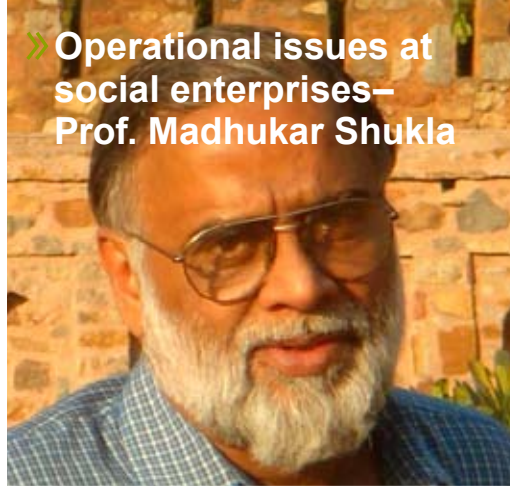


Social Enterprise. Ideas. People.

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An Intellectap Publication

» Operational issues at social enterprises—
Prof. Madhukar Shukla



» Management travails of a startup—
Srikumar Misra



BEYOND PROFIT E-MAGAZINE

ISSUE 22 | July 14 – July 27, 2011

the management gap





Flow of vibrant colours by Shamanth Patil J
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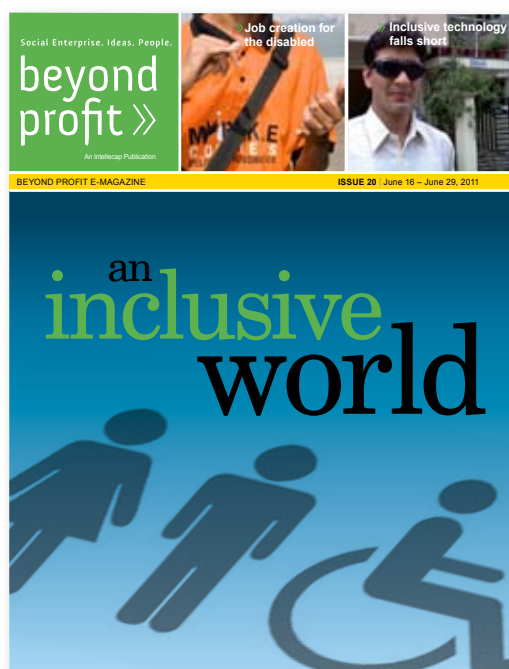
Issue 21
June 30 – July 13, 2011

“Thanks for putting this topic on the spotlight! Social Entrepreneurs in Latin America need to have the necessary tools to unleash our potential!” (“Latin America’s Socents: Poised for Flight”, E-Magazine, June 30 – July 13, 2011), Jamie Escobar via beyondprofit.com



Issue 20
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“In the UK there are very few facilities for hard of hearing people in public environments. New measures are being introduced to offer assistance in train stations and airports. People don’t realise how many people are actually hard of hearing. This is a major issue that needs to be addressed.” (“The Ability Barrier”, E-Magazine, June 16 – 29, 2011), Paul via beyondprofit.com



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August 26, 2011
Linz, Austria
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Latin America’s Socents: Poised for Flight
While most of the social enterprise and impact investing spotlight remains on Africa and South Asia, Latin America is making its own strides to develop a solid foundation in the industry.

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Today, a person with disability can use technology to access all of these things. In a way, technology can empower people, but we also need to be cautious that we aren’t building a digital divide by not catering to the needs of a disabled person.

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editor's letter

If there's one thing that's harder than starting a business, it's managing it efficiently. This is probably truer for emerging economies than developed ones, where structural systems are more geared towards maximizing efficiencies.

Social enterprises, in particular, face multiple barriers to efficient management, primary among them a severe paucity of committed and talented personnel, often due to the fact that such businesses cannot pay as much as other for-profit private sector firms.

In this issue's cover story, Nisha Kumar Kulkarni looks at the issue of finding and keeping the right people who will in the long term be critical to the ability of a social enterprise to scale up.

Given the focus on management challenges, we also decided to invite a few expert voices from practitioners to lend their voice to Beyond Profit.

Srikumar Misra, Founder and CEO of Milk Mantra, a dairy products socent in the pre-revenue stage, talks about some of the more common problems that entrepreneurs have to deal with. From the other end of the spectrum, Noshir Colah, Executive Director of Aavishkaar Venture Management Services, talks about how investors view managerial efficiencies before deciding to fund a start-up.

