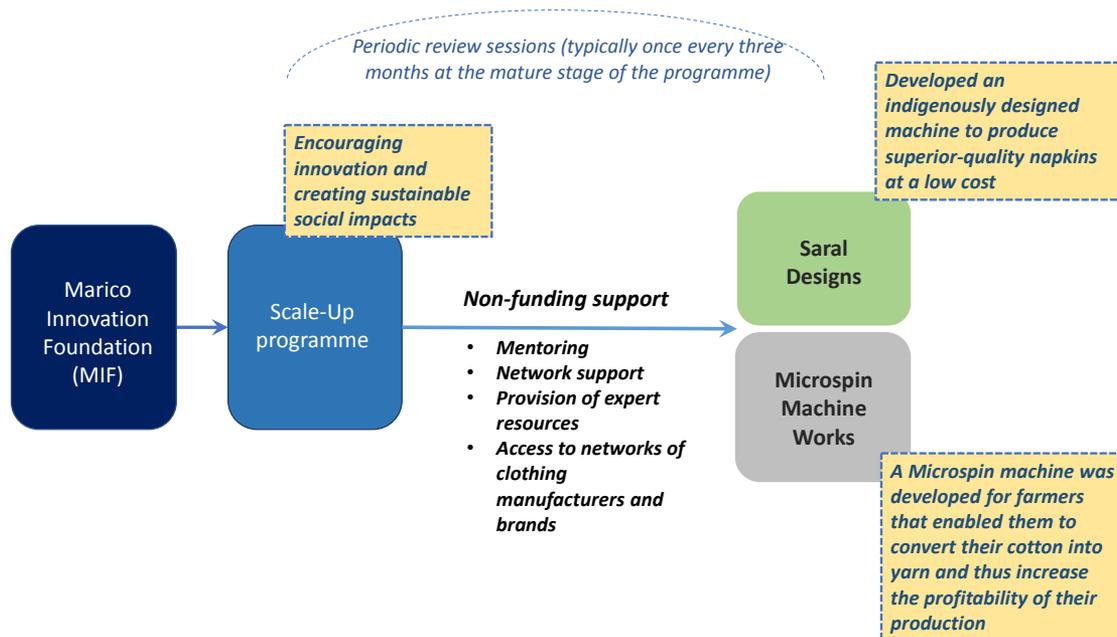
<p>Type of SGBs supported</p>	<p>Saral Design Solutions Pvt. Ltd (http://saraldesigns.in/)</p> <p>Founded in 2015 by Suhani Surya Mohan and Kartik Mehta in Mumbai, Maharashtra State</p> <p>Sector: social infrastructure (health)</p> <ul style="list-style-type: none"> • Affordable sanitary napkins segment • Machinery for the decentralised production of sanitary napkins 	<p>Microspin Machine Works Pvt. Ltd (http://www.microspin.co.in/)</p> <p>Founded in 2010 by Kannan Lakshminarayan in Chennai, Tamil Nadu State</p> <p>Sector: social infrastructure (textiles)</p>
<p>Overview of engagement model</p>	<p>Accelerator-based model for social enterprises delivered through the Scale-Up Programme</p> <ul style="list-style-type: none"> • Initiated in 2010, the Scale-Up Programme has so far supported more than 20 SGBs. The support typically lasts for between 18 and 24 months and involves the provision of mentoring by in-house experts at Marico and by external experts with sector-specific knowledge. <p>MIF provides customised capacity-building support that helps SGBs to</p> <ul style="list-style-type: none"> • identify the bottlenecks inhibiting their growth, such as a lack of expertise, of industry connections, or of business and managerial competencies; • overcome the challenges they face (with mentoring provided by Marico's in-house experts); and • leverage external experts, investors, external incubators and accelerators, and MIF's networks in the Indian CSR ecosystem. 	

Stakeholder objectives and the structuring of the engagement

<p>Corporate</p>	<p>MIF launched the Scale-Up Programme to meet the following objectives:</p> <ul style="list-style-type: none"> • As innovation is the central theme of the Scale-Up Programme, it aims to catalyse the growth of socially relevant, innovative offerings (model/process/product/service) and scale up their impact to include the BoP. • It also aims to leverage internal knowledge at Marico and the managerial talent required to build and nurture the social innovation ecosystem in India.
<p>Innovators and start-ups</p>	<p>Microspin's objectives for the engagement</p> <ul style="list-style-type: none"> • To overcome the challenges it faces in scaling up its impact to include farmers, such as identifying potential adopters of the Microspin technology, establishing Crafted Yarn™ as a credible brand and generating demand. <p>Saral Designs' objectives for the engagement</p> <ul style="list-style-type: none"> • To gain from MIF's knowledge and experience of launching new products in the FMCG sector. • To be mentored on how to streamline the company's processes.



The following diagram depicts the roles adopted by MIF and the SGBs, how MIF supported the SGBs, and the intended objectives.



Synergies in the engagement

Box 1. Marico Innovation Foundation’s engagement with Microspin Machine Works

Brief background: Microspin Machine Works developed a Microspin machine for farmers that enable them to convert their cotton into yarn, eliminating the farmers’ dependency on large-scale mills and thus improving their profitability.

Business model: The model involves identifying stakeholders who may be interested in adopting the Microspin machinery. Subsequently, the farmers adopting the technology are trained and supported through an engagement. The yarn produced is then either sold to wholesale customers or converted into fabric, which is then marketed to clothing manufacturers under the Crafted Yarn™ brand. As Microspin bypasses intermediaries and avoids non-value added costs in the process of spinning cotton into yarn, Microspin increases the profits that a farmer can earn from her or his produce. Moreover, the fabric produced by Microspin commands a 50% to 80% premium over commoditised yarn produced by conventional mills because of its superior quality.

Intervention outcomes: MIF worked with Microspin to identify potential adopters of the Microspin technology and to arrange funds for these potential adopters in the form of subsidies and soft loans from government institutions (e.g. the National Bank for Agriculture and Rural Development, National Rural Livelihood Mission or National Skill Development Corporation) to enable them to buy the machinery. Additionally, following talks with the Ministry of Textiles, cotton farmers were offered soft loans to enable them buy the machines. MIF tapped into its networks with leading clothing manufacturers and brands, and brought marketing experts on board to increase the demand for Crafted Yarn™.

Impact (expected): With Scale-Up’s assistance and network support, Microspin expects to bridge the demand–supply gap, which would enable more farmers to adopt Microspin’s machines.

Going forward: Scale-Up will support Microspin in its work to ensure that its operating model achieves sustainable levels of production.



Box 2. Marico Innovation Foundation's engagement with Saral Designs

Brief Background: Saral Designs is a for-profit social enterprise that has developed an indigenously designed machine to produce superior quality sanitary napkins at a low cost. Given that 88% of women in India do not use sanitary pads (Nielsen), this enterprise is working to mitigate the associated health and social hazards by improving women's and girls' access to good quality sanitary products at a low cost.

Business model: The manufacturing process is decentralised, which keeps costs low by removing intermediaries from the distribution process. Furthermore, the technology is replicable, which means economies of scale can be achieved at the unit level.

Saral Designs was able to access Marico Innovation Foundation's support through the latter's referral network. Following a scrutiny process, Saral Designs was inducted into the acceleration programme.

Intervention outcomes: the Scale-Up Programme is working with Saral Designs to develop a scalable market strategy that includes understanding target consumers and identifying sales outlets. Scale-Up is also helping Saral to develop a financial model and a strategy for product pricing and packaging.

Impact: Saral Designs stated that MIF's ability to marshal expertise and provide mentoring was critical in helping the company to scale up and that, in normal circumstances, securing this kind of expertise on demand would be too expensive for fledgling SGBs like Saral.

Going forward: Saral Designs will receive further support from the Scale-Up Programme to ensure that its scaling up continues effectively.

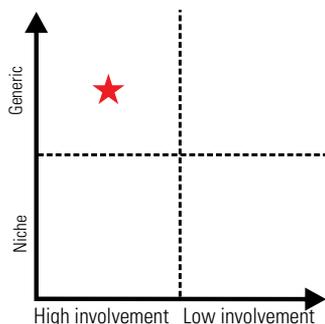
Programme structure and chain of impact

The following table contains information on the Scale-Up Programme, its structure,

scouting method and parameters for assessing performance and success. The elements of the value chain have also been identified.



PROCESS CHAIN	Programme structure	<p>The Scale-Up Programme provides start-ups with non-funding support, typically over a period of 18 months (non-residential).</p> <p>Non-funding support</p> <ul style="list-style-type: none"> • Mentoring <ul style="list-style-type: none"> o Internal: Marico employees (as part of their in-house mentoring programme) o External: <ul style="list-style-type: none"> – Retired CEOs who are interested in contributing to social development – Business school students – Partner organisations and foundations that are working in the social development space • Access to in-house resources with relevant sector expertise • Provision of business consultancy services to deliver last-mile support: provision of solutions to help SGBs overcome challenges identified through in-depth analysis (identifying challenges in scaling up, facilitating prototype solutions, deploying and verifying the efficacy of prototype solutions, integrating successful solutions into business offerings and their evaluation) • Capacity building: enhancing managerial capabilities, financial rigour, product design and development, and marketing and channel support
	Scouting method	<ul style="list-style-type: none"> • Referral system: both internal (through Marico employees) and external (through its network of stakeholders in the development space such as mentors, partner organisations and current SGBs being supported) • The bi-annual Innovation for India Awards, which aim to identify unique innovations in the business and social sectors • Selection criteria: organisations developing ideas that correspond with four outline criteria of innovation, social impact, potential to scale, and organisational readiness and commitment
	Performance assessment	<ul style="list-style-type: none"> • Quarterly performance reviews • The progress achieved in terms of scaling up the SGB in a sustainable manner and successfully addressing gaps
	Criteria for success	<ul style="list-style-type: none"> • The identified gaps in competencies and/or knowledge are addressed • The SGB is operating independently and sustainably
	Programme history	<ul style="list-style-type: none"> • Number of SGBs supported so far: 19 • Number of successful SGBs: two as of June 2016 (seven are currently being supported and three more are in the pipeline) • Tentative approach for scaling up or deepening engagements: to scale up a maximum of 25 SGBs by the end of fiscal year 2017 • Evolution of sourcing strategy: The MIF moved away from an open invitation system for applications to a referral process. In the referral process SGBs that are ready to scale up are identified by MIF partners who have an intricate and deep understanding of the MIF's capabilities. (One of the drawbacks of an open application process is that sometimes SGBs' motivations for participating may be more focused on associating their business with the Marico brand, than on forging ahead with scaling up.)



<ul style="list-style-type: none"> • Addressing gaps in the SGBs in terms of their experience, exposure and market knowledge. • Enhancing the SGBs' capability to scale up through exposure to MIF's expertise and networks. 	<ul style="list-style-type: none"> • Demonstration of a successful model where the corporate is fulfilling its CSR vision through its own intermediary. • Proof of concept for customised capacity-building support. 	<ul style="list-style-type: none"> • Enhancement of the ecosystem of innovative social entrepreneurs.
Output	Outcome	Impact
RESULTS CHAIN		



Cognitive outcomes

Marico Innovation Foundation

Fulfilment of leader's vision: The Scale-Up Programme succeeds in delivering Harsh Mariwala's (Marico Limited's Chairman and MIF's Founder) vision of facilitating innovation in the social sector to accelerate the nation's growth. The level of commitment to this vision can be gauged by the fact that the initial step for an SGB to be included in the Scale-Up Programme is a business review session with Harsh Mariwala where the business model, financial aspects, challenges and potential interventions are considered.

The direct participation of the company chair provides a thrust to the programme that encourages MIF members to take a high level of ownership. This, in turn, acts as a catalyst that ensures MIF support is converted into enhanced SGB performance on the ground.

Demonstration of Scale-Up Programme's tailored approach: As the MIF states, 'Passion, commitment to solving problems and the right intentions should always triumph, and should not be constrained by adherence to mere templates'.

Employee engagement: Having worked with the SGBs and been an integral part of the problem-solving experience, participating employees gain valuable exposure to entrepreneurial spirit and diverse work cultures.

SGBs

Customised capacity-building opportunity: SGBs benefit from the Scale-Up Programme's tailored approach to identifying and addressing knowledge gaps.

Assessment of the engagement model

Strengths

With this engagement model, it is possible to use corporate CSR funds to support SGBs that operate in non-business-aligned segments. This key feature of the model enables the corporate to

leverage its formidable network and assets and enable innovative SGBs to scale up.

Aspirations

The engagement model aims to achieve scalable and sustainable impacts on innovative SGBs that are working to create a social impact.

Opportunities

Given it supports SGBs from diverse sectors, the engagement model offers SGBs the opportunity for greater visibility and enhanced learning.

Risks

The SGB's participation in the Scale-Up Programme does not emphasise funding support or equity dilution. Also, Marico does not operate in the same domains as the SGBs. These factors enable the seamless and active involvement of the corporate in solving SGB bottlenecks. In instances where funding support is offered, care should be taken to allow the SGB to independently arrive at its own business operation decisions.

Key takeaways

One of the key takeaways from this engagement is that management buy-in at the corporate level has been critical to the sustainability of interventions and to the effective fulfilment of the Scale-Up Programme's objectives. This has enabled MIF to leverage its access to market and industry experts and networks and, in so doing, to contribute to the scaling up of the SGBs.

Marico Innovation Foundation's model of engagement has consistently grown in scale over time. MIF envisions scaling up its support by working with more diverse SGBs. MIF is also keen on gaining deeper insights into niche segments like health care by leveraging the strengths of relevant intermediaries, as evidenced by its diabetes hackathon conducted in collaboration with Villgro and the Consortium of Affordable Medical Technologies (CAMTech) in October 2015.

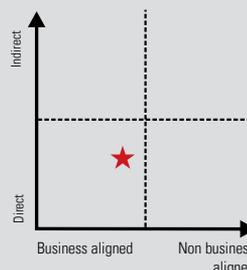


Federal Bank: One-stop shop for support

Federal Bank, one of India's private sector banks, set up the Launchpad platform to enable entrepreneurs to run start-ups in diverse sectors by providing a range of advisory services as well as funds to support their growth. Initially offered

in Bengaluru and Kochi in 2015, the programme seeks to provide counselling and guidance on aspects including registration, regulatory compliance, investments, accounting and so on.

