

August 2015

INDIA OFF-GRID  
ENERGY SUMMIT | AUGUST  
2015

THE °CLIMATE GROUP



# ENERGIZING START-UPS FOR IMPACT INVESTMENT



## About The Climate Group

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The Climate Group is an award-winning, international non-profit. Our goal is a prosperous, low carbon future. We believe this will be achieved through a 'clean revolution': the rapid scale-up of low carbon energy and technology.

We work with corporate and government partners to develop climate finance mechanisms, business models which promote innovation, and supportive policy frameworks. We convene leaders, share hard evidence of successful low carbon growth, and pilot practical solutions, which can be replicated worldwide.

Our offices are in Greater China, North America, India and Europe. 2014 was The Climate Group's 10th Anniversary.

## About the facilitator

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### **Hari Natarajan, Independent Energy Access Expert**

Hari Natarajan is an independent consultant in the renewable energy and environment sector. He has worked with GIZ as a Senior Technical Expert, Renewable Energy Component, Indo German Energy Programme (IGEN-RE) and has over 15 years of experience in the energy sector. He has been associated with several organisations, involved in the energy access space in India.

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## 1. Executive Summary

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The energy needs of over 30% of the population in India without access and an even larger proportion that is underserved presents a huge market opportunity. However, there are few takers for this, given the challenging ecosystem in which they have to operate. With a view to addressing some of these challenges especially with regards enterprise financing, GIZ, The Climate Group (TCG), the Clean Energy Access Network (CLEAN), and the Ashden India Renewable Energy Collective (AIREC), jointly organized a one day workshop “Energizing Start-ups for Impact Investments” on 20 August 2015 on the side-lines of the India Off-grid Energy Summit.

Nineteen early stage, grass-root level entrepreneurs supported primarily under the Selco Incubation Centre and the TERI Lighting a Billion Lives programme participated in this workshop and had an active engagement with a select group of mentors and investors. While mentors provided inputs on the aspects to focus on when pitching to potential investors based on their own experiences, investors shared insights on their approach to evaluating pitches from entrepreneurs and highlighted the importance of “hooking” the investor within the first 3 minutes of their pitch.

All participants found the workshop to be useful but expressed a resounding need for further support beyond the workshop to help refine their business plans, target the right investors and raise the necessary capital. There was also a suggestion to conduct more focussed interactions among smaller groups at the regional level to address their specific challenges.

A brief outline of a possible approach to provide such support on a sustained basis at the regional level has been presented at the end of the report.

## 2. Background

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Despite significant government efforts, a large proportion of rural India still suffers from poor access to electricity and clean cooking options. While social enterprises have stepped in to address this gap, the supply side is still relatively nascent when compared

to the magnitude of the problem to be addressed. With a view to strengthen the supply side and address some of the challenges faced by early stage enterprises, especially around financing, GIZ, The Climate Group (TCG), the Clean Energy Access Network (CLEAN), and the Ashden India Renewable Energy Collective (AIREC), organized a one day workshop “Energizing Start-ups for Impact Investments” on 20 August 2015 on the side-lines of the India Off-grid Energy Summit (IOGES).

Early in the planning process for the workshop, the organizing partners decided to engage the services of a facilitator for managing the entire workshop. This report, which has been developed by the identified facilitator, presents a summary of the workshop and the next steps arising from the same.

## 3. Approach

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The primary objective of the workshop was to work with start-up/early stage energy entrepreneurs on the critical elements of the business plan, with support/mentorship from experienced entrepreneurs, and help these entrepreneurs understand the key concerns of potential investors through an engagements with select investors. The

workshop was structured to include initial inputs on the business pitch by the facilitator, followed by a discussion with mentors to refine these pitches, and finally a mock pitch of select enterprises to investors for feedback. The detailed concept note and agenda for the workshop, as developed by the organizing partners, are provided in Annexures 1 & 2. The following paragraphs present the approach adopted for the various pre-workshop activities.

### 3.1 Entrepreneur Selection

Applications were invited through various networks from potential entrepreneurs that were interested in attending this workshop. Out of the 24 applications received, 20 were shortlisted on the basis of the following criteria –

- Enterprises that were delivering energy solutions with less than 3 years of operation and/or turnover less than Rs. 25 lakhs
- Energy enterprises that were yet to raise their first round of capital
- Micro-entrepreneurs within existing networks that showed the potential to scale
- Special preference to women entrepreneurs, even if they had no significant experience on the ground

The list of selected entrepreneurs is provided in Annexure 3. A majority of the entrepreneurs selected were either from the Selco Incubation network, focusing on solar home lighting solutions, or from the TERI Lighting a Billion Lives (LABL) network, offering a range of solar lighting and cooking solutions. In addition to the formal applicants, there were at least 3 informal requests for participation at the workshop closer to the date of the event, which was turned down.

### 3.2 Mentors

Mentors were identified from a pool of entrepreneurs who were either AIREC members<sup>1</sup> and/or were potential invitees to the IOGES as expert speakers on various panel discussions. The mentors were also identified keeping in mind the needs of the selected entrepreneurs. A couple of mentors were unable to participate at the workshop due to personal reasons/last minute changes to their schedule. The list of mentors is provided in Annexure 4.

