



**THE/NUDGE**  
INSTITUTE



# Impact Assessment of The/Nudge CSI Incubator Program

*Insights and Recommendations*

19th Oct, 2022

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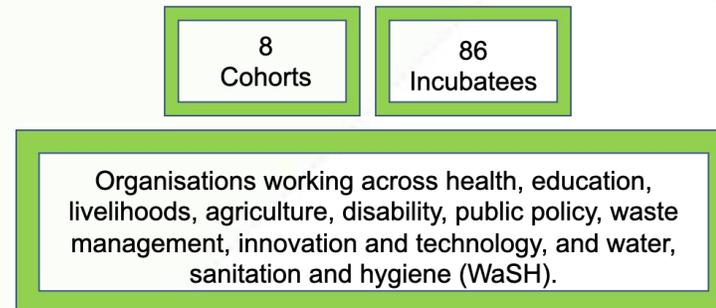


# **Background and Study Objectives**

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# The/Nudge Incubator Program

- Dedicated guidance and mentorship, access to funds, cumbersome legal structures, hiring trained personnel, marketing and endorsement are some of the challenges faced by nonprofits which create impediments for them to sustain their operations, build their organisational strength, and financial resilience required to solve society's pressing problems.
- The/Nudge Institute recognized the need of creating an ecosystem wherein social leaders can shape their ideas, build an organisation of scale, and become social entrepreneurs. They, thus, launched the Centre for Social Innovation's Incubator Program (formerly named N/Core). The/Nudge Incubator is housed in AIC N/Core, a special purpose vehicle formed as part of its participation in the Atal Innovation Mission (AIM) of Niti Aayog. Implementing the incubation and acceleration programs from this entity enables portfolio organizations to access the larger network and resources offered by the Atal Innovation Mission.
- The/Nudge team aims to discover and incubate the best and brightest founders with high potential non-profit start-ups, working on the most critical problems in the sector and deciphering real-world solutions with plausible large scale. During the course of the program, organisations are provided with innovation grant, one-on-one mentorship, networking opportunities, and access to funding channels.



# Objectives

1. **To assess the impact of The/Nudge incubation program on the incubatees in terms of their**
  - a. **Skills** (Leadership skills, Pitching, ToC, and M&E frameworks)
  - b. **Knowledge** (Overall exposure- Knowledge about the sector- awareness of challenges and opportunities in the sector, adaptability of product as per the sector, awareness about the funding and networking ecosystem)
  - c. **Inspiration** (To become change leaders- within the organisation and in the ecosystem, motivation to bring disruption in the social ecosystem)
  - d. **Networking** (With funding agencies and similar organisations/ventures/non-profit)
2. **To assess how The/Nudge incubation program impacted start-ups to accelerate their learning to scale, speed and innovate**
  - a. **Product readiness** (Problem understanding, Model of scale, Product market fit)
  - b. **Execution readiness** (Talent acquisition, Operations, Organisation culture, Legal and Compliance related readiness, Regulatory requirements like audits, certificates, clearances, etc., Financial health, Stakeholder outreach, Evidence of impact)
  - c. **Capital readiness** (Finding funders for the product, Budgeting and costs identification, identifying right sources including retail/corporate foundations, Pitch readiness, Understanding fundraising landscape)
3. **To assess the overall impact of the interventions in the broader ecosystem including funding**
4. **To assess the changes brought by the incubatees in the social ecosystem**
5. **To understand the structure of systems/ processes of the incubator program and their alignment with other programs**

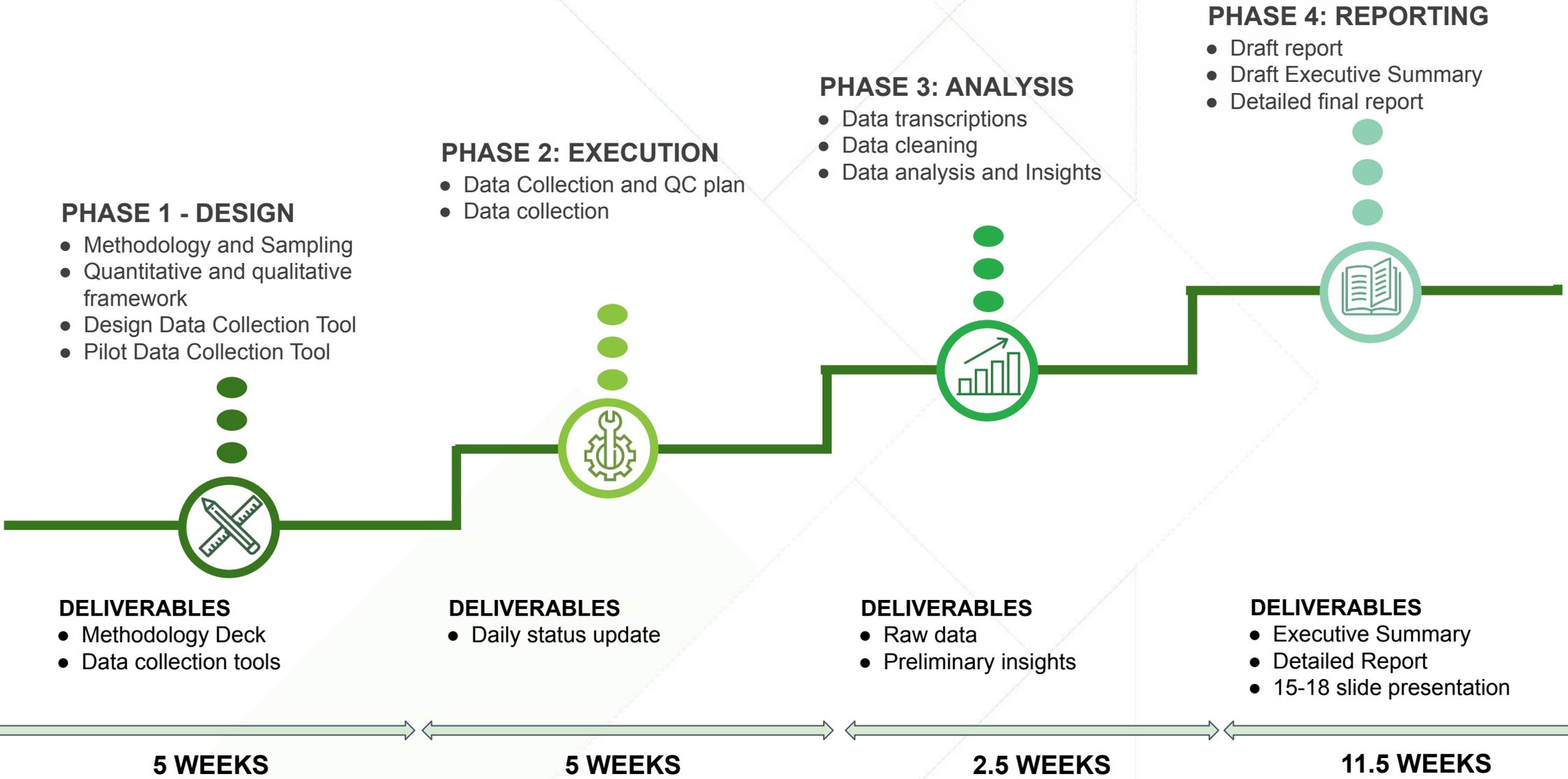
# Methodology

Organisation for Economic Co-operation and Development's (OECD) Development Assistance Committee (DAC) evaluation framework was deployed and contextualised to respond to the following research objectives

