



CLASSIFYING NANO-ENTREPRENEURS FOR TARGETED INTERVENTIONS

Technical Note

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JUNE 2026

INTRODUCTION

In our project report¹, we made the case against viewing all women nano-entrepreneurs (WNEs) alike by highlighting differences in their psychological, behavioural and capability markers, therefore, their aspirations. We have also highlighted how the household money management tool might be adopted by different categories of WNEs differently. For instance, consider weight management apps. It is relevant for pretty much everyone since a healthy weight is a good marker of overall health. However, these apps are largely used by those who deem themselves to be overweight. Now, of those who take up this app, only those who have developed a certain measure of resolve to act on their current weight to bring it to a healthy range stick with the app and use it optimally. Hence, the contextual relevance for any tool might cover a wide population, but the population that has a well-formed orientation to respond to that context might not be as wide. This distinction is important to recognise in the context of development outreach, where interventions are externally led and costly. Hence, understanding the degree of intrinsic resolve that the beneficiary exhibits becomes crucial to the success of such interventions. We therefore have developed a survey tool to attempt this classification based on our understanding of what it means to be a gung-ho, rooted, and tepid entrepreneur.



Gung-Ho Entrepreneur (G): Strongly motivated to grow; treats business as a core expression of identity and ambition; actively seeks opportunities; resilient under adversity.



Rooted Entrepreneur (R): Seeks a stable livelihood; business is at the service of the household; risk-averse; motivated by sufficiency and family security rather than scale.

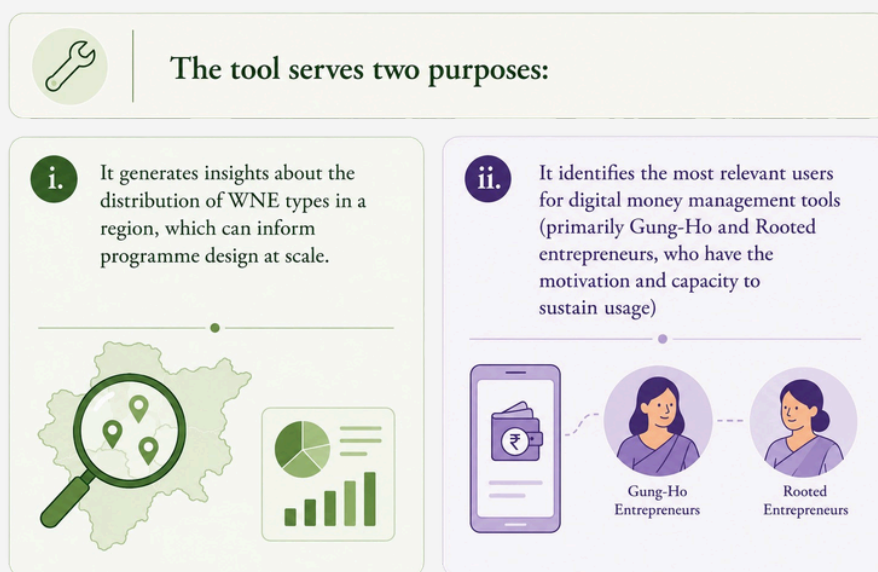


Tepid Entrepreneur (T): Low levels of investment and interest; questions whether to continue; enterprise is often utilitarian or incidental to life goals.

We have undertaken this attempt with due awareness of the possibility that such classification cannot be neat, might be prone to errors, and can shift with time for entrepreneurs. Nevertheless, given the top-down approach that most livelihood development programs take, where program coordinators are required to meet a certain number of beneficiaries, such a classification exercise can be helpful in directing time and energy to those most ready for receiving such interventions at any given point. We do not think of this classification as static but as a point-in-time reckoning of where the WNE stands in her entrepreneurial journey. The categories are more like analytical snapshots and not permanent labels, and are designed to improve the precision of support and not to pigeonhole.