### 3.3 Investors

As in the case of mentors, investors were identified from a list of potential invitees to the IOGES as expert speakers on various panel discussions. Since it was clear at the planning stage itself that we would be working with a set of early stage entrepreneurs who may not be investment ready, the focus was also on identifying investors who would provide an honest opinion on the investors' approach and mind-set. A couple of investors were unable to participate at the workshop due to personal reasons/last minute changes to their schedule. The list of investors is provided in Annexure 5.

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<sup>1</sup> AIREC held a members' meeting on the side-lines of the IOGES



### 3.4 Workshop Content

Given that the identified entrepreneurs were very early stage and not investment ready, the workshop focus was modified slightly to help the entrepreneur understand the investor mind-set and create his/her initial pitch to “hook” the investor. To this end, the Business Model Canvas developed by Alexander Oesterwalder was selected as the basic tool for creating the entrepreneur pitches. In addition to this, concepts such as unit economics were to be introduced to the entrepreneurs, if time permitted.

### 3.5 Pre-workshop Engagement with Entrepreneurs

Selected entrepreneurs were asked to prepare a 2-slide introduction (including the business model canvas template of Alex Oesterwalder) to their business. In order to help entrepreneurs understand the expectations from them in this 2-slide introduction, a 1-hour conference call (two time slots) was scheduled in the week preceding the workshop. Nine entrepreneurs participated in these calls. The 2-slide template shared with entrepreneurs is provided in Annexure 6.

In addition to this, an informal icebreaker session was held over dinner on the evening preceding the workshop in order to maximize the time available with the entrepreneurs. The expectations of the various entrepreneurs from the workshop were captured during this interaction and a summary of the same was presented at the start of the workshop on the following day. Feedback was also provided on this in order to better manage their expectations.

## 4. Workshop Session Summaries

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The workshop was broadly divided into 4 segments – i) Entrepreneur presentations, ii) Facilitated input session, iii) Engagement with Mentors, especially on investment aspects, and iv) Select Entrepreneur Pitches to Investors.

The medium of communication during the workshop was a combination of Hindi and English since a lot of the entrepreneurs were not comfortable in English. The following paragraphs provide the workshop session summaries.

### 4.1 Entrepreneur Presentations

The entrepreneur presentations were quite interesting, given that they ranged from very early stage to some relatively mature businesses with significant turnovers. There were similarities in presentations from entrepreneurs supported by a specific network (Selco Incubation, TERI LABL). Barring a few, it was also evident that entrepreneurs, despite their good ideas and/or operations on the ground, required significant hand-holding in order to bring about greater focus to their presentations and highlight the unique features of their business. In addition, it also came out that a number of TERI LABL supported entrepreneurs faced a certain degree of risk to their business, given that TERI's project (and therefore the associated formal support) was likely to end in the near future. Some of the presentations<sup>2</sup> made by the entrepreneurs are available and have been shared through drop box.

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<sup>2</sup> Entrepreneur presentations that were shared on the day of workshop have unfortunately not been saved. These entrepreneurs are yet to share their presentation despite reminders.

Based on these presentations, the mentors selected the five entrepreneurs who would make their pitches to the investors later in the day. The attempt was to select five representative entrepreneurs from the mix rather than the best five presentations.

#### 4.2 Facilitated Input Session

The time required for entrepreneur presentations was grossly underestimated as a result of which the time available for the facilitated input session was reduced significantly. The session covered some of the aspects that the entrepreneurs needed to focus on when presenting their business within the business model canvas as well as a brief introduction to the concept of unit economics. The facilitator's presentation is provided in Annexure 8.

#### 4.3 Engagement with Mentors

The engagement with the mentors was structured in two parts – the first where individual mentors sat with smaller groups of entrepreneurs to refine the pitches of the entrepreneurs selected to pitch to the investors and the second where entrepreneurs had the opportunity to discuss on a one-to-one basis with mentors in an open marketplace structure.

In the first segment, where mentors sat with the entrepreneurs in smaller groups, it was decided that the Business Model Canvas was limiting in that it presented only a static and internal representation of the business. It was therefore decided that the entrepreneurs, while drawing on the information presented within the Business Model Canvas, would try and address the following five aspects within their pitches –

- The problem that they are trying to address
- The solution on offer and the achievements to date
- The magnitude of the problem/potential market opportunity
- The competitive market environment
- Their future expansion/growth plans and their investment requirements

It was also decided that the entrepreneurs, while presenting their pitches to investors, would build a story without depending on power point slides.

In the second segment, entrepreneurs indicated that they would prefer a common session where the mentors engaged in a dialogue with the entire group of entrepreneurs rather than the one-on-one marketplace structure that had been planned. Key inputs/insights from the mentors were –

- The mismatch in expectations between the entrepreneur and investor and the need to stay focussed on one's vision/mission despite investor pressure.
- The need to separate marketing and distribution activities and treat the distribution of RE solutions like any other distribution business, with a focus on efficient and low cost distribution, appropriate incentives for the actors in the value chain, efficient and effective cash management, etc.
- The need to develop a relationship with bank staff at the local as well as the regional level, given the criticality of end user financing for widespread adoption of RE products.