DAC Framework	Areas of Enquiry
<b>Relevance</b>	<ul style="list-style-type: none"> <li>● Need of CSI incubator program</li> <li>● Alignment of the incubator's objectives and activities with the needs of the incubatees</li> <li>● Key selection criteria for the incubatees</li> </ul>
<b>Effectiveness</b>	<ul style="list-style-type: none"> <li>● Existence of well defined processes and systems to (a) bring desired outputs, outcome and impact in a timely manner, (b) map the relevant indicators, (c) incorporate feedback</li> <li>● Clearly defined entry and exit criteria for incubatees</li> <li>● Overall impact of the incubator on skills, knowledge, inspiration and network of the incubatees</li> <li>● Effectiveness of CSI incubation program as reported by Incubatees</li> <li>● Reason(s) for joining other non-CSI incubation programs</li> <li>● Reason(s) for closing operations.</li> </ul>
<b>Coherence</b>	<ul style="list-style-type: none"> <li>● Program Alignment with the international frameworks such as SDGs</li> <li>● Synergy and alignment of the incubation program with the organisation's other interventions</li> <li>● Collaborations or partnerships with external organisations/ similar institutions/ similar program owners to utilise synergies.</li> </ul>
<b>Impact</b>	<ul style="list-style-type: none"> <li>● Impact of The/Nudge incubation program on the incubatees and</li> <li>● Impact of The/Nudge incubation program on start-ups to accelerate their learnings to scale, speed and innovate.</li> </ul>
<b>Sustainability</b>	<ul style="list-style-type: none"> <li>● Financial sustainability of the incubators</li> <li>● Clearly defined operational strategy with roles and responsibilities for the incubatee organization post the incubation program.</li> <li>● The extent to which the net benefits of the intervention continue, or are likely to continue.</li> </ul>

# Approach and Sampling

# Four-phased Approach to Impact Assessment (24 Weeks)



# Sample and Data Collection Methods

Stakeholder   Mode of Data Collection		Target Self-administered Survey	Achieved Self-administered Survey	Target In-depth Interview	Achieved In-depth Interview	Focus Group Discussion	Achieved Focus Group Discussion
Incubatees	In operation	44	28	7	9		
	Livelihoods	12	7	7	5		
	Ceased Operation	12	5	1	0		
Mentors				4	4		
Donors				5	5		
Sector Experts				6	5		
Program Team						2	2
<b>Total</b>		<b>68</b>	<b>40</b>	<b>30</b>	<b>28</b>	<b>2</b>	<b>2</b>

# Limitations and Challenges

The study had some limitations which are detailed out below:

- As the lookback period for the incubatees was as long as from 2017, **recall bias** sneaked in which was caused by differences in the accuracy or completeness of the recollections retrieved by study participants regarding events or experiences from the past.
- Some of the incubatees **were not able to provide clearly disaggregated impact numbers** in terms of gender and socioeconomic status of their beneficiaries as they did not maintain such exhaustive data. Hence, the analysis reflects the indicative numbers for the same.
- **Mobilisation of incubatees** was a challenge from the start. Though the quantitative data collection was conducted over nearly four weeks, some of the incubatees could not make time to fill the self-administered survey. Hence, 40 responses could be achieved from a target of 65.
- For qualitative data collection, the incubatees were sampled in a purposive manner, but **due to mobilisation challenges, convenience sampling was done**. Thus, incubatees who were available were interviewed.

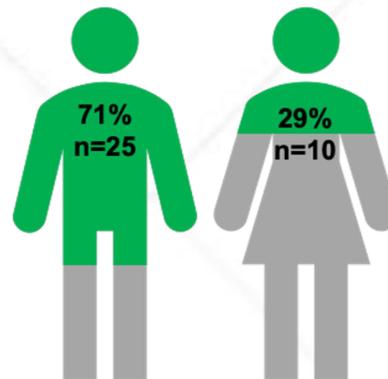
# Incubatee Profile

# Profile of the Incubatees

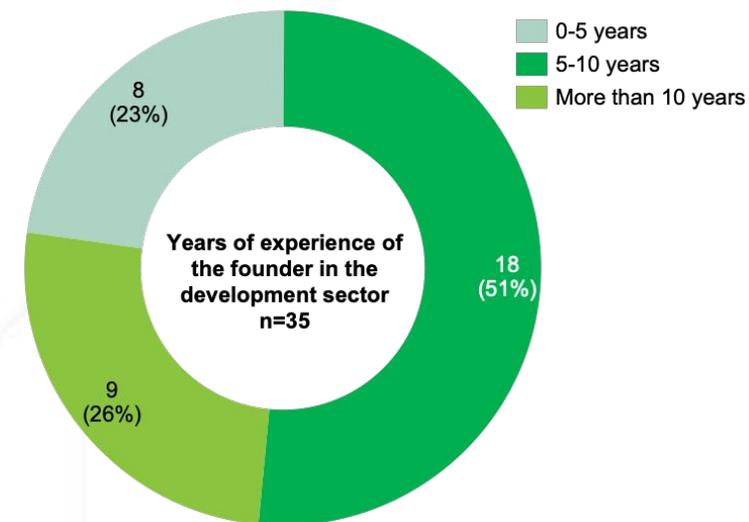
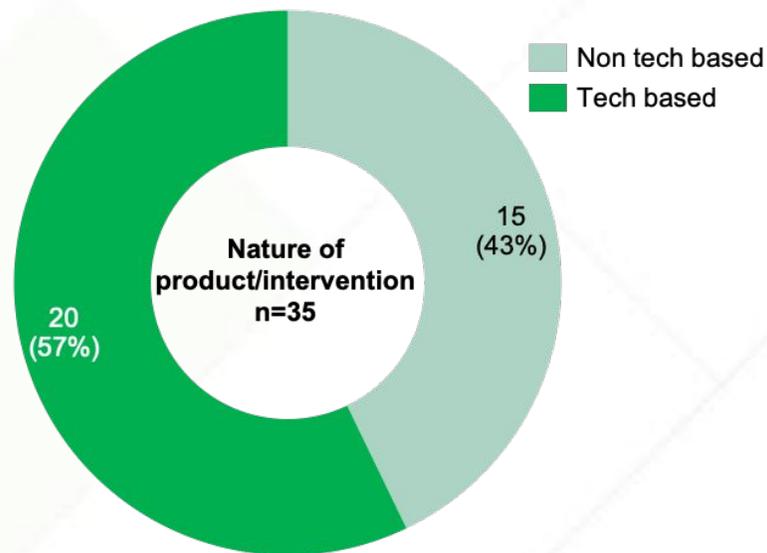
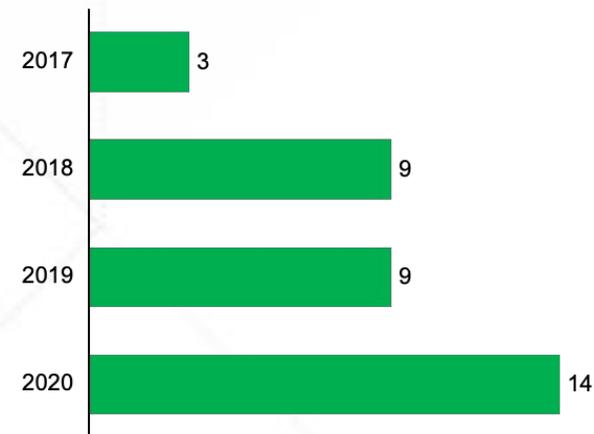
## Primary thematic area of operation (n=35)

-  Education (16)
-  Resilient Livelihoods (10)
-  Health (3)
-  Agriculture (1)
-  Disability and Inclusion (1)
-  Public Policy (1)
-  Waste Management (1)
-  Innovation and Technology (1)
-  Water, Sanitation, and Hygiene (1)

## Gender of the Founder (n=35)\*



## Organisations by year of enrolment (n=35)



\* In the overall program, 46.48% of the founders were women.