Technology can also play a critical role in ensuring that social enterprises are able to manager their internal systems better, especially for scaling up. Siddharth Sharma, CEO of Technology Solutions Group, which has developed the Mostfit program for microfinance institutions, calls for a more prominent role for technology within a socent.

And in a free-wheeling interview, Prof. MadhukarShukla, who specializes in organizational behavior and teaches at the XLRI School of Management in Jamshedpur, India, lays out the rationale for professional managers, albeit working within the framework of the founder's social vision.

We hope that you will find the content instructive, and will pass it along to other practitioners as well, besides writing to us with your feedback at ideas@beyondprofit.com, or your comments on our Facebook and Twitter pages.

Tanmaya Nanda
Managing Editor

the people problem

Among the many challenges that social enterprises face, a key one is finding and keeping the right people to run the business. What does it mean to be a manager in the social enterprise workspace, and who are the right people, from the bottom to the top of the ladder?

By Nisha Kumar Kulkarni

» Social enterprises face challenges similar to other businesses, but where they diverge is in scale and vision. However, the problems of actually running a business remain the same, whether it is in processes, or technology. But perhaps one of the key challenges that social enterprises face, more than regular businesses, is the people challenge.

Given that socents often already have more severe funding issues, they are less likely to attract the same amount or level of talent that any other for-profit business might. As Professor Madhukar Shukla of XLRI says in an interview to *Beyond Profit* (Page 8), prefixing the word ‘social’ to a business conjures images of lowly-paid not-for-profits.

Just as in the start-up phase, entrepreneurs find significant challenges around navigating regulatory environments, securing funding and retaining competent employees, these challenges – especially the latter – continue to be on the manager’s radar as an enterprise moves onto the next rung on the success ladder.

“The challenges you face in launching your enterprise will continue to be the challenges you

face in managing and growing it,” states Professor Anthony Sheldon, the Executive Director of the Program on Social Enterprise and a Lecturer in Economic Development at the Yale School of Management.

“Managing a growing staff, and figuring out how to attract and retain the right kind of talent, will consume more of your time than you are likely anticipating,” he added.

SocEnt Skills

Although a social enterprise is a bona fide business, it must give its financial and social considerations equal weightage. As in any business, a significant challenge is to find the right people to support a robust enterprise.

Nat Robinson, CEO of the Kenya-based **Juhudi Kilimo**, says: “Once funded, our next challenge is to attract and retain quality people for the company.”

Ramona Liberoff, Executive Vice President of Marketing Strategy and Planning at **Movirtu**, echoes the sentiment, saying a common challenge is “finding the right technical talent quickly.”

Who should be hired by social enterprises then? The skills required to run and support a

successful social enterprise are not singular; they are universal and require an employee to have his or her hands in multiple areas which, in turn, means a degree of flexibility and discipline are required. However, because a social enterprise does not necessarily offer the same benefits as working for other private sector businesses, it is difficult to find business people willing to eschew financial gains for a more equitable approach to financial and social profits.

“Often the ‘ideal’ employee of a social enterprise is seen as someone who is willing to work for less than market rate compensation because of his or her commitment to the company’s goal,” explains Sheldon. “And hopefully, you will be able to attract this kind of person, especially for the senior management positions.”

A Balancing Act

Bangalore-based **SELCO**, a solar energy provider in India has employed a different strategy to maintain a balance within its staff.

“SELCO seeks to maintain a 50/50 balance among its staff between those who work there because of the social mission with



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those simply seeking a good job with fair pay, who have the skills needed to do their jobs well,” points out Sheldon. “Harish Hande, founder and CEO, says that having too many mission driven staffers can divert operations from the high standards needed to sustain top performance.”

It is the manager’s job to lead different stakeholders, from employees to investors to customers. Harnessing employee skills at hand is the foundation of mapping a success route for a manager. Participative management techniques, or allowing employees to determine their individual job descriptions is one method whereby the balance between human resources and management can maintain the motivation of the workforce.

Building a Manager

Finding the right people and reconciling their skill sets to the mission of a social enterprise requires a competent leader as well. Numerous business schools around the world have begun to incorporate coursework or entire programs devoted to social entrepreneurship in recognition of the fact that social enterprises are businesses, and like all businesses, they need

strong managers to survive and excel. There is yet to be a “MBA in Social Enterprise” despite strong social entrepreneurship programs at a number of business schools, but management competency is as much on the social entrepreneur’s mind as is wider staff competencies.