#### 4.4 Select Entrepreneur Pitches to Investors

1. CREATE A GOOD FIRST IMPRESSION.
2. RIGHT ATTITUDE AND CONFIDENCE.
3. COMMUNICATE YOUR USP CLEARLY.

As indicated earlier, the mentors selected five representative entrepreneurs, who would pitch to the investors. This included two entrepreneurs each from the Selco Incubation network and the TERI LABL network and one entrepreneur, who had developed an innovative and low cost household biogas solution. The selected entrepreneurs also reflected the geographic diversity within the mix with entrepreneurs from Bihar, Madhya Pradesh, Manipur and Uttar Pradesh. One of the entrepreneurs selected to present was also a woman entrepreneur. The selected entrepreneurs were -

- Sanjay Pandey (Jai Vaishnavi Agency)
- Sushmita Bhattacharjee (Pushan)
- Sandeep Singh (Riya Solar)
- Piyush (SustainEarth)
- Devakishor Soraisam (Mangaal)

The key feedback from the investors on the entrepreneur pitches were -

- While the stories presented by the entrepreneurs were very interesting, they were often not clear on the business offering/solution.
- Further, while the pitches were high on impact, they did not provide details on key figures such as turnover, profitability and expected investment.
- Entrepreneurs should also indicate the type of investment that they required, whether equity or debt, and the potential uses of such funds. Entrepreneurs should also ideally avoid pitches seeking mixed financing, especially grants, since it creates a bias that the venture is not sustainable. It is therefore important to customize the pitch to align with the interests of the investor being approached.
- In the case of an early stage venture with a new/innovative solution, significant customer feedback/market acceptance/government acceptance is necessary to provide comfort on the relevance of the product to potential investors.
- Further, in the case of early stage ventures, investors look at the team composition, especially with respect to the ability to execute their plans, even if their idea is not necessarily unique.

In addition to the specific feedback on the entrepreneur presentations, the investors provided the following general feedback to the entrepreneurs –

- Investors usually form their first impressions very quickly and then are looking for further reasons to confirm that impression. It is therefore critical to create a good first impression during the initial pitch.
- Investors are also often swamped with investment requests and are therefore more often than not looking for reasons to reject such requests. Hence the need for entrepreneurs to ensure that they stand out from the crowd in the initial pitch.
- Entrepreneurs also need to be able to communicate their USP clearly and have the right attitude /confidence when approaching investors.
- It was also suggested that entrepreneurs approach Axis Bank, which was more open than other banks to lending under the Credit Guarantee Scheme.

## 5. Feedback on the Workshop

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### 5.1 Entrepreneur Feedback

Entrepreneur feedback was sought through a structured online questionnaire post the workshop. 12 of the 19 participating entrepreneurs provided feedback, which is presented in Annexure 9. The key points were: -

- The entrepreneurs were largely satisfied with the content, structure and the overall workshop experience and indicated that they were likely to attend similar support workshops in the future at their own costs.
- The entrepreneurs were also largely satisfied with the facilitation, mentor engagement and investor engagement, though a couple of entrepreneurs provided a low rating (3) on the latter two aspects. This could be feedback from entrepreneurs who have been to similar events in the past. This is also reflective of the fact that the engagement with the mentors and investors was not structured well.
- Several entrepreneurs felt that the workshop should have been scheduled over a longer period to facilitate greater interactions with mentors and investors.
- Entrepreneurs also felt that the agenda was too packed and inflexible, which did not allow open spaces/time for informal interactions.
- Entrepreneurs also felt that the pre-screening should have been better to identify enterprises in the same stage of growth and similar expectations from the workshop.
- One entrepreneur also felt that the content needed to be better oriented to address the needs of a small entrepreneur operating in rural areas.
- Entrepreneurs appreciated the interactions with mentors and the honest feedback from investors and believed that their biggest takeaway was on the need to communicate their business in a crisp and clear manner that attracts the attention of the investor.
- Entrepreneurs also indicated the need for sessions focussing on technical aspects, supplier linkages, policy aspects, etc.

### 5.2 Mentor Feedback

The mentors found the interactions with the entrepreneurs, many of whom were being exposed to such an event for the first time, to be extremely engaging and felt that the process was not merely one way, with the entrepreneurs often presenting good lessons for the mentors as well. The mentors also appreciated the courage of the entrepreneurs who openly shared their dreams and exposed themselves to feedback and constructive criticism. The mentors believed that some of the entrepreneurs will be For future efforts of a similar nature, the mentors felt that there needed to be greater hand-holding of these entrepreneurs, preferably even one-on-one, on tools such as the Business Model Canvas, before being exposed to potential investors. Such support could come from an entity such as CLEAN. They also felt that it may be more productive to work with a smaller set of entrepreneurs at one time.



