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Conference report

Women-led businesses: building a strong and sustainable economy

Wednesday 29 – Friday 31 October 2014 | WP1362

In association with:



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In partnership with UK Trade and Investment (UKTI) and Accenture, this dialogue investigated opportunities and constraints faced by women-led businesses (WLBs) in the UK and elsewhere, identifying collaborative pathways and innovative strategies to push the agenda. Bringing together representatives from large corporations, government, and entrepreneurs, most female, we heard perspectives from Botswana, Hungary, India, Italy, Iraq, Malaysia, Morocco, Serbia, South Africa, Sri Lanka, Turkey and the United Kingdom.

The need to promote women-led business is clear from both a fairness and economic perspective, allowing women's talent to drive alongside men's talent. This meeting sought to unpack the impact of perceptions, culture and societal drivers as well as structural barriers which hinder women's empowerment and corporate growth, producing recommendations for steps forward.

Micro and macro perspectives were both considered, laying out the challenges faced by women at different stages of life, in different arenas and country contexts. Individual women having the confidence, skills, awareness and tools to seize available opportunities are critical alongside the bigger picture of government, private sector and civil society stakeholders having an inclusive vision and common language to facilitate the entrance of women into work, growing their businesses and grasping opportunities alongside men. This requires efforts at multiple levels in order to bring positive change to education, perceptions, policy framework, legal system and the behaviours of both buyers and suppliers in the supply chain.

Key outcomes and findings

- Recommendations focused on how to create unrestrictive pathways for women in business, particularly in the context of small and medium-sized enterprises (SMEs) in supply chains. This included how to change perceptions, build the evidence base around women in business, improve access to finance and market information, highlighting success stories and shortfalls of government regulation and legislation, and diversity programmes in large corporations.
- Understanding the narrative of a woman's journey through the education, employment and enterprise pipeline is critical to identify barriers and opportunities. Entering the subsequent supply chain pipeline women require support and development, with both government and private sector instrumental in driving progress.
- It was recognised that though different contexts and countries face specific

barriers, many challenges are common across the global, gender, minorities and business arenas. Whilst framing this discussion within the gender bracket brings women together in a mutually-supportive space, this label defines the conversation in a particular way, which may limit the audience producing recommendations relevant to SMEs in general.

- Increasing visibility and making use of technology and networking are considered to be crucial efforts for WLBs.
- To effectively assess the situation and shortfall in WLBs participating in international supply chains, a larger evidence base is required in order for governments to understand why certain sectors struggle to expand to an international level and what tailored government support is required. More specifically, data around the barriers faced by women initiating start-ups, gaining access to finance and establishing business relationships is in short supply.
- Education and tackling cultural perceptions of gender are also necessary to empower both men and women. Conversations on inclusivity should begin at home to break down gender stereotypes present from an early age and empower the younger generation in an inclusive way. These efforts should extend into schools and the workplace in the form of mentorship.

For policy makers

- Responsibility of policymakers to set up mechanisms to promote women in business, legislate against prejudice and facilitate import and export, fostering a collaborative approach between government and private sector to support the procurement pipeline and engage with SMEs. With companies such as Walmart reaping revenues comparable to the gross domestic product (GDP) of Norway, governments need to engage private sector for a joined up approach, building networks and sharing risk.
- To create an enabling environment for start-up companies, in the case of the UK in particular by removing penalties for failure, whilst guarding against the risk of phoenix companies.

