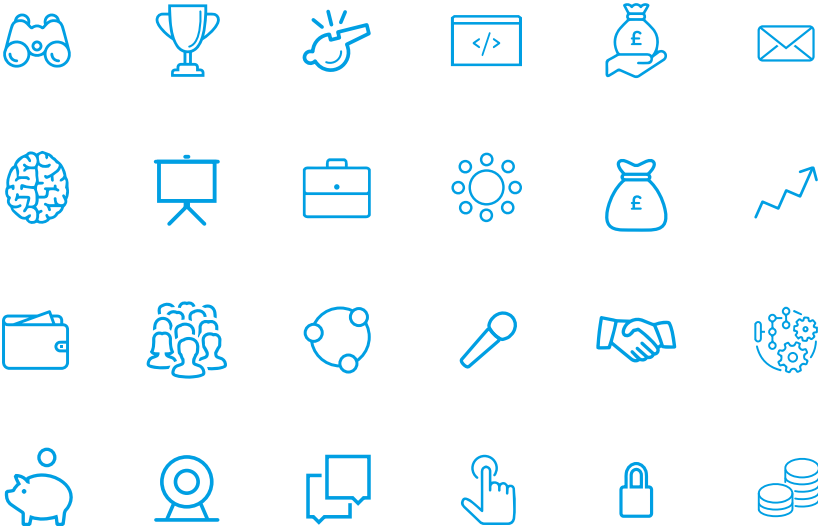


Shattering Stereotypes

Women in Entrepreneurship

April 2015



**Centre for
Entrepreneurs**

CFE

Centre for Entrepreneurs

Launched in October 2013, the Centre for Entrepreneurs promotes the role of entrepreneurs in creating economic growth and social well-being. It is home to national enterprise campaign, StartUp Britain.

The Centre is an independent non-profit think tank founded and chaired by Sunday Times columnist and serial entrepreneur Luke Johnson, and housed in the Legatum Institute - a non-partisan charitable think tank best known for its annual Prosperity Index.

It is supported by a prominent advisory board including serial entrepreneur and investor Brent Hoberman, angel investor Dale Murray, Supper Club founder Duncan Cheatle, Betfair founder Ed Wray, and finnCap founder Sam Smith.



Barclays

Barclays is an international financial services provider engaged in personal, corporate and investment banking, credit cards and wealth management with an extensive presence in Europe, the Americas, Africa and Asia. Barclays' purpose is to help people achieve their ambitions – in the right way.

With 325 years of history and expertise in banking, Barclays operates in over 50 countries and employs over 130,000 people. Barclays moves, lends, invests and protects money for customers and clients worldwide.

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About this report

This report was authored by Sarah Fink from the Centre for Entrepreneurs. The research design and analysis was conducted by Emily Haisley, Barclays Behavioural and Quantitative Finance. This initiative was led by Jagdeep Rai, Barclays Corporate Bank and Matt Smith, Centre for Entrepreneurs. The delivery team consisted of Lauren Hancock and Sujata Devi, Barclays.

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This research would not have been possible without support from the Barclays Social Innovation Facility.

Foreword

The economic empowerment of women and the rise of the entrepreneurial economy are two defining trends of our time.

In this report, the Centre for Entrepreneurs has partnered with Barclays to unravel how gender influences entrepreneurship, with a particular focus on the perspective and experience of women entrepreneurs. This provides us with a better understanding of what women face in their first year of business, beyond the start-up phase, and looking into the future.

This report is compelling because the findings shatter the stereotypes that many of us hold about the entrepreneurs who are growing businesses and powering the UK economy: the women in this research show stronger entrepreneurial ambitions than their male counterparts.

But there is more to do.

Whilst there has been significant growth in the number of women rising to C-suite executive levels and companies have adopted policies to boost

the number of women on professional boards, we need to address the barriers to entrepreneurship for women. Currently, women are underrepresented in business creation not just in the UK, but globally.

We need more women entrepreneurs because their role in fostering prosperity is clear.

They are not only achieving higher profits and taking home a higher income than their male counterparts, they also demonstrate a commitment to growing a profitable business and providing stability for their employees.

Our hope is that this in-depth look at women in business will provide policymakers, investors, the media, and entrepreneurs themselves – as well as those considering such a move – with the evidence to look beyond the stereotypes regarding what makes a successful entrepreneur.



Sian Hansen

Executive Director of the Legatum Institute
Non-Executive Director of the Centre for Entrepreneurs

Foreword from Barclays

At Barclays, we are passionate about helping businesses to grow, from start-up to multinational. It is always a personally rewarding experience meeting clients and working with them to deliver solutions that will help achieve their business ambitions.

Entrepreneurship brings huge value to the UK economy, driving growth, jobs, innovation and helping to foster the kind of export mentality the UK needs to succeed on a world trade stage.

The number of new businesses in the UK in the last six months of 2014 increased by 3.7%¹, and is expected to rise; therefore it is vital the emerging entrepreneurial economy is supported. Banks play an important role, with the specialist support we can provide helping business owners to bring their ambitions to life.

As a bank and indeed for society in general, it is important to understand what motivates business men and women, what challenges they face, and what lessons we can learn from their approach to business that can be shared more widely for future growth.

The latest studies show women are still underrepresented in business, leading only 19% of UK small and medium enterprises. Barclays is actively engaging with business women and committed to providing the support they require to achieve their ambitions. This report examines how positive commercial and societal impact can be created by better understanding the needs of business women and supporting the growth and expansion of their business. The results provide a real insight into their motivations, the drivers for success and how their approach and incentive to achieving it differs from men.

Identifying the different behaviours of female and male business owners is imperative, and enables the industry to create an optimum environment to support this valuable economy, which in turn will boost economic growth.



John Winter
Chief Executive Officer
Corporate Banking, Barclays

¹ Barclays Entrepreneurship
Index March 2015

Headline Findings

We polled and interviewed just over 500 C-suite executives and entrepreneurs from UK businesses reporting an annual turnover in excess of £2 million, spanning a variety of sectors and industries.^{2,3}

Female Ambition

Though it is often assumed that women want to run “lifestyle” businesses, both men and women showed a strong appetite for growing the businesses they own or manage.

- 90% of men and 92% of women who are executives stated that they are very or extremely interested in growing their business in the next three years.
- Among entrepreneurs, 82% of men and 83% of women report being very to extremely interested in growing their business in the same time frame.

Women are underrepresented in entrepreneurship globally. Yet women showed greater entrepreneurial ambitions than their male counterparts in this sample of professionals.

- Less than 18% of male entrepreneurs say they are very or extremely interested in starting another business in the next three years, compared to more than 47% of female entrepreneurs.
- 69% of female C-suite executives are very or extremely interested in starting a business in the next three years, compared to 29% of their male counterparts.