## THE EXPOSURE PROVIDED TO THE ENTREPRENEURS AT THE IOGES AND THIS WORKSHOP WILL ENCOURAGE THEM TO THINK BIGGER.

### 5.3 Investor Feedback

While the investors echoed the mentors' views on the entrepreneurs attending the workshop, they suggested the following to make future sessions more effective -

- The organizers should look at other similar initiatives – Sankalp, Unconvention, etc. to help structure the workshop better.
- The role of an entity like CLEAN is critical to help get these enterprises investment ready and help facilitate the engagement with investors and bankers.
- CLEAN could also engage SIDBI to ensure that these entrepreneurs are able to avail bank financing under the Credit Guarantee Scheme (CGTMSE).
- Ennovent also offered to work with some of these entrepreneurs through their incubation initiative.

### 5.4 Facilitator's Self-Assessment

While the overall feedback on the workshop was good, there were several aspects that could have been addressed better to make the workshop more effective.

- The identification and engagement of the entrepreneurs should have been initiated earlier in order to help the entrepreneurs better prepare for the workshop.
- The workshop content should have been spread over a longer duration (2 – 3 days), with more in-depth interactions on specific aspects of their business, which would have been more useful for the entrepreneurs.
- Even within a day, the agenda was far too packed with inadequate time allocated to different segments, which caused confusion.
- The engagement with the mentors and investors should have been structured differently in order to make it more relevant to the entrepreneurs. In particular, if pitches were to be made, all entrepreneurs should have been provided the opportunity to do so.
- Lastly, there should have been clear prior commitments to entrepreneurs on the follow-up support available post the workshop.

## 6. Next Steps

### 6.1 Current Group of Entrepreneurs

For the current group of entrepreneurs, in order to maintain the interest and momentum generated, it is critical to have follow up interactions within 1 – 2 months to assess the additional support required. While such interaction should ideally be on a one-on-one basis at their respective areas of operations, it could also be structured as a smaller group interaction across different geographies (Northeast, UP, Bihar, Others – Orissa, MP, etc.). The support required may vary but the focus could be on helping them with their applications for grant opportunities such as the Pace Setter Fund, linkages with banks for end user financing, etc. A number of entrepreneurs expressed the need for support on technical aspects, supply chain linkages, etc., which can be provided on a case-to-case basis. It may also be useful to work with TERI to identify alternate strategies for the entrepreneurs in their network, given that their project (and the associated formal support) was ending.

In the medium term (6 – 12 months), it may also be useful to identify entrepreneurs that are close to being investment ready and assist them with their business plans and facilitate their engagement with potential investors. Some of this can also be taken up under the more sustained efforts discussed below as and when they are put in place.

## 6.2 Entrepreneurship Development/Investment Support Services

At a more fundamental level, the feedback from the entrepreneurs has highlighted the critical need for entrepreneurship development and investment support services for the grass-root level enterprises. Such support services need to go beyond a workshop and be provided in a structured and sustained/continuous manner with the right support at the right times. Such support services need to be also made available at the state/regional level to address not only the specific local context but also be delivered in the local language. Given the states where the energy access challenge is the greatest, it is recommended that such efforts be focused in the Northern and North-eastern regions of India.

As a first step in this regard, there is a need to undertake a detailed sector scan of general incubator initiatives (based in academic institutions, government institutions, etc.) as well as specific initiatives targeted at energy access enterprises (Villgro, Selco Incubation, etc.). Such a scan needs to look at the entrepreneur identification/enrolment process, the content (technical, business related), the delivery of such content (medium, structure, flexibility, availability on demand, etc.), quality of content/delivery, etc. In parallel, it is necessary to do a detailed needs assessment on capacity building across the various entrepreneurs involved in energy access. CLEAN has already initiated efforts which can be built upon in this regard<sup>3</sup>. A comparison of the sector scan of incubation facilities against the needs of the sector will help understand the gaps in this ecosystem and the steps required to strengthen the same.

In order to address these gaps and create a suitable ecosystem of support for energy access enterprises, the following steps could be taken –

- **Content** – Based on the sector scan, appropriate steps can be taken to improve the content, both in terms of coverage as well as quality.
- **Delivery** – Partnerships with existing institutions/networks that can provide support on technical aspects, business aspects, market assessment, fund raising, etc.
- **Entrepreneur identification/enrolment** – through the existing institutions/networks' channels.
- **Entrepreneur Progress** – a tier structure (3- 4 tiers) that determines the stage of growth of the enterprise and associated needs can be established. Based on the needs assessment carried out at the time of enrolment, an entrepreneur is included in a particular tier and services relating to his/her needs can then be recommended.

Entrepreneurs can then progress from one tier to the next based on certain established milestones, which include achievements/progress on the ground. Periodic regional events can be held to identify and reward entrepreneurs making best progress, who in turn can then be supported to participate at national events such as the workshop held on the side-lines of the IOGES, Sankalp, etc.

- In addition to the structured support provided through partners, the following could be considered -
- **Mentor Pool** – A regional pool of mentors can be created, which comprises of not just energy access sector experts but also experts in business models,

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<sup>3</sup> “Skill Solutions for Off-grid Clean Energy”, CLEAN & Anthro Power, August 2015 - <http://thecleannetwork.org/downloads/skill-solution.pdf>

investments, bank financing, etc. Entrepreneurs can then be connected to such mentors who not only provide support but can also evaluate their progress.