Type of SGBs supported	Launchpad aims to work with entrepreneurs who wish to set up innovative start-up ventures in diverse sectors like digital financial services, biotechnology, high-tech farming, health care, logistics, e-commerce and so on.
Overview of engagement model	<p>A collaborative model that places an emphasis on providing the identified SGBs with both non-funding support in the form of mentoring and funding support.</p> <p>As the programme is still in its formative stages, the length of the programme is not yet fixed. However, Federal Bank is seeking to undertake long-term engagements with the supported SGBs.</p>



Stakeholder objectives and the structuring of the engagement

With a view to engaging with entrepreneurs in new ways by moving away from a conservative credit mindset, Federal Bank initially launched a FinTech accelerator programme in collaboration with MobME Wireless Solutions Ltd and Startup Village. The 14-week accelerator programme focused on providing guidance and mentoring to foster technological innovation in the financial

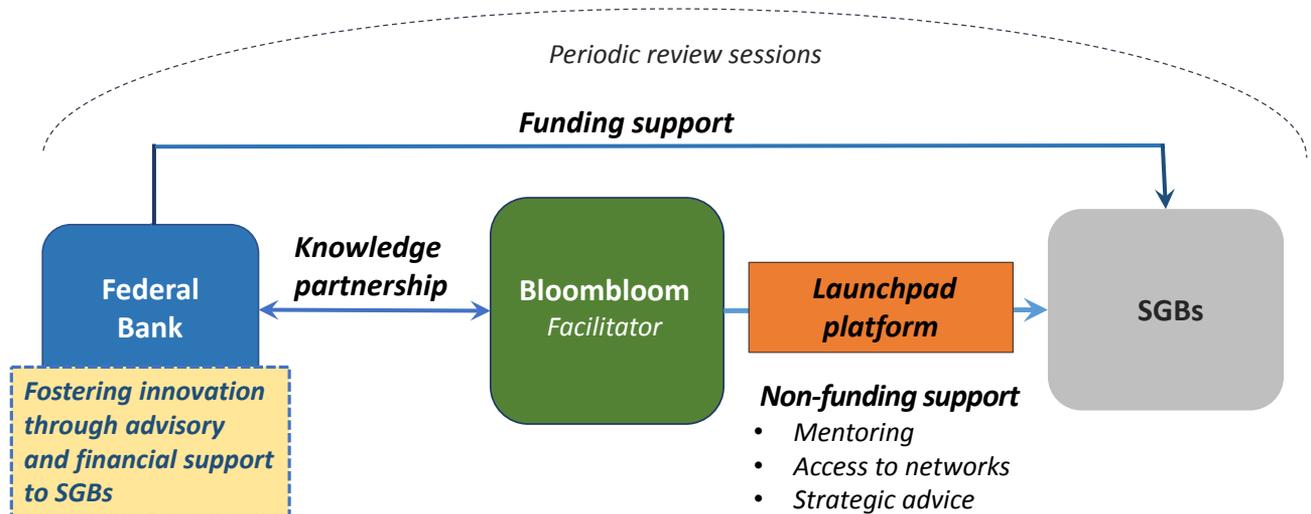
sector space with the aim of developing banking products that will ultimately benefit the customer. In 2015 Federal Bank also conducted a FinTech hackathon in collaboration with IBM as part of the Bank's 69th Founder's Day celebrations, which centred on the theme of mobile banking for retail banking, payments, remittances and merchant payments, considering each of these areas through the prism of the Government of India's Digital India vision.

Corporate	<p>Following on from their previous efforts, Federal Bank started Launchpad to meet the following objectives</p> <ul style="list-style-type: none"> To enhance the start-up ecosystem by fostering innovative entrepreneurship in diverse sectors through an approach that goes beyond funding support. To benefit from being exposed to innovative ideas and gain from technological developments in similar sectors.
Intermediary	<p>Bloombloom's objective for engaging in Launchpad</p> <ul style="list-style-type: none"> To collaborate with Federal Bank to address knowledge gaps in the SGBs participating in Launchpad.
Innovators and start-ups	<p>SGBs' objectives for engaging with the Launchpad platform</p> <ul style="list-style-type: none"> To receive mentoring and guidance on regulatory compliance, accounting, human resources and marketing. To address knowledge gaps and build the capacity required to scale up. To make use of additional paid services from Federal Bank in the form of digital accounting solutions.



The following diagram depicts the structuring of the engagement and the roles played by each stakeholder. One of the key aspects of this

engagement is the provision of advisory services and strategic advice to SGBs.



Synergies in the engagement

Through this engagement model, Federal Bank uses its existing resources and infrastructure to create one-stop advisory centres that enable the SGBs to access support services more easily. Federal Bank also leverages the experience it has gained from supporting different kinds of entrepreneurs with its banking services.

Programme structure and chain of impact

The Launchpad platform comprises outlets located within Federal Bank premises that function as one-stop shops, providing a range of fee-based services to start-ups. The outlet is operated by Federal Bank executives as well as local experts who are able to provide advice on specific issues. Through this platform, SGBs can receive mentoring and guidance related to regulatory compliance, accounting, human resources and marketing.

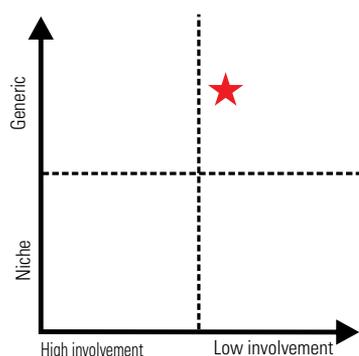
Bloombloom’s engagement with the SGBs involves addressing knowledge gaps and enabling them to scale up and grow. Bloombloom supports Federal Bank by offering its start-up incubation and accelerator services.

Because the founders of the start-up Bloombloom have backgrounds as chartered accountants, company secretaries and lawyers, Bloombloom also offers legal and compliance services at Launchpad. Launchpad will also offer banking solutions to start-ups such as digital payroll accounts systems, payment/collection solutions and forex services.

The following table contains information on the process chain elements (namely programme structure, scouting method, performance assessment and criteria for success) and elements of the results chain (namely output, outcome and impact).



PROCESS CHAIN	Programme structure	<p>Six-month-long incubation support engagement</p> <p>Launchpad centres are outlets located within Federal Bank premises that function as one-stop shops, providing start-ups and entrepreneurs with a range of services (fee-based depending on the nature of the service).</p> <p>Non-funding support</p> <ul style="list-style-type: none"> • Fee-based mentoring and advisory services (delivered by Federal Bank or through Bloombloom) • Addressing knowledge gaps in key areas including registration, regulatory compliance, investment, accounting, HR management, intellectual property protection, legal and compliance services, incubation and fab lab services, banking and payment gateways, funding, etc. • Mentoring, which is sourced externally to provide domain-specific expertise <p>Funding support</p> <ul style="list-style-type: none"> • Federal Bank set aside INR 2500 million to invest in eligible start-ups, with an equity stake of up to 10%
	Scouting method	<ul style="list-style-type: none"> • Walk-ins (i.e. entrepreneurs themselves approach the Launchpad centres) • Open applications from SGBs that are seeking support • A 'registration desk' presence at start-up events • The selection process comprises five rounds including a basic presentation by the start-ups, several interviews, and due diligence procedures
	Performance assessment	<ul style="list-style-type: none"> • Periodic performance reviews to gauge the pace at which the SGB's capacity for scaling up is increasing
	Criteria for success	<ul style="list-style-type: none"> • Adequate levels of capacity building
	Programme history	<ul style="list-style-type: none"> • Number of SGBs supported so far: n/a (the programme got underway in March 2016 so all 70 start-ups registered so far are at various stages in the selection process) • Number of successful SGBs: n/a • Tentative approach for scaling up or deepening engagements: once the programme has gained traction, the aim is to support SGBs that are based outside of Bengaluru and Kochi



<ul style="list-style-type: none"> • Access to mentoring that serves to address knowledge gaps. • Access to funding for use in building the capacity for scaling up. 	The model defines an approach that enables corporates to benefit from exposure to innovation occurring in diverse sectors through engagement with start-ups.	Positive impact on the entrepreneurial ecosystem and on innovation.
Output	Outcome	Impact
RESULTS CHAIN		

Cognitive outcomes

Federal Bank

Fulfilment of the company vision: Federal Bank is fulfilling its goal of enhancing the start-up ecosystem and fostering innovation in a range of diverse sectors.

Employee engagement: Exposing employees to innovative and potentially disruptive ideas by

providing an opportunity for them to engage in mentoring activities.

SGBs

Capacity-building opportunity: SGBs are exposed to the range of services offered by the Launchpad centres, which are designed to serve as a 'breeding ground for entrepreneurs'.



Assessment of the engagement model

Strengths

This engagement model enables the corporate to build its capacity to nurture the entrepreneurial ecosystem in a gradual and structured manner.

Aspirations

The aim is for Launchpad to evolve into a model for running long-term engagements with SGBs. Also, by involving Federal Bank's employees, Launchpad intends to increase the level of support it provides.

Opportunities

The current model seeks to support entrepreneurs across all sectors by leveraging Federal Bank's extensive experience of

supporting ventures through its banking services (although Federal Bank has a specific focus on FinTech-based solutions).

Risks

As the model is still at an initial stage, a key risk is associated with how effectively the model will evolve (in terms of providing the necessary support to SGBs).

Key takeaways

To arrive at this model of engagement, Federal Bank has drawn on the experience it has gained supporting entrepreneurs in the course of its regular business. This example highlights how an organisation seeking to support start-ups can do so by plugging its current resources into a structured model of engagement.



Bosch: Boosting scaling-up for innovative tech start-ups

Bosch Limited’s strategic vision in India is to support the country’s innovative entrepreneurs. To this end, it has adopted a multi-modal

approach to engaging with SGBs that is driven by an internal need to learn from external innovation and by the desire to nurture SGBs.

Type of SGBs supported	SGBs in the technology and engineering space (strategic and business aligned)	
Overview of engagement models	<p>An accelerator programme designed to work in concert with the existing start-up ecosystem.</p> <p>Bosch’s focus is on sharing its expertise, technology and infrastructural facilities so that the SGB’s products and services can be rapidly scaled up and ‘industrialised’. Key enablers offer support on securing early validation and access to Bosch’s point-of-entry devices and sensor technologies.</p>	

Stakeholder objectives and the structuring of the engagement

Corporate	<p>Objectives for Bosch Limited</p> <ul style="list-style-type: none"> To gain exposure to external disruptive technologies and innovations, and absorb key learning and skills. To rejuvenate Bosch India’s working culture, making it more agile and creative in how it responds to customer needs. To learn how best to position itself as a modern corporate that is <ul style="list-style-type: none"> actively developing innovative practices and business models, and seeking out newer markets and segments.
Innovators & start-ups	<p>Objectives for the SGBs</p> <ul style="list-style-type: none"> To leverage Bosch Group’s expertise in scaling up and ‘industrialising’ products and services. To leverage access to Bosch’s ecosystem to pilot ideas internally for early validation.

The following diagram depicts the broad focus areas of the non-financial support that Bosch Limited offers to the SGBs it supports.



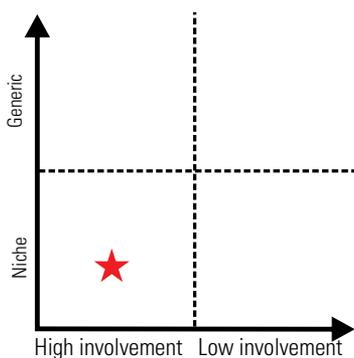
Programme structure and chain of impact for the Bosch–SGB engagement

The following table contains information on the process chain elements (namely programme structure, scouting method, performance assessment and criteria for success) and

elements of the results chain (namely the output, outcome and impact of Bosch’s engagement, which primarily comprises non-financial support). The emphasis is on building the SGBs’ capacity to develop market-ready products or service offerings much more quickly.



PROCESS CHAIN	Programme structure	<ul style="list-style-type: none"> The primary mode of support is non-financial in nature A typical support engagement lasts from six months to two years Mentoring is either <ul style="list-style-type: none"> sourced internally (i.e. from within Bosch) – mentors are assigned on a full-time or part-time/on-demand basis and are typically chief architects with 12 to 15 years of sector experience, or sourced externally – employing consultants who possess core industry technology expertise Access to leadership: interaction with the senior leadership team on specific days of the programme Sharing of technology know-how Guidance on regulatory and statutory compliance norms Sharing of infrastructural facilities such as testing laboratories, etc.
	Scouting method	<p>Bosch uses the DNA approach (discover, nurture and align) in its engagements with SGBs:</p> <p>Discover</p> <ul style="list-style-type: none"> Leveraging open applications, start-up events, hackathons/challenges, pitch nights, and databank providers Working with various intermediaries such as incubators and funding agencies to identify suitable SGBs <p>Nurture</p> <ul style="list-style-type: none"> Once shortlisted, the SGBs undertake an initial 18-week programme where their innovative idea is scrutinised The programme involves intense engagement, on-demand mentoring (from internal and external mentors), product demo sessions and scenario assessments The final round of selection takes place at a 'demonstration day' event
	Performance assessment	Periodic review
	Criteria for success	<p>Success in aligning the objectives of the DNA programme</p> <ul style="list-style-type: none"> Achieving 'Bosch Vendor' status, which permits the SGB to provide its technology/product/service to the company Collaboration with Bosch on go-to-market partnerships (which fits with the third 'align' phase of DNA approach) Tangible gains in customer acquisition and revenue generation Possibility of acquisition
	Programme history	<ul style="list-style-type: none"> Number of SGBs supported so far: eight (programme initiated in 2015) Number of successful SGBs: three as of June 2016 Tentative approach for scaling up or deepening engagements: <ul style="list-style-type: none"> Working on partnerships with stakeholders that seek to promote entrepreneurship in India such as GIZ or NASSCOM Enhancing the scouting method Promoting the Bosch accelerator programme's DNA methodology among media partners and engineering ecosystem partners



<ul style="list-style-type: none"> Mentoring sessions with experts, and operational performance review. 	<ul style="list-style-type: none"> Increased impact on SGBs in the technology and engineering space. 	<ul style="list-style-type: none"> Sustainable and planned scaling up of SGBs. (Please refer to the main report)
Output	Outcome	Impact
RESULTS CHAIN		



Cognitive outcomes

Bosch Limited's motivation is to gain strategic insights from its exposure to the start-up ecosystem in order to change the working culture of its business.

The SGBs are motivated by the need to access mentoring, guidance, and technological expertise and facilities.

Assessment of the engagement model

Strengths

The programme's emphasis is on providing engineering expertise and technology-oriented support that is designed to expedite the scaling up of SGBs.

Aspirations

The model is designed to provide the SGBs with sustainable results (such as the creation of go-to-market partnerships).

Opportunities

The model is ideally suited to engagements that involve resource- and time-intensive engineering-

or technology-related tasks. Access to mentoring, expertise, technology and facilities can substantially reduce the time and effort involved in delivering a go-to-market strategy.

Risks

The model should incorporate elements that ensure the periodic review mechanism is robust. Poor levels of commitment from stakeholders over a long period can lead to an unsuccessful engagement.

Key takeaways

The model of engagement adopted by Bosch emphasises the need to balance the corporate's ability to support scaling up with the SGB's agility. Given this, the model shall emphasise the provision of support for the non-technical aspects of scaling up. Additionally, the corporate needs to be aware of the perils involved in expecting an SGB to adhere to a highly structured and systematic process that can inhibit the SGB's agility.