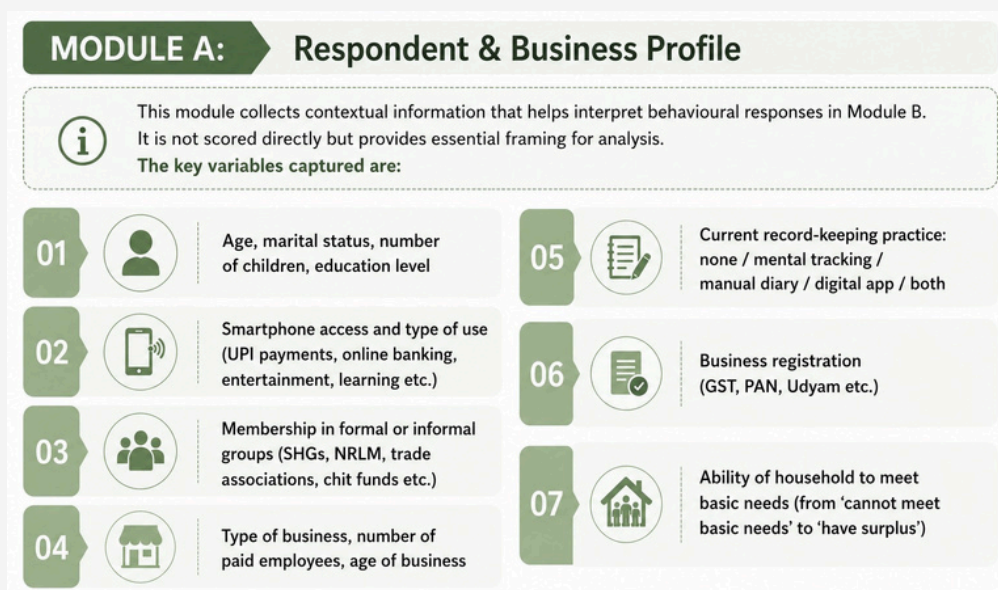
Why Such an Entrepreneur Classification Survey?

The qualitative research gave us rich descriptions of each type, but such a description is of little use programmatically without an accompanying methodology to actually identify these types of WNEs in real time. A structured classification survey questionnaire was therefore developed to operationalise such classification. The intent is to make it deployable across large samples, in diverse regions, by field staff who may not have the bandwidth to conduct extensive ethnographic research and internalise the typology of women in those regions themselves.




The Survey Tool






The classification questionnaire is organised into three modules that capture dimensions most predictive of entrepreneurial orientation.




This profile data helps understand why WNEs score the way they do on the behavioural dimensions below.







MODULE B: Behavioural Questions

 These six questions probe the behavioural dimension. Each question carries three answer options, one aligned with each WNE type:

	01	Household Financial Role — degree of leadership vs. input vs. non-involvement in household money decisions
	02	Household Income from Business — whether business is the primary, supplementary, or negligible source of household income
	03	Meaning-Making around Enterprise — whether enterprise is a path to personal growth, household security, or something uncertain
	04	Networking Capabilities — whether the WNE reaches out broadly, stays within family/friends, or lacks a strong support system
	05	Business Orientation — whether the WNE actively seeks growth, focuses on steady running, or questions whether to continue

MODULE C: Psychological Questions

 These five questions probe the underlying dispositions that are harder to observe but predictive of entrepreneurial behaviour:

	01	Resilience & Adaptability — head-on confrontation vs. deliberate battle-picking vs. demotivation
	02	Risk Tolerance — comfortable with risk vs. weighs carefully vs. avoids risk
	03	Locus of Control — internal (effort drives results) vs. partial (some effect) vs. external (efforts don't change things)
	04	Clarity of Purpose — driven by possibility vs. settled/content vs. often lost
	05	Financial Salience — finances are urgent and crucial vs. important for the long run vs. something to work on gradually
	06	Financial Confidence — very confident vs. somewhat confident vs. not confident


Together, Modules B and C generate 11 scored responses that are translated into percentage scores across the three WNE categories, as described in the next section.

Analysing Responses

Each of the 11 scored questions in Modules B and C has three answer options. Each option corresponds to one of the three WNE types: Gung-Ho (G), Rooted (R), or Tepid (T). A respondent can only choose one answer per question.