A Different Model of Growth

Women explained that they are as growth-oriented as their male counterparts, but characterised the execution of growing their business in a different way. They strive for steady, profitable growth trajectories often preferring to re-invest business profits over equity investment to scale sustainably, and tend to think of male entrepreneurs as more concerned with fast growth and a quick exit.

Perhaps because they are more concerned about sustainable growth, women are more aware of potential barriers to growing their businesses and mitigating risks compared to their male counterparts.

- Although men and women cited the same top barriers to growth, women cite twice as many barriers.

Moreover, women and men equally rate their business skills, but women are more likely to see the need to acquire more knowledge or skills and the reach of their networks as barriers to growth.

- 20% of women report their knowledge of markets as insufficient compared to 9% of men.
- 17% of women report that their technical knowledge was lacking, compared to 5% of men.
- 27% of women saw the strength and reach of their networks as an obstacle, compared to 9% of men.

Risky or Reckless

Women see risks differently, but like the men in our sample, they are very much risk-takers.

- 91% of women and 86% of men report that others would describe them as fearless in the face of failure.
- 87% of the women in this group see themselves as financial risk-takers, compared to 73% of men.
- 80% of women say they see opportunities where others might see risk, with 67% of men reporting the same.

The decision to take risk will be influenced by how one views current business health. Women are more modest than men when it comes to evaluating the track record of their businesses. Over-confidence is often cited as the Achilles heel of the entrepreneur, and women seem to be less prone to this tendency.

- 62% of male entrepreneurs say their businesses are prospering compared to 42% of women, despite the fact that the female-run business in our sample report higher profit before tax.

Though these women are willing to take risks, they are also more sensitive to risk.

- 92% of women report that they are good at both identifying and mitigating risks, compared to 88% of men.
- 24% of women said it was a bad time to take on risk due to personal finances, with 6% of men reporting the same.
- 18% of women will report that a risk is unlikely to pay, compared to 6% of men.

Supporting Entrepreneurs

In terms of support, women from both the executive and entrepreneur groups emphasised that workshops and events must be personalised and relevant. They want to meet people from similar sectors or business sizes who are facing similar problems.

Our research found that both men and women are interested in professional networks and industry specific events and seminars. However, when it comes to gaining tailored support, men turn to a trusted council or "advisors", whilst women prefer education or to be "coached". Thus similar support services should be framed in different ways to appeal to both men and women.

Though women report interest in networking events aimed specifically at women, they say it is difficult to find other high-achieving professionals at these events. Entrepreneurial networks and events should strive for gender balance in their invitations.

The women we researched stressed that it was essential to treat them based on business achievements rather than on gender expectations. When considering support for entrepreneurs to start and grow a business, we ask all stakeholders to generate activity around entrepreneurship that is gender intelligent.

² We surveyed 483 C-suite executives and entrepreneurs. The polling was supplemented with 20 phone interviews with female entrepreneurs and an online focus group with eight participants.

³ C-suite executives denotes a corporation's most high-ranking executives, typically with a title beginning 'Chief'

Introduction

Entrepreneurship is riddled with stereotypes. This is particularly true for female entrepreneurs. For instance, women starting businesses often attract specialised labels or epithets such as “mumpreneurs”, “fempreneurs” and even “lipstick entrepreneurs”.

The mere existence and continued use of feminised descriptions of entrepreneurship fuels the perception that entrepreneurial activity is a largely male preserve. Such stereotyping has an impact. The majority of the women interviewed for this research did not identify with the title “entrepreneur”, often seeing it as a loaded term. Instead, many of the women surveyed preferred terms such as “founder” or “business owner”.

For them, they said it was about growing a profitable business and providing stability for their employees. One said, “It isn’t about becoming the next Richard Branson”.

This is a serious point about the UK economy. If women started businesses at the same rates as men, there’d be one million more entrepreneurs in the UK.⁴ And while the number of women in entrepreneurship is on the increase, this study uncovers that there is clearly more that can be done to remove the unconscious bias – and even blatant sexism – from entrepreneurship: the very sector that generates the highest number of most new jobs, and fosters nearly all of the growth in the UK economy.

The aim of this report is to unravel how gender influences entrepreneurship. There will be a particular focus on the perspective and experience of women entrepreneurs. We discuss the entrepreneurial ambitions among men and women, as well as

perceptions of gender differences in risk-taking, and attitudes among women in business.

Yet this report aims to refrain from sweeping generalisations. This report is not about biology. Instead, we draw from the data and research to discuss the social and historical context in which both male and female entrepreneurs work. We remind readers that the findings are the result of averages: many will find their own experiences differ. Often, there is more variation within the genders than between them.

We also stress that we have focused our research on a highly successful group of C-suite executives and entrepreneurs. They are those who have made it beyond the startup phase of the business lifecycle and are running an established firm. At times, some of the gender differences that have been observed in the general population extinguish or reverse among this group.

Our hope is that this in-depth, empirical look at gender and entrepreneurship will provide policymakers, investors, the media, entrepreneurs themselves – as well as those considering entrepreneurship – with the evidence to look beyond the stereotypes regarding what makes a successful entrepreneur. Gender intelligence is our aim, and we have developed recommendations for stakeholders regarding embedding such intelligence in their support for entrepreneurs.

⁴ This figure is calculated using the Global Entrepreneurship Monitor’s figures for Total Entrepreneurial Activity (TEA). TEA is calculated as the proportion of the working age population either in the process of starting a business or running a new business. In 2012, the TEA rates were 6.3% of women and 11.6% of men. Multiplying this by the total female working-age population (using ONS’ Labour Market Statistics, this is currently 20.2 million women) and calculating the gap between the current TEA rate for women and the rate for men, the difference is 1.07 million entrepreneurs.

Methodology

We conducted survey research on 483 C-suite executives and entrepreneurs from UK businesses demonstrating an annual turnover in excess of £2 million, spanning a variety of sectors and industries. Recruitment and data collection was conducted by Research Now and through entrepreneurial networks, WEConnect and Enterprising Women. The polling was supplemented with 20 phone interviews with female entrepreneurs and an online focus group with eight participants, conducted by YouGov.^{5,6}

⁵ There were 180 CEOs and 105 respondents who described themselves as “other C-suite executive”.

⁶ For all figures on business and personal characteristics we use the median

Who was surveyed?

Entrepreneurs

C-Suite Executives

483

Entrepreneurs and C-Suite Executives
for UK companies with an annual
turnover greater than £2 Million

78 Female

Plus: 20 interviews
8 in focus group

102 Male

122 Female

181 Male

Entrepreneurs

Business Characteristics

Profit before tax: £500,000

Employees: 50

Years since founding: Men 15 / Women 8

Personal Characteristics

Age: Men 55 / Women 37

Income: £150,000

Net worth: £1,500,000

C-Suite Executives

Business Characteristics

Profit before tax: £500,000

Employees: 151

Years since founding: 15

Personal Characteristics

Age: 47

Income: £120,000

Net worth: £1,000,000

The State of Play

Two macro trends are in play: a rise in the number of people entering into entrepreneurship, and women continuing to increase their economic clout.