Tata Elxsi: Helping the ecosystem gear up

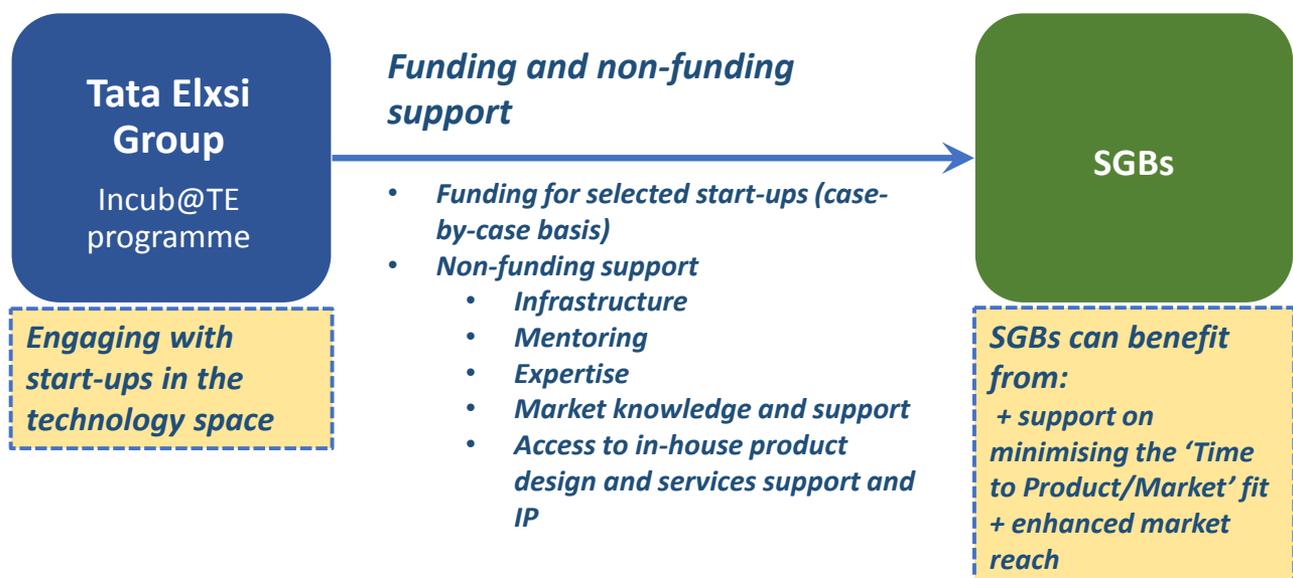
In 2013 Tata Elxsi, one of India’s pioneering design companies, launched Incub@TE, an incubation centre programme that supports entrepreneurship in the product platform as well

as the development of product-platform-related service-solution technologies involving mobile, social, local, enterprise, cloud and embedded applications.

Type of SGBs supported	Start-ups working on service-solution technologies—namely mobile, social, local, enterprise, cloud and embedded applications – and related product platform	
Overview of engagement model	<ul style="list-style-type: none"> • Funding support for start-ups provided on a case-by-case basis • Non-funding support in the form of access to infrastructure, mentoring, market access, and support on developing delivery capabilities 	

Stakeholder objectives and the structuring of the engagement

Corporate	<p>Tata Elxsi’s objectives for initiating the engagement</p> <ul style="list-style-type: none"> • To leverage its in-house expertise in product-platform design and engineering-solution services to nurture and support start-ups developing technologies related to the product platform and relevant service solutions. • To fulfil its strategic objective of staying relevant in the technology space by identifying the latest technology trends through its interactions with innovative and potentially disruptive entrepreneurs.
Innovators and start-ups	<p>Benefits for the SGB from its engagement with Tata Elxsi</p> <ul style="list-style-type: none"> • Leveraging Tata Elxsi’s expertise to meet market requirements and accelerate the scaling-up process • Gaining greater visibility and acceptance among funders

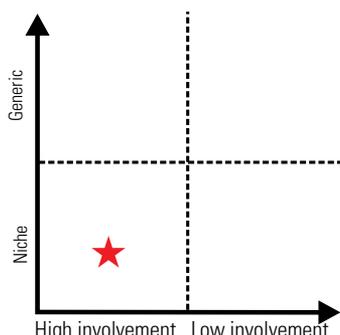


Synergies in the engagement

This engagement enables Tata Elxsi to make a major contribution to the Indian entrepreneurial

ecosystem. SGBs gain from Tata Elxsi's niche expertise and experience in the product design and services technology space.

PROCESS CHAIN	Programme structure	Incub@TE engages with SGBs in the following ways: <ul style="list-style-type: none"> • Access to mentors who are sourced either internally (Tata Elxsi's employees) or externally (serial entrepreneurs, domain and technical experts, consultants) • Total number of SGBs supported so far: four
	Scouting method	<ul style="list-style-type: none"> • Open applications through the programme's online portal
	Performance assessment	<ul style="list-style-type: none"> • Intensive and regular performance reviews with the co-founder/founder who needs to be physically present at the Tata Elxsi facility for the duration of the engagement (15–18 months)
	Criteria for success	<ul style="list-style-type: none"> • The SGB's ability to successfully build a customer base • Total number of SGBs that have been successfully incubated: two
	Programme history	<ul style="list-style-type: none"> • Initiated in 2013 • The Incub@TE programme takes on start-ups on an ongoing basis • Number of SGBs supported so far: four • Number of successful SGBs: three



<p>The incubation programme addresses knowledge gaps in product and technology development and enhances the SGB's capability to scale-up by</p> <ul style="list-style-type: none"> • promoting brand visibility and market access, and • accelerating the scaling-up of the enterprise. 	<p>The model serves as proof of concept for an engagement with a niche focus and a high level of corporate involvement.</p>	<p>Positive impact on the technology-based start-up space.</p>
Output	Outcome	Impact
RESULTS CHAIN		

Cognitive outcomes

Tata Elxsi: Ability to leverage in-house expertise to mitigate the paucity of entrepreneurial ideas in product platform design and related solutions in the Indian ecosystem.

SGB: SGBs gain access to Tata Elxsi's expertise and networks.

Assessment of the engagement model

Strengths

This model of engagement includes the provision of targeted support to SGBs over a significant period that promotes synergies between the corporate's expertise and SGB's needs.

Aspirations

The engagement model aims to help SGBs to scale up their activities by reducing their learning curve in the product design and technology solutions space.

Opportunities

With this model, SGBs can scale up in a structured and predictable way, which is essential for SGBs involved in product design and the development of technology solutions.

Risks

The engagement model involves assessing the suitability of the solution being developed



by the SGB – i.e. determining what time- and resource-intensive support it requires. Risks arise with regard to time: Will the SGB's solution be redundant or lose its first-mover advantage because others are already addressing the problem in different ways?

Key takeaways

- The engagement serves as a feasible example of how technology-based corporates can leverage their expertise and contributions in a targeted and effective way.
- One of the requirements of this programme is that at least one of the founders be physically present at the Tata Elxsi facility. This requirement is driven by the understanding that a tangible impact on the SGB's performance and growth is dependent on having an impact on the founder's worldview.



Mahindra Finance: Unearthing value by supporting agribusinesses

Mahindra and Mahindra Financial Services Ltd.'s (Mahindra Finance) CSR efforts have focused on supporting enterprises that work to improve rural people's lives. To support the incubation of agribusiness start-ups, Mahindra Finance channelled its CSR funds through Villgro. This technology business incubator is approved by the Government of India's DST and focuses

on social enterprises that work with the poor. Through Villgro, Mahindra Finance supported Flybird Innovations, a start-up based in Bengaluru (Bangalore) that aims to solve farmers' irrigation-related problems by developing smart irrigation systems that automate the fertilisation and irrigation process and thus improve yields.

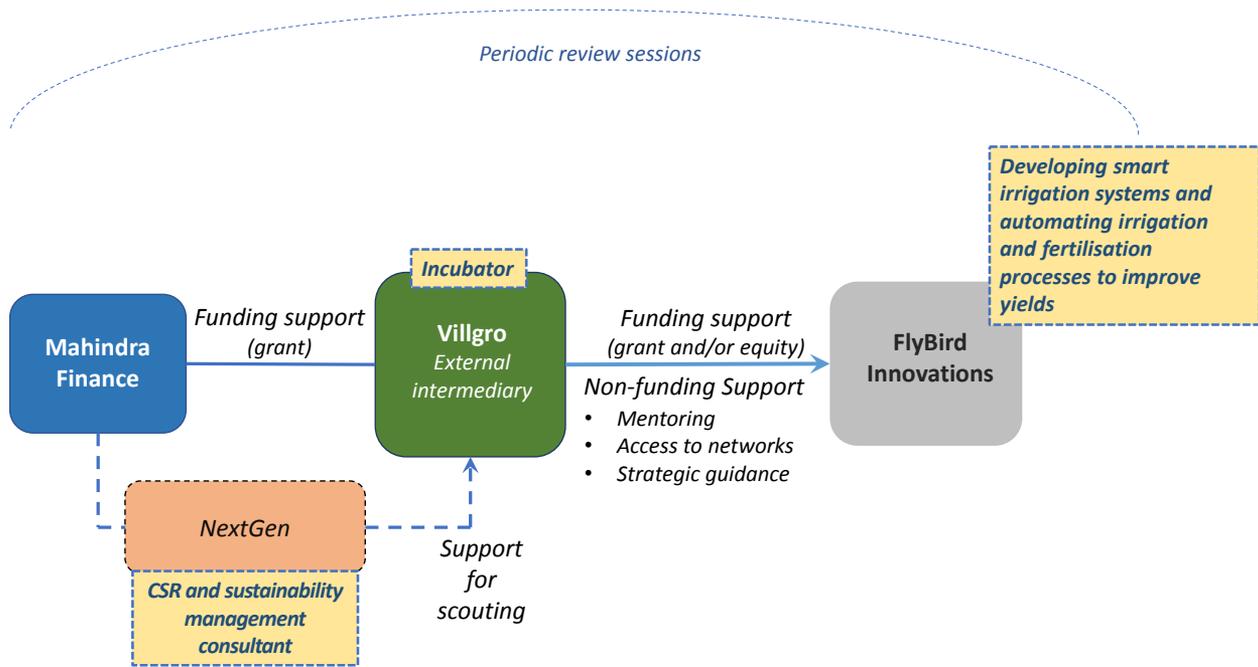
Type of SGBs supported	Flybird Farm Innovations (http://www.flybirdinnovations.com/) Private limited company Sector: agriculture (technical innovations for social impact) <ul style="list-style-type: none"> • low-cost precision irrigation • smart fertiliser application 	
Intermediary	Villgro Innovations Foundation, Chennai Incubator providing support to innovative social enterprises that work to improve the lives of the poor by providing mentoring, funding, knowledge, networks, etc.	
Facilitator	NextGen PMS Private Limited, Bengaluru	
Overview of engagement model	Mahindra Finance provided CSR-driven financial assistance as well as non-financial assistance in the form of mentoring and access to technical and managerial expertise (provided by the intermediary). Support is typically provided over a 24-month period.	

Stakeholder objectives and the structuring of the engagement

Corporate	Mahindra Finance's objectives for initiating the engagement <ul style="list-style-type: none"> • To fulfil its CSR policy objectives, which are closely tied to its mission of driving positive impacts in rural communities.
Intermediary	Villgro's objectives for its engagement with Mahindra Finance <ul style="list-style-type: none"> • To make use of diversification in funding (including CSR funds) to foster the success and scaling up high-impact social enterprises. • To access sector-specific networks.
Innovators and start-ups	Flybird Farm Innovations' objectives for the engagement <ul style="list-style-type: none"> • To secure access to funding that will enable it to scale up its operations. • To access mentoring and sector expertise to improve its operations and sector-specific networking.



The following diagram depicts the roles adopted by Mahindra Finance and the SGB (Flybird), the nature of support provided and the intended objectives of the engagement.



Synergies in the engagement

Through its engagement with Flybird Innovations, Mahindra Finance is fulfilling both its corporate mission to positively impact communities and its CSR objectives. It also enables Villgro to extend and intensify its incubation support to Flybird Innovations.

Notes on the facilitator's role

- NextGen PMS Pvt. Ltd (operating in the CSR and sustainability space), in line with Mahindra Finance's CSR and corporate vision, provided inputs on structuring the engagement model. NextGen facilitated the scouting process for a suitable incubator, which resulted in the selection of Villgro, an incubator with a focus on providing support to enterprises that work to improve poor people's lives.
- Villgro devised the fit between the corporate's ethos and the intent, and it determined the SGB's need for support, capacity to scale up and

existing competencies. Based on Villgro's recommendation, Mahindra Finance selected Flybird Innovations, a Bengaluru-based start-up that aims to solve farmers' irrigation-related problems by developing smart irrigation systems and automating the fertilisation and irrigation process to improve yields.

- Prior to Flybird Innovations, NextGen had assisted Mahindra Finance with the following engagements:
 - Sickle Innovations, an SGB focused on the design of harvesting solutions for cotton and sugarcane growers. This engagement was facilitated by the CIIE of the Indian Institute of Management Ahmedabad, a DST-certified technology business incubator (intermediary).
 - SustainEarth Energy Solutions, an SGB developing a low-cost biogas system for rural households. This engagement was facilitated by Villgro, a technology business incubator (intermediary) certified by the DST.

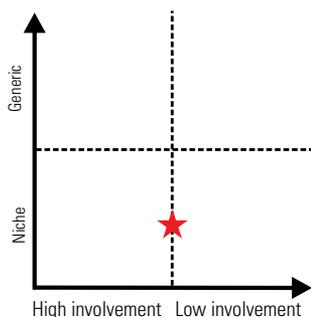


Programme structure and chain of impact

The following table contains information on the Mahindra Finance CSR engagement that was

facilitated by Villgro. The programme builds on the experiences Mahindra Finance gained in its prior engagements with SustainEarth Energy Solutions and Sickle Innovation.

PROCESS CHAIN	Programme structure	<p>Financial support in the form of a grant (to Villgro), which Villgro then invested in Flybird Innovations (equity investment)</p> <p>Non-financial support in the form of incubation, which included mentoring, business and sector expertise and advice (provided by Villgro)</p> <ul style="list-style-type: none"> • Access to networks (through Villgro) • Mentors provided by Villgro • The support typically lasts 24 months
	Scouting method	<ul style="list-style-type: none"> • NextGen (a body that facilitates CSR engagements) refers suitable agribusiness SGBs
	Performance assessment	<ul style="list-style-type: none"> • Regular performance reviews in collaboration with NextGen and Villgro
	Criteria for success	<ul style="list-style-type: none"> • Successful graduation (of Flybird Innovations) from Villgro’s incubation programme • The SGBs use the funding they receive for its intended purposes
	Programme history	<ul style="list-style-type: none"> • Number of SGBs supported so far: four (Sickle Innovations, SustainEarth Energy Solutions, Flybird Innovations and Kinetic Machine – with NextGen offering facilitation services) <ul style="list-style-type: none"> o Number of successful SGBs: two o Tentative approach for scaling up or deepening engagements: <ul style="list-style-type: none"> o Scaling up support to two incubators per year o Enhanced focus on agribusiness SGBs



<ul style="list-style-type: none"> • Increased funding that resulted in widening market coverage. • Enhanced capability for scaling up. 	<ul style="list-style-type: none"> • Example of a structured approach where CSR funds were channelled through an intermediary. 	<ul style="list-style-type: none"> • Promoting the sustainability of SGBs that focus on solving the difficulties faced by rural consumers (primarily agro-focused). • Making explicit the role played by intermediaries in the start-up ecosystem. • Increasing FlyBird’s impact on rural farmers by scaling up its activities.
Output	Outcome	Impact
RESULTS CHAIN		

Cognitive outcomes

The corporate’s engagement with the SGB has been facilitated by various stakeholders who have expertise in their own domain, and this has enabled Mahindra Finance to deliver focused interventions.

The corporate engagement has benefited the SGB, as the latter now has more confidence when seeking to raise funding from external sources. Additionally, the funding provided to the SGB proved to be a key factor in its achieving

significant progress with prototypes and product development.

Assessment of the engagement model

Strengths

In this engagement model, corporate CSR funds are used to support SGBs that operate in business-aligned segments. This key feature of the model enables the corporate to leverage its network and assets commensurate to its expected role in the engagement.



Aspirations

The engagement model aims to achieve scalable and sustainable impacts on the innovation processes of social enterprises that target the poor/rural market.