For the private sector

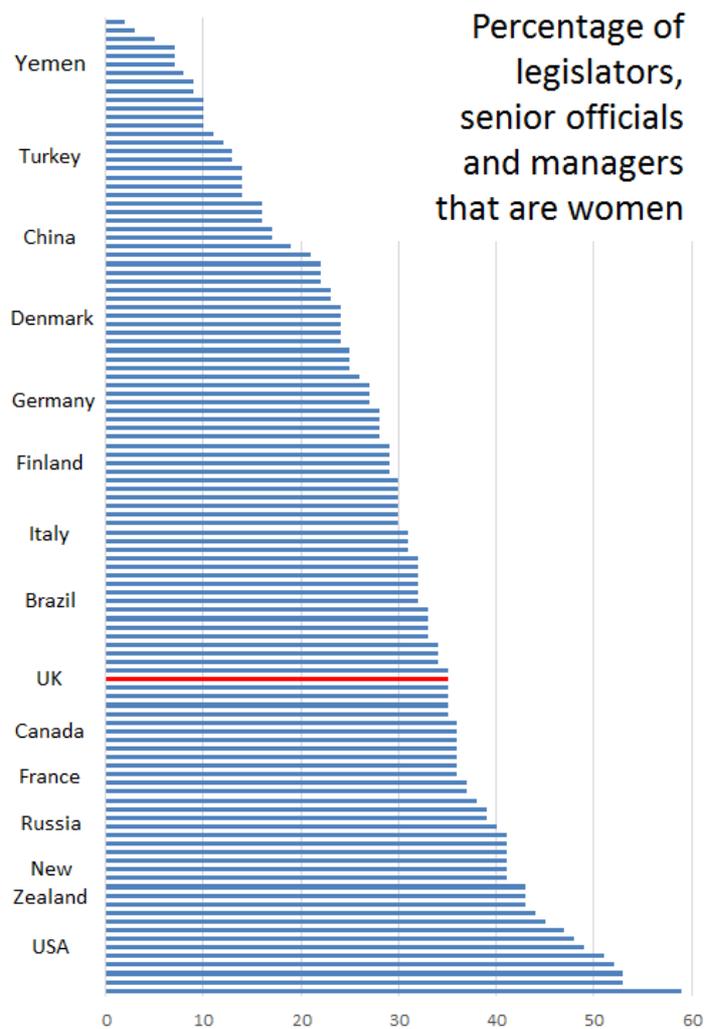
- Generating the will within corporations to create a supportive internal infrastructure that pushes for diversity at all levels of the organisation. Considerations would include an inclusive human resources (HR) strategy, support for women's caring responsibilities, flexible working hours and recognition of rights for maternity provision and equal pay. It is also important to encourage men to support equality around flexi-work and parental leave. These measures need to be integrated into a company's long term plan in order to move the institutional make up away from a hierarchical framework towards a business that empowers workers and ensures the meaningful contribution of women once at the table.

For women-led businesses

- Demonstrating the business case of incorporating more WLBs into supply chains and encouraging a culture of competitiveness seeing more women breaking into the market place.
- Building partnerships and creating a community is critical: Drive awareness and knowledge sharing of success stories through online networks and be proactive in strategically networking to build the presence of WLBs and grasp opportunities.

The context

1. It makes economic sense to draw women into the working economy globally and to build a diverse workforce relevant to a diverse market place, however women hold less than 1% of contracts awarded in the global supply chain. Great imbalance exists on a global scale:



Data drawn from Global Gender Gap report 2014, World Economic Forum¹

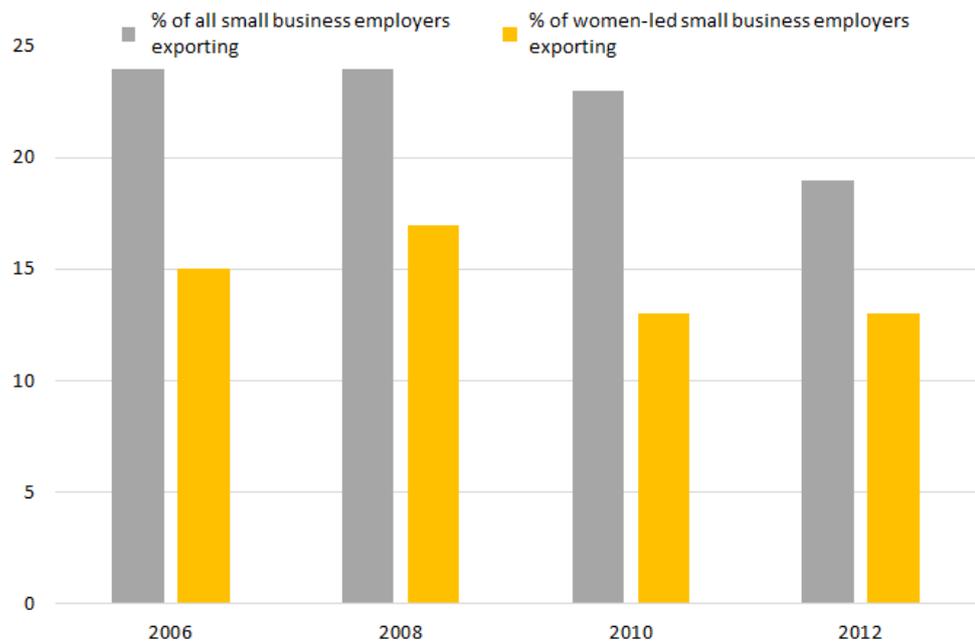
2. Perceptions of women vary according to context, though negative lenses project an image of women limiting themselves in the workplace due to lack of confidence and emotional temperament, or neglecting their home life. This contrasts with female role models able to balance work and home life. We need to move beyond stereotypes and expectations to encourage diversity in ways of working and corporate behaviour, careful not to push to another extreme of affirmative action/ quotas.
3. Societal and cultural dynamics vary by country context and demographic as do the challenges faced by WLBs:

Developed country context: The UK

4. The UK Small Business Survey (2012)² reveals that just 13% of WLBs are exporting compared with the 19% national average. If women-led SMEs increased their exports to the average level across SMEs, the UK could gain up to 10,000 more exporters.

¹ Global Gender Gap report 2014 available here: <http://reports.weforum.org/global-gender-gap-report-2014/wp-content/blogs.dir/60/mp/files/pages/files/gggr-2014-table-3.pdf>

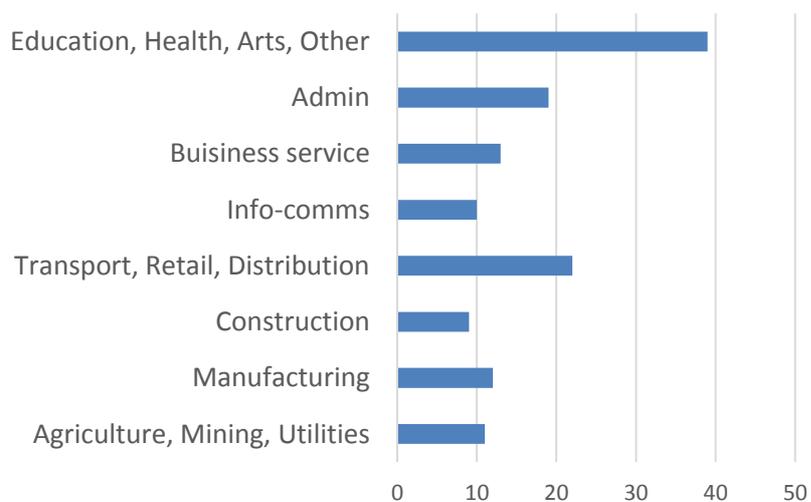
² BIS Small Business Survey 2012: BMG Research report available here: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/193555/bis-13-p74-small-business-survey-2012-sme-employers.pdf



drawn from datasets of BIS Small Business Survey 2006, 2008, 2010 and 2012

UKTI is working to support SMEs in order to help them succeed internationally. This includes trade shows, the provision of market know-how, tailoring content and delivery of information to women who may face cultural barriers and relate more to female role models.

5. The UK has fallen behind the United States (US) in the number of WLBs. Whilst 58% of small businesses in the UK are male-led, just 19% are women-led (with 23% equal male-female lead)³. The US boasts large corporations with a global footprint making steps to bring contracts to WLBs on a mutually beneficial basis. The Billion Dollar Roundtable, for instance, sees a commitment to devote \$1 billion to minority suppliers.
6. Certain business sectors, such as construction and information services, are heavily dominated by men-led businesses, which indicates a need to break down gender stereotypes and equip individuals with skills that permit them to excel according to their ability and interests.



Data drawn from BIS Small Business Survey, 2012

7. The coalition government abolished regional development agencies, erasing a vital

³ BIS Small Business Survey 2012

network of contacts and shared knowledge, however Local Enterprise Partnerships have seen some success and the Growth Accelerator offers coaching, workshops and match funding to businesses with fewer than 250 employees and a turnover of less than £40m.

Developing country context: Botswana

8. A country highly dependent on mineral wealth and diamond production, much economic activity in Botswana takes place through the small business sector. Across many African countries, the following challenges are faced: limited access to credit, lack of collateral security, absence of business registration (and consequent absence of evidence to show any gender bias), cumbersome business regulation and women's inability to register land in their own name. A key characteristic of developing countries is the dominance of the informal economy, statistics for which are scarce and problematic to capture. In Botswana, women comprise 67% of the informal economy, mainly in the form of micro and small businesses. Here, there are many WLBs though they face challenges in their ability to expand.