- **Networking Platform** – A regional platform for networking with the various stakeholders such as policy makers, investors, bankers, etc. can be established. These can be held as side events as a part of the periodic regional events referred to above.
- **Business Support** – Partnerships with firms that can offer various professional services – accounting, statutory processes, legal aspects, etc., which are often neglected otherwise by grass-root enterprises.

Given the wide range of activities proposed at the regional level, a 1 – 2 member team can be engaged at the regional level for coordinating these activities. Such a team can be housed within an existing institution offering incubation support but should be dedicated to the efforts towards energy access enterprises. CLEAN is ideally placed to play this role of a regional facilitator and can create and manage the overall framework for such support to enterprises involved in energy access.

## Annexure 1 – ESII Concept Note



# INDIA OFF-GRID ENERGY SUMMIT 2015

## CONCEPT NOTE: ENERGIZING START-UPS FOR IMPACT INVESTMENTS

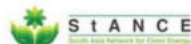
August 20, 2015 | VENUE: HOTEL LE MERIDIEN 8 WINDSOR PLACE, JANPATH, NEW DELHI

In partnership with



Ministry of New and Renewable Energy  
Government of India

In association with



Supported by



An action of



### RATIONALE

According to recent estimates, there are almost 250 enterprises in India who are utilizing Decentralized Renewable Energy (DRE) technologies to reach out to 360 million people living without electricity and even more without access to cleaner means of cooking. The Climate Group's study on off-grid energy business models reveals that the DRE sector is poised to grow at an unprecedented rate and absorb almost USD 350 million worth of investments. Small and Medium Enterprises form the backbone for a pragmatic realization of these investments and develop a steady pipeline of projects that are attractive to commercial investments. However, majority of these start-up enterprises are yet to reach the stage that is attractive to private investors (including impact oriented funds). While credible financial track records, stellar management team, robust and inclusive business models are given prerequisites for raising resources but the ability of these entrepreneurs to reach out to and convince a diverse group of funders with varied expectations and outcome requirements from specific projects has been very limited.



## OBJECTIVES

The proposed one-day workshop aims to achieve the following key objectives:

1. Enable rural energy enterprises (with special focus on women entrepreneurs) to tune business plans, funding proposals and investor – friendly documents customized for their respective delivery models
2. Strengthen peer to peer learning and stimulate knowledge-based mentorship among successful entrepreneurs in the energy access sector
3. Initiate the conversation between funding agencies (including private investors) and energy entrepreneurs

## PARTICIPANTS

The workshop would essentially focus on entrepreneurs who are active in different states and regions of the country with a mission to promote energy access. The ideal participant for this workshop would be an entrepreneur:

1. who has a registered legal entity and is formally in the business of product/service delivery for energy access in one of the recognized state/region of India<sup>1</sup>
2. who has not yet raised the first round of formal capital (equity/debt) for their enterprise
3. who employs local youth (including women) in promoting energy access within their area of operation

## FORMAT

The workshop would be anchored by two resource persons who are exemplary facilitators who also possess some level of understanding about Business Development, Finance, Marketing, Access, DRE technologies as well as the development sector in general. Towards the end of the day, it is proposed to organize a Mentor-Mentee session wherein successful energy entrepreneurs share their experiences and take the participants through their learning journey through an interactive table discussion.

## PARTICIPATION FEE

We propose to include a nominal fee of ₹ 2,000 for attending this workshop that would be utilized to subscribe the participants to one-year membership of the Clean Energy Access Network (CLEAN) and providing the required course material. This fee will be paid to C

## VENUE

Hotel Le Meridien, 8 Windsor Place, Janpath | August 20, 2015 | 8:30 am – 4 pm

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<sup>1</sup> This would essentially mean that there should be at least one pilot project on the ground set-up by the entrepreneur



Organized by:



More information

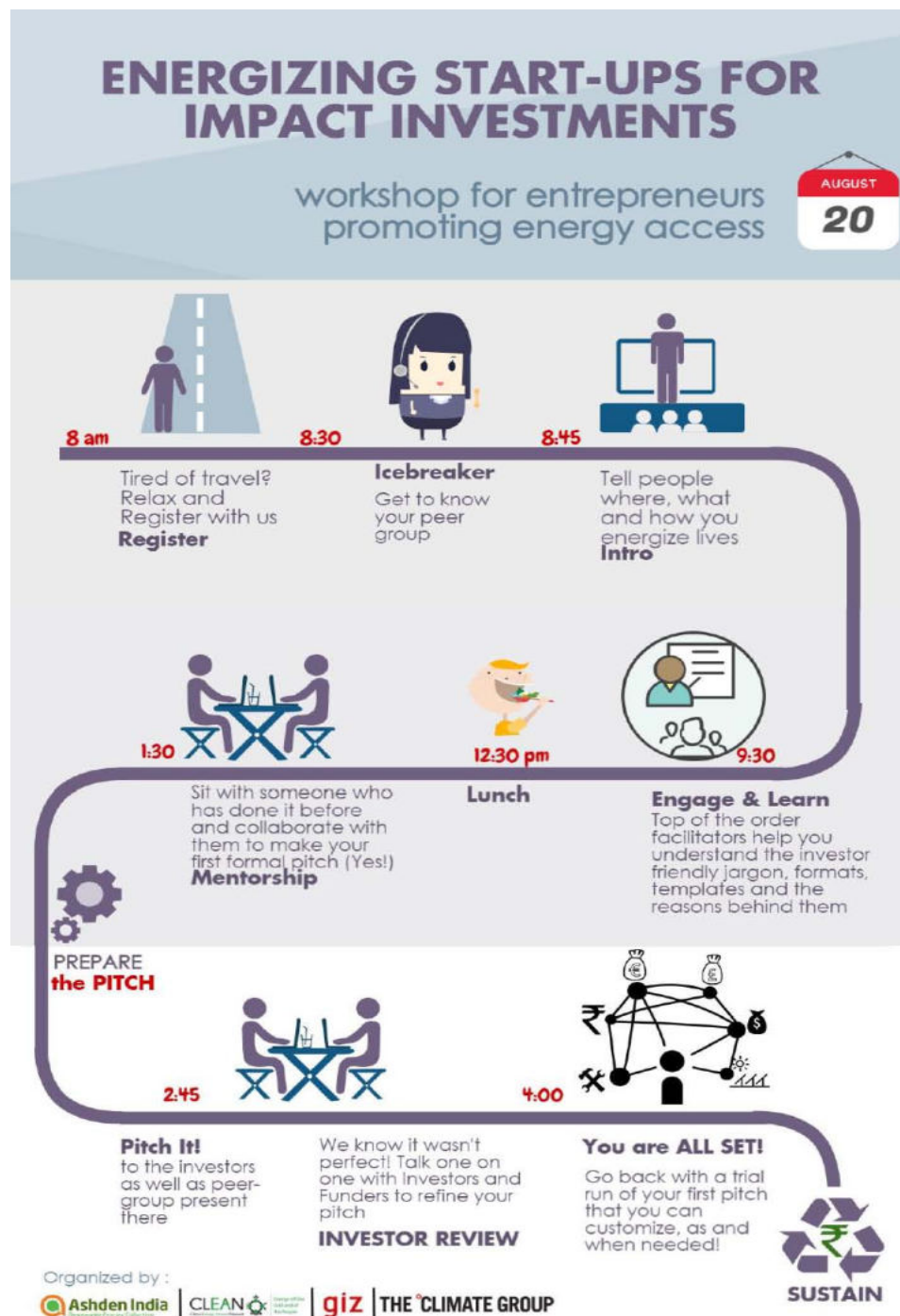
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## Annexure 2 – ESII Workshop Agenda



### Annexure 3 – List of Entrepreneurs

Entrepreneur	Enterprise	Year Est.	State	Technology	Turnover (Rs. Lakhs)	Network
Soraisam Devakishor Singh	Mangaal Sustainable Solutions Pvt. Ltd.	2013	Manipur	Solar Lighting	71	Selco Incubation
Susmita Bhattacharjee	Pushan Renewable Energy Pvt. Ltd.	2012	MP	Solar Lighting	39	
Shri Fairly Bert Kharrngi	Ri Lum Eco Energy Co. Ltd.	2015	Meghalaya	Solar Lighting	-	
Rajashree Anil	PUHOR	2015	Assam	Solar Lighting	-	
Prateek Rath	Abha Innovation Pvt. Ltd.	2015	Odisha	Solar Lighting	-	
Fazle Illahi S.H.A. Muztaba	Eastern Envo Protect Pvt. Ltd.		Assam, Arunachal Pradesh, Meghalaya, Nagaland	Solar Lighting	19	TERI
Govind Ballava Dalai	Yuva Vikas Social Enterprises	2015	Odisha	Solar Lighting, Improved Cookstoves	-	
Alok Srivastava	Shramik Bharti Foundation	2002	UP	Solar Lighting, Improved cookstoves, Micro-grids	75	
Bishwa Prakash Bhattacharya	Kumudini Enterprises	2014	Odisha	IDES (Solar Lighting + Improved Cookstove)	25	
Sarat Tripathi	Sarada Enterprises	2013	Odisha	IDES (Solar Lighting + Improved Cookstove)	15	
Sanjay Pandey	Jai Vaishnavi Agency	2011	Bihar	Solar Lighting, Improved cookstoves	497	TERI
Sunil Kumar Verma	Verma Uttam Urja Shop	2014	UP	Solar Lighting, Improved cookstoves, Charging stations, Micro-grids	20	
Shailesh Kumar	Shailesh Enterprises	2012	Bihar	IDES (Solar Lighting + Improved Cookstove), charging stations	530	
Sandeep Singh	Riya Solar	2012	UP	Solar Lighting, Improved cookstoves, Charging stations, Micro-grids	137	
Ashish Dubey	Baba Enterprises	2012	UP	IDES (Solar Lighting + Improved Cookstove), charging stations, solar lighting	117	
Koushick Yanamandram	Sustaineearth Energy Solutions	2013	AP, Karnataka, TN, Maharashtra	Biogas	-	Villgro
Anand Prakash Tiwari	Akshat Urja	2012	MP	Solar Lighting	10	dLight, Luminous
Vishnu Raghunathan	Deviab Energy	2014	Bihar	Solar Products	-	Acumen, GAP
Shreyansh Chandak	-			Solar Lighting		