Mahindra Finance is keen to expand its involvement. For example, it has shared its networks and reach in rural markets with the SGBs to widen their market access, and it has enabled in-house employees with expertise in sales and marketing to engage with SGBs and transfer relevant skill sets (marketing, product development and field testing).

Opportunities

The engagement model has the potential to be scaled up to an appropriate level, bringing together SGBs with complementary and synergistic solution strategies.

Risks

Ongoing efforts are needed to monitor the level of involvement between the corporate and the SGBs. The intermediary – an incubator – is ideally placed to assess the required levels of involvement and could therefore design initiatives that enable stakeholders to increase their value realisation.

Key takeaways

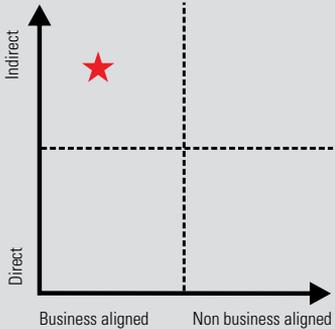
One of the key takeaways here is the importance of appropriately structuring engagements. With the right structure in place, CSR funds can be channelled effectively through appropriate intermediaries to create a sustainable impact on the scaling capacity of SGBs operating in the same domain as the corporate.



Pfizer: Supporting innovation and IP creation in the pharmaceutical sector

In 2015 Pfizer, a global pharmaceutical corporation, and the Foundation for Innovation and Technology Transfer (FITT), a technology business incubator at IIT Delhi, launched the

Pfizer–IIT Delhi Innovation and IP Programme (PIDIIP). The programme’s objective is to support the translation of innovative health care ideas into business opportunities and intellectual property.

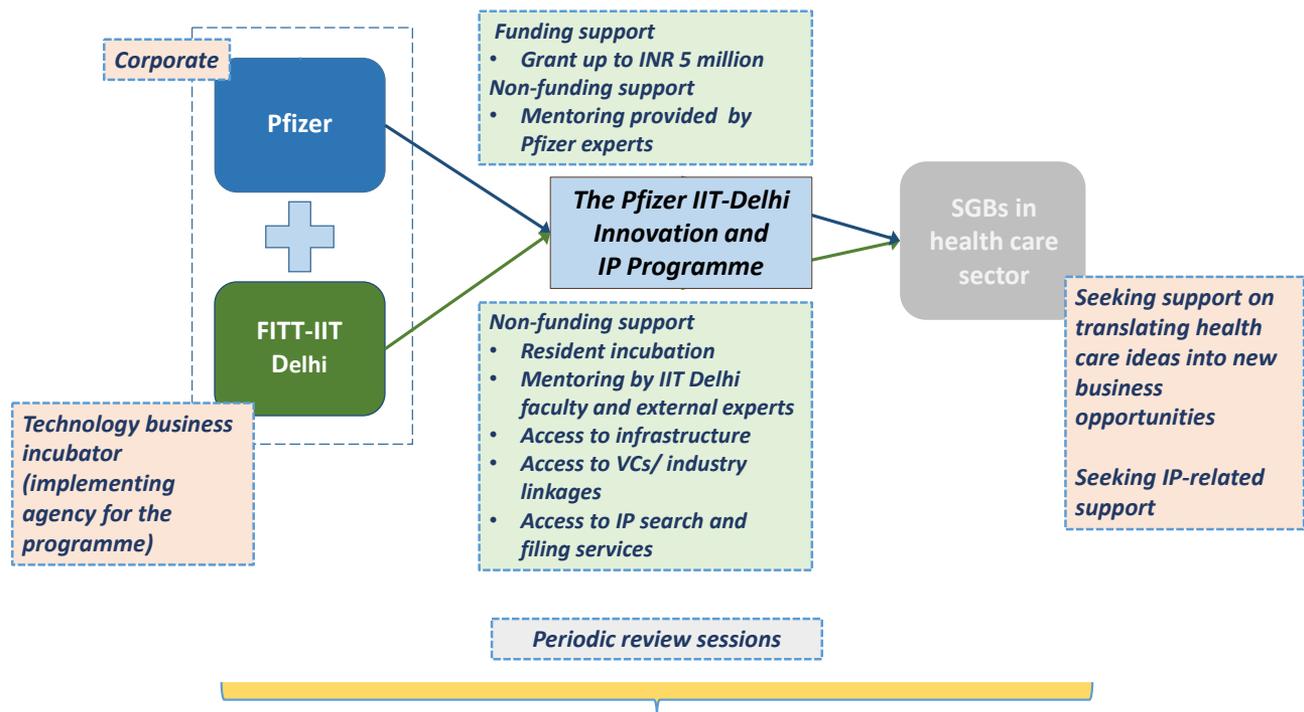
Type of entities supported	Innovators and start-ups in the biotechnology and health care domains with technology-driven ideas in <ul style="list-style-type: none"> • mobile health • diagnostics • biomedical/informatics • medical devices • new health care technologies • etc. 	
Overview of engagement model	Collaborative incubation accelerator model Types of support provided: <ul style="list-style-type: none"> • Translating health care ideas into new business opportunities, with an emphasis on creating IP • Specific IP-related assistance to innovators and start-ups that already have a business concept • Funding, mentoring and access to infrastructural facilities 	

Stakeholder objectives and the structuring of the engagement

Corporate	Pfizer , in line with its commitment to promote a culture of innovation globally, initiated this engagement with FITT with the following objectives: <ul style="list-style-type: none"> • To nurture and support innovators and start-ups that need support on monetising their innovative ideas in the health care sector. • To contribute to the scaling up of home-grown health care solutions in India. • To enhance the creation of intellectual property in India in the health care sector. 	
Intermediary	FITT is primarily an industry interface organisation, and its collaboration with Pfizer in PIDIIP enables it to (a) fulfil its role of fostering, promoting and sustaining the commercialisation of science and technology, and (b) create linkages with business and the community to enable knowledge transfer.	
Innovators and start-ups	Innovators and start-ups benefit from: access to corporate funding, collaborative research and development, and world-class infrastructure at a leading academic institution in the country; exposure to corporate practices; and greater opportunities to network within the industry.	



The following diagram describes the kind of support Pfizer and FITT-IIT Delhi provided to the programme participants.



Synergies in the engagement

The model employed in this engagement serves as an example of how a corporate can (a) use its CSR funds to support collaborations with academia, (b) fulfil its commitment to promoting innovation and (c) attract talent through its association with a reputable academic institution. The academic institution benefits from access to funding, exposure to corporate practices, and

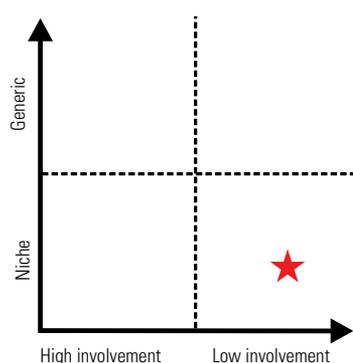
corporate connections that it can leverage for the benefit of its incubatees.

Programme structure and chain of impact

The following table provides details of the output, outcome and impact of the programme. As the programme has two components, the table provides details on applicable differences in the programme structure.



PROCESS CHAIN	Programme structure	<p>The programme has two components:</p> <p>1. Residential support for translating biotech and health care ideas into new business opportunities</p> <table border="1"> <thead> <tr> <th>Funding support</th> <th>Non-funding support</th> </tr> </thead> <tbody> <tr> <td>Funding of up to INR 5 million to support the conversion of ideas into proof of concept for IP</td> <td> <ul style="list-style-type: none"> • Two years of resident incubation at IIT Delhi's bio-incubator • Mentoring and guidance • IIT Delhi faculty • Experts nominated by FITT • Pfizer global experts • Access to infrastructure, laboratories for prototyping, office space • IP-related support – search and filing services • Access to networks – VCs, industry linkages </td> </tr> </tbody> </table> <p>2. Non-residential support for IP-related issues</p> <table border="1"> <thead> <tr> <th>Funding support</th> <th>Non-funding support</th> </tr> </thead> <tbody> <tr> <td>Funding to cover patenting expenses</td> <td>Access to IP counselling services at FITT</td> </tr> </tbody> </table>	Funding support	Non-funding support	Funding of up to INR 5 million to support the conversion of ideas into proof of concept for IP	<ul style="list-style-type: none"> • Two years of resident incubation at IIT Delhi's bio-incubator • Mentoring and guidance • IIT Delhi faculty • Experts nominated by FITT • Pfizer global experts • Access to infrastructure, laboratories for prototyping, office space • IP-related support – search and filing services • Access to networks – VCs, industry linkages 	Funding support	Non-funding support	Funding to cover patenting expenses	Access to IP counselling services at FITT
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	Funding support	Non-funding support								
	Funding to cover patenting expenses	Access to IP counselling services at FITT								
Scouting method	<p>Open application with the following selection criteria</p> <ul style="list-style-type: none"> • Level of innovation/technology • Stage of product development cycle • Technical knowledge • Potential for commercialisation or creating an impact • Ability of the team to deliver 									
Performance assessment	Periodic performance reviews on progress and milestones achieved									
Criteria for success	<p>For IP support: IP generation</p> <p>For resident incubation: the set-up of the ventures</p>									
Programme history	<ul style="list-style-type: none"> • Initiated in 2015 • Number of rounds delivered so far (as of June 2016): one • Number of innovators and start-ups supported so far: two have received residential incubation and three have received IP support • Number of successful innovators and start-ups: data not yet available (as the programme is still in its first round) 									



<p>Corporate: use of CSR funds to support a technology business incubator for the pharmaceutical sector.</p> <p>Intermediary: access to funding, Pfizer resources and brand visibility.</p> <p>Innovators and start-ups: receipt of support tailored for the health care sector</p>	The model serves as proof of concept for industry-academia collaborations financed with CSR funds.	Enabling the innovator/start-up to translate its innovative idea into intellectual property, monetise the idea and unlock its value.
Output	Outcome	Impact
RESULTS CHAIN		



Cognitive outcomes

This engagement offers the corporate and the intermediary an opportunity to understand the challenges faced by innovators and start-ups related to IP generation and the conversion of IP into business opportunities in the Indian context. Additionally, as this engagement supports innovators and start-ups to pursue novel ideas and incentivises IP generation, it is expected that it will put IP issues firmly on the agenda of innovators and entrepreneurs operating in the biotechnology and health care domains.

Assessment of the engagement model

Strengths

In this engagement model, the respective strengths of the corporates (industry expertise, resources and network) and academia can be harnessed to support innovators and start-ups and promote innovation in the biotechnology and health care domains.

Aspirations

The model is designed to encourage and incentivise IP generation in the ecosystem by promoting collaborations between industry, R&D institutions and academia.

Opportunities

This model of engagement is ideal for replication in cases where a corporate is keen to collaborate with an academic institution's incubator to support innovators. This model can be applied across sectors.

Risks

In the biotechnology and health care domains, both of which are highly regulated, converting ideas into IP and viable business opportunities is inherently effort and cost intensive. As these sectors witness significant levels of failure, the model should factor in the identification of high-risk ideas and deploy suitable additional mechanisms, such as fund augmentation or a longer period of engagement, to mitigate these risks.

Key takeaways

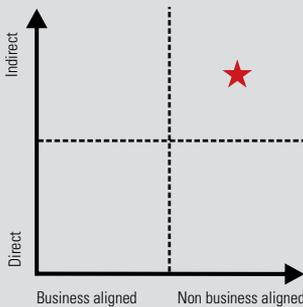
Corporates seeking to contribute to the ecosystem need to identify gaps in the ecosystem and then assess how they can best deploy their resources. In this example, having identified the need to improve IP generation in the biotechnology and health care sectors, the corporate-incubator partnership developed a collaborative engagement programme focused on delivering IP-related support.



DBS: Helping budding social entrepreneurs bloom

DBS Bank, the Singaporean banking and financial services multinational, partnered with the Tata Institute of Social Sciences to develop the DBS–TISS Social Entrepreneurship Programme.

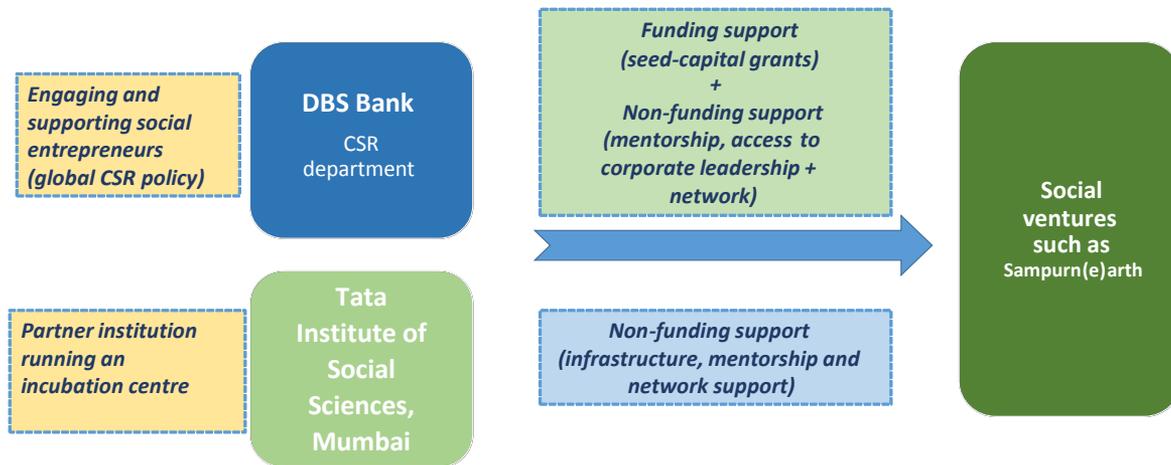
This programme seeks to promote social entrepreneurship primarily through an incubation programme that provides seed funding and growth capital to social enterprises.

Social ventures supported	Sampurn(e)arth Environment Solutions Pvt. Ltd (2012, www.sampurnearth.com) Private limited company Sector: social infrastructure <ul style="list-style-type: none"> Provides end-to-end decentralised waste management solutions (waste audit, design, installation, operation and maintenance of the waste management system) 	
Intermediary	Centre for Social Entrepreneurship, Tata Institute of Social Sciences, Mumbai (social venture incubator)	
Overview of engagement model	Incubation of social enterprises, which are provided with financial support (seed funding and grants) and non-financial support (mentoring and business advice). The programme is open to social enterprises based in any part of India.	

Stakeholder objectives and the structuring of the engagement

Corporate	DBS's objectives for initiating this engagement were to fulfil its global CSR policy of engaging with and supporting social enterprises.
Partner intermediary	<p>TISS's objectives for initiating this engagement were to leverage the benefits arising from the combination of DBS's knowledge and its own competencies in nurturing social entrepreneurs.</p> <p>Social ventures' objectives for engaging with DBS were</p> <ul style="list-style-type: none"> to leverage DBS's expertise to meet market requirements and accelerate the scaling-up of their operations; and to capitalise on their association with DBS's brand in order to increase their visibility in the funding space. <p>DBS provides financial support in the form of a seed-capital grant, whereas TISS is the main provider of non-financial support.</p>





Synergies in the engagement

When TISS decided to formulate an incubator-driven approach that would enable the students of its Master in Social Entrepreneurship programme to incubate their social venture ideas, it realised that it needed a partner corporate entity rather than just a funding partner. DBS fitted the profile as its global CSR policy states that its efforts must target social ventures. The synergy between TISS's unique emphasis on nurturing social ventures and DBS's strength in understanding the needs of enterprises is what

helps them achieve their mutual objective of providing end-to-end support for social ventures.