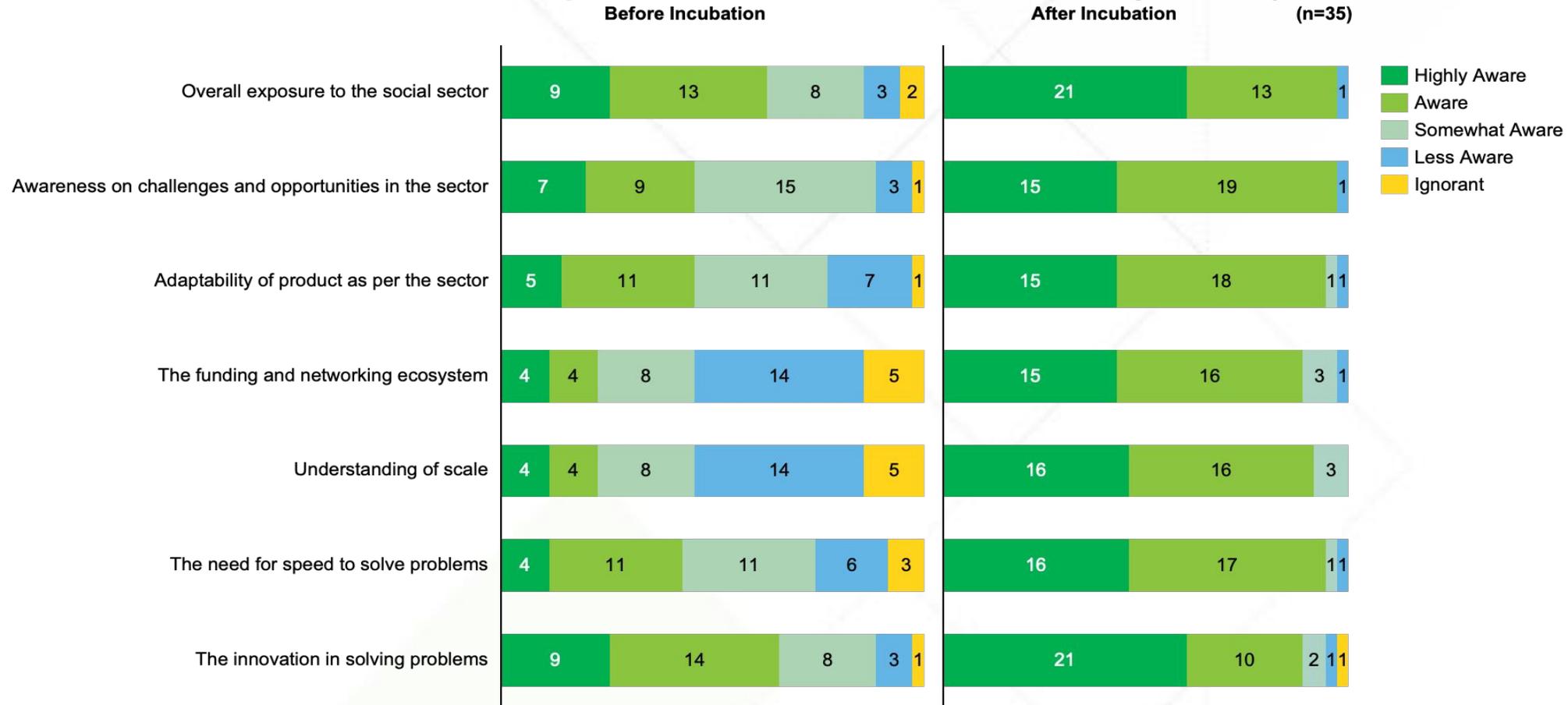
# Key Insights



# Research Question -1

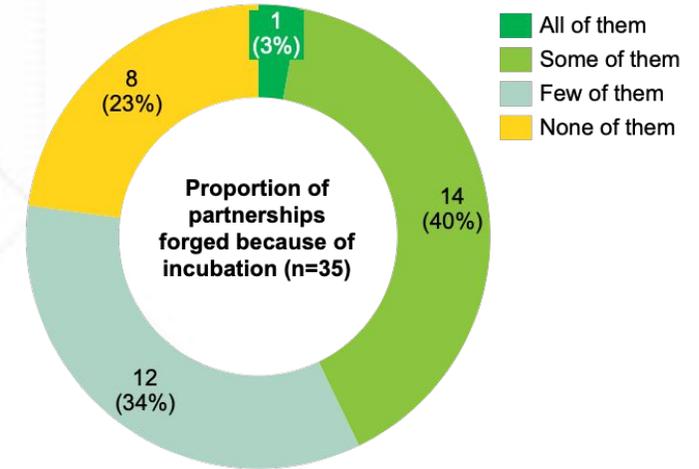
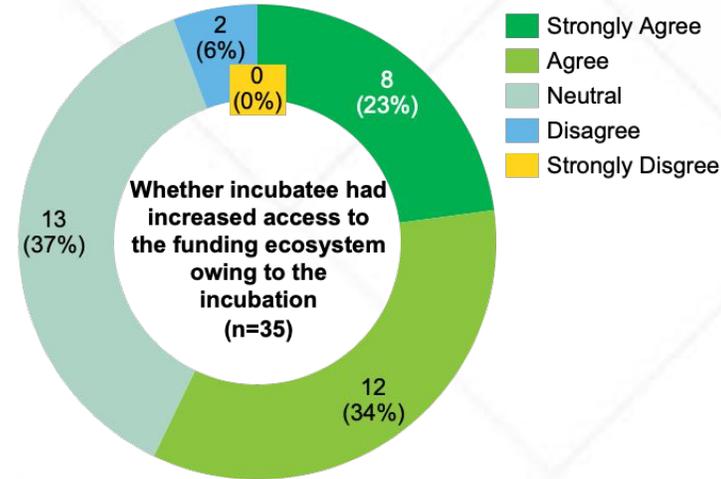
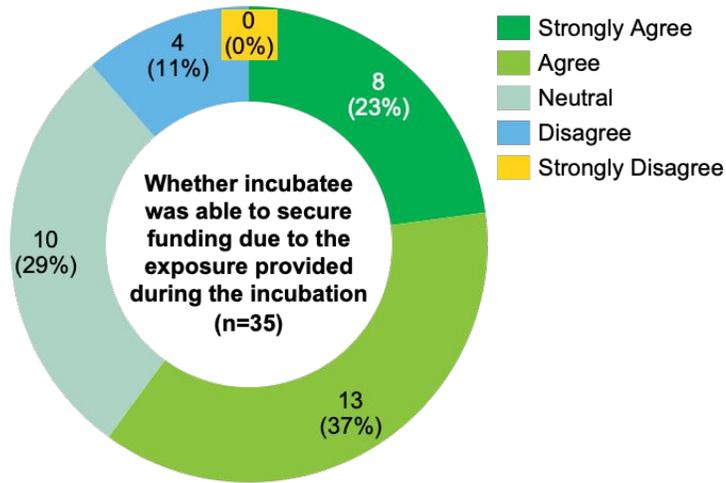
- **To assess the impact of the CSI incubation program on the incubatees**
- **To assess how the CSI incubation program impacted start-ups to accelerate their learning to scale, speed and innovate**
- **To compare value addition to the SKIN of the incubatees with other incubation programs**

# 94% of the incubatees reported an increased awareness across all knowledge themes; the highest increment is in knowledge on scale and networking ecosystem



- Incubatees reported an overall increase across all knowledge areas. 44% of the incubatees were highly aware or aware of various knowledge areas before the Incubation program and this number had a significant positive shift with most; **94%** now reporting that they are highly aware or aware of the knowledge themes after attending the incubation program.
- The sharpest rise can be observed in their understanding of scale, from 23% of the respondents having high levels of awareness about scale before the program to 96% after the program. Similarly, an increase of **66%** (from 23% to 89%) can be observed in their understanding of the funding and networking ecosystem.

