

# Conversations

Quarterly review  
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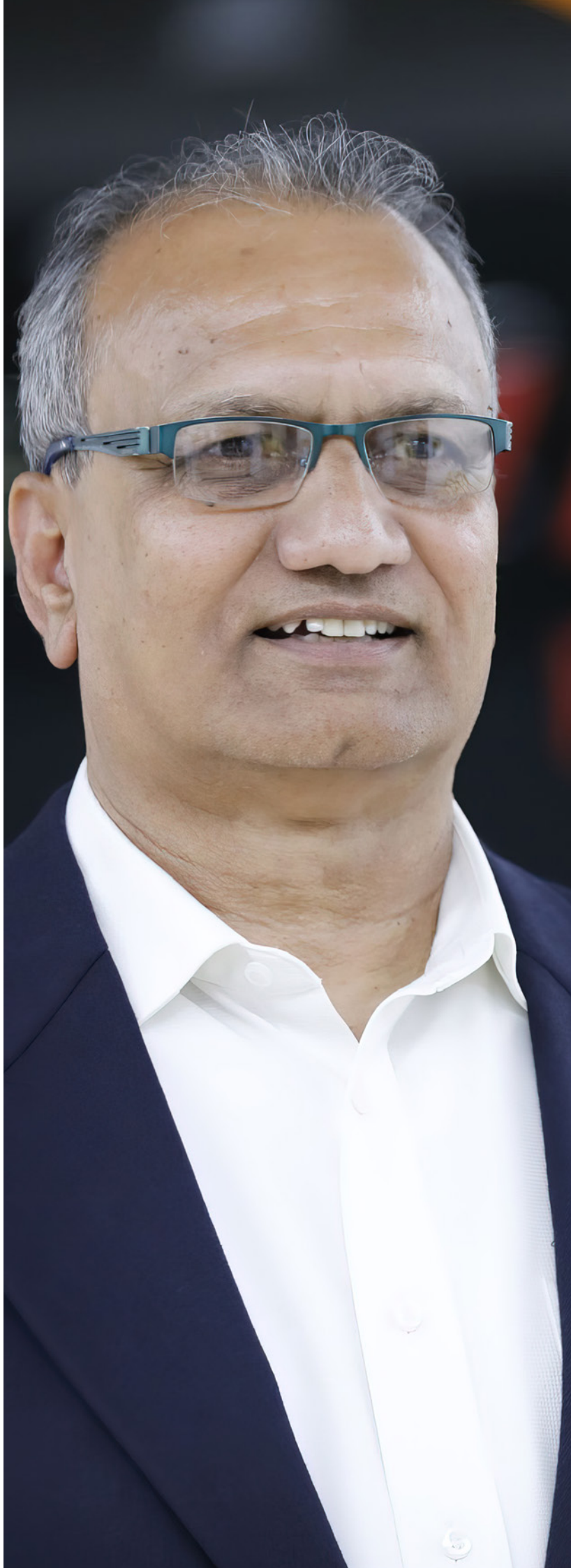
for tomorrow

Discussion with  
Dr. Ajay Kela,  
President and CEO,  
Wadhvani Foundation





**Dr. Ajay Kela**  
President and CEO,  
Wadhvani Foundation



# JOB CREATION THROUGH SKILL DEVELOPMENT, ENTREPRENEURSHIP, AND INNOVATION



Dr. Ajay Kela is the President and CEO of the Wadhvani Foundation, a not-for-profit with the primary mission of accelerating economic development in emerging economies by driving job creation through large-scale

initiatives in entrepreneurship, small business growth, innovation, and skilling. For the last decade, he has spearheaded the Foundation's initiatives, securing government investments of over USD100 million towards job creation. He has built and deployed replicable job ecosystems in 20 countries in Asia, Africa, and Latin America. The Capgemini Research Institute spoke with Dr. Kela to better understand the various job-creation and skilling initiatives undertaken by the organization, their impact, and the pandemic's effect on the job creation ecosystem.