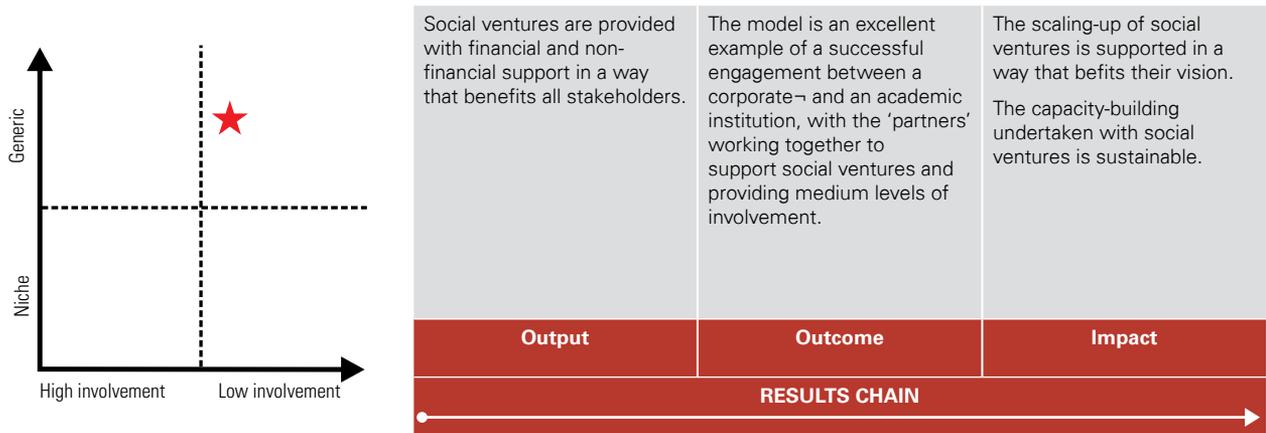
Programme structure and chain of impact

The following table contains information on the process chain elements (namely programme structure, scouting method, performance assessment and criteria for success) and elements of the results chain (namely output, outcome and impact). In addition, engagements between corporates and academic institutions to support the scaling-up of social ventures have certain unique features, which have also been detailed.

PROCESS CHAIN	Programme structure	<p>A three-year programme comprising value-based collaboration with students of TISS's postgraduate course in social entrepreneurship. The programme commences immediately after graduation and is now also open to alumni. The programme accompanies early-stage (idea stage) social enterprises during their first three years.</p> <p>Provision of financial support</p> <ul style="list-style-type: none"> Seed/start-up funding, research funding, capital funding to stabilise operations, and new revenue-stream generation, among others <p>Provision of non-financial support</p> <ul style="list-style-type: none"> Business guidance and mentoring support on various topics including HR, finance and marketing delivered either by: <ul style="list-style-type: none"> internal staff volunteers – DBS devised the People of Purpose staff volunteer programme that encourages staff to support communities and develop external experts by donating their time and expertise external providers – socially engaged individuals working on a pro-bono basis Physical space (at the TISS incubation centre in Mumbai) Networks for funding
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PROCESS CHAIN	Scouting method	<ul style="list-style-type: none"> • Open applications from students enrolled in TISS's postgraduate course in social entrepreneurship in Mumbai • Open applications from alumni • Two rounds of pitches: the first is an initial screening; the second is the selection process, which is carried out by a working committee of representatives from the Centre for Social Entrepreneurship, TISS and DBS Bank • Selection criteria <ul style="list-style-type: none"> • The social entrepreneurship concept, which the student will have been developing throughout the postgraduate course, must be relevant (and the student should not have participated in TISS's placement process) • Suitability of the five-year business plan • Ability to deliver social impacts
	Performance assessment	<ul style="list-style-type: none"> • TISS Mumbai evaluates incubatees' progress, while DBS, with the support of its professional staff, conducts meetings with the start-ups at points throughout the programme
	Criteria for success	<p>Ability to attract independent funding and to develop and adopt a financially sustainable operating model within three years</p> <p>Total number of graduates: 35 Typical number of social ventures supported per year: 20+</p>
Programme history		<ul style="list-style-type: none"> • Initiated in 2012 • Number of rounds so far (as of June 2016): four • Number of SGBs supported so far: 40 • Number of successful SGBs: 30 • Plans for scaling-up: <ul style="list-style-type: none"> o Open an incubation centre for external social entrepreneurs (tentative) o Replicate the approach by partnering with local organisations that work with vulnerable young people in difficult-to-reach areas of India to set up rural/remote incubators. These incubators will aim to (a) develop young people as entrepreneurs and thus provide them with a livelihood, and (b) create social value through rural enterprise. Currently, two such incubators have been set up and two more are in the pipeline.



Cognitive outcomes

DBS has a global CSR policy of leveraging in-house expertise and resources for supporting social ventures worldwide. The experience of working with TISS in India gives DBS exposure to social entrepreneurs who are keen to develop sustainable solutions that solve or mitigate societal problems in the Indian context.

TISS was keen to work with a 'partner' for this engagement, and working with DBS has helped to secure not only funding but also to access to expertise and mentors for the SGBs undergoing incubation.



Assessment of the engagement model

Strengths

This unique model of collaboration exemplifies how the objectives of both corporates and academic institutions can be met in a mutually beneficial manner.

Aspirations

This model of engagement emphasises the need for a partnership-based approach rather than a funder–benefactor model. In partnership-based models of engagement, the partners can be more heavily involved, which is highly beneficial for the social ventures participating.

Opportunities

Although this engagement model provides support exclusively to social ventures, it can be replicated for any engagement between corporates and academic institutions.

Risks

The engagement model focuses exclusively on social ventures, which are inherently more complex than a typical commercial start-up because achieving financial sustainability is more difficult. The chances of failure when providing support to social ventures is therefore significantly higher.

Key takeaways

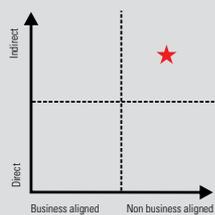
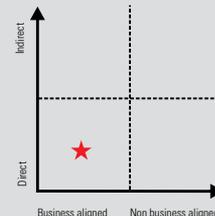
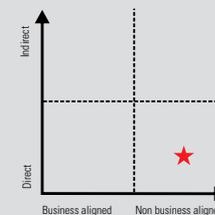
This example highlights the need for a measured and patient approach when supporting social ventures to scale up. The partnership mode of engagement that provides social ventures with support over the long term has been critical to the achievement of sustainable and impactful outcomes.



IBM India: Big Blue helps start-ups navigating the chaotic waters of entrepreneurship

IBM India, which provides software, cloud, consulting and IT services, has adopted a multi-modal approach to engaging with start-ups in India that draws on the resources of its IBM Global Entrepreneur arm to meet its strategic

objectives. The engagements took one of three forms: (a) intermediary facilitated (through accelerators such as RTBI and IIT Madras), (b) direct and (c) enterprise focused (with IBM's clients).

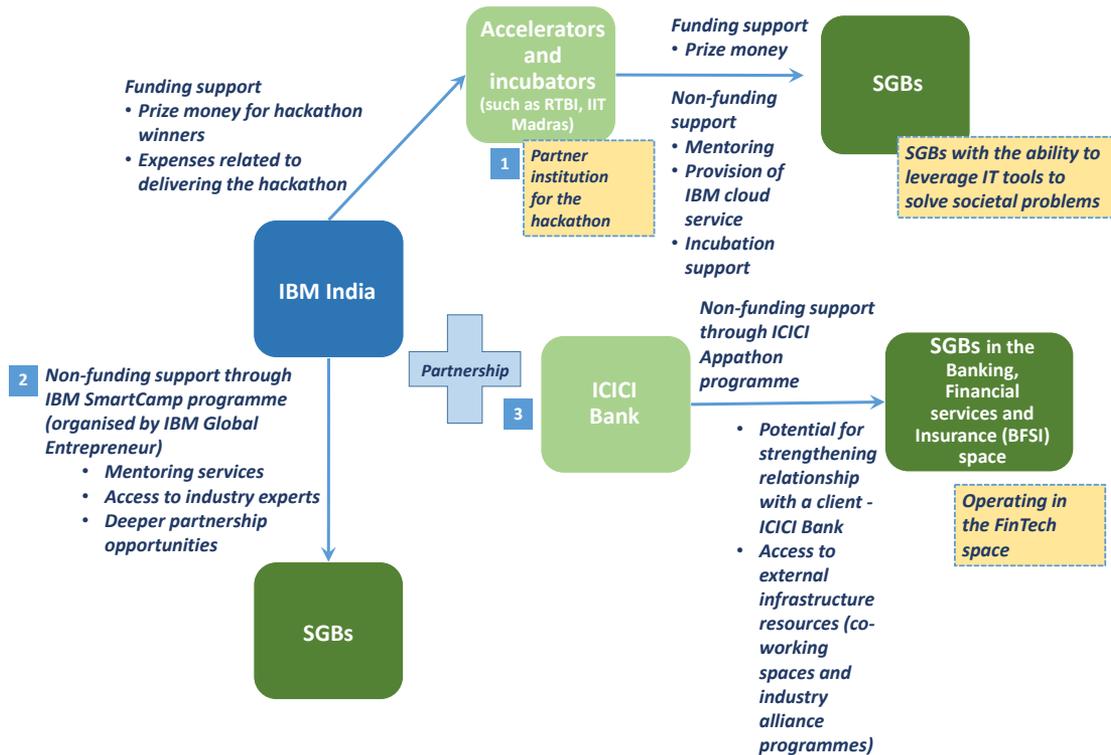
Type of SGBs supported	SGBs operating in the IT sector	
Overview of engagement models	1. Intermediary-facilitated engagement IBM engaged with accelerators and incubators in India, such as IIT Madras Rural Technology and Business Incubator (RTBI), Zone Startups and Barclays Rise, to conduct hackathons and meetups.	
	2. Direct engagement with SGBs IBM hosted SmartCamp, a nationwide start-up challenge that, in 2015, focused on B2B start-ups and, in 2016, focused on domains including financial technology, deep tech, smart cities, and health technology.	
	3. Enterprise-focused engagement IBM worked with ICICI Bank to support its virtual mobile app development challenge, the ICICI Bank Appathon. It has also worked with UST Global and Bharti on holding internal hackathons. IBM seeks to ensure that the participating start-ups also engage with enterprises.	

Stakeholder objectives and the structuring of the engagement

Corporate	For IBM Global Entrepreneur, these engagements are an opportunity to contribute to the entrepreneurial ecosystem and to promote the adoption of IBM's cloud solutions. IBM also aims to nurture entrepreneurs by offering unique solutions and services such as Watson Internet of Things and MobileFirst to the start-ups. IBM Global Entrepreneur engages with accelerators as a way to reach out to entrepreneurs. The aim of IBM's engagement with RTBI was to support entrepreneurs who are developing sustainable technology-based solutions to address societal problems.
Partner	ICICI Bank partnered with IBM Global Entrepreneur to foster the development of mobile banking applications by encouraging and supporting young developers.



The following diagram depicts the intended objectives and roles of the stakeholders and the nature of the support provided by IBM.



Synergies in the engagement

IBM's aim when collaborating with **accelerators** is to identify and support SGBs that are working on FinTech issues or on the challenges faced in health care or education. To scout suitable candidates for the programme, a hackathon is held, during which suitable apps can be created, and businesses or improved business plans for enabling disruptive and positive changes in the domain in question can be presented. For example, the aim of IBM's collaboration with the Rural Technology and Business Incubator (RTBI) of IIT Madras was to identify and support SGBs that are capable of using IT tools to solve pressing social issues.

IBM India's SmartCamp is organised by the IBM Global Entrepreneur programme and is designed to identify some of the country's best innovations. It does this by holding a start-up competition that also offers participants substantial networking and mentoring

opportunities. Last year a SmartCamp was held in nine Indian cities – Ahmedabad, Bengaluru, Chennai, Delhi, Hyderabad, Kochi, Mumbai, Pune and Vizag – to enable local SGBs to bridge the gap between generating revenue and building their businesses. (In 2016 this initiative ran across four industry verticals).

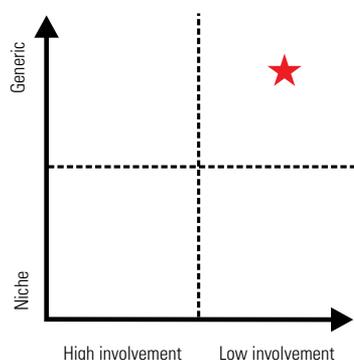
IBM's collaboration with **ICICI Bank** aimed to attract entrepreneurs operating in the banking applications space and subsequently to provide them with support.

Programme structure and chain of impact for IBM's engagement with accelerators (e.g. with RTBI for a hackathon)

The following table contains information on the process chain elements (namely programme structure, scouting method, performance assessment and criteria for success) and the elements of the results chain (namely output, outcome and impact).



PROCESS CHAIN	Programme structure	<p>One-day hackathon conducted in association with the accelerator</p> <p>Nature of the support: non-funding support (non-residential)</p> <ul style="list-style-type: none"> • Provision of IBM's cloud service (cloud platform) • Provision of potential incubation support by the accelerator • Mentoring – technical, business and impact (sourced from the accelerator, IBM and external providers) <p>Funding support</p> <ul style="list-style-type: none"> • Prize money for the hackathon winners • Expenses related to delivering the hackathon
	Scouting method	Open application
	Performance assessment	Relevance of the app to the theme, uniqueness of the hack and the problem-solving approach, impact potential, ability to communicate idea, and mentor evaluation
	Criteria for success	Sustainable business model for operations
	Programme history	Number of events (as of June 2016): 10

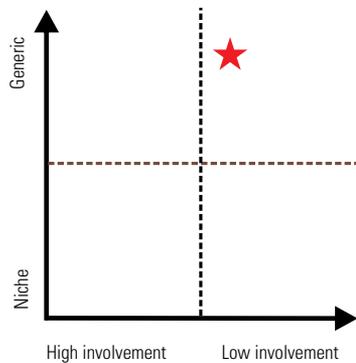


<p>IBM Global Entrepreneur</p> <p>Contribution to India's entrepreneurial ecosystem for IT.</p> <p>Accelerator</p> <p>Provision of mentoring and potential incubation facilities.</p>	<p>Hackathon</p> <p>The model is an example of how a corporate can work with an incubator to identify and support SGBs and individuals that are keen to solve problems using IT.</p>	<p>Platform for promoting visibility among peers and clients.</p>
Output	Outcome	Impact
RESULTS CHAIN		

Programme structure and chain of impact for IBM's GEP SmartCamp initiative

PROCESS CHAIN	Programme structure	<p>IBM SmartCamp India (organised by IBM Global Entrepreneur) is essentially a start-up competition that provides opportunities for networking and mentoring. IBM runs the SmartCamps for SGBs to help them bridge the gap between revenue generation and business building more quickly.</p> <p>Nature of support: non-funding support (non-residential) over 12 months</p> <ul style="list-style-type: none"> • Provision of cloud credits to applicants • Access to mentoring from and networking with IBM executives, VCs and government executives • Access to internal IBM knowledge and a customised incubator curriculum • Opportunity for enhanced visibility among potential clients and the IBM sales team, and to generate media coverage • Opportunity to present before CIOs and an audience of more than 200 people
	Scouting method	Open application
	Performance assessment	By participating, SGBs will be able to offer better value to their customers, increase efficiencies and reduce costs, and develop a sustainable revenue model for the SGB
	Criteria for success	Sustainable business model for operations
	Programme history	<ul style="list-style-type: none"> • Initiated in 2015 • Number of rounds (as of June 2016): one • Number of SGBs supported to date: 70 • Number of successful SGBs: n/a (all the applicants selected already have a product with customer traction or a minimum viable product)