## Annexure 4 – List of Mentors

Mentor	Organization	Role
Neha Juneja	Grameen Greenway	Universal pricing pan India; Investment in manufacturing capacity
Thomas Pullenkav	Selco	Social Vs. Commercial; Resisting Investor Pressures
Vinay Jaju	ONergy	Challenges of raising investments; process
Sameer Nair	Gram Oorja	Operating a service oriented business
Paul Needham	Simpa Networks	Pre-paid solutions; Raising investments

**Note:** Ajaitha Shah, Frontier Markets & Gaurav Mehta, Dharma Life, both with experience in distribution, were unable to make it due to last minute changes to their schedules.

## Annexure 5 – List of Investors/Financiers

Investors	Organization	Role
Karthik Chandrasekhar	Sangam VC	Investment Philosophy/support available for early stage enterprises/ feedback on entrepreneur presentations
Vipul Kumar	Ennovent	
Dr. Gouri Shankar	Maanaveeya Development Finance	
Arvind Aggarwal	ICCO Investments	

## Annexure 6 – Entrepreneur Feedback

Feedback was received from 12 of the 19 entrepreneurs who participated in the workshop. They ranked their experience with the facilitator, mentors, investors and the overall workshop on a scale of 1 to 5 with 1 being very poor and 5 being very good. The following table captures the individual responses against each question as well as the average scores for each question. 9 of the 12 respondents indicated that they would attend a similar workshop at their own costs.

Respondent	Content	Facilitator (Communication)	Facilitator (Involvement)	Facilitator (Overall)	Mentors	Investors	Overall Structure	Overall Experience
1	4	5	3	4	3	3	3	4
2	4	5	4	5	4	4	4	3
3	4	5	4	4	4	4	4	4
4	4	4	5	4	3	3	3	4
5	3	5	4	4	3	2	4	4
6	5	5	5	5	4	3	5	5
7	5	5	5	5	4	4	4	4
8	4	5	4	5	4	3	4	4
9	5	5	4	5	4	5	4	5
10	5	5	5	5	4	5	5	5
11	5	5	5	5	4	4	5	5
12	5	5	5	5	5	5	5	5
Average	4.42	4.92	4.42	4.67	3.83	3.75	4.17	4.33

Specific suggestions for improvement to the facilitator included –

- Need further support on the business pitch.
- Content to be oriented more to the needs of small businesses operating in rural areas.
- Need to involve participants more and also indulge in light humour to avoid the session from getting tedious.

Specific suggestions for improvement on the overall workshop –

- Inclusion of audio visuals.
- All entrepreneurs to have had the opportunity to pitch to the investors.
- Additional time for more detailed support on business plan development.
- Additional time for specific inputs from mentors for each entrepreneur.
- Better pre-screening process to ensure entrepreneurs at a similar stage of growth, which may have helped towards a better engagement with investors.
- Additional support on technical aspects and supplier linkages.

The aspects of the workshop that entrepreneurs liked included –

- Investor engagement and their honest feedback.
- Mentor engagement and sharing of experiences.
- The opportunity to interact with the numerous stakeholders in the energy access space and present their business models for feedback.




The aspects of the workshop that the entrepreneurs were unhappy with included –










- Lack of time for a more detailed, one-on-one interaction with mentors and investors.
- Lack of time for each individual entrepreneur to share his/her models.
- The mix of entrepreneurs at different stages of growth.
- Lack of interest among investors on investing in any of the participating entrepreneurs, again possibly due to shortage of time.
- **One respondent also indicated dissatisfaction with the facilitator.**

The key lessons for the entrepreneurs from the workshop were –

- The need for a crisp pitch to hook the investor.
- The comfort of knowing that there were other entrepreneurs in a similar situation, which provided further encouragement to persevere in their efforts.
- Importance of bank linkages.
- The importance of thinking big.

## Annexure 7 – Presentation Template for Entrepreneurs

Company Name		
	<b>Est.:</b> <b>Product / service:</b> <b>States covered :</b> <b>Target group:</b>	
<b>Approach</b> <ul style="list-style-type: none"> <li>• Business approach</li> <li>• Bank linkage</li> <li>• Partnership developed etc</li> </ul>	<b>Status</b> <ul style="list-style-type: none"> <li>• Households/ customers reached: XX</li> <li>• Products sold: XX</li> <li>• Team strength etc</li> </ul>	<b>Challenges</b> <ul style="list-style-type: none"> <li>• x</li> <li>• x</li> </ul>

Your Business Model				
 <b>KEY PARTNERS</b> << list your partners here>>	 <b>KEY ACTIVITIES</b> << describe your key activities here>>	 <b>VALUE PROPOSITIONS</b> << insert your value proposition here>>	 <b>CUSTOMER RELATIONSHIPS</b> << describe how you plan to establish and manage the relationship between the customer and your brand here>>	 <b>CUSTOMER SEGMENTS</b> << describe your target customer segment here>>
	 <b>KEY RESOURCES</b> << list the key resources available to you here>>		 <b>CHANNELS</b> << describe 1) how you plan to acquire customers, 2) how you plan to deliver your value proposition to them and 3) how you plan to communicate with your customers >>	
 <b>COST STRUCTURE</b> << Describe your cost structure here>>			 <b>REVENUE STREAMS</b> << describe your revenue streams here>>	