The Scoring Principle – Quantifying Entrepreneurial Orientation

Each answer contributes one point to the category it represents. After a respondent completes all 11 questions, the raw scores are converted into percentages:

G	$G\% = (\text{Number of G answers} / 11) \times 100$
R	$R\% = (\text{Number of R answers} / 11) \times 100$
T	$T\% = (\text{Number of T answers} / 11) \times 100$
	<i>By construction: G% + R% + T% = 100%</i>

This is a deliberately simple and straightforward computation to arrive at quantitative scores for WNEs' orientation. It also means that every WNE has a unique distributional profile where there are usually not many 'pure types' with 100% of G or R or T, but mostly stronger or weaker tendencies towards one or two. For example, a WNE whose answers reflect 7 Gung-Ho, 3 Rooted, and 1 Tepid trait has a profile of G: 64%, R: 27%, T: 9%. Similarly, a WNE whose answers reflect 4 Gung-Ho, 4 Rooted, and 3 Tepid traits has a profile of G: 36%, R: 36%, T: 27%.

Below is a table that maps answer choices to their respective categories across all questions. This mapping was determined by the research team based on the qualitative typology developed in the field

Table 1: Categorising Responses from the Entrepreneur Classification Survey

Dimension 	Gung-Ho 	Rooted 	Tepid 
 Household Financial Role	Lead or equal contributor	Provides inputs; mutual decisions	Largely not involved
 Business Contribution to HH Income	Major/primary source	Useful supplementary amount	Does not contribute significantly
 Meaning of Enterprise	Personal growth and progress	Keeping family steady and secure	Doing for now; haven't thought beyond
 Networking	Reaches out to anyone who can help	Stays within family/friends circle	Lacks access to strong support
 Business Orientation	Actively seeks growth/expansion	Keeping business steady and running	Questions whether to continue
 Resilience	Meets problems head-on	Deliberates and picks battles	Feels demotivated; struggles
 Risk Tolerance	Doesn't mind taking risks	Thinks carefully before taking risks	Avoids taking risks
 Locus of Control	Effort usually moves things forward	Efforts help in small ways	Efforts don't change things much
 Clarity of Purpose	Driven by sense of possibility	Settled and content / accepting	Often feels lost
 Financial Salience	Crucial and urgent for me	Important; will help in long run	Might work on it slow and steady
 Financial Confidence	Very Confident	Somewhat confident	Not Confident

Creating Scoring Bands – Contextual Normalisation of Quantitative Scores

Once a WNE's percentage scores are computed, the WNEs need to be categorised based on how they score on each orientation. However, this categorisation can neither be context-agnostic nor absolute. The relative level of entrepreneurial spirit prevalent in the context of WNEs decides the true extent of gung-ho-ness, rooted-ness, or tepid-ness of these WNEs. Therefore, the percentage distribution of these scores in any geographical location helps read the quantitative score from the previous step in its context. In order to do that, bands are created (as High, Medium, or Low) based on the percentage distribution exhibited across the three orientations.




The same absolute score can mean very different things in different contexts. Bands should always be calibrated against the baseline distribution of scores in the local population and not applied as universal cut-offs.

Our research found striking difference in the entrepreneurial orientation of WNEs between Tamil Nadu and Punjab in the initial in-depth interviews (see main report) In Tamil Nadu, where female workforce participation is higher, economic activity is more diverse, and digital financial services are nearly universal, even Tepid and Rooted entrepreneurs often display markers that would look Gung-Ho in a lower-baseline region. Women in Tamil Nadu spoke openly about increasing family stature, demonstrated financial agency, and had a strong locus of control. This would mean that the Tamil Nadu distribution skews higher on G and R scores, and the Tepid signal is relatively rare, and this was indeed observed to be the case from our classification survey.

Based on analysis of the 24-respondent test sample, the following bands have been proposed as a starting reference point.

Table 2: Reference Bands in Tamil Nadu

Band	 Gung-Ho Score	 Rooted Score	 Tepid Score
High	≥ 60%	≥ 60%	≥ 30%
Medium	30–59%	30–59%	10–29%
Low / Absent	< 30%	< 30%	< 10%

The bands for Tepid are narrower and lower than the thresholds for Gung-Ho and Rooted. This is because a score of even 27–30% on Tepid is meaningful in the context of Tamil Nadu and has to be read as an actionable signal because it indicates significant ambivalence about the enterprise. On the other hand, a Gung-Ho or Rooted score of 30% indicates only a moderate tendency.