Most recently in India, a **new university** will be established near Bangalore. Founding members include Infosys co-founder Nandan Nilekani and his philanthropist wife Rohini, who have pooled funds to set up the country’s Indian Institute of Human Settlement (IIHS), which will have global tie-ups with Massachusetts Institute of Technology, University College, London, and the African Center for Cities at the University of Cape Town. The IIHS will offer Bachelor’s, Master’s and Doctoral degrees to provide training on how to manage social transformation vis a vis urbanization, with a stated goal of crafting managers who can step up and fill in critical human resource and knowledge positions.

Governments are also becoming more cognizant of the importance of the social enterprise space and of the need for trained individuals to helm such efforts. Funds, such as the **European Social Fund**, support

projects to improve upon the skills of social enterprise managers.

There is a school of thought that a formal qualification in social enterprise management would benefit the field – if a degree is offered, then the field must be legitimate. As a result, more competent candidates would enter and make social enterprises more competitive and even lucrative.

Management Focus

As Sheldon says: “It is crucial to maintain your commitment to your vision and your experience of what best serves your clients – which is what will underlie your financial as well as social success – while of course staying open-minded to ongoing learning and ways to improve your business model.”

Staffing mismatches and shortages can cause companies to delay or take a detour in improving their business models. Since hired staff promote and support a business model and specific value proposition, its people are key.

“You need to be sensitive to local culture and social structure,” says Ranjit Shahani, vice chairman and managing director at pharmaceutical major Novartis India Limited.

Larger companies have an extremely structured, formalized process for recruitment that tests a candidate’s abilities, intellect and thought process in different situations. The social enterprise, however, may not have the time, money or expertise to pursue such rigorous screening policies. It relies on a person’s experience, intelligence and commitment to a particular cause. It is not arguable though that human resource needs should be compromised.

“Often the route to rapid scaling up can entail subtle but important compromises in the breadth or depth of services provided,” states Sheldon. “It is more efficient to scale up a simplified business model than a more complex one.” ☐

‘vision is sacrosanct’

While professional management is critical for social enterprises as they scale up, one must take care not to lose sight of the entrepreneur’s social vision, says Prof. Madhukar Shukla of XLRI. In a phone interview to Tanmaya Nanda, he speaks at length about the management issues that typically social enterprises face and the best ways to overcome them.

In your opinion, why is professional management important for social enterprises?

>>> I wouldn’t confine this only to social enterprises, but to all entrepreneurial ventures. As we were discussing, all ventures start with a passion about an idea. That is what entrepreneurship is all about, and it is also critical for the venture to take off.

However, as long as the venture remains small, operations are easy to manage by *jugaad*, trial and error, or through help from friends and volunteers who pitch in. But once it starts scaling up, managing operations becomes an issue. Scaling up is not just about increase in the size of operations, but more about increase in complexity of operations, in the variety of issues one has to address. The variety of

demands on the enterprise increase, and the entrepreneur may not have the professional expertise – or time – to deal with all of them. So his passion would need to be supplemented with professional management skills; he has to bring in people who have expertise in those areas.

What are the biggest challenges that social enterprises in India face in terms of running a business?

Among Indian enterprises, I have found human resource issue the most critical challenge. Firstly, attracting good and socially conscious talent is a big issue. One reason perhaps is also because these days, the minute you add ‘social’ to anything, it conjures images of *jholawallahs* (Indian colloquialism for non-profit activists). And moreover, the capacity of most social enterprises to pay is also low. It is usually lower than market rates, so only people who are ideologically committed to joining this sector will step forward, but those are just a handful of such people.

The other HR issue is designing the systems and processes of the organization, which can utilize the limited resources more efficiently and effectively. I will give one example: I was involved with a social enterprise recently. These were a bunch of young, very enthusiastic people – an amazing group to work with, but everything was on self-organizing mode. If something had

to be done, everyone would chip in, and the resources would somehow magically get organized. They prided themselves for their spontaneous culture of working. But as a consequence, everything was done on mutual adjustment – there was no documentation, no systems, in fact not even a rudimentary HR manual describing leave rules, work-systems, etc. But once they started growing up, and new people started joining, this very spontaneity became a hindrance.