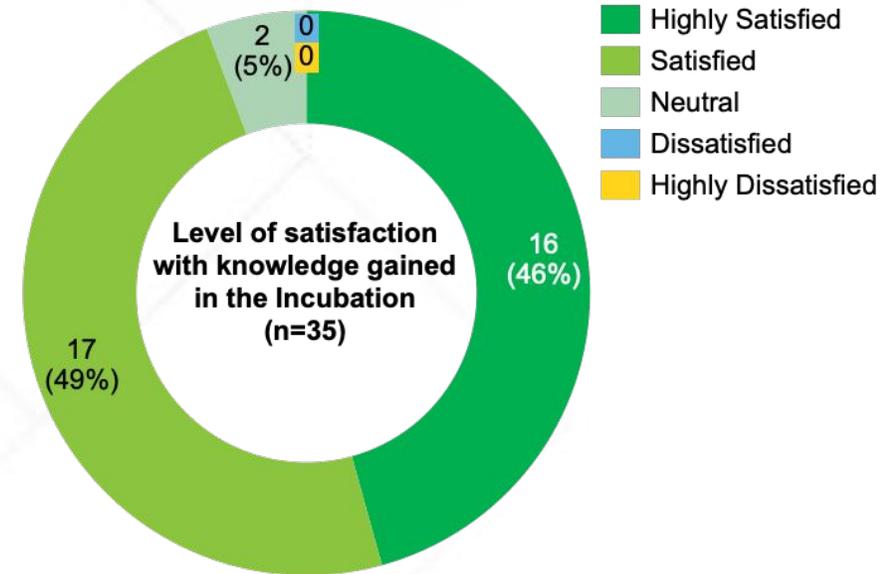
# 60% of the incubatees could get more funding after the incubation as the incubation increased their network and access to the funding ecosystem



- **57%** of the incubatees reported through survey that they had an increased access to the funding ecosystem owing to the incubation program.
- **37%** of the respondents did not see any major change in their access to the funding ecosystem. In qualitative responses, off a pool of 15, 3 reported not getting sustainable networks. Notably, these three organisations worked across very niche fields. They had a few prospective funders to begin with.
- When enquired about the kind of connections they could foster, Foundations featured heavily. In quantitative data, **48%** of the incubatees reported having forged some connection with a foundation. This was followed by a mix of high net worth individuals, CSRs, and few government stakeholders.
- **60%** of the incubatees, through quantitative survey, reported that they were able to secure funding due to the Incubation exposure
- There was no significant correlation between the funds raised and the age of the organisation.

# Overall, 70% of the founders reported high value addition to their personal skills owing to the incubation

Improvement in the founders' skills owing to the incubation (n=35)

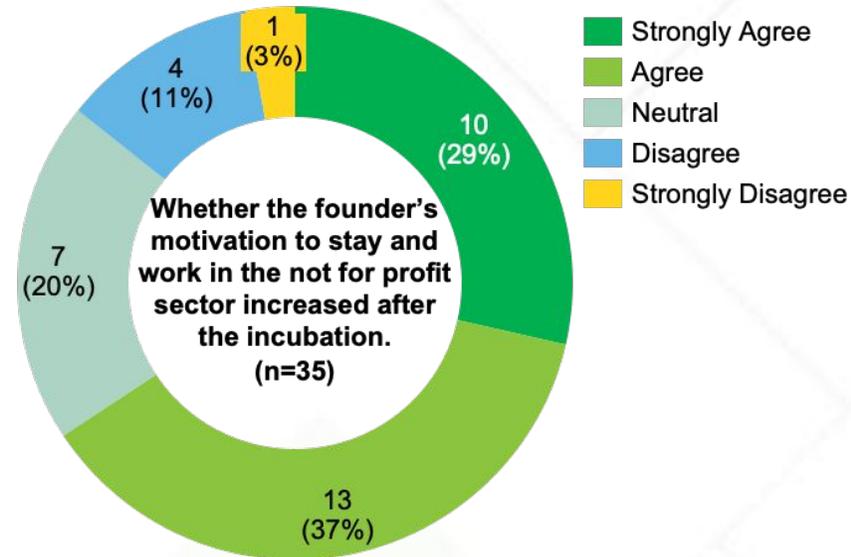


- Founders reviewed the bootcamps very favourably in terms of giving them an introduction to the sector and various aspects related to an early stage organisation. In all, **89%** of the incubatees reviewed that skills gained through bootcamps and mentoring sessions favourably.
- Few incubatees, that is, 3 of the 15 incubatees in the qualitative interviews reported that although the content of the curriculum was expansive; it was standardized.
- While the current model of one assigned mentor gives an incubatee the chance to develop a personal relationship, gaining problem-specific expertise of the diverse mentor network at The/Nudge can be leveraged if the incubatees were given access to the entire network at The/Nudge. This sentiment was echoed by some mentors in qualitative discussions.

Founders credited the incubation program for providing them with a safe space where they could interact with their peers and learn from their journeys. This kept them **inspired and motivated** to continue in the sector despite the challenges

**100%**

of the incubatees are motivated to stay and work in the sector in the coming years.



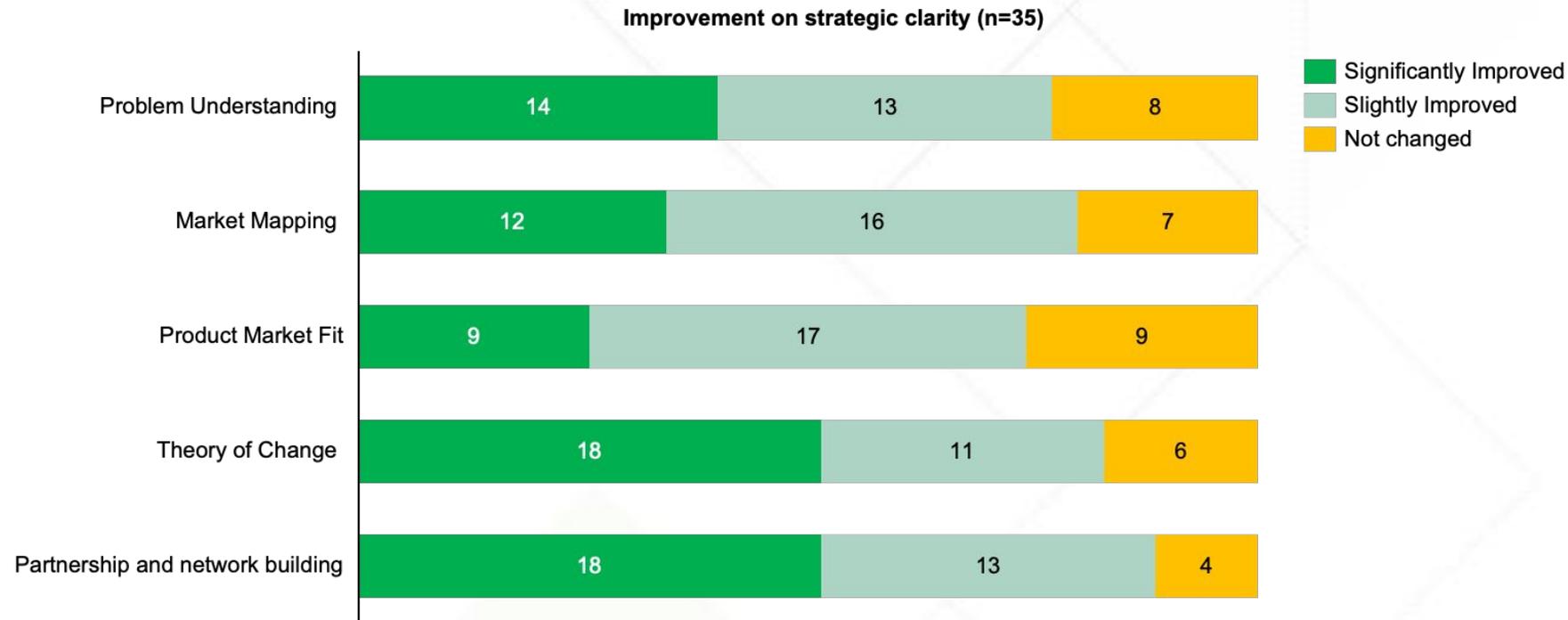
*“Nudge allowed us to not only learn but also fail. The sanctuary for early stage startups that they have created helps us believe in our cause even more strongly”*

- Incubatee

Net Promoter Score - **8.8**

- In qualitative discussions, founders extensively spoke about how lonely the journey of an entrepreneur can get, especially in the earlier days. They stressed the need for hand holding and a peer support network who not only helps them learn but also helps them cope with challenges on a psychological level.
- Incubatees said that they came in highly motivated but without direction, and credit the incubation program for giving them the required support to grow and expand. 66% of the incubatees say that the incubation added to their motivation to remain and work in the sector.