Examining the key issues

Challenges and opportunities

9. There are a variety of considerations affecting women's ability to access opportunities as entrepreneurs and suppliers. These include:
10. The gender discussion is framed in the language of disadvantage and negativity, which is unhelpful in inspiring progress and drawing on women's passion. Furthermore, this alienates men from the conversation, whilst it should be a societal, rights-based issue.
11. Mental challenges are seen to perpetuate the structural challenges faced by women. These can lie in women's own perceptions and lack of confidence, which affects risk-taking, ability to network and bidding for funding, as well as from others in seeing women as soft, emotional, a risky investment and contrasting the identities of businesswomen and mothers.
12. Younger generations have less tolerance for harassment in the workplace and see fewer boundaries. However social media hosts an abundance of gendered images, which contributes to engrained gender stereotypes. Such perceptions are embedded early.
13. The proportion of women not working in relation to men in the UK indicates a cultural or social barrier. Such norms vary according to religious and community context: Moroccan women tend to display a naturally entrepreneurial nature, for instance.
14. The purpose and outcomes desired by women needs to be better understood: Do women want scalability and exporting from their businesses? Some women seek work that will fit comfortably with a structured home life, in which case risk of success impacting family dynamics becomes a threat. Financial stability also impacts motivation. These choices must be understood. Options must be available to women so that they make decisions conscious of the implications.
15. Harassment in the corporate environment remains and raised awareness is needed around the forms it can take as well as its impact.
16. WLBs struggle to break into new markets as large corporations are risk averse and contracts between supplier and buyer often extend over several years on the basis of a trusted relationship. There is a global tendency to trade with those similar to oneself, which is problematic in building fresh relationships with buyers and marketing products for new markets. SMEs struggle from lack of visibility, the absence of personal contacts which require time to build and ignorance to the requirements of new markets. They may also be faced with instances of corruption and bribery.
17. Challenges of scale: Contracts offered by large corporations tend to be regional whilst

WLBs tend to be SMEs or micro rendering them unable to bid for such contracts.

18. Finance schemes are not all fit for purpose for SMEs and WLBs face specific obstacles.
19. Insufficient support is available for SMEs. Whilst support is available for start-ups and more advanced corporations, SMEs which have conquered the initial hurdle would greatly benefit from training on the marketing, legal and financial fronts. This universal, non-gender-specific gap needs to be addressed.

Knowledge, awareness and networking

20. Lack of data is a key obstacle to setting baselines and getting a clear indication of where gender bias lies. Integrity, frequency, effective analysis and use of algorithms, ability to share and how widely are all challenges to be addressed. A strong evidence base would include data drawn from diverse sources in order to provide an accurate story to inform policy decisions. The informal nature of much business in developing and emerging economies here presents an obstacle.
21. Whilst successful business models and corporate social responsibility (CSR) initiatives are in abundance, significant work is required to bring these stories together, gathering and sharing data and shedding light on how to measure success.
22. The power of networking platforms and collective voices was strongly acknowledged, however many women feel isolated and are not integrated into relevant networks and campaigns. Joining networks can lead to access to extended networks.
23. Personal contacts can be more useful than reputation as a supplier, though training and empowerment is required to make this a priority for women and enable strategic networking. Many businesswomen do not know how to effectively market themselves, despite the global nature of business today with the internet and social media. Learning how to network as a woman in business is essential: How to address in a coherent fashion?
24. Mentoring frameworks are in short supply and depend on a multitude of factors including finance, time available, finding the right mentor-mentee match and willingness to share experiences and lessons learned. Yet mentoring programmes are seen as some of the most powerful means to giving women (and men) the skills, connections, ideas and confidence to grow their businesses and further their achievements.

Success stories

The importance of sharing success stories and business models to bring tangible results and encourage others to move past the fear of starting a business was highlighted throughout the discussion.

25. Accenture is an illuminating example of a multinational corporation taking supplier inclusion seriously. Accenture implements supplier inclusion and diversity programmes in 20 countries around the world, aiming to establish supplier inclusion at a global scale.

Accenture's success is driven by various factors:

- Strong external allies such as the WEConnect platform.
- Strong internal networks including passionate champions for women's empowerment who voluntarily stepped forward to be country representatives across the world.
- Strong governance, building influence and working with government and fellow corporations as consultant to increase the number of supporters.

26. WEConnect offers a global platform promoting supplier inclusion and offering small WLBs the ability to bid. The charity is active in 30 countries, currently with 32 member

corporations.