The number of active companies in the UK increased by 3.7% in the second half of 2014 to form almost 3.1m companies, the second highest rise in the past three years.⁷ The UK's start-up activity remains very strong with total early-stage entrepreneurial activity (TEA) in the UK rising to 8.6% of the working-age population (18-64 years), up from 7.3% in 2013.⁸

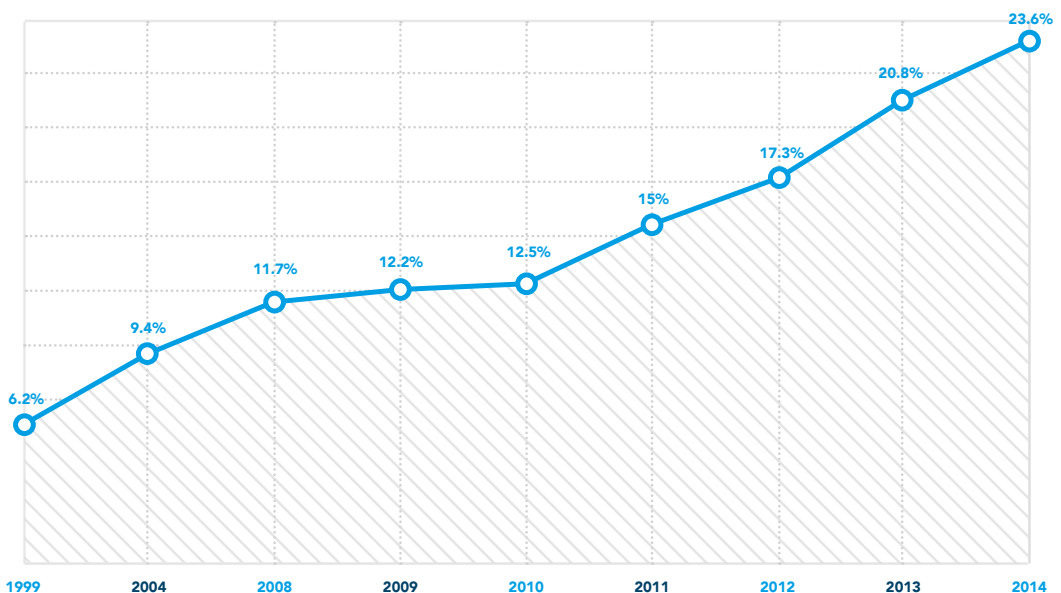
Record numbers of women are now in the British workforce following an increase of nearly 800,000 over the last four years.⁹ More women than ever before are on the boards of the UK's largest companies, with the FTSE 100 on track to hit a quarter female representation this year.¹⁰

Looking at the profiles of the businesses we surveyed, we found the women to be younger and running

newer businesses. Female entrepreneurs were 18 years younger than the median male entrepreneur in our sample, and the businesses led by women are 7 years newer than the median of the male-led businesses. But there is still a long way to go. According to the most recent OECD data, there is a gender gap of almost 50% in entrepreneurship in the UK. Among those either in the process of starting a business or running a new business, the rate for women was at 7.5% in 2014, lagging behind the rate for men, which was 13.5%.

Women-led small and medium-sized enterprises already add £70 billion to the UK economy. As they scale-up, it is imperative that we recognise women who are entrepreneurial role models to help fill the remaining gaps.

Fig 1.0 Percentage of Female FTSE 100 Directors



Shattering Stereotypes

To understand the attitudes and aspirations of those poised to be founders of successful businesses, or already leading a growing enterprise, we have focused our research on a highly successful group of C-suite executives and entrepreneurs. They are those who have made it beyond the startup phase of the business lifecycle and are running an established firm.¹¹ This allows us to understand their journey from the challenges in their first year of business, beyond their first million, and looking to the future.

Both men and women show a strong appetite for growth

We asked this group about their ambitions to grow their own business (or the businesses they lead), and found both men and women show a strong appetite for business growth, with no significant gender differences. 90% of men and 92% of women who are executives say they are very or extremely interested in growing their business in the next three years. Among entrepreneurs, 82% of men and 83% of women report being very to extremely interested in growing their business.

During the course of our research, we found that there is a perception that women are running “lifestyle” or “kitchen-table” businesses, but aren’t serious about growth. Though such entrepreneurial activity is undoubtedly rising in popularity and is to be encouraged, our data shatters the assumption that women-led companies aren’t interested in scaling up.

Women show a greater range of growth ambitions

The research explored the areas of how entrepreneurs and executives are interested in growing their business. Among entrepreneurs, women show a greater range of growth ambitions, including both domestic and international growth, and through the entry of new products and price points.

Fig 2.0 How interested are you in growing your business/company in the next 3 years?