## Annexure 8 – Facilitator Presentation

### ESII Workshop



20 August 2015  
New Delhi

### Investment

- Stage of business?
- Legal structure?
- Need?
- Why?
- How much?
- Source – friends & family
- Cost – Benefit – Grant/Equity/Debt



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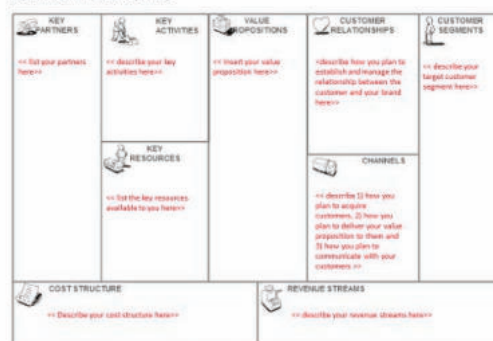
### Investor

- Upside potential
- Downside risk probability and extent of impact
- Business model flexibility/adaptability
- Management team

### Expectations

- Feedback/Improve business model
- How to deal with frequent changes to business model (due to early stage or business environment?)
- Enterprise financing sources (for HR)
- Meet /understand investor perceptions on off-grid models
- End user financing/ bank linkages
- Mentorship/ Learn from existing companies on marketing a high cost product in rural areas, robust M&E
- Networking

### Business Model Canvas



### Expectations (contd.)

- Ecosystem Analysis
- CBA – grid/off-grid
- Convergence models
- Contact with manufacturers
- Supply chain linkages
- Team Building
- Technical aspects
- Subsidy

### Customer Segments

- Customer needs/offer
- Delivery channel
- Type of relationship
- Different profitability
- Willing to pay for different aspects

e.g. Mass, Niche, Diversified

## Example

- Households
- Govt. Offices
- NGOs
- Private Organizations
- Schools
- Hotels
- Dhabas
- Petrol Pumps
- Farm Houses

## Channels

- Marketing/Awareness
- Distribution
- Sales/Delivery
- After sales

e.g. Own (direct/indirect), partners (wholesale, retail, NGO)

## Value Proposition

- Value delivered to the customer
  - Quantitative – price, speed of service
  - Qualitative – design, quality of experience
- Customer need/problem?

e.g. design, performance, price, convenience, customization

## Example

- Religious Heads
- Local NGO's
- Civic Bodies
- Word of Mouth
- Pamphlets
- Website
- Direct Marketing

## Customer Segments

- Customer needs/offer
- Delivery channel
- Type of relationship
- Different profitability
- Willing to pay for different aspects

e.g. Mass, Niche, Diversified

## Customer Relationship

- Acquisition
- Retention

e.g. Personal, community, co-creation

## Example

- Reduction of 40% carbon and 70% fuel wood through cooking stove which attract women
- Providing a mobile charger for youth
- In every 100 HH we provide one service provider for services
- Door step delivery, loan and recovery

## Example

- Financial Linkage
- Quality Installation
- Service Desk
- Free Service Calls

### Key Resources

- Physical
- Intellectual
- Human
- Financial

### Key Partnerships

- Strategic
- Buyer-Supplier
- Distribution (NGOs, retail)
- End use financing (Banks, MFIs)
- Coopetition (cooperation between competitors)

Reasons for partnerships – scale, reach, reducing risk

### Example

- Office infra
- Project Staff
- Technicians
- Day to day operational capital

### Example

- Bank
- TERI
- Government Sector
- NEDA
- Exide, Luminous, Moserbaer ,Sun King, D-light

### Key Activities

- Marketing
- Distribution
- Financing Linkages
- Service

### Revenues

- Revenues from each customer segment
- Type – One time or recurring (rental model, etc)
- Pricing fixed or dynamic (features, volume, customer segment based)

### Example

- Identify scope
- Demonstration
- Demand generation
- Mobilize local support and approach WSHGs
- Banks for finance
- Provide aftersales services

### Example

- Direct Sales
- Bank Finance
- CSR Fund



## Costs

- Cost driven or Value driven
- Fixed and variable costs

## Unit?

- Customer
- Community?
- Branch

## Example

- Fixed Cost – Infrastructure, Man power.
- Variable Cost – Inventory, Marketing, Commission

## Gross Margin?

- Product/Service
- Customer
- Sale Point/Store
- Branch

## Business Model Environment

- Market forces (demand)
- Industry forces (supply)
- Regulatory/Policy aspects
- Ecosystem factors (bank infrastructure, access, etc.)

## Unit Economics Analysis?

- Each link in the supply chain
- Variable & fixed costs
- Minimum critical mass for viability
- Cost to acquire one customer/serve the customer

## Unit Economics

- What "business" are we really in?
- How does our venture make money?
- How do all the people we depend on make money?
- Can the venture really scale?

Never ever give up!



We salute your entrepreneurial spirit!