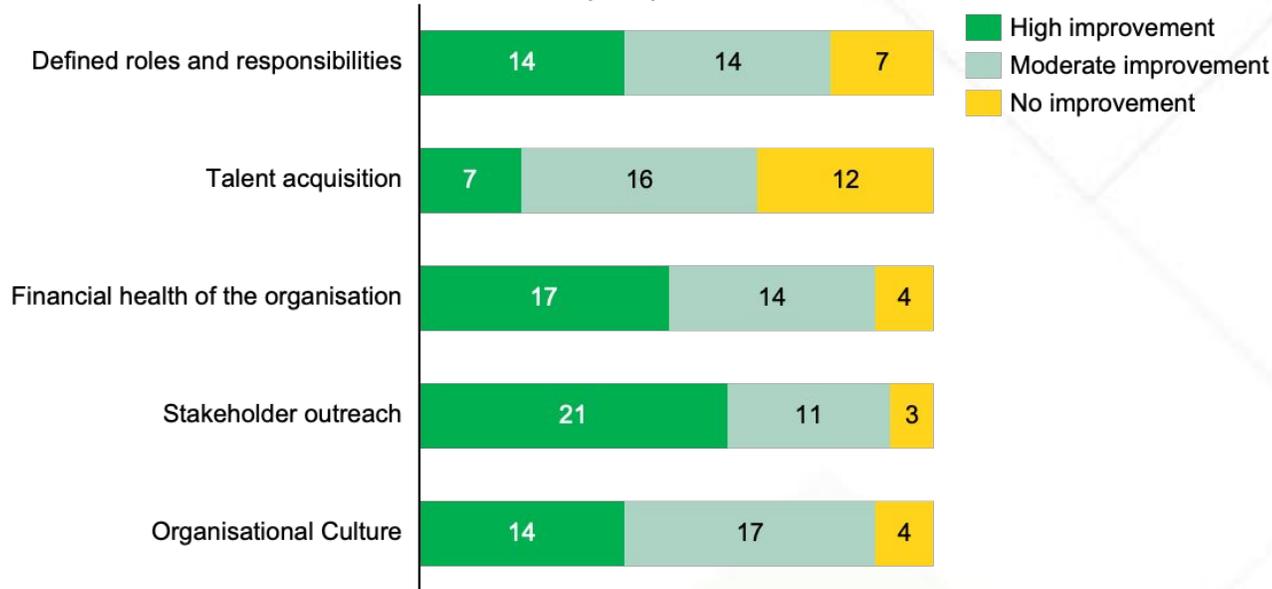
# Founders reported an improvement in their learnings to scale, speed and innovate, especially on building a theory of change and partnership and network building



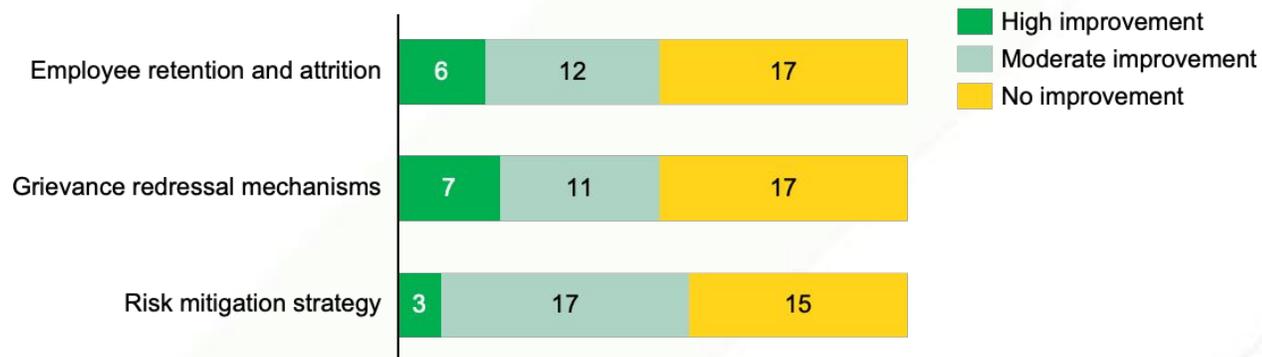
- 95% of the incubatees in the quantitative survey reported satisfaction/high satisfaction with the knowledge gained through the program.
- One of the biggest hurdles that incubatees identified in qualitative discussions (7 of the 15) were a lack of professional and peer network and a lack of clarity on the course that their organisation would take in the early days. They credited Nudge with providing them a safe space to learn, grow, and network.
- Founders across organisations reported that gaining product market fit and market mapping were the biggest challenges they faced in scaling up and these challenges pervade across various levels of maturity, thematic area, and business models. Not being able to get the product market fit right was a major reason for organisations in the sample to cease operations.

# Incubatees reported the most value add in their financial practices and networking, while hiring, addressing attrition, and risk mitigation still remains a challenge

**Growth in organisation owing to the incubation (Nudge stated objectives)**  
(n=35)

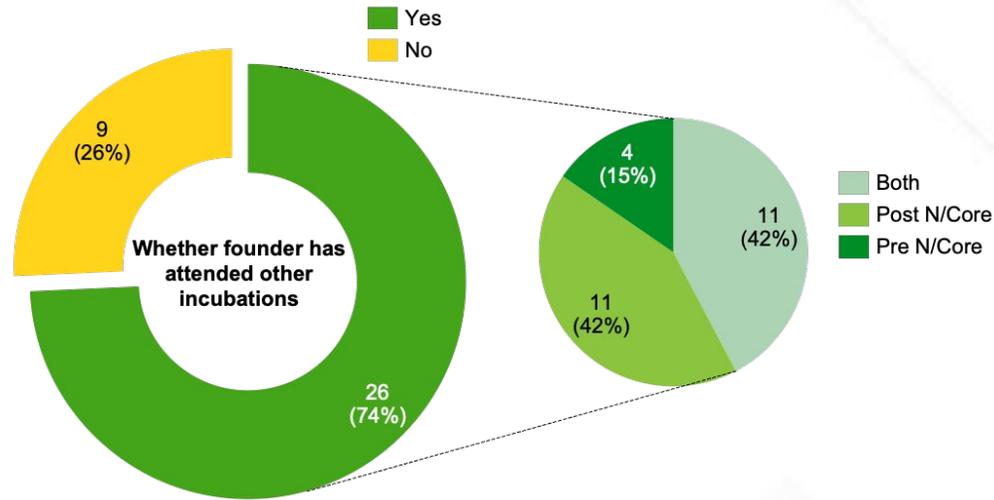


**Growth in organisation owing to the incubation (Other than stated objectives)**  
(n=35)



- Incubatees felt that the program’s focus on networking had a very positive impact on them and 91% of the respondents reported an improvement in their stakeholder outreach.
- The program’s rigour helped the incubatees focus on organisational level practices like financial management, building on organisational culture, and having defined roles and responsibilities for their teams.
- While financial practices of 89% of the incubatees improved, they wanted to deep dive into these skills and further by means of a more immersive course.
- Finding, hiring and retaining the right talent was reportedly a major challenge for the early stage startups. Founders find it difficult to manage expectations of their employees and have them onboard for longer. Most organisations don’t have policies which monitor and tackle attrition, which is a huge hurdle to sustained growth.
- Over three-fourths of the organisations do not have a risk mitigation strategy in place.