Another critical challenge is the typical entrepreneurial dilemma – that of letting go. A venture is like the entrepreneur’s baby. But when the venture starts growing, it requires a change in the mindset, and allowing others to share the responsibility of its growth. Often that does not happen, because the entrepreneur is too possessive of his baby. And that, as I mentioned earlier, becomes an obstacle to scaling up of the venture.

But are social enterprises amenable to the idea of having their company run by professionals?

Before answering this question, let me make a qualifier that I am using the term “professional” in a limited sense – for qualified experts like managers, accountants, engineers, doctors, etc., who are hired for their competence and skills.

Yes, this is really a ticklish issue, because often the vision and purpose of the enterprise – and



enterprise aims to deliver is very critical to appreciate its purpose. So I would say that the process of induction into the sector plays a crucial role in getting the best value from the professionals' expertise.

What is more important – the passion and vision of the start-up team/entrepreneur, or the management skills of trained professionals?

Both are important. But I think the vision and purpose is more sacrosanct as compared to other targets. If the purpose does not remain a non-negotiable constant, then there is a danger of landing up in a similar kind of trap as some of the MFIs. For many of them, the outreach and collection became more important, and the very purpose of microfinance, which was to alleviate poverty, took a back seat.

Who would you say is the best judge of the direction a company should take – the entrepreneur or the manager?

As I mentioned earlier, the vision of the entrepreneur/enterprise is more important to decide the direction of growth. After all, that is why the enterprise came into existence in the first place. So whether the decision is taken by the entrepreneur or the manager, the direction must be within the confines of the vision and purpose.

But I would also add that the sanctity of vision should also not become enterprises' inflexibility to adapt to emerging realities. New issues, opportunities and constraints keep emerging, and therefore, there is always a need to periodically revisit and revise the vision through collective reflections.

Which functions, in your opinion, are the most critical to the success of a social enterprise? And why?

I don't think one specific function remains most critical all across. Their criticality keeps on changing

entrepreneur – don't match with the practical efficiency which the professional brings in. For the social entrepreneur, the primary purpose of the enterprise is to deliver social good. Profit motive is more in terms of remaining profitable, and not in terms of profit-maximization. On the other hand, professionals' mindset – at least in the present-day zeitgeist – is more tilted towards defining success of an enterprise only in terms of operational efficiency and profit-maximization. It is like, to be successful and efficient, you have to be financially viable, and that automatically translates into more profits. Sometimes, this may involve a trade-off of the vision and purpose for efficiency and profits.

In reality both are important, and that is why it is a difficult balance to strike in inducting the professionals into social enterprises. But my experience has been that it is possible to achieve. If the performance targets can be clearly defined to measure the social impact, then professional can add a lot of value to the enterprise.

There is one other issue about the professionals though; and that is often their lack of first-hand experience and understanding of the 'market' the social enterprises serve. They come out of the colleges and directly jump into a job – they have mostly not dirtied their hands in understanding the BoP segment. This understanding of the market, the social context of what the

with the growth stage of the enterprise. As a start-up, it may be basic operations, but as one grows, HR issues may become critical. Scaling-up may also make investor relations and fund-raising strategy important at one stage.

Given that technology is now often a force multiplier, how seriously do social enterprises take technology as a tool for growing their businesses?

Some would, but I think most do not – unless they are technology-driven ventures. I think one of the reasons is also the resource-crunch which most social enterprises experience. So, mostly the technology needs are met through friends who help out, open-source software, and old donated computers, etc. But I think there is a large market there for technology providers to offer good technology solution on a per-use or shared basis, or customizing it to basic requirements without the frills which add to the cost.

Since the industry is still in a fairly nascent state, does it really need professional management? Or can that wait until after the startup phase and they start entering growth period?

I would say that if the sector has to grow, it needs qualified professionals with entrepreneurial vision. If the professionalism is blended into the passion, then scaling and growth issues are automatically built-in in the vision of the enterprise. Manish Sabharwal of TeamLease had once told me “Vision and DNA decide whether an enterprise is a baby or a dwarf.” So if initially professionals are there, scaling up process can start happening much earlier.