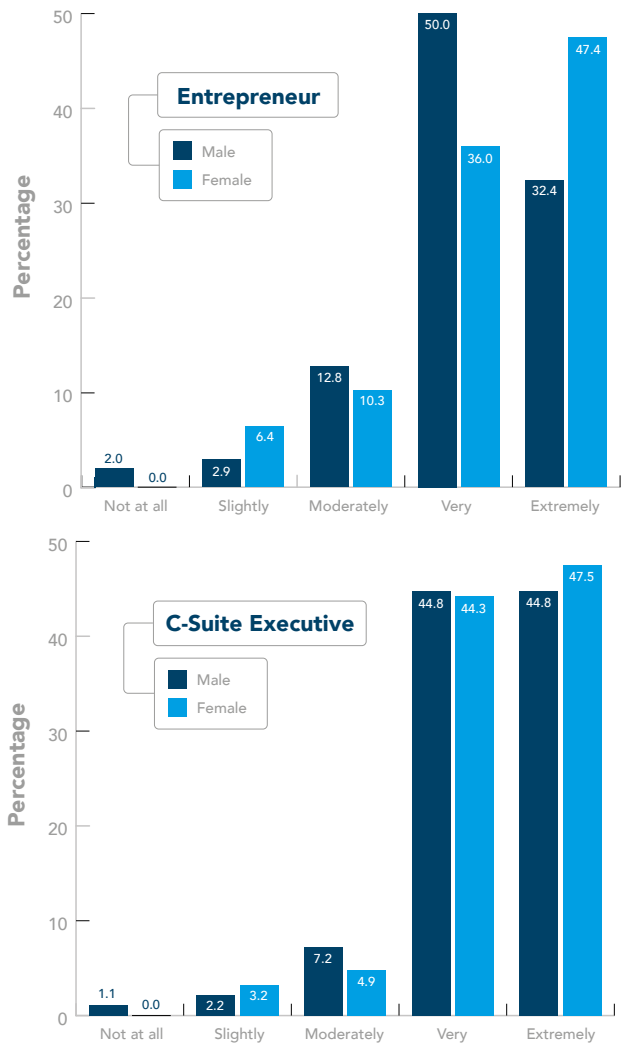
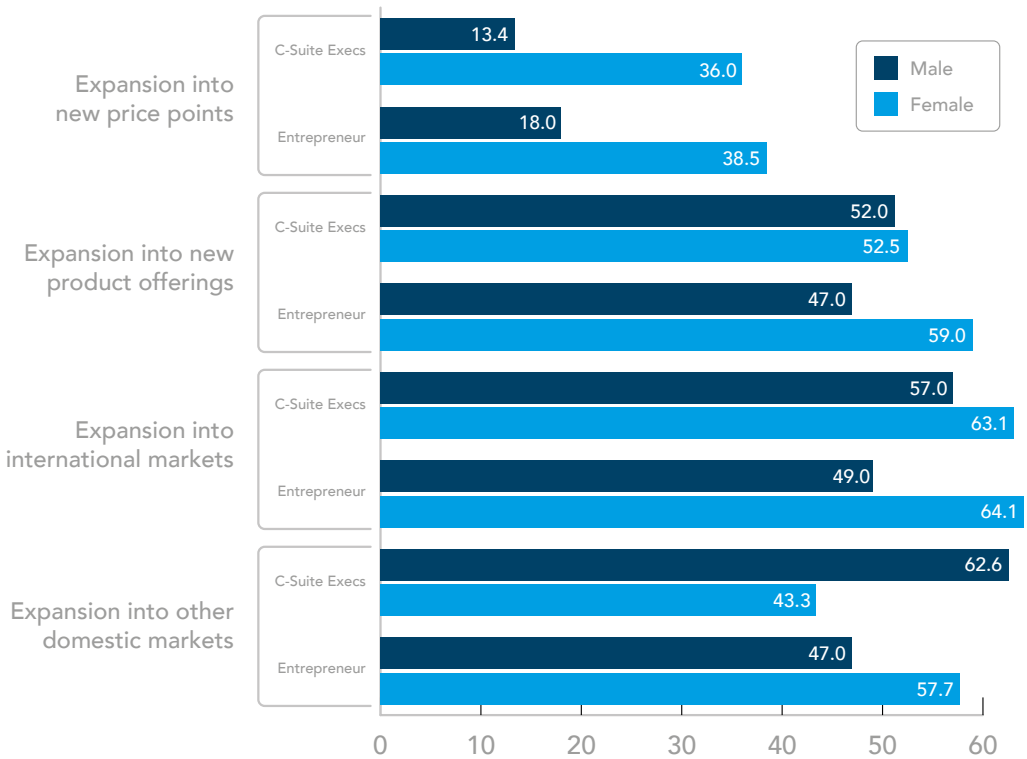


Fig 3.0

In what ways are you interested in growing your business/company in the next 3 years?



Women show greater entrepreneurial ambitions

Both the entrepreneurs and executives were asked about their entrepreneurial ambitions. We found that less than 18% of male entrepreneurs say they are very or extremely interested in starting another business in the next three years, compared to more than 47% of female entrepreneurs.

What is maybe more striking is the percentage of women in the C-suite who would like to start their

own businesses: 69% of female executives compared to 29% of male executives. Interviews with female entrepreneurs found that those who had started businesses after holding a senior corporate position did so because their corporate roles gave them the experience and financial security to strike out on their own. The qualitative research also concluded that former executives had the most ambitious growth plans.

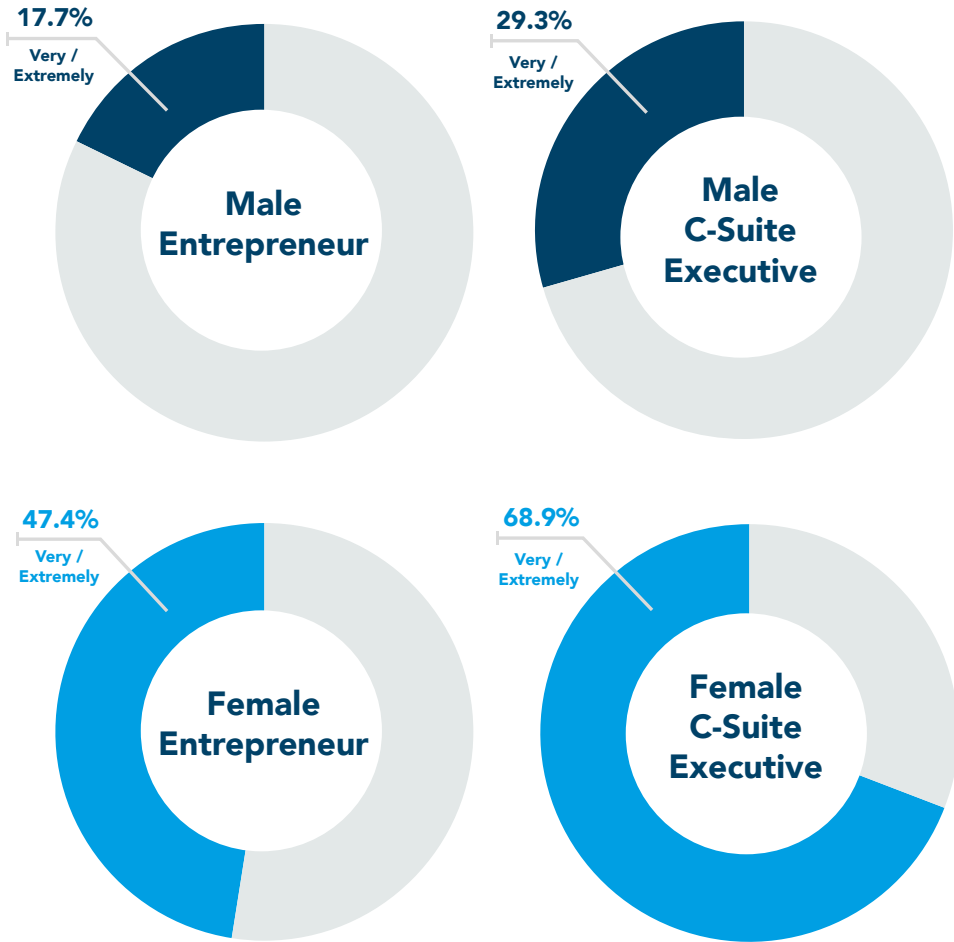
⁷ Volume 6 - Barclays and BGF Entrepreneurs Index , March 2015

⁸ GEM 2014 Global Report - Global Entrepreneurship Monitor

⁹ The Independent, More women are in work in Britain than ever before, 2014

Fig 4.0

Are you interested in starting a business (or another business) in the next 3 years?