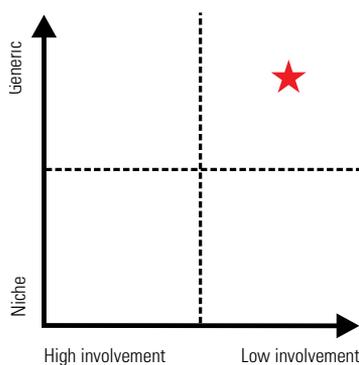




Contribution to India's entrepreneurial ecosystem for IT.	The model is a good example of how a corporate can leverage its market-leader position to design events that provides SGBs with opportunities for greater visibility.	Start-ups gain visibility and have the opportunity after the SmartCamp to secure funding and generate customer leads.
Output	Outcome	Impact
RESULTS CHAIN		

Programme structure and chain of impact for IBM's partnership with ICICI Bank to deliver an 'appathon'

PROCESS CHAIN	Programme structure	IBM-ICICI Bank Appathon <ul style="list-style-type: none"> A virtual mobile app development challenge hosted on IBM's Bluemix cloud-based platform The programme provided participants with 50 APIs (application programme interfaces), sourced from across the banking, financial services and insurance (BFSI) sector, and tasked them with creating a working prototype for submission and consideration The top three products won not only prizes totalling over INR 2 million, but also the opportunity to engage with ICICI Bank and receive mentoring from the event partners
	Scouting method	Open application
	Performance assessment	A jury of leaders from the BFSI sector judged the finalists based on their product's novelty, functionality, business potential, user experience and scalability
	Criteria for success	To be selected as one of the top three candidates
	Programme history	Conducted in February 2016



IBM Global Entrepreneur Contribution to India's entrepreneurial ecosystem for IT. SGB Opportunity to receive mentoring and engage with ICICI as a vendor.	<ul style="list-style-type: none"> Improves visibility. Helps entrepreneurs to build their capacity for scaling up. 	Enhancement of the technology start-up ecosystem (specifically application development).
Output	Outcome	Impact
RESULTS CHAIN		

Cognitive outcomes

IBM: A key incentive for IBM to engage with SGBs is the opportunity to generate greater awareness and, in so doing, promote the adoption of IBM's cloud service among the

start-up community. These kinds of platforms provide start-ups with excellent opportunities for gathering real-time feedback on their product and service offerings. IBM Global Entrepreneur works with accelerators to deliver hackathons that seek to solve problems specific to certain industries.



SGB

Selected Startups are engaging with IBM's different teams to explore go-to-market synergies. Participating SGBs benefit from mentoring that specifically covers the use of IBM technology and they are provided with access to resources.

ICICI Bank

In its efforts to reach out to SGBs, ICICI Bank collaborated with the IBM Global Entrepreneur programme to secure the necessary IT-based support.

Assessment of the engagement model

Strengths

With IBM's multi-modal approach, it is possible to leverage each stakeholder's unique strengths and thus enrich the support provided to SGBs. Additionally, the partnership model allows for considerable scale in terms of reaching out to SGBs.

Aspirations

IBM intends to support a greater number of SGBs and increase its contribution to the enhancement of the entrepreneurial ecosystem.

Opportunities

The model enables IBM to generate greater visibility for its own cloud-based offerings and, at the same time, to support innovative SGBs.

Risks

A multi-modal approach requires a flexible structure, which can problematise the development of replicable and sustainable engagement models.

Key takeaways

This case study highlights the benefits of employing a multi-modal approach to identify and support SGBs. The three examples provided show how, in addition to its own efforts, a corporate has capitalised on its partnership with an incubator and another corporate (a client) in order to directly reach out to SGBs.

The IBM-ICICI Bank example highlights how corporates operating in different domains can take advantage of their market-leader position and experience. Initiatives of this kind can leverage the combined networks of the partners and can deploy diverse resources to provide SGBs with effective support.

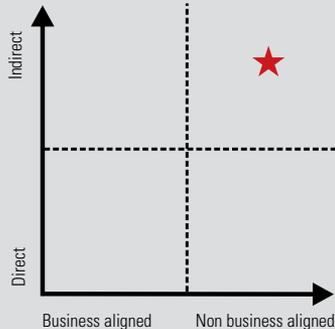
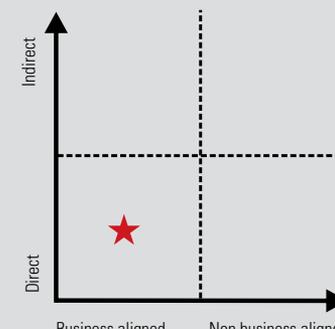


Bajaj Electricals: Growing together – vendors, start-ups and communities

Bajaj Electricals Limited is structured around three strategic segments: engineering procurement, construction luminaires and consumer products. Bajaj Electricals has adopted a CSR policy based around the key pillars of sustainability, gender diversity, employee volunteering, and community outreach

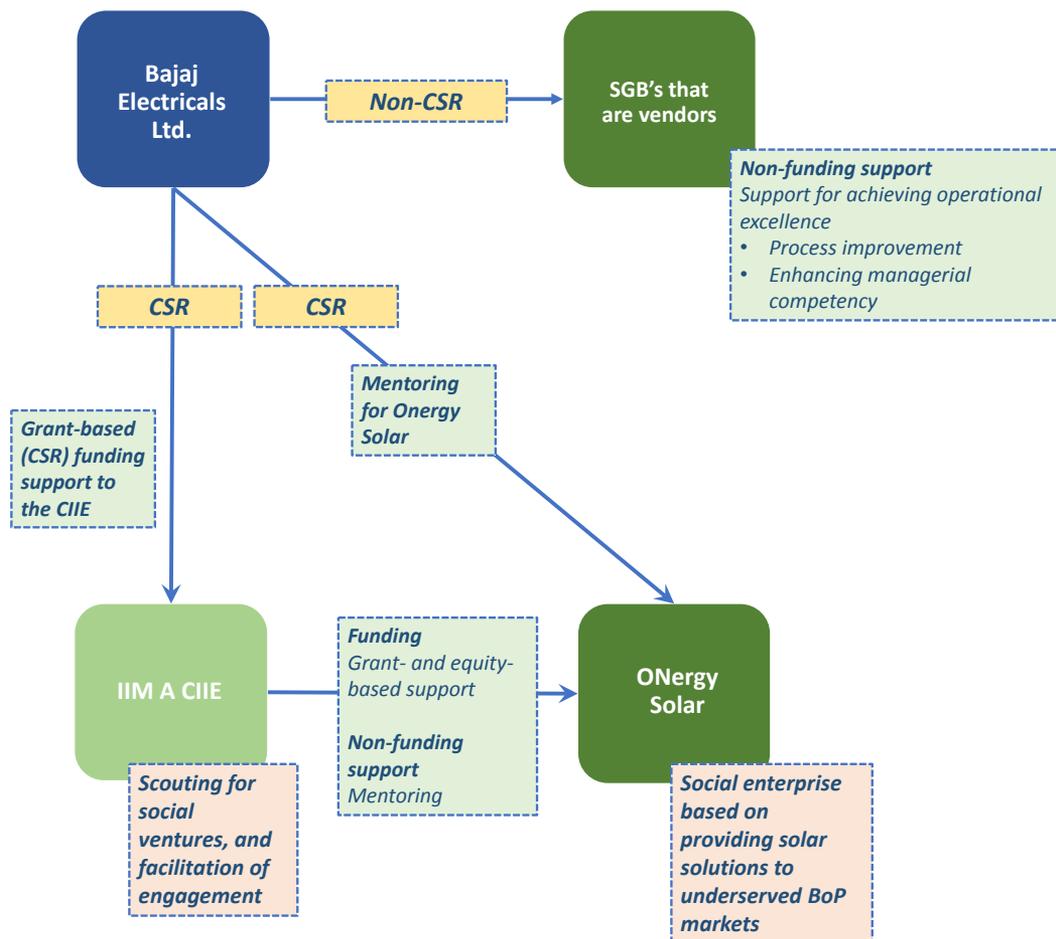
programmes. Bajaj Electricals also pursues a strategic vision that involves providing support to its vendor base to achieve operational excellence.

To fulfil its CSR and strategic visions, Bajaj Electricals has adopted a multi-modal approach for its engagements with SGBs in India, which are detailed in this case study.

PROCESS CHAIN	Type of SGBs supported	<ul style="list-style-type: none"> • ONergy Solar – a private limited company established in 2009 (http://onergy.in/) • Sector: social infrastructure (decentralised electricity) • SGBs from which Bajaj Electricals sources its components
	Overview of engagement models	<p>Intermediary-facilitated engagement</p> <p>Bajaj Electricals works with the Indian Institute of Management Ahmedabad's CIIE to deploy its CSR funds. CIIE used the funds to financially support the scaling up of ONergy Solar, a social enterprise.</p> <p>ONergy Solar is involved in providing decentralised energy solutions in underserved markets, especially in north-east India.</p> 
		<p>Strategic engagement with component vendors for quality improvement</p> <p>Bajaj Electricals provides support to its component vendors, helping them to improve their level of operational excellence.</p> 



Stakeholder map and objectives for various engagements by Bajaj Electricals



Synergies in the engagements

Bajaj Electricals, with its expertise and experience in the electrical goods manufacturing space, is ideally placed to support ONergy Solar in its pursuit of an innovative, off-grid and sustainable source of energy to provide heating and electricity in underserved markets.

ONergy's focus on the north-east of India as well as Bajaj Electricals' CSR objective to support a social enterprise that reaches the last mile, providing access to quality products and services, is a mutually beneficial relationship.

Through this engagement, IIM-A CIIE was able to access corporate CSR funds and facilitate the scaling-up of ONergy Solar.

'The investment from Bajaj Electricals has great strategic importance as we can bank on the expertise of Bajaj to grow our business. Also, the investment is directed towards our growth in North-East India, which faces acute energy poverty. We truly value the role of CIIE in facilitating this investment. Using CSR funds to invest in enterprises like ours can have a multiplier effect and can truly achieve a greater impact than plain vanilla CSR.'

– Piyush Jaju
CEO, ONergy Solar



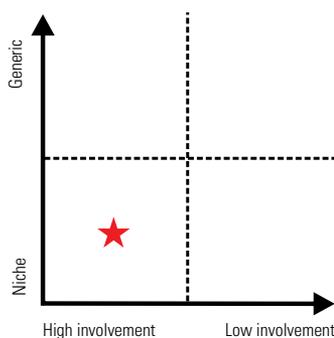
Bajaj Electricals' efforts to improve component vendors' business operations and practices result in mutual gains and positively impact on the bottom line.

Programme structure and chain of impact for the Bajaj Electricals–ONergy Solar engagement

The following table contains information on the process chain elements (programme structure,

scouting method, performance assessment and criteria for success) and elements of the results chain (namely output, outcome and impact). This engagement is an example of corporate CSR funds deployed through an incubator-based intermediary.

PROCESS CHAIN	Programme structure	Incubation-based support	
		Funding support	Non-funding support
		<ul style="list-style-type: none"> Grant made to IIM-A CIIE by Bajaj Electricals 	<ul style="list-style-type: none"> Mentoring Network access Business and sectoral expertise (non-residential)
		<p>Since the engagement is expected to last from five to seven years, the long-term expectations from Bajaj Electricals are as follows:</p> <ul style="list-style-type: none"> R&D support Managerial capacity building (such as project management skills) Achieving operational excellence 	
	Scouting method	Referral by IIM-A CIIE (ONergy Solar had worked previously with IIM-A CIIE, which recommended ONergy Solar to Bajaj Electricals when it requested possible candidates)	
	Performance assessment	Periodic review (quarterly) with IIM-A CIIE and Bajaj Electricals	
	Criteria for success	ONergy Solar's achievement of scale and operational excellence	



<ul style="list-style-type: none"> The use of CSR funds to scale up a social venture. 	<ul style="list-style-type: none"> This is an example of a corporate–SGB engagement that is facilitated by an academic incubator. 	<ul style="list-style-type: none"> Increased impact on social enterprises. Accelerated expansion in the target region (north-east India).
Output	Outcome	Impact
RESULTS CHAIN		

Stakeholder objectives and the structuring of the ONergy Solar engagement

For Bajaj Electricals

- To support environmentally sustainable energy production and adoption in underserved markets in India.

For IIM-A CIIE

- To diversify funding streams by securing a corporate sponsor.
- To gain exposure to corporate management practices and review mechanisms.



For ONergy Solar

- To leverage Bajaj Electricals' expertise in scaling up:
 - o assistance in research and development (R&D)
 - o operational excellence
 - o managerial capacity building.

'Environmental sustainability is one of our priority areas in CSR, and supporting enterprises working to promote renewable energies in energy-deficit regions serves the larger purpose.'

– **Shekhar Bajaj**
CMD, Bajaj Electricals Limited

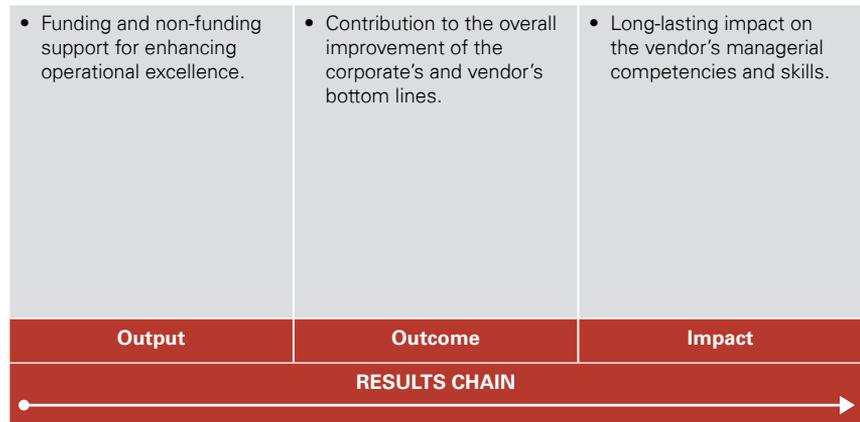
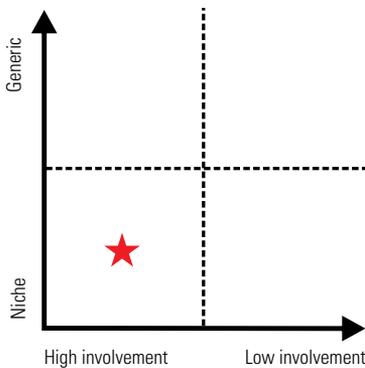
Stakeholder objectives and the structuring of the engagement with component vendors for strategic purposes

Bajaj Electricals supports business-aligned (strategic) initiatives with component vendors. These initiatives provide funding and non-funding support for activities to promote operational excellence (quality improvement) and improve managerial competencies. In this way, Bajaj Electricals becomes more competitive, as its supply chain is equipped with the skill sets and information it needs to be able to adapt to challenges and bottlenecks.

The component vendors are typically hamstrung by funding constraints that prevent them from putting in place the resources required for training and upskilling. These kinds of corporate-initiated engagements help vendors to develop the capacities they need to quickly improve their operational excellence and thus to scale up at a faster pace.