Luckily, during past 3-4 years, something like this seems to have started happening. These are professionally qualified MBAs or engineers who have started venturing directly into the field from

their institutes, and they bring professional competencies along with vision. But it’s still a very nascent phenomenon, and confined to a small group of young people. For instance, traditionally larger number of social entrepreneurs came from institutes like the Indian Institute of Forest Management (IIFM), Indian Institute of Rural Management (IRMA), Tata Institute of Social Sciences (TISS), etc. But now one finds this trend extending to places like XLRI, IIMs, IITs, etc. as well. I think it is partly due to the support ecosystem, both within the professional institutes as well as outside it.



Performance targets should be defined to measure social impact.



Many start-ups may not be able to hire the right people to run a business, often due to cost pressures? What alternatives do they have?

Yes, cost is a constraint. But there are options such as getting interns or offering fellowships. I see lot of foreign students would like to spend one year in India, and work in social sector. The trend is gradually catching up in India, though it will still take time. But, with a more secure job market, young people are comparatively more open to take the risk of trying out something new, before deciding on their career choice. But, from the enterprise’s point of view, such internships make sense only if they are longer term, like the ones offered by Villgro, PRS legislative, etc.

The other source of talent pool is by tying up with some of the corporate sector organizations. Some of them do depute or lend out their professionals to social ventures. This may be as a part of their CSR

activities, but this is one source which can be explored and tapped.

Would you recommend hiring professionals to run a social enterprise, or is it possible to run it on the basis of strategies recommended by, say, a consultant?

It is possible if the strategy advisor is part of the social sector, but specialized consulting for this sector is still at a very nascent stage. We only have a handful of organizations like Start-Up, etc., in this space. But hopefully, in another few years we may see more such services becoming part of the ecosystem.

What role can investors play in ensuring that a social enterprise is managed professionally?

Social investors are already playing the role of the consultant – not entirely handholding but giving advice, since it is in their interest that the venture should grow. I know that investors such as Aavishkaar, ElevarEquity, etc., provide professional advice – even if it sometime informal in nature. Similarly, funding organizations like Sir Ratan Tata Trust also get a status study done periodically, and provide advice on that basis.

One area of need and opportunity, where investors can play an important role is in helping the young start-ups becoming investor-ready. Mostly, investments come much later when the enterprise has reached a growth path. But to reach that point, social enterprises require advice and support, such as information about sources of fund, enterprise planning, capability building, etc. With their experience, investors can be a great resource for them, and for the investors also, this would ensure a better quality of pool of investment opportunities. 

Prof. Madhukar Shukla teaches at XLRI Jamshedpur and his area of specialisation is organizational behaviour and social entrepreneurship.

starting up struggles

The founder of a start-up agri-business recounts his experiences with establishing operational efficiencies and the challenges that most start-ups face.



By Srikumar Misra

>>> When approached by *Beyond Profit* to write a piece on major starting up issues in building Milk Mantra, I thought it wouldn't be a major ask as we have plenty of issues to deal with. My team and I have been busy laying the foundation – literally, too, for the shiny new milk processing factory we're building in Orissa – and the wireframe of our business model as we move towards product launch in the coming months. Here's my two cents on what I think are the gaps in management processes, from an entrepreneur's point of view.

People & HR

My people skills are being tested day in day out! With a corporate background, and having managed cross-country teams, I've been exposed to people issues before. But nothing prepares you fully for when you're starting up your own venture – both internally and

externally. People management needs a case to case approach. Starting up pressures are immense and take a toll on everyone, from the guy who is supplying milk to our B2B customers at 4 a.m. in the morning to senior management. Managing this people aspect and cognitive bias therein, and getting everyone to refocus and move forward requires daily rigor.

Building the right team takes immense effort. And of course, the person needs to be at least halfway there in sync with our culture – which itself is evolving.

Getting all this in a person, and at the right price is somewhat of a challenge, to put it mildly. Also, a rural workforce presents unique challenges and professional ethics issues. Sometimes there is scant regard for agreements and these problems are often more magnified during the starting up process.

Finance & Compliance

Thankfully, we are, for now, past the challenges of raising start-up capital, of which there is a severe dearth in India, especially for agri-businesses. Operational financial controls and compliance is an area that needs constant monitoring and intervention. Compliance and financial controls consume a significant amount of my time since the cost of having a chief financial officer (CFO) and finance and accounts team would be quite high

for a pre-revenue company like ours. This is an issue most Founder-CEOs likely to grapple with in startups across sectors.

The various layers of tax and company law compliance required is also quite complex. For a start-up, these demands cannot be prioritized second to core operations.