This greater appetite for entrepreneurship flies in the face of stereotypes. It can be interpreted as either a greater desire among these highly accomplished women to start a business, or it may be evidence of an ambition gap where men are more likely to have leapt into entrepreneurship, and women are held back by particular barriers. In fact, although men and women cite the same top barriers to growth, women report a higher number of barriers. These will be discussed in more detail later in this report.

¹⁰ <http://www.boardsforum.co.uk/boardwatch.html>

¹¹ For this research, we mean that they have reached at least £2 million turnover

¹² DCMS, Secondary Analysis of the Gender Pay Gap, 2014

Female entrepreneurs earn more than men

When looking at the median wage of all workers in the UK, women still make 19.7% less than men. Yet there are signs that entrepreneurship is bucking this trend.¹² Previous research supports the existence of a reverse pay gap among entrepreneurs, where women are out-earning their male counterparts. It found that female entrepreneurs earn 17% more than their male counterparts. By contrast, among executives, women were making 21% less than men.¹³

In our sample, we replicate this finding. The median income showed women entrepreneurs take home twice that of men. We report these findings with caution, as they are in conflict with the majority of

research on gender pay gaps. However, this does appear to be clear evidence that entrepreneurship provides women with an opportunity to break through the perhaps ingrained barriers in other sectors.

Overall, we found that both men and women in this group are ambitious about growing their businesses in the near future. Both are interested in starting another business or making the entrepreneurial leap from the corporate world. However, women show higher rates of interest in starting a business (or another business), especially among C-suite executives. But this report isn't just about ambitions. In the next sections we will examine some of the factors that enable entrepreneurs and executives to grow their business, and better understand how gender issues may help or impede them.

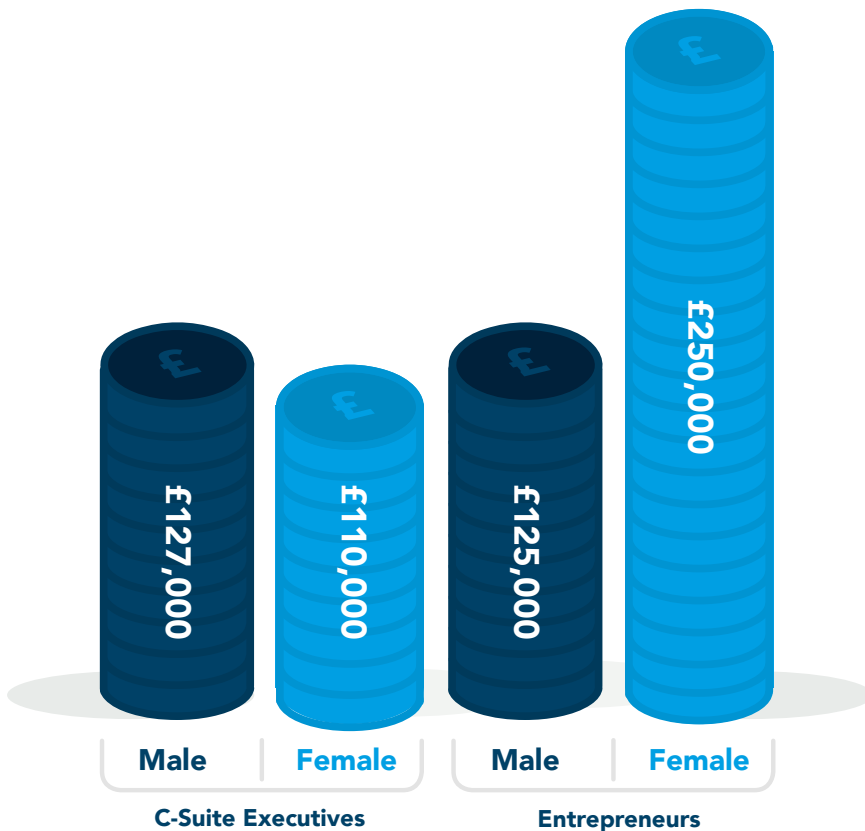


Fig 5.0

Respondents' annual incomes show a typical pay gap for executives, but a reverse pay gap for entrepreneurs

Delusions of Gender

People expect entrepreneurs to have certain qualities and behaviours such as risk-taking and an ability to innovate. But these same characteristics may be valued differently when displayed in men versus women. Take two examples.

A study from Harvard, the University of Pennsylvania and MIT looked at the role of gender in entrepreneurial pitches. They played hundreds of identical pitch presentations to groups of investors, but changed whether they had a male or female narrator. When investors were asked to pick which ones they thought would be successful, male narrated presentations were 40% more likely to be picked to receive funding than those narrated by women. In a follow-up experiment, evaluators particularly favoured pitches from “attractive” men, whereas attractive women were perceived worse than both “unattractive” men and women.¹⁴

A similar study from the University of California Santa Barbara had participants evaluate business plans and manipulated whether the name of the entrepreneur was male or female. Female entrepreneurs were rated as less competent than their male counterparts and their business plans received less (hypothetical) investment. There was a way for women to escape this

harsh judgement. When the business plan was highly innovative, this bucked gender stereotypes of women being less bold and risk loving. The author concludes, “women entrepreneurs may need to demonstrate more evidence of entrepreneurial ability than their male counterparts do. By introducing an innovative business model, a woman entrepreneur signals a level of agency that is not expected for women in general, but that better fits the masculine stereotype of the ‘entrepreneur’ ”.¹⁵

Both men and women see the world through a gendered lens. Investors, policymakers and the rest of the entrepreneurial community should begin to recognise and adjust for these biased perceptions.

¹³ Barclays Wealth and Investment Management, Understanding the Female Economy: The Role of Gender in Financial Decision Making and Succession Planning for the Next Generation, 2013

¹⁴ Brooks, A. W., Huang, L., Kearney, S. W. & Murray, F. E., Investors prefer entrepreneurial ventures pitched by attractive men, 2014.

¹⁵ Thebaud, S., Status Beliefs and the Spirit of Capitalism: Accounting for Gender Biases in Entrepreneurship and Innovation, 2015.

Risky or Reckless

In the 18th and 19th centuries, wealthy aristocratic women were often investors, speculators and gamblers. These were seen as risky activities, and risk-taking was associated with women and femininity. Risk was described as “a woman’s lack of self control” and their propensity to act on “irrational whims”. As financial dealings became formalised through the 19th and 20th centuries with protocols and regulations, the stereotypes around gender and risk shifted, and men have predominantly filled these roles.¹⁶

Women are proud of their approach to risk

Today, women are seen to be more risk averse than men and there is evidence to support this perception. Economic experiments estimate women are 20% more risk averse than men.¹⁷ Risk-taking and over-confidence are the two most persistent gender differences across numerous studies.¹⁸ However, there is a danger in making assumptions across the board. Female financial professionals, e.g. fund managers, have an appetite for risk more similar to men. Similarly, the women in our survey of executives and entrepreneurs rate themselves slightly higher than men on statements like “I am a financial risk-taker” and “People I work with would say I am fearless in the face of failure”.

