



Action Strategies to Support Women's Enterprise Development The Canadian Taskforce for Women's Business Growth

An economic imperative for Canada

Canadian women business owners and self-employed workers represent an untapped source of economic opportunity. In 2007, women retained ownership in 47% of Canada's 1.6 million small and medium-sized enterprises (SMEs) and *majority* female ownership of 16% of Canadian SMEs.¹ *Majority* women-owned small and medium-sized enterprises represented over \$117 billion per annum of economic activity in Canada.

"A 20 percent increase in total revenues among majority female-owned enterprises will contribute an additional \$2 billion per annum to the Canadian economy."²

In addition, between 1999 and 2009, the number of self-employed females increased by 13 percent compared with 10 percent for men.³ Today, over 900,000 of the 2.6 million self-employed workers in Canada are women.⁴ This represents a second significant pool of enterprising women.⁵

In 2010, the *Taskforce for Women's Business Growth* initiated a series of roundtables to identify policies and programs to enable female business owners and self-employed workers to contribute further to the Canadian economy. Participants included over 200 prominent women business owners and self-employed workers, industry association representatives, academics and other thought leaders. This report captures action strategies to ensure that Canada realizes the full economic potential of women's entrepreneurship.

Governments at all levels can do more to support women entrepreneurs. Although existing women-focused small business programs and policies are successful, many programs are limited to geographic regions or emphasize start-up rather than growth. Economic development can be strengthened through training, education, and policy change to better support growth oriented women business owners. For example, the needs of women are not recognized in most science, technology and innovation policy and program frameworks. The action strategies recognize the role of government in strengthening business owners' skills and competencies, facilitating knowledge transfer and supporting women in non-traditional fields and sectors. These priorities will contribute to capacity building across sectors, within the company, and among all Canadian business owners and improve federal program efficiencies and impacts.



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Action Strategies to Support Women's Enterprise Growth

Women business owners seek to scale-up, optimize technology, enter new markets, increase profit margins and better service clients locally, nationally and internationally. For example, Industry Canada reports that in 2007, female business owners were as likely as male business owners to intend to expand the size and scale of their enterprises.⁶ To facilitate growth, summary Taskforce recommendations are to: (a) consolidate existing small business program information, (b) improve financial and technology literacy, (c) increase access to growth capital, grants and other resources and (d) report on the economic contributions of women to the Canadian economy. These actions will increase productivity and facilitate women's enterprise growth. By doing so, they will help to ensure that Canada remains competitive in the global economy.

1. Canadians seek a national women-focused economic development strategy

Despite the significant economic opportunity that women's business ownership provides, Canada has no national strategy to facilitate women's enterprise growth. A national strategy that includes women-focused small business training and knowledge mobilization will help to maximize the contributions of women-owned enterprises.

Women-focused small business training

The national strategy would support increased funding to existing women-focused small business training programs and program expansion in those regions that do not currently support such programs, including Quebec, Southern Ontario and Northern Canada. Program delivery would be undertaken by both public and private sector delivery agencies. No one organization currently retains the expertise to launch a comprehensive women-focused economic development strategy. The strategy requires the commitment from at least four key departments/ministries, including Industry Canada, Foreign Affairs and International Trade Canada, Human Resources and Skills Development Canada and Status of Women Canada.

Better co-ordinate small business policies and programs

The economic strategy would be informed by an inter-departmental federal committee tasked with monitoring and co-ordinating women-focused and other small business policies and programs. This will help to ensure that *all* federal, provincial and regional economic development policies and programs are alert to, and address the needs of, women entrepreneurs.

Office for Women's Enterprise

The roundtable participants called for the establishment of an *Office for Women's Enterprise* to support the national economic strategy and interdepartmental committee. The *Office for Women's Enterprise* will work across the federal government to co-ordinate programs, policies, research and knowledge sharing about women's entrepreneurship. The office must be granted sufficient funding and power to reach into different federal agencies to ensure that initiatives are implemented.

Host a national economic summit

The purpose of the national women's economic summit is to accelerate growth of Canadian women business owners and increase awareness about the economic contributions of their firms. The event will also facilitate sharing of global best practices among women's industry associations and showcase women role models. The summit would be a collaborative event among private sector, women's and other industry associations, academe, and government.