Operations Scaling

No matter how much diligence has been put into rollout, the sheer amount of red-tape, coupled with not-so-scrupulous vendors, will disrupt the best-laid plans. At Milk Mantra, we're looking at a three month delay in rollout owing to one vendor -- of four -- who reneges on all timelines and commitments. And you can't do much because as a start-up, you are unable to have late delivery clauses.

In short, managing operations scaling execution is critical. Reality will have several surprises and you can do little about it owing to your start-up status.

But the excitement of what we are creating and what we hope to deliver to our consumers and network farmers is unmatched and that's what will keep us going! ☺

.....
Srikumar Misra is the founder and CEO of Milk Mantra, a start-up in the consumer dairy products space. In 2009, he quit as Director of M&A at Tata Tea and Tetley to set up Milk Mantra.

thetechquestion: asset or liability



By Siddharth Sharma

>>> It has never been a better time to be an entrepreneur. The Internet has democratized information to an extent where almost anyone can start a business, create a product, and find customers, right from your bedroom. A lot of this is due to new technologies that sprung up over the past decade or so and are now achieving maturity. The technology sector is wasting no time in trying to fulfill the needs of these new entrepreneurs.

When information was difficult to acquire, store and transmit, organizations derived value from their ability to do so. Intellectual property, customer databases, operations manuals and even culture were guarded as they gave the firm meaning and intellectual form.

Not anymore. Technology has taken this information to anyone with an internet connection. The traditional organization is morphing into a loose agglomeration of individuals. This is what makes this such an exciting time to do business. Companies are getting smaller, more nimble, more targeted, and, above all, more efficient.

Social enterprises are no differ-

ent. With this new kind of nimble company however, it becomes more important than ever to stay on top of the flow of information. Now, fortunately, there is a range of tools available that can help them do this for a very economical price.

Some of the typical tasks that need to be systematized include inventory management, accounting, human resources and payroll. To borrow from the iPad advertisement, there's an app for almost everything. For example, at Mostfit, we use podio.com to share information within our team and even outside it. We use Zoho books and Zoho CRM to track our accounts and our customer leads and contacts. We use Google apps for email and calendars. Zoho offers solutions for a plethora of needs, such as HR management. Basecamp offers nice project management tools. Sites like Shopify and Aceseller will give you an online storefront with payment gateway integration.

In other words, there is probably an app for exactly what you need. Even if there isn't, most of these businesses run on modular architecture where you can plug in your own functionality.

With all these options, it is easy to get confused. Luckily, most of them offer some kind of free plan where you can try before you buy.

Having said that, these are some common solutions to some common problems but as we know, life is not always so simple. Sometimes the business you are running requires a bespoke solution. The whole social enterprise space is replete with

examples of business being started where there is no precedent. Many of these businesses will in future run at massive scale and will need good technology. Bad choices here can make all the difference between a smoothly scaling organization and one that is beset by issues at each step. For organizations that need custom IT development to serve their customers, here are a few tips:

Start small

You will probably start small and so should your IT system. Start with some open source software -- you can add complexity later.

Get an in-house IT person

You must have one person who oversees all the technology -- a CTO (Chief Technology Officer) if you are serious about scaling.

Budget for technology

Technology is going to be delivering your business to your customers. Budget for it accordingly.

IT is a relationship

Technology is a relationship and you should choose a vendor that wants to understand your business and will be involved from day one.

Stay agile

It pays to be nimble. Choose a platform and vendor that espouses that philosophy -- of building what is needed, but keeping open a clear upgrade path. ☐

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Siddharth Sharma is CEO of the Technology Services Group at Intellicap.

smooth transitions

While evaluating a start-up so cent, what investors are really looking for is the ability of the entrepreneur to make the transition from founder to manager.



By Noshir Colah

As a member of a leading venture capital management company that focuses on early stage companies, I have the pleasure of reviewing business plans and meeting with entrepreneurs and promoters. By definition, since our investments are “early stage,” there is usually little or no track record by which to evaluate the proposals.

The available tools are often restricted to an idea, the manner in which the idea is proposed to be converted to a viable and scalable business, perhaps a limited demonstration of the feasibility of realizing the objectives, and an evaluation of the entrepreneur.

Evaluating the “Idea” is reasonably straightforward. It requires an affirmative answer to a single question: “There may be a niche in the market, but is there a market in the niche?” Overestimation of the market size is one certain way of writing off an investment.