Fig 6.0
Typical gender differences regarding risk are reversed for these female professionals



92% of women report that they are good at both identifying and mitigating risks, compared to 88% of men. 80% of women say they see opportunities where others might see risk, with 67% of men reporting the same. 87% of the women in this group see themselves as financial risk takers, compared to 73% of men. 91% of women and 86% of men report that others would describe them as fearless in the face of failure.

When talking about taking risks, the women we interviewed were proud of their ability to take calculated risks but they also tended to judge risk differently than men. They are more sensitive to risk and cite it as a barrier to growing their businesses. 24% of women said it was a bad time to take on risk due to personal finances, with only 6% of men reporting the same. 18% of women will report that a risk is unlikely to pay, compared to 6% of men.

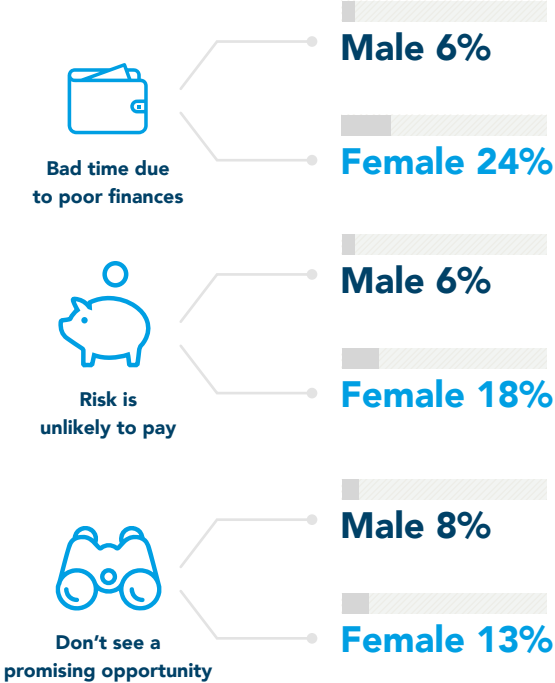
¹⁶ Marlow, S. and Swail J., Gender, risk and finance : why can't a woman be more like a man?, 2014

¹⁷ Croson, R. and Gneezy, U. Gender Differences in Preferences, 2009

¹⁸ Atkinson, S., Boyce Baird, S. and Frye, M. Do female mutual fund managers manage differently?, 2003.

Fig 7.0

What are the obstacles you see in growing your business? (approaches to risk)



Men rate their businesses as more successful

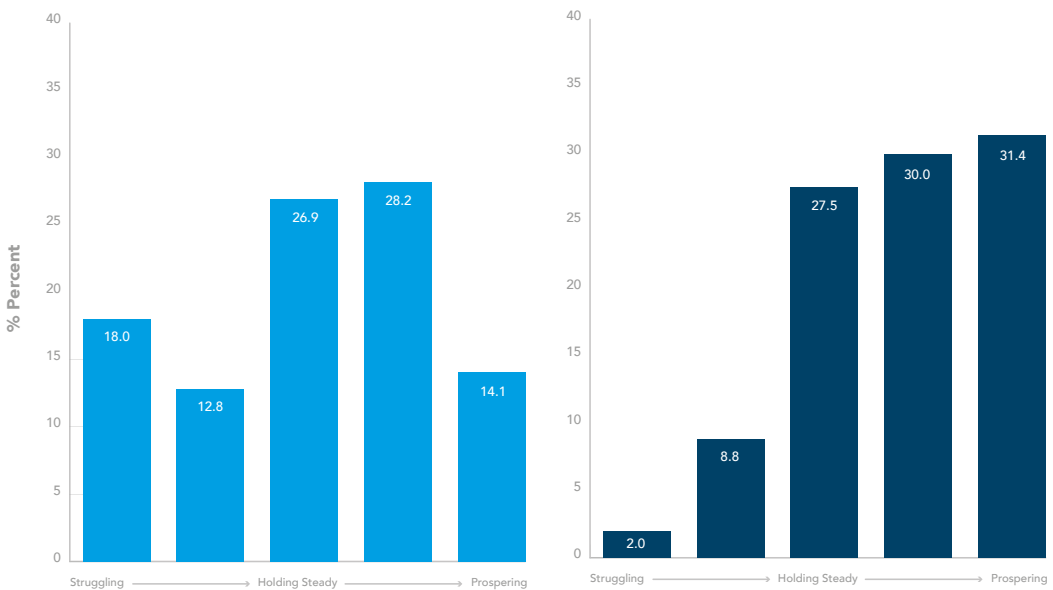
However, men and women in this sample seem to calibrate success differently. Just as men were less likely to worry about risks in the environment, when asked to rate the success of their business over the past three years, male entrepreneurs were highly skewed towards “prospering” while female entrepreneurs showed a roughly normal distribution with a slight skew towards “struggling”. This difference is particularly striking because the women-owned businesses in our sample were not struggling more than businesses run by men. On the contrary, the women-owned businesses happened to have higher profit before tax.

It’s important to ask why this might be. Arguing that women are less confident and that men are over-confident is simplistic. The women in this sample did not lack confidence. In fact, they showed a high level of confidence, one even going as far as to refer to herself as a “genius”.

Investors should be alert to how over- and under-confidence can skew business owners’ perceptions of the health of their businesses. They must calibrate success potential with objective measures rather than relying on perceptions.

Fig 8.0

How would you rate the success of your business/company over the past 3 years?



Women see themselves as growing their businesses, but in a different way

As mentioned previously, the women interviewed said they take a different approach to risk and growth than how they think of male entrepreneurs. They explained that they are as growth-oriented as their male counterparts, but characterised the execution of growing their business in a different way. One woman in our research said:

"There's a lot of talk about high growth and, generally, that puts women off because it's a bit bloke-y, it's a bit .com-y and I think women are more concerned about sustainable growth."

Often, the women said they take a calculated approach to risk, consider multiple factors for growth and aim for controlled growth. They perceive their growth trajectories to be steady, and tend to think of male entrepreneurs as more concerned with fast growth and a quick sell. The exit stage didn't seem to be on their radar.

The women interviewed say they consider a wide range of factors when it comes to growing their business. Many focus strongly on corporate responsibility and their contribution to society and their local area. Very few are willing to risk staff for the sake of growth. They explained:

"Would I make a decision that risks the entire company? No, that would be a bad risk."