2. Canadians seek to develop new markets and grow globally

Engagement in international trade and global value chains is associated with enterprise growth. Export, import, investment and other international business stimulation programs are currently scattered across ministries and agencies. There remains the need to link municipal, provincial and federal support initiatives. Women entrepreneurs seek to harness supplier diversity opportunities and contribute to the global supply chain. Many women business owners don't know where to find help. More sophisticated, timely and consolidated information is needed to assist women business owners who seek to do business in foreign markets. The need for information is evidenced in studies that report Canadian female business owners are, on average, less likely to engage in international trade compared to male counterparts—even after controlling for factors known to influence internationalization such growth intention, firm size, sector, investment in research and development and geographic location.^{7, 8}

'Go-to' portal for small business trade and internationalization information

A 'go-to' website portal that consolidates small business information is needed. Existing women-focused business portals are descriptive, rudimentary and often outdated. They appear to be poorly funded with limited executive level support. Website proliferation and information duplication across agencies erodes awareness, limits usage and is not cost efficient.

Hosted on the Industry Canada website, the 'go-to' portal would showcase advanced case studies about women business owners who have successfully internationalized their firms. The site would include practical and reliable 'how to' tools and check lists that are grounded in practice and research. Maps can provide users with strategies to efficiently link import/export/investment information with industry associations and regional programs.

Women business owners also seek gender-sensitive information such as cultural and gender norms in different countries. The portal could employ match-making, knowledge-sharing technology to help women business owners identify and connect with market development opportunities. Portal capability would include a hot-line to obtain real time answers to international trade questions. The portal should be informed by the Department of Foreign Affairs and International Trade (DFAIT) through the establishment of a *priority* sector unit focusing on women-owned enterprises. Reporting to the interdepartmental federal committee, the *priority* sector unit will ensure executive commitment and resources to support leading-edge intelligence gathering about the internationalization of women-owned enterprises and technical support to facilitate knowledge sharing.

Women-focused mentorship program

Working with women-focused small business training agencies and industry associations, the *Office for Women's Enterprise* would co-ordinate a national women's enterprise mentorship program to assist women in accessing capital, technology, and new markets. Similar to *Canadian Executive Service Overseas*, the mentorship program could be staffed by paid and volunteer experts. Mentors would be required to have demonstrated expert knowledge about domestic and international commercial markets. This recommendation will help to consolidate best practices about high impact mentoring and help to address program duplication across federal agencies, women-focused and other trade associations.

3. Canadians seek to leverage supplier diversity

Canada has yet to realize the full economic benefits of supplier diversity and strategic procurement. It is difficult for women to find Canadian and US-based companies that have supplier diversity procurement policies. Procurement is not yet on the 'diversity agenda' of most Canadian corporations. Many women do not know about supplier diversity agencies such as *WEConnect Canada* and the *Canadian Aboriginal and Minority Supplier Council*. Without innovative programs such as *WEConnect Canada*, Canadian women business owners do not have equal status to American women entrepreneurs when bidding for international contracts.

Equitable procurement processes

Public Works and Government Services Canada (PWGSC) are encouraged to continue working with all federal agencies to examine the language used in procurement practices and to establish measurable supplier diversity procurement objectives. Best practice agencies such as SaskTel, BC Hydro and PanAm Games 2015 may inform this work.

Accessed through Industry Canada, Public Works and Government Services Canada are also encouraged to work with federal agencies to establish a one stop 'go-to' place to access information about supplier diversity and procurement practices.

Recognize best practice diversity supplier practices

Public Works and Government Services Canada, in collaboration with other federal ministries, are encouraged to create public relations opportunities to recognize federal buyers and agencies and private corporations that support supplier diversity objectives.

Use diversity supplier programs to support international trade

The federal government should proactively support certified female-owned enterprises who seek to leverage U.S. diversity supplier procurement opportunities. This can be accomplished through trade missions, training, workshops, and grants to offset costs of prospecting, travel and certification. An example is DFAIT's support of the Canadian delegation to the 2011 Women's Business Enterprises National Council Annual Conference.

Proactive support of certified female-owned enterprises requires identifying, tracking and reporting on women entrepreneurs in a formalized way in order to capture the impacts of selling to government and business outcomes associated with supplier diversity programs. The federal government should also showcase women entrepreneurs who are effectively leveraging international supplier diversity programs.

"Someone needs to close the loop... so that we don't have to call business centres in Montreal, Toronto, and Ottawa. It would be best if everything could be managed in the home province."

4. Canadians seek to increase the access to commercial capital

Financial literacy enhances enterprise growth. Canadian women seek structured learning opportunities to increase their understanding about small business financing. The need for financial training is evidenced in Canadian studies that report women business owners are significantly less likely to seek equity capital compared to male counterparts.⁹ Studies have also documented that women business owners cite concerns such as lack of confidence, limited access to angel networks and other sources of equity, confusion about terms and jargon, limited understanding about types of equity and debt capital and need to better understand best practices in structuring deals and utilizing financial information. For some, the line between commercial and personal credit is obscure. Some assume that loan security and co-signature are gender-related.

“Women entrepreneurs want to talk about risk”. Education is needed for women on how loans are given and which risks are okay to take to grow the business.”