PROCESS CHAIN	Programme structure	CSR funds employed to support component vendors	
		Funding support	Non-funding support
		<ul style="list-style-type: none"> Funding for delivering training sessions to improve competencies 	<ul style="list-style-type: none"> Employee engagement Sharing of expertise
	Scouting method	Component vendors (SGBs)	
Performance Assessment	Monitoring of key performance parameters (e.g. rejection rates)		
Criteria for success	Improvement in performance metrics (such as reduction in rejection rates, quality certifications)		





Cognitive outcomes

Bajaj Electricals

By engaging with ONergy Solar, Bajaj was able to meet its CSR obligations and, at the same time, to contribute to the Indian entrepreneurial ecosystem.

Through its vendor development efforts, Bajaj Electricals becomes a key stakeholder in the growth and enhanced profitability of the vendors it buys from. The incentive is therefore the development of an enriched relationship with these vendors.

ONergy Solar

ONergy Solar secured funding and non-funding support from Bajaj Electricals and received mentoring from IIM-A CIIE, which helped it to scale up faster than expected.

Component vendors

For component vendors, the incentive is (a) to work with a client that has the relevant expertise and experience and (b) the need to leverage the client access to achieve operational excellence at a faster pace.

Assessment of the engagement model

Strengths

CSR statutes incentivise the provision of funding to technology business incubators to enable

them to mentor and monitor the supported SGBs. The SGB model is an example of a CSR-based engagement with an academic incubator for the purposes of supporting an SGB.

The vendor engagement model serves as an example of how corporates can work on initiatives that strategically benefit vendors.

Aspirations

The SGB engagement takes place over a considerably long period – five to seven years – and is expected to result in the sustainable scaling-up of the participating enterprise.

Corporates use vendor engagement as a way to promote ongoing improvement in vendor performance by setting new benchmarks.

Opportunities

The engagement model with ONergy Solar is ideal for engagements with young SGBs that require customised, long-term mentoring and support.

This vendor engagement model is ideal for engagements with stakeholders who play a key role in ensuring the corporate's profitability – e.g. vendors and distributors.

Risks

The SGB model needs to incorporate elements to ensure that the periodic review mechanism



is robust to avoid the social enterprise is failing. Opportunity costs to find a new SGB partner are high given the investments already made in the Social Enterprise. Additionally, the SGB will require a sufficient level of independence so it can work with and benefit from the support provided and can fulfil its own ambitions.

The model of vendor engagement involves an ongoing commitment and, therefore, management buy-in to ensure the required resources and effort are allocated.

Key takeaways

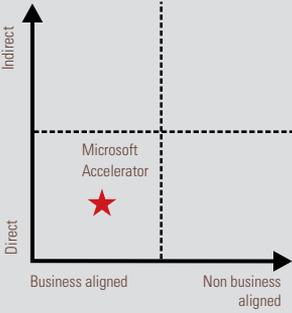
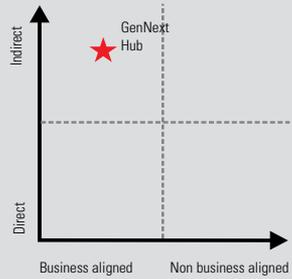
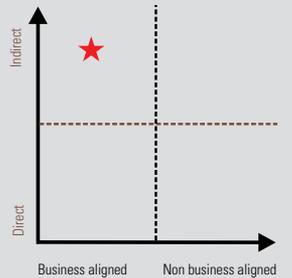
The engagement models serves as an example of how a corporate's CSR vision can be multi-layered and can achieve its objectives by employing different approaches (SGB engagement & vendor engagement). Although the Bajaj Electricals–ONergy Solar engagement is still in its early stages, over the coming years its stakeholders expect to benefit from its promotion of greater employee engagement (volunteering) and sharing of expertise. The vendor engagement model serves as an example how corporates can foster innovation and operational excellence in their vendor companies, thus increasing their own competitiveness.



Microsoft: Opening new windows of opportunity

Microsoft Accelerator is an initiative that provides support to start-ups, whatever their level of maturity, to build their capacity for scaling-up, foster innovation in the technology arena and bring new products to consumers. India's Microsoft Accelerator has been working with start-ups since August 2012. In 2015 Reliance

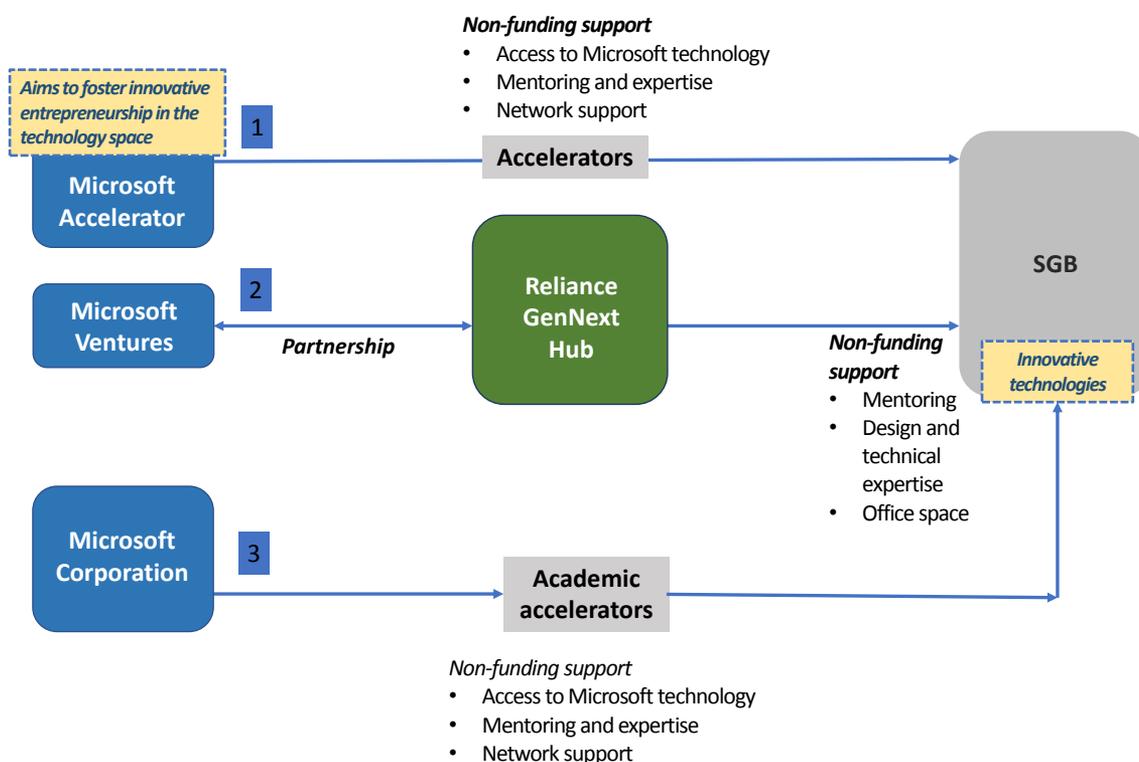
Industries Limited launched the GenNext Hub in partnership with Microsoft Accelerator. Additionally, in that same year two new accelerator programmes, Hi-Po and Scale Up, were launched that focused on helping later-stage start-ups to gain traction.

Type of SGBs supported	Technology SGBs in both the early and later stages	
Engagement model	<p>Microsoft Accelerator</p> <ul style="list-style-type: none"> • Non-funding support in the form of access to technology and industry mentors and expertise. • Opportunities to scale up and deepen market traction. 	
	<p>In partnership with Reliance Industries, the development of the accelerator model for Reliance's GenNext Hub</p> <p>The corporate partner, Reliance Industries, provides funding and non-funding support. Microsoft supports Reliance Industries by providing participating entrepreneurs with mentoring and access to business units and by building the capacity of Reliance staff.</p>	
	<p>Microsoft Corporation's partnership with academic incubators – an incubator model for supporting academic SGBs</p> <p>Assisting academic incubators by providing non-financial support for entrepreneurial ideas at the academic institute level.</p> <p>Microsoft provides the academic incubator programmes with software and technology support.</p>	



Stakeholder objectives and the structuring of the engagement

Corporate	Microsoft Accelerator aims to work with potentially disruptive technology start-ups to build strategic partnerships for the future. They recognise that, today, technology start-ups are a key source of innovation and that, although their numbers have grown, tech start-ups are still a nascent phenomenon. Microsoft Accelerator's aim in setting up a national platform for providing the key resources start-ups need is to foster new developments in innovative technologies while forging strategic partnerships with potential market leaders. Furthermore, according to Ravi Narayan, Global Director of Microsoft Accelerator, it has been observed that later-stage start-ups show faster and better results compared to early-stage start-ups, despite the fact that they receive only a little support from the programme. For this reason, they launched programmes targeted at later-stage start-ups to bridge existing gaps in support and leverage these start-ups' ability to draw greater benefit from mentoring.
Partner	Reliance Industries' motivation for partnering with Microsoft Accelerator is closely linked to their objective of building successful, sustainable, scalable and profitable global businesses.
Intermediaries	Incubators and accelerators based in academic institutions benefit from access to Microsoft technology. The incubatees have access to Microsoft's mentoring, expertise and its networks.
Innovators and start-ups	When engaging with Microsoft, the start-ups are keen to benefit from, among other things, its sector-specific expertise and mentoring. Microsoft's non-equity-based support in the form of intensive and structured acceleration programmes also helps start-ups to build their capacity for scaling up.



Synergies in the engagement

Microsoft Accelerator provides access to its technology, mentors and investors as well as opportunities to connect with its customers and partners. Its acceleration programmes involve sessions with top entrepreneurs and alumni who assist them in building top-line products. Lying at the heart of this rigorous programme is the provision of hands-on expertise in the areas of technology architecture, user experience, product

roadmaps, business model development and networking with early adopters. SGBs benefit from much-needed expertise, mentoring and brand visibility.

GenNext Hub, located initially in Mumbai, runs an intensive and structured programme that provides a selected group of entrepreneurs with the opportunity to launch or re-engineer their company. Microsoft Accelerator helps GenNext to identify promising start-ups and develop



the accelerator programme. It also provides participating start-ups with access to software and technology advice. At the end of the accelerator programme cycle, GenNext invests strategically and selectively in some of the graduating start-ups.

In addition to partnering with Reliance Industries, Microsoft Accelerator has worked in partnership with numerous corporates and academic

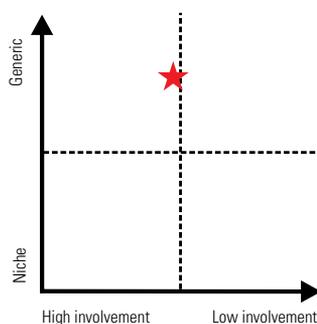
institutions such as Patni, Citibank and the Indian School of Design and Innovation (ISDI).

When Microsoft Accelerator and **academic institutions** like ISDI engage, Microsoft gains ready access to SGBs, which it can then support, and the incubator benefits from being supported by an industry leader, which also offers it access to its software and its resources.

Programme structure and chain of impact for Microsoft Accelerator

The following table contains information on the programme structure and chain of impact for Microsoft Accelerator.

PROCESS CHAIN	Programme structure	<ul style="list-style-type: none"> Each cohort undergoes a structured 14-week programme Microsoft and industry experts provide mentoring in key areas such as technology architecture, product roadmaps, business model development and network access The programme has a three-pronged approach where each start-up works simultaneously on developing its customer base and products and deepening its market traction
	Scouting method	<ul style="list-style-type: none"> Open applications through an online portal Start-ups are selected based on their team, technology, market opportunity, scalability and alignment with Microsoft's value pools Microsoft usually looks for start-ups that are registered entities and that have a strong founding team consisting of a mix of business and technical expertise with some market traction
	Performance assessment	<ul style="list-style-type: none"> Weekly review meetings with the start-up team (in person or by phone/video conference) At the 'Demo Day' event, start-ups have the opportunity to showcase their ideas to influential and eminent investors (angel investors and VCs) who are key players in the industry
	Criteria for success	<ul style="list-style-type: none"> Successful completion of the 14-week acceleration programme
	Programme history	<ul style="list-style-type: none"> Between 2012 and mid-2016, 95 companies 'graduated' from India's Microsoft Accelerator programme



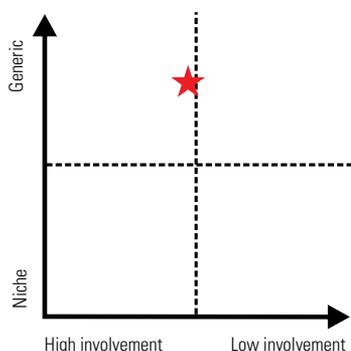
<ul style="list-style-type: none"> Start-ups have gained access to critical resources that have enabled them to build their capacity for scaling up. Start-ups' knowledge gaps in the areas of product design and business development have been addressed. 	<ul style="list-style-type: none"> The model serves as proof of concept for the engagement model, which emphasises the provision of mentoring and access to resources during a short but intensive programme. 	<ul style="list-style-type: none"> Enhancement of the start-up ecosystem in the technology space.
Output	Outcome	Impact
RESULTS CHAIN		



Programme structure and chain of impact for Microsoft Accelerator's engagement with Reliance Industries' GenNext Hub

The following table contains information on the programme structure and chain of impact.

PROCESS CHAIN	Programme structure	<ul style="list-style-type: none"> • Accelerator programme (full-time) spread over four months • Multiple stakeholders – academia, students, entrepreneurs, investors and corporates are brought together to provide the critical resources start-ups need • SGBs are provided with technology and software advice and with access to technical and design experts, office space and resources • GenNext selectively invests in some of the participating start-ups after the four-month programme ends
	Scouting method	<ul style="list-style-type: none"> • Open applications through an online portal
	Performance assessment	<ul style="list-style-type: none"> • Periodic review sessions • On the final day of the programme, the start-ups have the opportunity to showcase their ideas to influential and eminent investors who are key players in the industry, to mentors from India and abroad, and to Microsoft Accelerator's leadership team
	Criteria for success	<ul style="list-style-type: none"> • Successful completion of the four-month acceleration programme
	Programme history	<ul style="list-style-type: none"> • Number of SGBs supported so far: 22 (the programme began in October 2014) • Number of SGBs that successfully completed the programme: 22 • Tentative approach for scaling up or deepening engagements: the first hub was located in Mumbai, so the aim is to replicate this model in many other cities in India



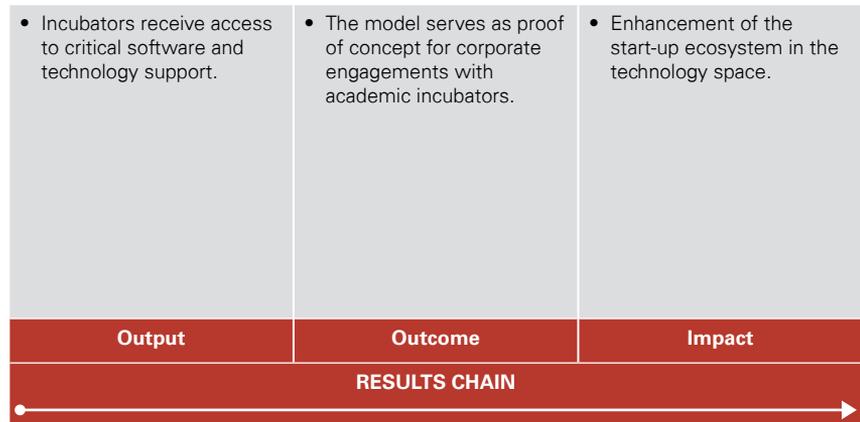
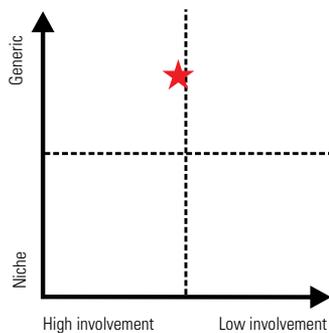
<ul style="list-style-type: none"> • Start-ups have had access to critical resources that have enabled them to build their capacity for scaling up. • Two cohorts have passed through GenNext Hub's programme. 	<ul style="list-style-type: none"> • The model serves as proof of concept for the engagement model, which emphasises the provision of mentoring and access to resources over a short but intensive programme. 	<ul style="list-style-type: none"> • Enhancement of the start-up ecosystem in the technology space. • The model shows how corporates can develop strategic partnerships using a non-equity-based model.
Output	Outcome	Impact
RESULTS CHAIN		

Programme structure and chain of impact for Microsoft Accelerator's engagement with Academic Incubators

The following table contains information on the programme structure and chain of impact for Microsoft Accelerator with academic incubators.