## DELIVERING SUSTAINABLE ECONOMIC AND SOCIAL IMPACT

### **What is the overall mission of the Wadhvani Foundation? Could you highlight some of the critical initiatives of the Foundation?**

— We are a platform for family-supporting wages and jobs. Today, we operate in 20 countries, and our mission is to empower families with at least one individual with a family-supporting salary. Once you do that, the family can buy high-quality education and healthcare besides taking care of their essential needs. This not only transforms the immediate family but potentially transforms generations to come. Our initiatives aim to create such jobs and empower youth with the 21st-century skills required to command such employment. We pick countries with large and growing youth populations – for example, India, Mexico, Brazil, Indonesia, the Philippines, and individual African nations. Some of our key initiatives include (see “Wadhvani Foundation: List of Initiatives”):

**Wadhvani Advantage:** This program focuses on companies in “the missing middle” of revenues between USD 3-30 million with 100-1000 employees. Many of them have the potential to grow 2x-10x in size but need guidance and support. Our Wadhvani Advantage initiative helps such companies realize their potential. India, for instance, has about 1.2 million such enterprises. The Foundation works with a subset of these enterprises and empowers them with growth consulting services and tools, thus enabling a trajectory of perpetual growth realization.

- **Wadhvani Entrepreneur:** This initiative focuses on helping startup entrepreneurs to become the next generation of Wadhvani Advantage companies. We have three programs within this initiative that inspire, educate, and support entrepreneurs at various stages of their journey.
- **Wadhvani Inspire:** With programs such as NEN eWeek or a reality-show targeted at secondary and tertiary city entrepreneurs, we inspire a generation of youth towards entrepreneurship.



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## Wadhvani Foundation: List of initiatives

Wadhvani Technology Platform • Wadhvani Academy • Wadhvani Market Research and Policy

- Wadhvani Advantage:** Empowers small business entrepreneurs with AI-empowered business management and business consulting services to maximize their growth potential
- Wadhvani Entrepreneur:** Inspires, educates and enables startup entrepreneurs
  - Wadhvani Inspire** establishes a culture of entrepreneurship at a national level
  - Wadhvani NEN** empowers students with knowledge and skills to create high-potential startups
  - Wadhvani Venture Fastrack (VFT)** maximizes success rates of early-stage startups
- Wadhvani Opportunity:** Provides 21<sup>st</sup> century employability skills to job-seeking students
- Wadhvani Innovation:** Accelerates large-scale innovation within academia and industry through innovation grants in partnership with governments and other organizations
- Wadhvani Catalyst Fund:** Amplifying economic and jobs impact through scaling global third-party efforts

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- **Wadhvani National Entrepreneur Network:** NEN runs a one-year practitioner’s course on entrepreneurship for master’s and graduating students. Every student in the class starts a Practice Venture (PV) where they implement what they learn in the classroom. This empowers them with real-world entrepreneurship skills.

**Wadhvani Venture Fastrack:** VFT supports startup teams to minimize their failure rate and maximize their growth potential. In India today, many incubators are not equipped to provide the services that entrepreneurs need. Therefore, we developed a technology-enabled solution to help incubators manage their cohorts through a library of technology solutions that they can offer to accelerate their startups’ growth.

### In your Advantage Initiative, how do you identify the companies to support?

— For this, we need to answer the question – “who creates jobs?” Large companies do not create many jobs. They target growing at 15%–25%, which they achieve mainly through productivity increases. Globally, 70% of all new jobs created every year are created by startups and small businesses. We pick such companies where job growth and revenue growth are aligned. As they fulfill their mission of revenue growth, we fulfill ours of job growth.

70%

– share of all new jobs created every year by startups and small businesses

There are three channels that we employ to identify companies. One is through our partnership with banks that extend loans to these small and medium businesses. The second channel is the industry associations. The third is through our direct marketing efforts.

### **In today's economy, innovation is of crucial importance. Are there initiatives specifically to nurture innovation?**

— In a knowledge economy, no country can become a leader unless it's a leader in innovation. India is among the top ten economies of the world. But when it comes to innovation, we are ranked 69. However, when Indians leave India, they lead major innovative companies, such as Microsoft and Google, and top research labs at the University of California, San Diego, MIT, and Harvard. Our mission is to create role models in India, be it individuals or institutes, who will inspire another generation.

We have been experimenting with two investments: one is at the Indian Institute of Technology Bombay, where we are developing low-cost biosensors and biomedical devices for the Asian region; and the other is at the National Center for Biological Sciences, where we are conducting stem cell research for cardiac and neural diseases. We got leading researchers from Stanford and the University of Kyoto to be principal investigators for the latter. They spent 3–5 years in Bangalore, and now 150 Ph.D. postdocs are working under them. Most of our researchers aspire to be “first in India” or “best in India.” We want to change that mindset to being “first in the world” and “best in the world.”