New businesses are established on the strength and personality of the entrepreneur. But there comes a time when the business has outgrown the ability of one person to

run it. This is a defining moment. Can the entrepreneur reinvent himself or herself to transition from the Founder to a CEO?

I find it necessary to pay a great deal of attention to understanding the potential for the entrepreneur to make this critical transition. Two areas often provide a good indication: the organizational section of the business plan and the manner in which decisions are taken where there are more than, say, five employees.

The organizational planning offers keys to the promoter’s vision. Does s/he plan on hiring senior level managers at the right time? Is s/he planning to continue in roles which may not be strengths? Is the remuneration for senior management adequate to enable independent decision-making? Or is s/he likely to hire only “Yes men”?

It is not enough for an organizational plan to have a chart with designations. Right from the planning stage, it is necessary for detailed job descriptions. A venture must know what key resources will be required. And top management is a key resource. While down-the-line delegation can and should come as the venture advances, it is important to understand early the level of delegation of authority and responsibility for top management.

Assuming the first two criteria have been met, the next question is: Does that provide enough comfort that a successful transition from Entrepreneur to Manager will be made, thus providing

the structure to facilitate growth? Not quite. There could be a big gap between intentions and ability. The key to bridging this gap are systems and SoPs (standard operating procedures).

I recently evaluated an investment opportunity where the promoters had proven only about 20% of a high-risk business model. The market was huge, as were the challenges.

After several months, we concluded that the promoter team had the right approach and ability. The determining factors were four: one, the founder had made an effort to bring co-promoters with strong professional management experience; two, all the promoter-managers had worked in professionally-managed firms and were grounded in strong systems and SoPs; three, with as few as eight managerial employees, the firm had SoPs and reporting systems in all functional areas; and four, even at this stage the promoters ensured that procedures were strictly followed, including by themselves.

Thus, the promoters were able to prove that their expertise had been passed down. This gives confidence in the ability of the company to grow beyond the promoters, and its strength to manage growth internally. This, then, is proof that the Entrepreneur has transitioned to a Manager, and that the firm can become larger than its founder. ■

Noshir Colah is Executive Director of Aavishkaar Venture Management Services, which provides micro equity investments to social enterprises.

top 5 affordable tech solutions

Affordable, convenient tech solutions are available to social enterprises to make operations more efficient. Below are five web-based apps for any IT budget.

By Nisha Kumar Kulkarni

Google Apps

With its web-based email, calendar and documents, Google has undeniably made business easier. Google offers three different versions of its application suite: for individuals, education and for business. Google Apps for Business is not free, but is affordable. There are two plans available: the flexible plan for which you pay \$5/account/month, and the annual plan for \$50/account/year.

ZOHO

Zoho is a web-based assortment of applications for business. It has identified and categorized a variety of applications in three categories: collaboration, business and productivity. Zoho applications are free for individuals, but business users may have to pay a fee for applications. For example, Zoho CRM is free for the first three users, but the professional edition costs \$12 per user per month or \$25/user/month for the enterprise edition. Other applications like Mail Suite, Reports, CRM and Projects are also available for a fee.

PODIO

Podio is an online platform that allows a person to organize and manage the virtual workspace. It can serve as a place for project and work process work management, as well as for company news, discussion and interaction. Podio also offers a "social intranet," allowing people to share information and materials with colleagues and outside stakeholders. Up to 10 user accounts are free, but for \$99/month, 25 user accounts are included and additional unlimited users can be purchased for \$4/user.

aceseller

India-based Aceseller was founded to assist artists, designers and businesses to sell their products online. Features of the web-based store are unlimited products listings, pages and bandwidth, as well as a Facebook store, full customization, inventory tracking and discount codes. There are four pricing plans on offer: starter, basic, pro and premium. The transaction fee varies with each plan. The basic plan, for example, costs INR 1,999 (~\$44)/month and has a 8% transaction fee.

shopify

Like Aceseller, Shopify is a web-hosted store where a person can sell her goods globally. It allows a person to do everything she does with a physical store location, but online. Shopify allows the business-owner to organize products, customize the storefront, accept credit card payments, and track and respond to orders. There are four pricing plans: basic, professional, business and unlimited. The business plan costs \$99/month and includes a 1% transaction fee, 10,000 product listings and 1,000MB on Shopify's servers.

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