In rural Punjab, where mobility is lower, education levels are modest, and traditional gender roles constrain economic agency, we would expect the distribution to skew differently. Gung-Ho scores may be lower and more meaningful when they appear. For example, in Punjab, the Gung-Ho score band for High may be $\geq 40\%$, while the Tepid score band for High may be $\geq 50\%$. This is because the Tepid orientation has a higher prevalence in Punjab, and even a lower Gung-Ho score (compared to Tamil Nadu) can become meaningful in that context. This difference in bands across geographies highlights the distinctiveness of the entrepreneur in their context. In essence, a woman who scores G: 55% in Punjab may be as distinctive as a woman who scores G: 70% in Tamil Nadu.

Therefore, before applying any classification, a programme team should ideally survey around 25–50 WNEs in the target region and establish the local percentile distribution for each score. Bands can then be set relative to that distribution — for example, High G might be the top quartile of G scores locally, rather than a fixed threshold of 60.

This regional normalisation also matters for comparing results across programmes operating in different geographies. A GR classification in Kerala and a GR classification in Rajasthan may represent quite different levels of entrepreneurial development, and the appropriate interventions will differ accordingly.








The field data from 24 respondents tested across our classification survey questions yielded profiles ranging from pure G (HLA: High G, Low R, Absent T) to mixed GR, RT, and the occasional GRT. This variance validates that the tool is sensitive enough to distinguish meaningfully across the spectrum of WNEs found in practice.

Assigning Entrepreneurial Orientation – Qualitative Classification Heuristic

We now use the scores and bands to assign an orientation to WNEs based on a simple heuristic. This exercise of assigning orientation is aimed at easing program implementation by identifying high-potential beneficiaries. Therefore, the nuance of how a mixed orientation WNE might fare vis-à-vis a single orientation WNE is outside the purview of this exercise.

The orientation assignment rules follow a simple priority framework.

Table 3: Orientation Assignment Logic

 Score Pattern	 Orientation Rule	 Notation
 1 High, 2 Low/Absent	High becomes sole primary	Single label (e.g. G, R, or T)
 1 High + 1 Medium, 1 Low/Absent	Both High and Medium are primary	Combined label (e.g. GR, RT)
 2 Medium, 1 Low/Absent	Both Mediums are primary	Combined label (e.g. GR, RT)
 All three Medium	All three are primary	GRT — review manually

Notation always preserves the $G \rightarrow R \rightarrow T$ order, regardless of which type scores highest. So, if a WNE scores High on Rooted and Medium on Tepid, her notation is RT — not TR. While this might miss out on some information regarding the WNE, this convention makes labels easy to compare across respondents and over time. Furthermore, it does not change how the program targeting gets implemented on the ground.

Below is the categorisation framework applied to our sample of 24 respondents.

Table 4: The Field Data Categorised

Orientation	Respondents	Description	Typical Profiles
Pure G	8	Strongly Gung-Ho orientation	HLA or HLL
GR	6	Largest group; split between growth and stability orientations	Mixed GR profiles
Pure R	2	Solely Rooted orientation	LHA, LHL profiles
GT	2	Gung-Ho with a Tepid streak, suggesting latent ambivalence	HLM, MLM profiles
RT	4	Rooted with Tepid tendencies	LMH or LHM profiles
GRT	2	Medium scores across all three categories; might require deeper qualitative review	MMM profiles

The dominance of GR over pure G is important to note. In practice, most entrepreneurially active WNEs are not simply chasing growth. They balance both ambition and household responsibility simultaneously. Programmes that design only for pure Gung-Ho entrepreneurs will miss the majority of engaged WNEs, who need tools that honour both dimensions of their financial life.

A GRT label, on the other hand, is a signal to pause. This profile usually means one of three things (i) the respondent was genuinely ambivalent and was midway in her transition (ii) the questions were answered in a socially desirable way, or (iii) the translation or delivery of questions introduced noise. For GRT respondents, a brief qualitative follow-up might help resolve the ambiguity.

Application for Program Implementation

The classification methodology described above is at the service of tailoring program implementation to the needs of the different categories of WNEs. The recommendations below are therefore organised to cover (i) targeting (who to prioritise for the programme) (ii) product and service design (what to offer), and (iii) engagement modality (how to deliver it).

Targeting



Primary targeting rule: Prioritise WNEs whose orientation has G or R as primary orientation with no T in primary. Exclude WNEs with T as primary or sole orientation from credit-focused programmes until alignment is established

WNEs with G or R orientations (GR, G or R) are the natural audience for digital money management tools. They have the motivation, household embeddedness, and financial salience to use such tools meaningfully. They are also the WNEs most likely to derive measurable benefit from improved cashflow visibility.