### **Do you also partner with foundations working towards similar goals as yours?**

— We created the Wadhvani Catalyst Fund for this purpose. It's our effort towards amplifying our impact on the economy and jobs through scaling global third-party efforts. Many for-profit and not-for-profit organizations, while pursuing their mission, are also creating jobs that provide family-supporting wages. In such cases, we are willing to provide funding, technology solutions, and program management support to help them scale.

### **Could you highlight some of the Wadhvani Foundation's most successful initiatives that stand out in terms of impact?**

— We have developed a skilling curriculum focused on twenty-first-century skills such as critical thinking, problem-solving, customer centricity, etc., that

will dramatically transform the employability of an individual. We worked with about 1,500 companies and found that while hard skills constitute 30% of what they look for, the remaining 70% is all about soft skills. Most companies feel that even if employees have a base level of hard or technical skills, they can fill that gap, but they can't fill the other hole. So, we have developed our curriculum based on this understanding.

Today, learning is not bound to a "sage on the stage" model with faculty delivering a course. Self-help videos dominate learning, as evident from thousands of DIY YouTube videos. Most of our curriculum is based on this "watch, think, do" pedagogy. That's the pedagogy that has now been accepted by the National Skill Development Corporation (NSDC) in India. All NSDC partners are required to deliver our curriculum. Our content is video-centric and relevant to the industry. Additionally, the data analytics that we perform around student engagement is critical to know whether learning is happening. Today, on

average, probably more than 150,000–200,000 students take our course every year.

We have also trained over 3,000 entrepreneurship faculty over the last 10–15 years who teach entrepreneurship to tens of thousands of students each

year. Finally, as part of our Wadhvani Advantage program, we experimented with 1,000 companies in India and Mexico last year to see if small business entrepreneurs are willing to consume consulting resources and help them realize their potential. We were able to demonstrate this if the entrepreneurs came with the hunger to grow. They gave us an NPS score of 60+, which is unheard of. So, this year, we're scaling it to 2x–5x of those numbers in India, Mexico, and Brazil.

### **What do you think large organizations can do to support sustainable job creation?**

— There are many ways in which large organizations can support job creation. From a procurement perspective, they can look at purchasing goods and services from smaller organizations and provide favorable payment terms to small businesses. They can offer apprenticeship opportunities to skilling students. When we work with large organizations, we provide soft skills training, while they provide training in hard skills. We ask them to recruit 3x or 4x, the number that they will eventually absorb. The idea is to have a 6–12 month apprenticeship



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program, where they can pick 10%–20% of the trainees and release the rest to their supply chains, which is a win-win proposition for everyone. Small organizations and startups in particular come with an innovation DNA. Many large organizations today leverage startups to address some of their challenges, and they can extend this to small businesses with an established infrastructure and expertise to translate innovations into commercial products. For large consulting organizations, we would encourage them to provide consulting services to small businesses pro bono.

### **How does the emerging trend towards a liquid workforce impact your initiatives?**

— It doesn't impact our initiatives at all. Our mission is to create jobs and empower people with the skills needed to fulfill those jobs. It doesn't matter if the marketplace is hiring permanent, part-time, or gig employees. The transition to the gig economy and remote work is going to happen. It's convenient for the individual and works for large organizations such as Uber, Fiverr, Care, Etsy, where employees can work for 10 hours and still be full-time students or homemakers and earn enhanced wages. The sharing economy is a good thing. It will fulfill the gaps in family-supporting wages.

### **How do you think the pandemic is going to impact job creation and upskilling?**

— I think the impact of COVID will last for another two to three years. When COVID hit we shifted our focus from helping small businesses grow to help them stabilize and then take them on a growth journey. COVID also impacted the ability of partners to deliver hard skills training programs. We encouraged them to roll out our online program directly to students and accelerated building digital hard skills programs so learning was not compromised.

While there is a dark side to COVID, there is a much brighter side as well. COVID has accelerated the embrace of digital technologies across industries. Digital is here to stay. Even if you're selling jute bags, if you're not online, your business is going to suffer. Now, doctors and patients, homemakers and grocery stores, faculty and students are open to and comfortable conducting their business digitally. Digital adoption has been accelerated by 5-10 years, and this has thrown open a lot of opportunities to innovate and accelerate business growth. And that's what we intend to leverage. It's in our DNA to leverage technology for delivering solutions. •





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