"I have to think about his [co-owner's] livelihood ... I could get out now if I was by myself."

Additionally, they talk about planning, managing and controlling growth:

"It's got to be managed growth, profitable growth that's achieved in a way that doesn't knock people off their perches."

"Growing is the most important thing, but profitable growth."

When describing their growth ambitions, women used different words to describe their business goals versus how they perceived men's business goals. They used familial words, nature imagery, and talked about the freedom provided by entrepreneurship to talk about themselves:

"(My business) is like a child growing up...it was about turning the baby into a teenager."

"grows organically"

"It's happened naturally. It's a product that arrived quietly."

"It's not money that matters, it's freedom."

Words like "aggressive" and "gung-ho" were used alongside assumptions that male entrepreneurs could act recklessly.

So what's normal: how should entrepreneurs judge business health or approach risk? It is problematic that we calibrate confidence and risk-taking using a masculine norm. Speaking at the First Women Summit, a panelist argued that women entrepreneurs "don't over-promise and then under-deliver". If this is true, what was apparent from the women we spoke to was that they did not want to

be judged on gender expectations, but business success. This requires the public, policymakers, investors, the media, and entrepreneurs themselves to fight any remaining biases about both men and women pursuing entrepreneurship.

There is a need to recognise that entrepreneurs are not a homogeneous group and there are different, but still successful models of growth. Women are quite willing to take risks but they are also more sensitive to risk and this vigilance can be an asset.

Fig 9.0

What are the obstacles you see in growing your business?



31%
Team capabilities



27%
High level of competition



23%
Already dealing with rapid growth



22%
Difficulty accessing capital

Women see more barriers

In addition to unconscious bias, women may experience additional barriers when starting and growing a business. There is a need for nuance, and to understand that women have strong growth and entrepreneurial ambitions while recognising they see and experience barriers to growth.

Although men and women cited the same top barriers to growth, women cited more obstacles. On average, male entrepreneurs cited 2.7 barriers, whereas women cited 4.6.

Fig 10.0 Number of obstacles cited

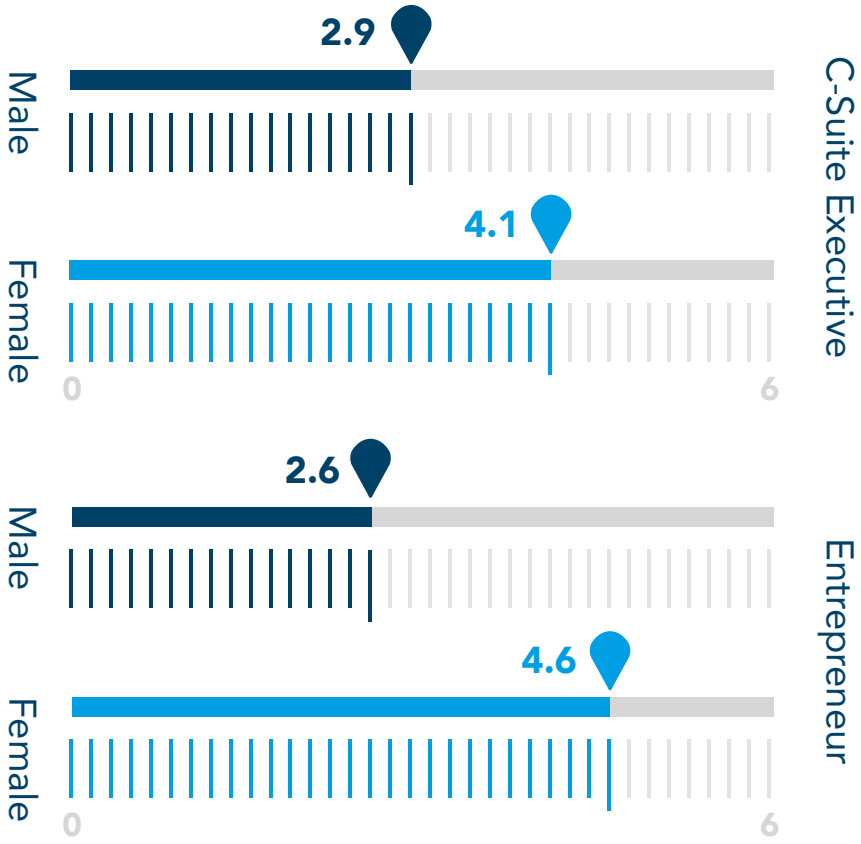


Fig 11.0 Number of obstacles cited in first year of business

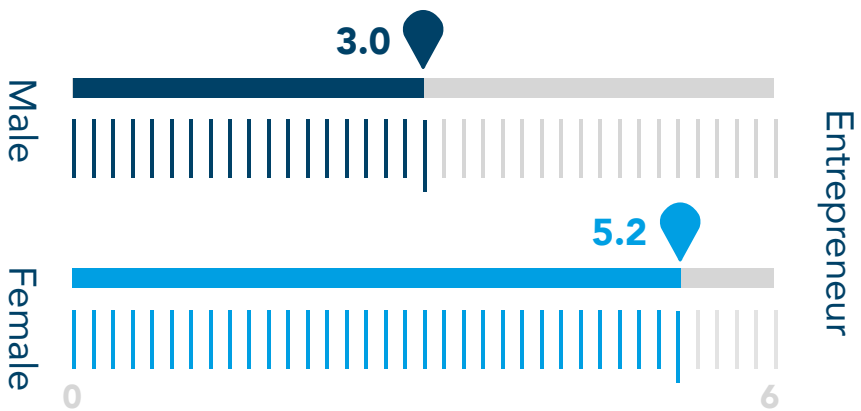
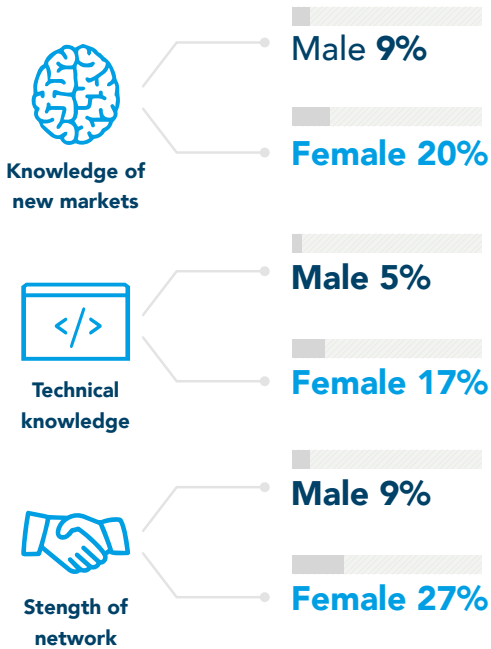


Fig 12.0

What are the barriers you see in growing your business? (knowledge and networks)



Women want to build their knowledge and their networks

Both executives and entrepreneurs were asked about barriers to growth relating to their soft skills, technical skills and their areas of expertise. Though women rated their business skills as highly as men, they were more likely to see insufficient knowledge as a barrier to growth. For instance, 20% of women report their knowledge of markets as insufficient compared to 9% of men. 17% of women report that their technical knowledge was lacking, compared to 5% of men. Across almost every type of skill or knowledge area, women saw up-skilling themselves as a means to furthering their business.