Support financial literacy of women entrepreneurs

Human Resource Development Canada and Industry Canada Small Business Financing Directorate, in consultation with other federal ministries and women-focused small business training agencies would develop on-line, small business financing curriculum. Gender influences in capitalization must be identified and explicitly addressed in all aspects of the program. The program would support an e-based network that will enable women to learn and communicate about lessons learned from other female business owners. Roundtable participants voiced concern that too often small business clients are left without adequate follow-up support following start-up. Client follow-up and access to periodic consultation about growth capital are also required.

Reward financial competence

Industry Canada’s ‘Small Business Financing Program’ should be expanded to include preferential lending rates for business owners with demonstrated financial literacy. Demonstrated financial literacy could be linked to certification facilitated through Industry Canada small business finance training.

Increase access to expansion capital

Small business training and micro-lending agencies should be provided with expansion loans and working capital. For example, some agencies provide less than \$20,000 in start-up funding. Higher loan amounts are required for expansion purposes.

Enhancing infrastructure

Women business owners also seek quality financial advice. The federal government should establish a business development credit to offset costs to obtain professional financial advice (e.g., \$2,000 to \$5,000). Grants for financial advice could be delivered through existing small business training agencies.

Financial literacy is a life skill

While finance courses are offered in some high school entrepreneurship courses, personal and commercial financial literacy should be integrated into all high school curricula.

5. Canadians seek to increase adoption of technology

Women business owners struggle with how to identify, select and adopt technology. Women seek information about how to better employ technology at different stages of the company’s evolution and within various business areas or units. Too many women business owners do not have web-based capability to prospect and complete sales orders.

Technology readiness includes understanding about what, how and when technology can best support enterprise growth. Roundtable participants noted that technology stimulation support programs are not well known or understood—even by small business service providers. Anecdotal evidence strongly suggests that women business owners are underrepresented in publically-funded science, technology and innovation initiatives.

Support technology training

Industry Canada, with co-operation from Human Resources Development, would fund small business technology adoption training. Program support will further inform business owners about best practices, including adoption of social media, cloud-based software, on-line procurement/fulfillment, information and communication systems and other tools. This includes expert input from women-focused agencies that are knowledgeable about gender related barriers to technology adoption.

Build knowledge about ‘best practice’ small business technologies

Industry Canada should host a complementary portal about technologies appropriate for small business. The portal would support an interactive database with search/matching functionality for small business technology resources. A questionnaire about how clients intend to employ, adopt or produce technology could then be linked to a portfolio of technological tools. Portal capability would include a hot-line to respond to frequently asked technology-focused questions.

Link talent and need

The on-line portal will facilitate the matching of qualified experts, including co-operative and summer students who seek technology internships with small and medium-sized businesses.

Facilitate further engagement of women in science, technology and innovation programs

All federal program eligibility criteria should be reviewed given reported differences in women's engagement in the advanced technology sectors. Proactive outreach targeted at women business owners would be encouraged by all federal funding agencies. This includes industry information sessions to explain how federal programs can better support women-owned enterprises.

"When your business gets too big and it is time to invest in systems beyond the website, how do you do it?"

6. Canadians expect reporting and accountability

Canada has no federal provision to ensure equitable access to, or use of federally-funded small business programs. Ironically, 1986 federal legislation requires large organizations (defined as firms that employ 100 persons or more) that wish to bid on federal contracts or to supply goods and services to the federal government to commit to implementing and demonstrating employment equity. Within Canada, there are no mechanisms to identify the gender composition of firm ownership.

Small business programs report using sex disaggregated data

Mandate all federally-funded economic development, small business, science, technology and innovation programs to report on client profiles and program usage using sex disaggregated data. The government might adopt established monitoring mechanisms such as those employed by Industry Canada Social Science Humanities Research Council.

Support evidence-based women-focused policy

Funding agencies would be held accountable for ensuring that all federally-funded economic stimulation programs include female applicants and users. To do so, federally-funded programs must be more proactive in outreach and undertaking internal reviews to examine potential gender implications and differences in program usage, impacts and outcomes.

Profile of Canadian women-owned enterprises

Industry Canada, in co-operation with Status of Women Canada, should fund periodic 'state of the nation' reports about women-owned enterprises and self-employed workers. Drawing on Statistics Canada's existing sources such as the *Labour Force Survey*, and benchmark data available through the SME Financing Data Initiative *Survey on Financing of Small and Medium Enterprises*, the composite profile would document the contributions and untapped opportunities of women to the Canadian economy.

The report would also examine how gender and other influences (such as occupation class, industry sector, human capital, family responsibilities) impact self-employment earnings and enterprise performance. This information is urgently required to inform business practices and support evidence-based small business, education, science, innovation and technology stimulation policies and programs. Sample studies are available in other OECD member nations.¹⁰

"The Year of the Entrepreneur' is a great opportunity for Government to make big changes to support women entrepreneurs."