PROCESS CHAIN	Programme structure	<ul style="list-style-type: none"> • Strategic tie-ups with institutional incubators and accelerators (e.g. with Ashoka University and the Indian School of Business) • Software and technology support
	Scouting method	<ul style="list-style-type: none"> • Internal referrals
	Performance assessment	<ul style="list-style-type: none"> • Periodic review sessions with academic incubators
	Criteria for success	<ul style="list-style-type: none"> • Number of SGBs supported





Assessment of the engagement model

Strengths

The Microsoft accelerator model has a clear structure that defines the expectations and role of each stakeholder. Additionally, Microsoft does not take equity in the start-ups, which means they continue to be attractive to future investors.

The GenNext model leverages each partner's individual strengths to ensure that the support provided to participating SGBs is appropriately targeted.

The incubator partnership model provides support on an ongoing basis (with low levels of corporate involvement).

Aspirations

Efforts are underway to expand the accelerator model's support to start-ups at all stages, including later-stage start-ups, in order to close up any gaps in resources.

The GenNext model seeks to extend support to start-ups during the early stages of their development.

On similar lines, the incubator partnership model is seeking to expand its support to start-ups in their early stages, especially to budding entrepreneurs at the institute level.

Opportunities

The non-equity based accelerator programme model is designed to foster innovative technologies and encourage corporates to develop strategic partnerships with potentially disruptive market players.

In the GenNext model, SGBs also have the option to accept financial support in the form of equity investments from Microsoft and Reliance Industries

The incubator model is designed to foster innovation while allowing the corporate to develop a robust pipeline of eligible SGBs.

Risk

As many SGBs are supported in the Microsoft accelerator programme, it is crucial to put a robust performance monitoring mechanism in place to supervise participating SGBs and follow up on former participants. The information this provides will enable the corporate to continually improve the engagement model.

To date, 22 SGBs have been supported within the GenNext model and two rounds of the four-month-long programme delivered, all of which has required a high level of stakeholder involvement.



As many incubators are supported, a robust performance monitoring mechanism is crucial, as this will enable the corporate to continually improve the engagement model.

Key takeaways

This case highlights the benefits of working with diverse sets of partners: Microsoft has been able to leverage its domain expertise to support, for example, start-ups operating in new sectors, intermediaries like incubators and accelerators,

and co-working spaces. Because Microsoft has collaborated with various intermediaries, its events have been well publicised and have therefore received high numbers of applications. Additionally, Microsoft focuses on building its own ecosystems for entrepreneurship support, which means that beneficiaries of its support programmes are provided with enhanced networking opportunities and interactions with peers and potential clients.



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Annexes

A. The E3C model of assessment used for each case study

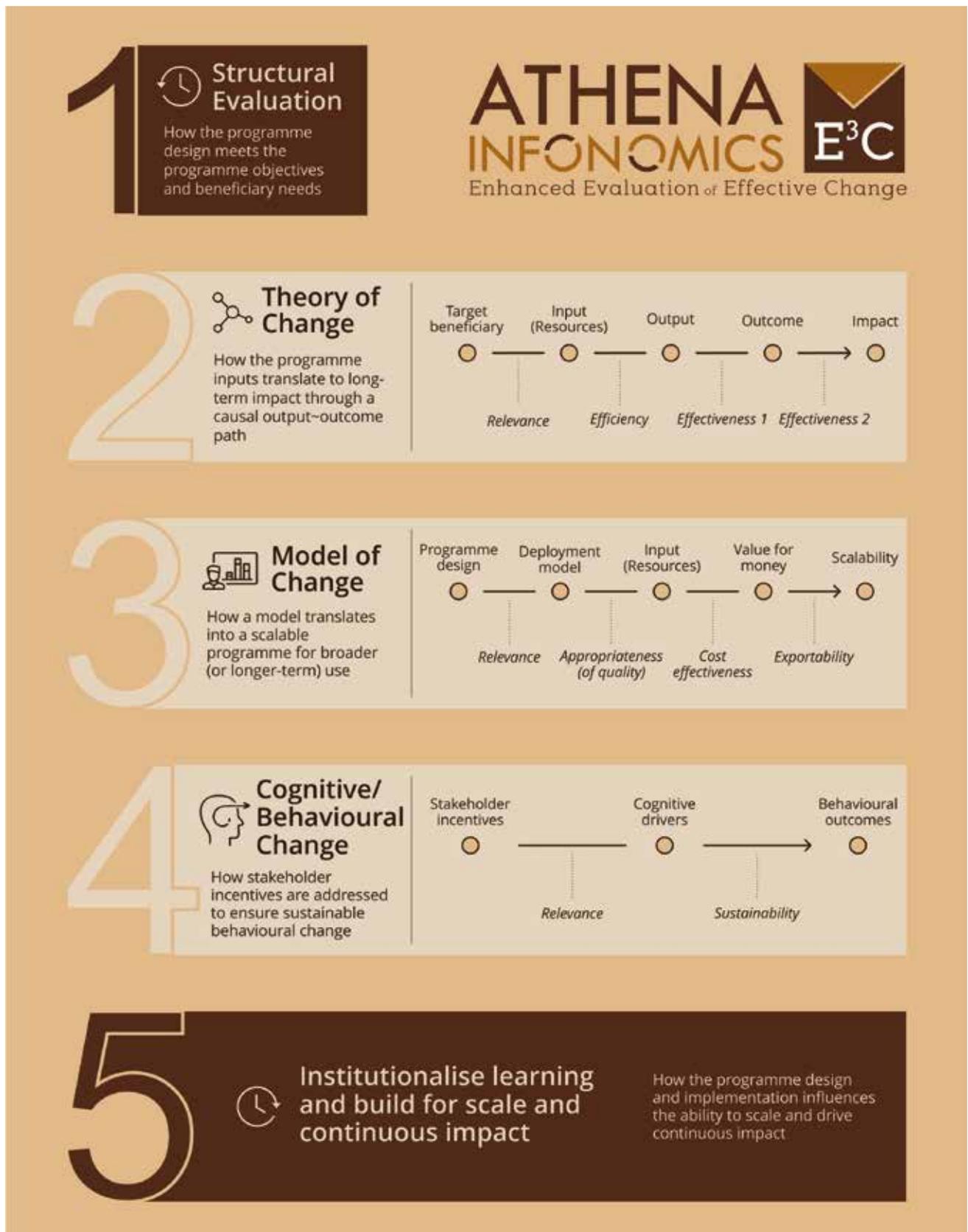
Athena's differentiated framework was employed to ensure a holistic assessment of the key determinants of the efficiency, scalability and sustainability of the engagement models analysed.

- the structural drivers of the engagement model,
- the model for change and its implications for scalability,
- the cognitive change and its implications for sustainability, and
- the future of the model and its replicability in a different context.

Provided below is the overall framework for the E3C™ model.



Figure 15. E3C model of assessment



B. Tools used for analysis

Quantitative Comparative Analysis

QCA is based on techniques commonly used in sociology/comparative politics and is a useful tool for performing case-centric evaluations of causal pathways. QCA facilitates the analysis of quasi-quantitative and qualitative data to determine key causal conditions that are 'INUS' – i.e. Insufficient but Necessary causal combinations that are themselves Unnecessary but Sufficient. In other words, QCA makes it possible to infer causation in complex problems where the same outcomes can be achieved through numerous routes.

QCA is extremely useful when dealing with smaller sample sizes (e.g. samples numbers of 5 to 50). QCA analysis is based on set relations rather than regressions and therefore provides qualitative outputs. However, depending on the context of the evaluation, the tool can be a huge asset for those undertaking a holistic evaluation process. QCA variants using parameters that can take multiple values along the continuum are called fuzzy-set QCAs and this is what has been used in the analyses undertaken for this study. In this study, QCA has helped in the identification of causal linkages that appear in the detailed case studies.



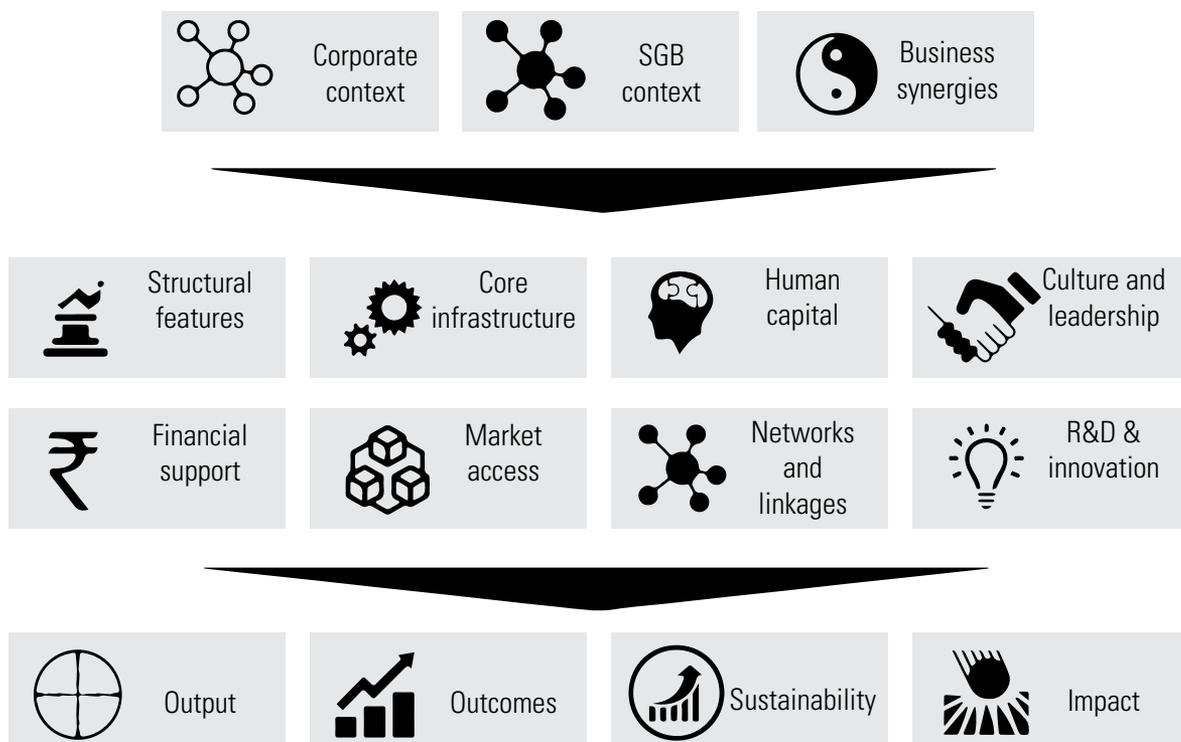
C. Framework for analysis

Quantitative Comparative Analysis

To gain a better understanding of the options available for supporting SGBs and drivers of success factors of various corporate–SGB and corporate–intermediary engagement models, a customised assessment framework was employed that included the following three layers:

- **Input layer:** The assumed expectations and drivers for (a) the corporates and SGBs participating in the engagement and (b) the business synergies arising from it.
- **Ecosystem, support and operating model layer:** A study of the core parameters of the engagement, which include but are not restricted to:
 - the scouting mechanisms used by the corporates
 - the sectoral alignment of the corporate and SGBs
 - the operating model, including the nature of the intermediaries used, mode of support provided, period of engagement, and level of corporate involvement
 - behavioural and cognitive elements in the engagement
 - enablers such as the core infrastructure, human capital, culture and leadership, networks and linkages relevant to each of the case studies.
- **Results layer:** This mainly involves understanding the potential for influencing the performance of the SGB, the levels of satisfaction attained by each stakeholder, and how these aspects contributed to the success or failure of the engagements in terms of output, outcomes, sustainability and impact.

Figure 16. Three-layered customised assessment framework



D. Input and result variables for analysis

Description of sample

- The unit of analysis is corporate-SGB and corporate-intermediary engagement
- 17 engagements were identified for analysis

Analysis tool used



Qualitative Comparative Analysis to understand conjunctive causal paths

List of input variables analysed

Background parameters	Coding	Engagement model attributes	Coding
Intermediary	2 – Academic intermediary 1 – Private intermediary 0 – No intermediary	Engagement type	3 – Indirect-non business aligned 2 – Indirect-business aligned 1 – Direct-non business aligned 0 – Direct-business aligned
Sectoral alignment (of corporate and SGB supported)	1 – Same sector 0 – Agnostic	Primary mode of support	3 – Infrastructure 2 – Resources (mentoring, advisory, expertise, skills partnership) 1 – Access to networks 0 – Financial
Social impact focus	1 – Yes 0 – No	Period of engagement	1 – Short 0 – Long
Facilitator/partner type	2 – Partner 1 – Consultancy 0 – No partner/facilitator	Level of involvement	2 – High 1 – Medium 0 – Low
Sectoral focus	1 – Generic 0 – Niche		

Motivators

Corporate motivator

3 – Improvement of supplier quality
2 – Social impact
1 – Fostering innovation
0 – Access to innovation

Ecosystem

Scouting method

3 – Multi-modal
2 – Event-based identification
1 – Referral/internal research
0 – Open applications

List of result variables

<p>Output</p> <p>Number of SGBs supported per year</p>	<p>Outcome</p> <p>Extent of stakeholder objectives being synergistically met</p>	<p>Sustainability</p> <p>Evolution and continued impact</p>	<p>Impact</p> <p>Overall impact at individual, institutional and ecosystem level</p>
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About the Strategic Alliance

GIZ in cooperation with Bosch and Intelcap under the develop PPP framework has initiated a Strategic Alliance with the objective to connect corporates with incubators and start-ups and especially social enterprises. The joint work under the alliance aims at creating an engagement mechanism, strengthening incubation capacities and creating opportunities for corporates to partner with innovative start-ups.

About Athena Infonomics

Athena Infonomics is a development consultancy firm with a strong focus on bringing an analytical approach to solving development and inclusive growth issues. Athena's work cuts across the policy research value chain and is driven by the philosophy of Data Science for Development. We leverage our strength to design innovative surrogates and triangulation methods to collect reliable data, and institutionalize push data mechanisms, develop innovative analysis technique and revisit theory of changes.