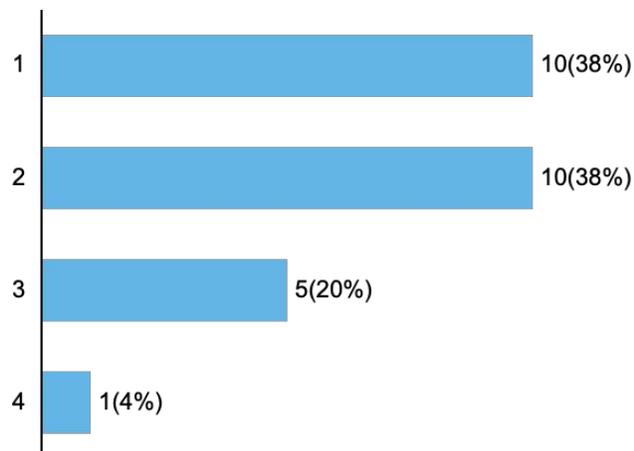
# While need for more funds and network were the major reason to undergo other incubations, founders pointed out some differences between the design of these programs and The/Nudge



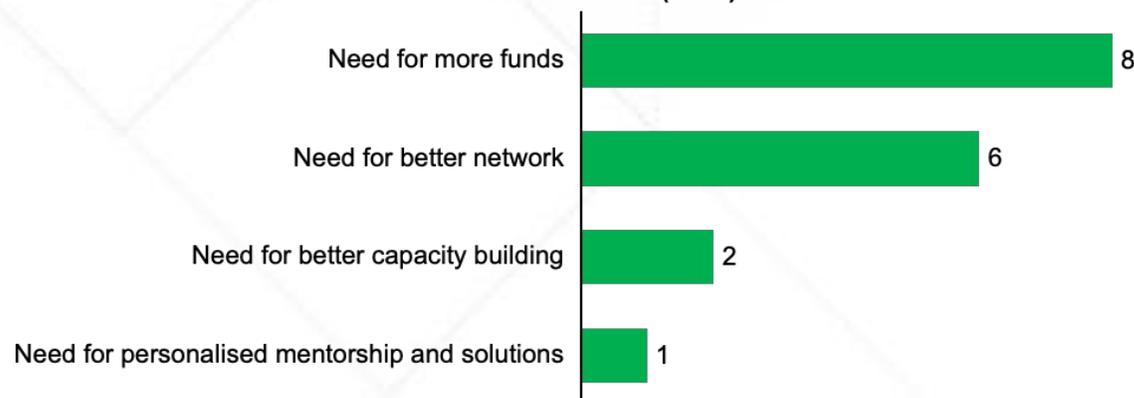
- Other Incubation programs attended - Unlimited, Edumentum, Change looms, NSRCEL among others.
- In qualitative discussions, founders highlighted how The/Nudge is a well rounded and wholesome incubation program which focuses on almost all aspects of an early stage startup. Some incubators focus specifically on the founder's capabilities, while others are sector specific.
- 38% of the founders who chose to undergo other incubations did so for a more personalised and long term engagement. Founders pointed out on the limited time engagement at Nudge and how they would like the alumni connect to be stronger and for a longer duration.
- Founders rated Nudge's value addition in terms of skills and knowledge very highly.

# Need for more funds and better network were the major reasons for organisations undergoing other programs after the The/Nudge

Number of incubation programs attended apart from The/Nudge (n=26)



Reasons for attending other incubation programs after The/Nudge (n=11)



- 76% of the organisations have attended 1 or 2 incubation programs in addition to The/Nudge incubation program, while 20% have attended 3 others.
- For organisations who have attended other incubation programs after attending The/Nudge incubation program, the need for network and more funds were major reasons.
- In qualitative discussions, an overwhelming number of incubatees said that the biggest reason for them attending multiple incubation programs was the funding that incubation programs offer. In addition to funding, networking was reportedly an added bonus.
- The same held true for organisations who came to Nudge after attending other incubation programs.

# Research Question - 2

- To understand the availability of grants, mindset of funding and supporting disruptive innovation by reaching out to funders in the ecosystem

# Qualitative interactions with donors, mentors, and sector experts highlighted the key challenges faced by young startups in India

## Key Challenges in the ecosystem

### Lack of Funds

*"Measurability of success is a challenge unique to this sector. Establishing credibility to raise funds remains a huge problem for young startups"*  
- Mentor



### Lack of Network

*"Since the sector is a small one, availability of network is an added challenge over accessibility. New founders need to identify the right kind of people, which is difficult for them."*  
-Mentor



### Lack of Vision and Strategy

*"Founders often fall in love with their ideas and not the iteration of these ideas. Their understanding of the sector is limited. This fixation on their idea puts them in a vacuum and prevents them from scaling up"*  
- Sector Expert



### Heavy government compliance

*"The government norms and requirements for the not-for-profit sector in India are dauntingly complex. Without structured guidance, getting these clearances can be a huge challenge."*  
- Donor



# All stakeholders credited Nudge with contributing to the evolution in the not-for-profit sector while identifying key themes of its contribution

## THE/NUDGE'S CONTRIBUTION TO THE ECOSYSTEM

While challenges with respect to funds still exist, all stakeholders reported observing a positive mindset shift in the ecosystem.



### Structured Support

Sector experts and donors rated Nudge's non-regimented model of support very positively. They found this model to help young startups set a solid base for operation at their speed.



### Trust and Credibility

Stakeholders believed that Nudge is a very well-established name in the sector and that incubatees greatly benefit from it in terms of securing funding.



### Attitude shift

Stakeholders reported that the sector has undergone a major shift in the last few years, with the attitude towards the not-for-profit model warming up. They reported Nudge as being a contributor to the shift in attitude.



### Platform for not-for-profits

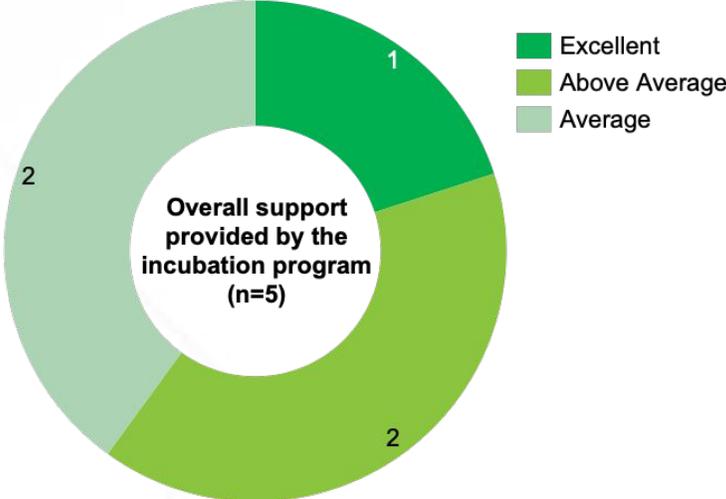
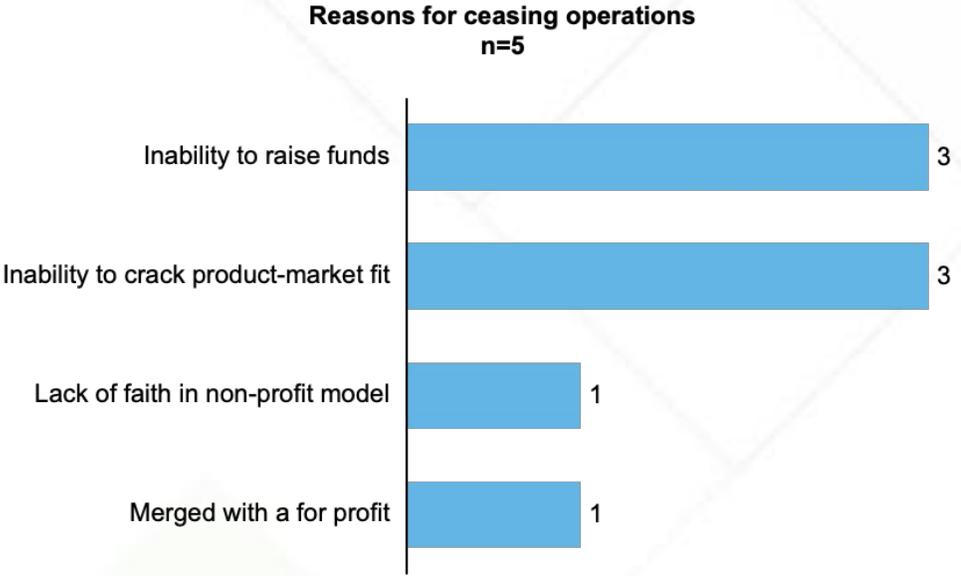
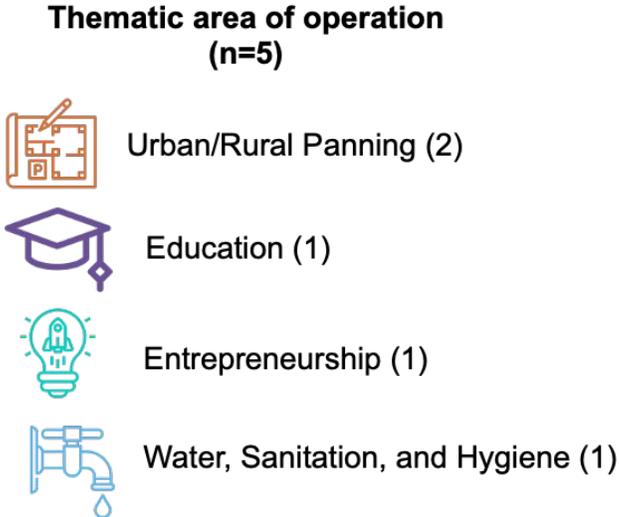
Given the few number of incubation programs for not for profits, the Nudge is filling an important vacuum in terms of providing these organisations a platform to showcase their ideas