Tepid-primary WNEs are not to be excluded from programmes altogether, but they should be directed to lighter-touch interventions like business related financial literacy, business self-assessment, and peer conversations about business alignment before being introduced to tools that require regular usage commitment.

Differentiated Engagement by Orientation

The research makes a strong case that indiscriminate credit deployment to WNEs can be counterproductive. Early-stage credit to a Tepid Entrepreneur raises her cost of failure precisely at the moment she is least sure about her business path. Even for Rooted Entrepreneurs, credit is context-dependent, such that it makes sense when there is an untapped opportunity and a clear repayment pathway, but not when the business has reached its optimal small-scale potential and the entrepreneur is focused on household stability.

The classification tool, if used consistently at programme intake, can serve as a lightweight credit-readiness screen. WNEs scoring G-primary, with a strong locus of control and financial salience, are the cohort most likely to absorb and deploy credit productively. GR-primary WNEs can be considered with more careful due diligence on household cashflow integration.

Table 5: Recommended Interventions for Entrepreneurial Types

 Orientation	 Recommended Action	 Products / Services
 Gung-Ho (G)	<ul style="list-style-type: none"> • Growth-focused engagement; • minimal hand-holding, on-demand touch points 	 Digital Money Management Tool + Growth credit, business intelligence dashboards, peer networks, mentorship
 Rooted (R)	<ul style="list-style-type: none"> • Stabilisation and household-business integration; • regular handholding apart from on-demand touch points 	 Digital Money Management Tool + Savings products, digital bookkeeping training, modest credit
 GR / Mixed	<ul style="list-style-type: none"> • Blend of above; prioritise primary orientation first 	 Digital Money Management Tool + Combine recommendations in proportion to score weight
 Tepid (T)	<ul style="list-style-type: none"> • Explore motivation and alignment first; avoid credit 	 Break-even clarity tools, light business financial literacy, re-engagement counselling

A Note on Dignity and Use

Such classification tools are usually susceptible to misuse. Labels like 'Tepid' can become stigmatising if used carelessly. The purpose of this tool is to enable better support, not to gate-keep or rank women. Programme teams should be trained to treat orientation labels as working hypotheses, not fixed verdicts and to update them in response to qualitative observation, not just survey scores.

The women nano entrepreneurs who participated in the research that built this tool spoke with clarity, nuance, and wisdom about their financial lives. They deserve interventions that match that complexity. This classification framework is offered in that spirit, as a means of listening more precisely, so that support can be offered more meaningfully.

Conclusion

Classifying women nano entrepreneurs here is done as an act of respect. It is motivated by the understanding that not all are the same, that their motivations and constraints are distinct, and that they deserve support designed for who they actually are and not for an average hypothetical WNE that fits no one.

The profiling questionnaire described in this guide makes this individualisation scalable. By combining a rich behavioural and psychological survey with a simple scoring architecture and regionally normalised bands, programme teams can build a working understanding of the WNE population they serve. With that understanding, they can target more effectively, design more relevantly, and measure more honestly.

The framework is by no means finished. It will require improvisation with use, as more regions are covered, as more WNEs are profiled, and as the link between orientation and programme outcomes is observed over time. We invite practitioners, researchers, and partners to engage with it critically and contribute to its refinement.

APPENDIX
Entrepreneur Classification Survey

Respondent Profile

1. Age

2. Gender:

- a. Female
- b. Male

3. Marital Status:

- a. Single
- b. Married
- c. Divorced
- d. Separated
- e. Widowed

4. No. of children:

5. Education:

- a. No formal schooling
- b. 8th
- c. 10th
- d. 12th
- e. Graduation
- f. Post Graduation
- g. Professional Degree
- h. Others, specify

6. Has a smartphone:

- a. No
- b. Yes, shared
- c. Yes, self-owned

7. Usually you use your smartphone for (multiple select):

- a. UPI payments
- b. Online banking
- c. Availing loan through digital lending app on phone
- d. Entertainment and social apps (YouTube, WhatsApp, Snapchat, etc.)
- e. Calls and messages
- f. Learning purpose
- g. Others (specify)
- h. None of the above