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Taskforce for Women's Business Growth

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Governance and Operations
Global Banking Alliance

Training agencies & women-focused services that support Canadian women's enterprise growth

Provincial and regional service agencies

BC Women's Enterprise Centre

Alberta Women Entrepreneurs

Manitoba Women's Enterprise Centre

Women Entrepreneurs of Saskatchewan Inc.

PARO Centre for Women's Enterprise

Centre for Women in Business at Mount St. Vincent University

Newfoundland and Labrador Organization of Women Entrepreneurs

Prince Edward Island Business Women's Association

International consortia

Asia Pacific Economic Co-operation

(APEC) Women's Leaders Network

Global Banking Alliance for Women

The International Alliance of Women

Vital Voices Global Partnership

Women's Business Initiative International

WEConnect (Canada)

Women's Executive Network

Women's Presidents' Organization

Networks, associations, programs and awards

Canadian Association of Women Executives & Entrepreneurs

Canadian Coalition of Women in Engineering, Science, Trades and Technology

Canadian Women's Business Network

Canadian Women in Communications

Canadian Women's Foundation

Canadian Women in Technology

Centre d'entrepreneuriat féminin du Québec

Company of Women

Québec Business Women's Network Inc.

RBC Canadian Women Entrepreneurs Award

Society for Women in Science and Technology

WiredWoman.com

Women Entrepreneurial Center of Québec

Women in Film & Television

Women in Leadership Foundation

YWCA Women of Distinction

Organization of Women in International Trade (OWIT)

WEConnect Canada

About the Taskforce Roundtable Initiative

The Taskforce for Women's Business Growth is a national and non-partisan consortium of prominent female business owners, small business training agencies, academics, and industry associations. Founded in 2009, the goal of the Taskforce is to grow women's enterprises through the creation of public policy, advocacy, applied research, collaboration and sharing of best practices. Taskforce members are also engaged in identifying and sharing of best practices and applied research.

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During 2010 and 2011, roundtables were held in Vancouver, Toronto, Halifax and Ottawa. By-invitation attendees were identified through Taskforce organization contact lists and the Women's Executive Network (Ottawa, Toronto). In addition of individual Taskforce members, key supporters of the roundtables included Atlantic Canada Opportunities Agency, B.C. Women's Enterprise Centre, Company of Women, mARS, Mount St. Vincent University Centre for Women in Business, University of B.C. Sauder School of Business, University of Ottawa Telfer School of Management and the Vancouver Board of Trade.

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Endnotes

1. Jung, O. (2010). *Women Entrepreneurs. Small Business Financing Profile*. Ottawa: Industry Canada Small Business and Tourism Branch, October 2010. Jung (2010) reports that the average revenue of majority female-owned firms is \$563,000 compared to \$1,126,000 for majority male-owned firms.
2. The estimate is based on extrapolation of Statistics Canada data presented by Industry Canada (Jung, 2010) where, in 2007, *majority* female-owned enterprises account for 16% of Canada's 1.3 million Canadian small and medium-sized enterprises or 208,000 enterprises. The average total revenue of *majority* female-owned firms was approximately \$563,000. The average profit margin (ratio of pre-tax profit to sales) was 8.5% which reflects an aggregate net contribution of \$117 billion per annum.
3. Statistics Canada, CANSIM, Table 282-0012.1 (2010) as reported by Industry Canada (Jung, 2010, p. 2).
4. Statistics Canada, CANSIM, Table 282-0012 and Catalogue No. 89F0133XIE. The average annual income for self-employed women workers is approximately \$13,000 compared to \$21,000 for men. Firms operated by self-employed women are less likely to have paid help and less likely to be incorporated than firms operated by self-employed men.
5. The \$2 billion per annum potential incremental contribution does not reflect potential contributions among enterprises that are partially female-owned businesses or female self-employed workers.
6. Jung, O. (2010), *Ibid*.
7. Neville, F. (2011). *The Performance of Immigrant-owned Business Ventures*. University of Ottawa Telfer School of Management M.Sc. Thesis.
8. Orser, B., Spence, M., Riding, A. and Carrington, C. (2010). Gender and Export Propensity. *Entrepreneurship, Theory and Practice*, 34(5): 933-958.
9. Orser, B.J., Riding, A.L., and Manley, K., (2006). Women Entrepreneurs and Financial Capital, *Entrepreneurship Theory and Practice*, 30(5): 643-665.
10. See Budig, M.L. (2006). Gender, Self-employment and Earnings. The Interlocking Structure of family and Professional Status, *Gender & Society*, 20(6): 725-753.

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