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# Ceased Operations Organisations

- Exploring major reasons for operations shutting down

# In addition to the pandemic, not being able to achieve product market fit and insufficient funds were the major reasons for organisations ceasing operations



- 4 of the 5 organisations ceased operation in 2020. While the pandemic had some part to play in their shutting down, an inability to crack the product market fit and raise funds were the major culprits. 3 of the 5 organisations plan to restart operations in the future.
- When asked what they should have done to keep operations afloat, founders responded that they should have focused on scale in their inception phase and that they should have cultivated a better network of donors.
- The founders rated Nudge’s overall support mostly favourably. 2 of the 5 organisations chose to shift to a for profit model by collaborating with bigger organisations or changing their business model completely.
- 3 of the 5 organisations shut operations in 3-4 years, 1 organisation shut operations after 7 years, and 1 organisation shut at the pilot stage.



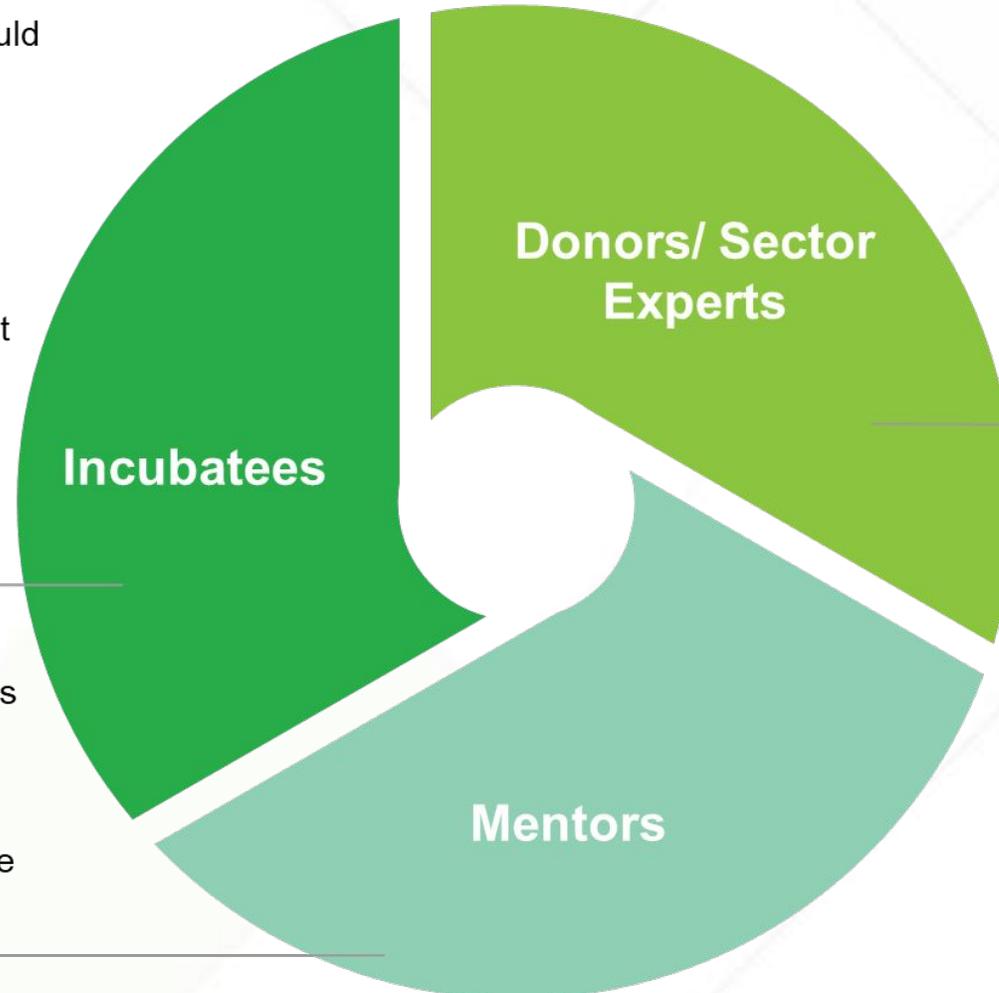
# Key Recommendations

# Key Feedback received from stakeholders

All feedback reported here is reported by over 50% of the respondents in qualitative discussions

- Access to the mentor network should be increased
- Need to build a stronger alumni network and have lasting alumni engagement
- Scale must not be limited to impact numbers; more comprehensive metric should be put in place
- Thematic area specific curriculum should be added

- A publicly accessible and thematically sorted list of organisations which have undergone incubation needs to be presented
- Longer handholding of the incubates would help keep up the rigor and make the organisations more competitive in the market

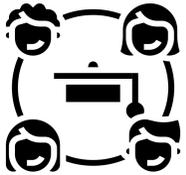


- Incubatees should have access to the entire mentor network
- Need to build on grassroots connect to have a more diverse cohort

# Recommendations



While mentorship is one of the highest rated aspects of the program, **increase in access to overall mentor network** for incubatees in a manner that they could reach out to any or all of The/Nudge's mentors is one of unequivocal recommendations from the Incubatees. Dual or Multiple mentorship models can also be piloted to understand what works the best.



Mentors and donors suggested the need to strengthen **alumni outreach** for the program to maintain a long lasting relationship with the alumni network. A need to be connected with the alumni was expressed by the incubatees as well.



It is strongly recommended that the organisation of the Founder/Incubatee should build a **robust M&E system** with robust data, especially on the number of beneficiaries and segregated year on year financial and beneficiary data to be able to document evidence, facilitate evidence based decision making and measure the social footprint of the organization more aptly.

# Alumni Stories

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Khushi Baby's digital platform ensures informed, accountable, and longitudinal maternal child health care in last mile settings. Khushi Baby has worked with over 60K community health workers, had over 14 million beneficiaries screened and identified over 1 million high risk beneficiaries. Today, they are the Nodal Technical Support Partner to the Department of Health in Rajasthan. Their vision involves scaling across India and building a digital integrated community health platform which covers all national programs.