8. Is part of informal or formal groups/associations such as (select all that apply):

- a. Informal savings/credit group (chit fund/SHG)
- b. Govt./bank led savings group (SHG)
- c. Govt. support program (NRLM, etc.)
- d. Religious/festival groups
- e. Trade union, business or professional group, community groups
- f. Development group/NGO
- g. Cooperative group
- h. Others (specify)
- i. Not a part of any groups

9. Type of Business (multiple select):

- a. General store
- b. Textile shop
- c. Fruit and vegetable store
- d. Electronics item/repair shop
- e. Medical store
- f. Cosmetic shop
- g. Footwear shop
- h. Fancy item shop
- i. Hotels/restaurant/tea shops
- j. Hair saloon/beauty parlour
- k. Transport service
- l. Tailoring
- m. Furniture and carpenter work
- n. Food and agri products manufacturing
- o. Fabricated metal manufacturing
- p. Mobile accessory shop
- q. Others (specify)

10. Number of paid employees

11. Age of Business:

- a. Less than 6 months
- b. 6 months to 3 years
- c. 3 years to 5 years
- d. More than 5 years

12. Whether record-keeping used for any kind of transaction at business (select all that apply):

- a. None
- b. Only mental tracking
- c. Manual diary/register
- d. Digital app-based record-keeping
- e. Both manual + app

13. Business registration if any (multiple select):

- a. GST
- b. PAN
- c. Udyam
- d. State registration
- e. Others (please specify)

14. Is your household able to meet basic needs?

- a. Cannot meet basic needs
- b. Can meet some basic needs
- c. Can meet most basic needs
- d. Can meet all basic needs with no surplus left over
- e. Have money left over after meeting basic needs
- f. Do not know
- g. Do not want to answer

Behavioural Questions

15. Household Financial Role:

Which of the following statements best describes you: In your household, when money-related decisions are made...

- a. I usually play the equal contributory or lead role.
- b. I usually give inputs - decisions are made mutually. And everyone knows their role.
- c. I am usually not involved much in these decisions.

16. Household income from business:

How much does your business contribute to your household income?

- a. It is a major source of income for the household.
- b. It is not the primary source of income but adds a useful amount to household income.
- c. Currently it does not contribute significantly to household income.

17. Meaning making around Enterprise:

Enterprise means to you...

- a. Crucial part of personal progress and growth
- b. A way to keep the family steady and secure
- c. Something I am doing for now, I have not thought beyond that

18. Networking Capabilities:

In terms of enterprise needs such as money, materials, labour or help, and customer base, I feel confident reaching out to...

- a. I don't hesitate reaching out to anybody who would help meet my need. It could be within family or friends or anyone outside my immediate circle.
- b. I try to keep my engagement largely with people within my family and friends circle.
- c. Do not have access to a strong support system from any social group

19. Business Orientation:

Which of the following statements best describes how you are currently oriented towards your business?

- a. I actively look for ways to grow, expand, or try new directions in my business
- b. My main focus is on keeping the business steady and running smoothly, even if it stays as it is
- c. I often question whether I should continue this business

Psychological Questions

20. Resilience & Adaptability:

When I encounter problems or opposition, I usually...

- a. I meet them head on
- b. I deliberate and pick my battles
- c. I feel demotivated and struggle to get my way

21. Risk Tolerance:

What is your perception of risk?

- a. I don't mind taking risks
- b. It is part of running a business — I think carefully and weigh my options before taking risks
- c. I avoid taking risks

22. Locus of Control:

Which statement feels closest to how you see your own efforts and outcomes?

- a. I feel that when I put in effort, things usually move in the direction I want.
- b. I feel my efforts help in small ways, though the results are not always certain.
- c. Sometimes I try, but I feel my efforts don't change things much.

23 Clarity about Sense of Purpose:

Which statement best describes your emotional state in general?

- a. I feel driven by a sense of possibility and have a clear desire to build or achieve more.
- b. I feel mostly settled — either content with how things are or accepting that they may not change much.
- c. I often feel lost.

24. Salience:

At this stage of life, how important is it for you to focus on your finances?

- a. It is crucial and urgent for me. Many things in my life depend on me being able to manage my finances better
- b. It is important and will help me and my family in the long run
- c. It could be good. I might work on it slow and steady over time.

25. Financial Confidence:

How confident do you feel about your household's current financial circumstances and financial future?

- a. Very confident
- b. Somewhat confident
- c. Not confident