It is clear that women are interested in building their competencies in a number of areas. Interviews revealed that women want solution-oriented education. Later we will discuss the particular types of education and support that are in high demand from women.

Networks can be an enormous source of knowledge, or at least a means to make contact with the right hire to fill a competency gap. When asked about their network, 27% of women saw the strength and reach of their networks as an obstacle, compared to 9% of men.

Though there has been an explosion in women's networks which has been a great asset for women, this may not be a sufficient. Interviews revealed that women found great difficulty finding women's events in which they could network with industry leaders. In our sample of successful women, only 33% of their key mentors and influencers were other women. This figure was only 3% among the men. Given this, high-level entrepreneur networks must include experienced influential men and women if women are to advance. Increasing the visibility of successful women at entrepreneurship events could have a great impact on perceptions around gender and entrepreneurship. For instance, it's important for both men and women to see high-achieving women on public panel debates.

Therefore, those who provide this kind of support should see events geared specifically toward women as an important first step, but focus efforts on achieving a 50:50 gender balance in the wider entrepreneurial networking community.

Beyond business, there are lifestyle factors in play

As you would expect, women are more likely to cite childcare as a barrier to growth. Though this is not as high as you might expect – only 17%. Women are also more likely to support their spouse's business endeavours, both in terms of time and financial commitments, and are three times more likely to cite this as an obstacle when they are starting up their own businesses (5% of men vs. 24% of women).

We also found evidence that entrepreneurship enables women to have children, more so than the C-suite. Female executives are less likely than male executives to have children at home or in university, but the reverse is true among entrepreneurs. 55% of C-suite executives have no dependents, compared to 42% of female entrepreneurs.

Among professional, time-constrained women, entrepreneurship can enable women to have children in comparison to senior corporate positions. While we do not suggest entrepreneurship makes childcare easier, it at least offers women the autonomy to set their own schedules.

Support for Entrepreneurs

To help make their ambitions a reality and overcome barriers to growth, we asked executives and entrepreneurs about their interest in various types of educational and networking events and services. Most emphasised that support must be personalised. Relevance is also key for entrepreneurs. They want to meet people from similar sectors or business sizes who are facing similar problems. There is a big difference between female micro businesses and those running enterprises like those in our research. In fact, they can be sceptical (and even hostile) to being grouped with women if this includes smaller businesses they share little in common with.

Our survey found that both men and women are interested in networking events, industry-specific roundtable discussions, members-only business networks, and educational seminars. Interestingly, men showed a preference for a board of advisors and consultants for advice, whereas women showed a preference for coaching and mentors for education. There is a slight and subtle difference here, that should be kept in mind by service and support providers.

Again, supporters should understand that in the scale-up phase, women focus on long term sustainability of the business, not simply rapid growth to position themselves for exit. Education and networking support are as important as access to funding. They should also ensure networking and roundtables have appeal by making them relevant by sector and business size, and being solution-oriented. Because some entrepreneurs prefer "consultation" and some prefer "education", those who provide event and support services

for entrepreneurs should think about the language used so they are not exclusionary.

Furthermore, support should recognise the need to support women specifically, but without singling them out as women. The overwhelming majority of the women interviewed felt that acknowledging their gender diminished their accomplishments, i.e. suggested that they were successful for a woman. Similarly, they felt special services for women implied that they might need help because of their femaleness. This is a delicate balance. One entrepreneur explained:

"It's always nice to meet other female entrepreneurs, but should a financial package be tailored to just one sex? No, I don't think it should"


Additionally, this audience can be sceptical (and even hostile) to being grouped with women if this includes smaller business that they share little in common with. For instance:


"I don't really think about the fact that I'm a female. I know I've won a couple of awards for females in business but I've decided not to enter any more competitions that are just female. I really think I should be compared to everybody and I don't see why I shouldn't be."


In the next section we draw upon the research findings, coupled with interest in the support services mentioned above, to make a series of recommendations to embed gender intelligence in entrepreneurial activities. This means both removing and correcting gender-related biases.


Fig 13.0 Most popular services and support offerings


Popularity among men


-  Networking events


-  Roundtable discussions on industry issues

-  In-person discussion groups of peers (e.g. an informal personal board of advisors)

-  Key speaker presentation

-  Volunteer advisors or consultants on company board

-  Members-only business networks

-  In-person educational seminars

Popularity among women

-  Networking events

-  In-person educational seminars

-  Roundtable discussions on industry issues

-  Members-only business networks

-  Executive coaching

-  Key speaker presentation

-  Online educational seminars

¹⁹ Carter, Ram, Trehan & Jones'Diversity and SME's' Enterprise Research Centre White Paper No. 3; 2013

A Call to Action

The women we researched stressed that it was essential to treat them based on business achievements rather than on gender expectations. When considering support for entrepreneurs to start and grow a business, we ask all stakeholders to generate activity around entrepreneurship that is gender intelligent. We make the following recommendations:

Policy makers, investors and funders, the media, entrepreneurs themselves - as well as those considering entrepreneurship - should:

Assume women have strong growth ambitions, while recognising that they see and experience more barriers to growth.

Adjust for biased perceptions about the ambitions and competency of women.

Be alert to how over- and under-confidence can skew business owners' perceptions of the health of their businesses. They must calibrate success potential with objective measures rather than relying on perceptions.

Understand women are quite willing to take risks, but they are also more sensitive to risk, and this vigilance can be an asset.

Recognise that entrepreneurs are not a homogeneous group and that there are different, but still successful models of growth.

Entrepreneur support and service providers should:

Understand that in the scale-up phase, women focus on long term sustainability of the business, not simply rapid growth to position themselves for exit. Education and networking support is as important as access to funding.

Ensure events and seminars have appeal by making them relevant by sector, business size, and solution-oriented.

Be mindful of the language and style adopted, so as not to be exclusionary, because some entrepreneurs prefer "consultation" and some prefer "education".

See events geared specifically toward women as an important first step, but focus efforts on achieving a 50:50 gender balance in the wider entrepreneurial networking community.



And finally, there is reason to celebrate. Women-led small and medium-sized enterprises already add £70 billion to the UK economy.

As they scale-up, it is imperative that we recognise and support women who are entrepreneurial role models to help fill the remaining gaps in entrepreneurship.

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