Rightwalk is driving Equity and Inclusion by co-shaping public policies and translating them into action. Their intervention in the Right to Education (RTE) Act in Uttar Pradesh brought a historical change that impacted and mainstreamed over 4,70,000 marginalised children across 75 districts and 16,000 schools within 7 years. They are now focused on The Apprenticeship Act



Madhi Foundation is committed to ensuring that every child in Tamil Nadu achieves foundational learning skills by 2025, and they work with the Government of Tamil Nadu to collaboratively create holistic solutions towards this vision. Madhi Foundation has won the tender and has been appointed as the Management Partner for a path breaking initiative by the Tamil Nadu State government to implement the State's foundational Literacy and Numeracy scheme, the 'Ennum Ezhuthum Mission' – a Rs. 500 crore government-funded Mission to improve foundational literacy and numeracy outcomes for the 2 million children who attend Tamil Nadu government primary school



*Organic. Fresh. Desi*

Mitti Café is a chain of cafes that provides experiential training and employment to adults with physical and intellectual disabilities. Mitti Cafés across India are managed by hundreds of adults with special needs who have served over 5 million meals in just 4 years. They have 16 cafés within institutions such as Wipro, Infosys, Accenture, Wells Fargo, ANZ Bank, IQVIA, and Cyteware Hospital.



Navgurukul is a non-profit dedicated to bringing affordable higher education to the most disadvantaged communities. 450+ students have been placed in various companies. 25,000+ students have been taught the basics of programming through their online application called Meraki. Currently, 1000+ students are learning in residential courses across India and 25,000+ are enrolled in online courses. They have also launched courses across different disciplines outside their flagship course on Software Programming. Few of the other courses launched are - School of Design, School of Media, School of Finance and School of Management. All of these are residential year-long courses with guaranteed jobs.



**Gramhal**  
We build trust

Gramhal is building a hyperlocal digital platform, called LIST, that bridges information and network asymmetry and enables farmers to negotiate a fair price with buyers in the local ecosystem. Gramhal works with over 200,000 farmers and has answered more than 3 million queries. Using Gramhal's services, farmers were able to negotiate higher prices during crop sale, which resulted in an average increase in income of 81%, whereas the median increase in income was 25%.

# Annexure

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# Research Question - 3

- To assess the changes brought by the incubatees in the social ecosystem

# Nudge's incubatees have gone on to impact lacs of beneficiaries; livelihoods organisations have the most diverse beneficiary pool



**Education:** 47Lac+ students, 160+ schools, 40K+ teachers, and 45000 government officials across 9 states



**Health:** 3.3Lac+ beneficiaries



**Agriculture:** 300 farmers



**Disability and Inclusion:** 6800 visually impaired beneficiaries



**Public Policy:** 16k+ citizens engaged



**Waste Management:** 70 villages, 200 housing societies



**Innovation and Technology:** 850 NGOs



**Water, Sanitation, and Hygiene:** 50000 beneficiaries



## Resilient Livelihoods (7)

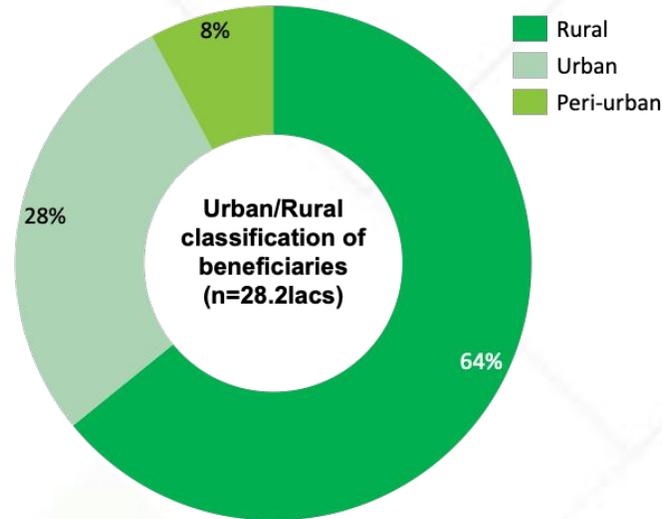
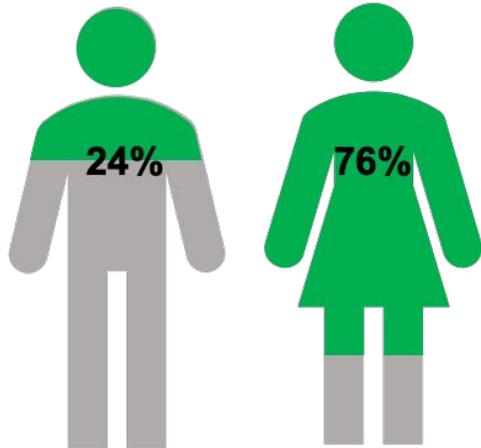
- 14k+ beneficiaries received skill training
- 10k+ beneficiaries received entrepreneurial support
- 10k+ beneficiaries got linkages to relevant markets
- 5lac+ beneficiaries got financial security

*“Our impact is not merely limited to making the lives of people better now. We want our service to make a lasting impact on their lives, where they benefit from it for several years to come.”*

*- Incubatee*

# Organisation who have underwent incubation have impacted lacs of beneficiaries across the country. The number of female and rural beneficiaries is notably high

**Gender of the beneficiaries  
(n = 11.2lacs)**



**1 Lac+** Tribal beneficiaries  
**1.5 Lac+** BPL beneficiaries  
**6.5K** AAY beneficiaries

- While organisations have given broad indicative numbers on the number of beneficiaries, category wise disaggregated data was not maintained by most.
- 57% of the organisations have a tech-based intervention, where technology is an enabler to service provision. In technology based interventions, the split between urban and rural beneficiaries is almost equal.
- In livelihoods organisations, 54% of the beneficiaries were male while 46% of the beneficiaries were female. In addition, 64% of the beneficiaries were rural and 36% were urban.
- Several livelihoods organisations have worked with communities at large. In qualitative discussions, livelihoods founders mentioned how their unit of beneficiary is sometimes in terms of communities, villages, even blocks.

# “ IRRATIONAL COMMITMENT TO SOCIAL IMPACT ”

We are driven by impact and powered by knowledge. We bring the right balance of the head-heart-hand to our work. We believe that age-old problems need

new-age thinking and rigorous implementing, with empathy at the core. And that's what we deliver for our customers and partners.

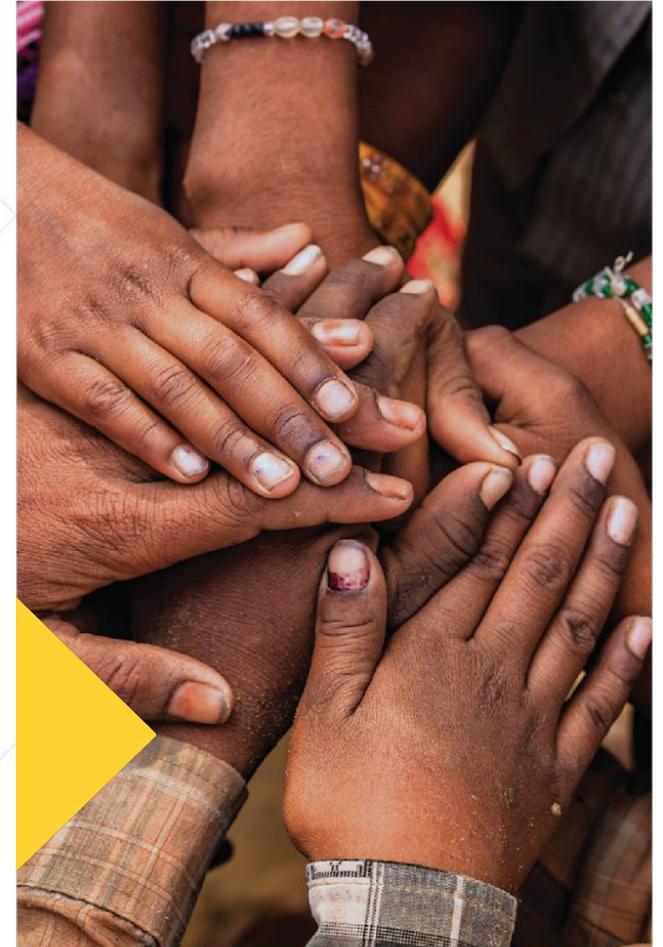
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