27. Australia's Male Champions of Change Initiative, launched in 2010, saw 22 Australian CEOs commit to bringing diversity to the workplace. Australia and New Zealand Banking Group (ANZ) is one such company, with some 50,000 employees, that in 2011 set the following strategic priorities:

- Step up as inspiring leader, driving awareness in the corporate sphere and disrupt the status quo
- Create a vibrant workforce, ensuring that line managers are accountable and ensuring gender balance at multiple levels, including for suppliers
- Build well-rounded leaders by dismantling barriers to careers

Measured progress:

- The number of women in management has increased by 5% (from 39.7%)
- 50:50 representation on all graduate and talent leaderships development programmes
- Senior management carry out monthly analysis to monitor gender pay and other inequalities
- Jobs are held during maternity leave to support mothers
- Jobs are held for individuals on ANZ's talent radar who are taking a career break

Prioritisation of a gender balanced workplace has triggered improvement in the following areas:

- Organisational, finance and market performance
- Risk management and corporate governance
- CSR and culture
- Leadership, team performance and motivation
- Better utilisation of human assets

Recommendations for positive action

Key recommendations for promoting women's economic advancement and integrating WLBs in global supply chains include:

28. It is vital to include men in the conversation. Male Champions of Change in Australia is a useful example where men are put at the forefront of the fight for gender equality. Use of gender-inclusive language and provision of further platforms for men would trigger greater male support.
29. Disseminating the correct narrative around women's roles.
30. The younger generation offer huge promise in bringing change and low tolerance to sexual discrimination, however, efforts to invest in their future must be taken. Great Men Value Women, a project from the gender equality charity the GREAT Initiative, demonstrates the ability to bring positive change on a small scale. Holding workshops in schools, particularly targeting boys, who too are subject to stereotypes, they look to challenge assumptions and expectations. For this to be scaled up, it was suggested that gender should be integrated into Ofsted inspections in the UK.
31. Pursue better data - Data collection from diverse sources such as government, corporations, university research and women's groups. Local entrepreneurship partnerships can be used to monitor what support is being offered.
32. Governments should create an enabling environment through concrete support for women business owners. To do this they should work with the private sector in order

to:

- Raise awareness across government, making connections to raise the issue on procurement for WLBs, initially around recording WLBs in the supply chain and engaging corporates on their CSR reporting. Data could be gathered through pre-qualification questionnaires
- Proposal for a government-initiated procurement charter
- Recognise the importance of business growth hubs in supporting enterprise
- Increase visibility of the issue. Elizabeth Broderick, Sex Discrimination Commissioner in Australia has stimulated discussion and keep gender issues on the table. Governments could appoint an advisor specialising in women-led business
- Take SMEs on trade missions

33. Government should provide a flexible website, tailored to support and connect WLBs:

- In the UK, UKTI could work with the Government Equalities Office (GEO) to fine-tune the GREAT business website, improving the layout, text and imbedding information that is useful to women entrepreneurs throughout

34. There was general agreement that quotas have a positive impact in ensuring inclusion in the short to medium term, until the 30% threshold of female representation on boards, for instance, is reached. Quotas act as a means of recognising the discussion, keeping it on the radar and introducing a target.

However, quotas do not address the root cause of historically embedded attitudes and societal norms. Furthermore, whilst quotas may be effective in the boardroom and parliament, it is more difficult at other levels.

Cases demonstrate that context must always be taken into account: Listed companies in Malaysia must have a 30% equity ownership by Malays, an inefficient requirement, which cuts down the diversity of skills and outlook in the workforce; South Africa has seen quotas have destructive impact given the entrenched political and emotional baggage in the country's history; In contrast, in India quotas have been very helpful in supporting girls and disabled individuals.

35. Enlightened leadership from senior management is key to ensure equal opportunity and build a long term corporate strategy which strikes a balance between profit-seeking and pressures of financial systems, and stewardship. Furthermore, strong leadership and influence groups contribute to raising awareness and creates a no-tolerance zone for sexual harassment.

36. It was felt that the following would be positive steps for corporates:

- Introduce gender neutral parental leave
- Submit CSR reports to the United Nations (UN) Global Compact Office to send a message to suppliers, partners and clients
- UK Voluntary Code of Conduct (development led by the Royal Bank of Scotland) gives a view of what a supplier inclusion programme could look like. Suggestion that this should be signed formally in future
- Corporate leaders in CSR and diversity should promote themselves as a brand and thought leader

37. Empowerment requires education: Creating educational relevance and access to quality mentoring for women wishing to start their own businesses is crucial. Though tricky to implement and manage effectively, mentorship schemes in the workplace were recognised as extremely positive initiatives, with an inspiring role model to share their vision and teach leadership, whilst offering insight on networks, financial know-how,

and start-up support around marketing and legal obligations

Suggestions included:

- Establish a clear framework for everyone to follow, including agreed outcomes and expectations of mentorship, following up on results.
- Show business case for mentorship, creating a win-win relationship between mentor and mentee
- Introduce training and certification for mentors
- Prospect of 'industrialised mentoring', producing an online resource of mentoring material to create scale and ensure quality. This could spread the benefits of mentoring to a wider constituency and offer open access recorded sessions
- Women in Rural Enterprise (WIRE) have a scheme called 'just ahead of me', which is an interesting example where mentorship is offered by people just ahead thus building a non-patronising support network
- The mentor-mentee match should be (male/female) the best person to grow and challenge an individual: The Cherie Blair Foundation utilises an algorithm for finding an appropriate match
- Potential financial sources could include crowdfunding and sponsorship

38. Apparent difference between genders need not be negative: the perceived wisdom that men are risk takers and women risk averse is not necessarily a bad thing, as a balance of attitudes on corporate boards would be wholly beneficial. Still, stereotypical notions of character traits that a female leader or any leader would embody need to be set aside

39. Social media is a key tool that could be used to spread news of available contracts, as well as permitting women to expand their professional networks.

Recommendations for WLBs:

40. Make a business case. It is critical to demonstrate value brought to previous buyers both to obtain contracts and to build the profile of WLBs as merely other SMEs offering a quality service. This could take the form of a brief on past business experience to be distributed among buyers.

41. Increase visibility in the supply chain and with diversity champions in multinational corporations (MNCs). This should include engaging with relevant dialogues, events, networks such as WEConnect which offers a global director of WLBs permitting corporate buyers to identify WLBs around the world. The meeting particularly recognised the power of multiple voices in lobbying and putting pressure on MNCs to change their behaviour and raising awareness among government actors. For instance, Kagider, Women Entrepreneurs Association of Turkey, visit 8 to 10 cities every year to address women, lobbying countrywide, demonstrating the value of public affairs. The UK's GREAT and Exporting is GREAT marketing campaigns took a case study led approach, showcasing successful business stories.

42. Ability to access finance is critical: Working with an advisor and presenting a proposal making a business case reduces uncertainty around an investment. Money is an enabler and to ensure stability, organisations should ensure that they have at least 3 months' expenses in the bank at all times. Stable finances support the growth of the company and protect from resorting to corrupt pathways.

43. Seek out knowledge and support. This could include:

- Investigating innovative financial mechanisms such as export-working capital schemes, bods support schemes or peer-to-peer
- Seeking advice from the UN Global Compact Office

44. Entrance into international trade is a process that can be replicated for many markets with minor tweaks. Professionalism in service, packaging, presentation and merchandising goods are critical when exporting to other countries. Cultural sensitivity is absolutely vital and, in the case of UK businesses, UKTI is respected as a first port of call to support entrance into new markets.
45. Given the limitations of scale, WLBs must have the courage to turn down contracts where there is a risk of it costing them.

Potential areas for research:

46. Take and map the lived experience of a girl growing up, building a narrative to identify points of influence in her education, employment and enterprise.

Conclusion

There was broad consensus on many of the themes raised at the meeting, notably:

- Despite the progress of the past 20 years for women, we are still at the start of the journey in getting equality – change will still be slow and made in small increments
- The value of the mentoring relationship to both mentor and mentee – most participants felt there was scope for them to extend those relationships to share experience, provide support and build networks – between one another as well as externally to the meeting
- The need for better collection and understanding of data around women-led businesses in all countries, in all sectors and of all sizes will be instrumental in giving policymakers and businesses the information needed to interpret and address real challenges
- The need for greater leadership from government in terms of policymaking and legislation that removes gender inequalities, both direct and indirect
- The need for leadership from multinational corporations in addressing gaps in their own corporate policies and the willingness to foster change within organisations, from the top down
- There is a need to separate the universal challenges of growing an SME from the specific challenges for women at the helm of an SME – so much is good business practice: perseverance, networking, financial acumen, contracting, understanding the market and taking a long term view
- The voice of men and their role in driving change for women in business is absolutely critical to real and lasting progress being made: we need to get creative about ways to engage men and boys
- Participants felt encouraged by the meeting and wanted to pass on knowledge and policy recommendations within their organisations or countries

Katie Webb and Kathryn Hingston

Wilton Park | December 2014

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