WOMEN'S ENTERPRISE CENTRE

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Discussion Paper

Women Entrepreneurs – Financing & Growth

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DISCUSSION PAPER

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1. BACKGROUND

The 'Women Entrepreneurs: Financing and Growth' Initiative

Women's Enterprise Centre (WEC) is working with the Vancity Community Foundation (VCF) on a project with funding from Status of Women Canada. The project has a goal of strengthening the participation of women as owners of SMEs. The focus of the project is to understand more deeply why more women start businesses than men but more men grow them. This project will also help inform the development of future business expansion and support programs and explore practical ways to help overcome barriers. The VCF objectives have a special focus on Aboriginal, newcomer and social entrepreneurs.

In October 2011, Women's Enterprise Centre (WEC) was contracted by the Vancity Community Foundation (VCF) to prepare a two-part report to help frame the discussion. The first part was an Analysis of the WEC Loan Portfolio to help learn more about the growth-oriented loan clients of WEC, which was provided under separate cover. The second part is this Discussion Paper, entitled Women Entrepreneurs – Financing & Growth, which addresses motivations, barriers, and definitions of success for women business owners.

Through this project, VCF hopes to engage a diverse set of stakeholder groups to understand the issues more deeply and engage the larger community in creating solutions. The learnings will be shared within the Vancity organization, with the Credit Union Central of Canada organization and throughout the stakeholder organizations and their networks.

About VCF and WEC

Vancouver Community Foundation is a public charity created to help gather together community resources, thereby realizing the potential that exists when we invest in the vision of communities. It focuses in the areas of social enterprise development, community-owned real estate (including housing), and local food security, arts and culture, and poverty reduction. VCF has helped move communities closer to their goals by working with hundreds of organizations to effect transformation.

Women's Enterprise Centre is the leading business resource for women who are starting and growing a small business in BC. A non-profit organization in operation since 1995, it has offices and business advisors across the province, providing business loans, business advisory services, business skills training, mentors, resources and networking opportunities to women of all ages, ethnicity and life stages, helping them build their business capacity and fuel their success.

Background on the Issue

In 2010, over 36% of BC small businesses, or over 140,000 businesses were owned by women (BC Stats 2011). While the number of women entering self-employment grew strongly from 1989-1999, that growth rate has stabilized, and between 1999 and 2009, the number of self-employed women in Canada grew by 13%, compared to 10% for men, a 30% higher growth rate (Jung, 2010).

Women-owned enterprises represent significant untapped potential in the Canadian economy. The million women-owned businesses in the country represent $117 billion per annum of economic activity. A 20% increase in total revenues by these firms would contribute an additional $2 billion into the Canadian economy (Taskforce for Women's Business Growth 2011). The economic argument is clear that helping women grow their businesses is an excellent economic stimulus strategy.

The initiative is also very timely. In September 2011, the Asia-Pacific Economic Cooperation (APEC) member countries convened their first-ever Summit on Women and the Economy, hosted by US Secretary of State, Hillary Clinton. The research presented at the Summit clearly demonstrated that fostering women's economic empowerment is a sound economic strategy, both in developing and developed economies. The Summit, attended by senior government officials and other leaders from the 21 Asia Pacific economies, culminated in the signing of the San Francisco Declaration, which commits to improving women's access to capital, access to markets, capacity and skills building, and promoting women's leadership.

In November 2011, the national Taskforce for Women's Business Growth released its recommendations to the Canadian government, which outline what it has found as a result of its series of roundtables across the country. These roundtables started with the Vancouver Roundtable, hosted in October 2010 by WEC in partnership with the UBC Sauder School of Business and the Vancouver Board of Trade Women's Leadership Circle. Also in November 2011, the UK government announced plans to bolster its SME mentoring initiative, and earlier this year, the five largest banks in the UK started their own mentoring program, to offer advice and support on a range of issues including finance, marketing and HR. as part of a commitment they have made to increase lending to SMEs.

2. OVERVIEW AND METHODOLOGY

The purpose of the second part of this initiative is to create a discussion paper which will serve as a launching point to more deeply understand why more women than men start businesses but more men grow them. This part of the report will include information previously collected by Women's Enterprise Centre, along with results of survey questions posed directly to growth-oriented clients of both Women's Enterprise Centre and other partner organizations. The issues and barriers will be discussed in terms of women entrepreneur-related factors, firm and external barriers, access to financing issues, and issues related to aboriginals and immigrants.

The working hypothesis is that there will always be a need for women-specific lending and support models such as Women's Enterprise Centre, but that these alone cannot effectively serve the women business owners' growth financing needs. Vancity is of the opinion that more financial institutions need to effectively reach women entrepreneurs, understand their business growth needs and offer appropriate products and services to meet those needs.

These factors will be discussed using existing WEC data gathered through WEC surveys from 2006 and 2008, along with information gathered from a variety of other sources. This was complemented by a survey designed and carried out by WEC in October 2011 as part of this project. This survey specifically addressed the questions posed by VCF and provides current data to compare with information already compiled by WEC on the topic. The survey was sent to 463 growth-oriented WEC clients and mentors in BC and to 400 members of the Forum for Women Entrepreneurs in Vancouver. A total of 139 respondents completed the survey, of which 90 were WEC clients and mentors, and 49 were FWE members, with an overall 16% response rate. Complete survey results are found in Appendices 4 and 5.

3. MOTIVATIONS

In order to begin to understand why more women start businesses but more men grow their business, we must first look at the motivations for starting the business and the decision whether or not to grow it. These will be discussed in turn below.

3.1 MOTIVATIONS TO START A BUSINESS

The motivations for starting a business are a key indicator in predicting business performance. (Robichaud, Cachon, & Haq, 2011) According to Hughes (2006), there are three types of entrepreneurs: 'classic,' 'lifestyle' and 'forced' (or 'necessity') entrepreneurs. Each type of entrepreneur has different motivators for starting a business and each views success differently (Hughes, 2006).

According to Hughes, the desire for greater freedom is perceived as being the single most important reason for self-employment for both women and men (20% and 40% respectively). However, work-family factors such as more flexible hours, the ability to work from home and the desire for greater work-family balance were all less important as individual factors but overall combined to be the primary motivating factor for 36% of women, compared with only 8% of men (Hughes, 2006).

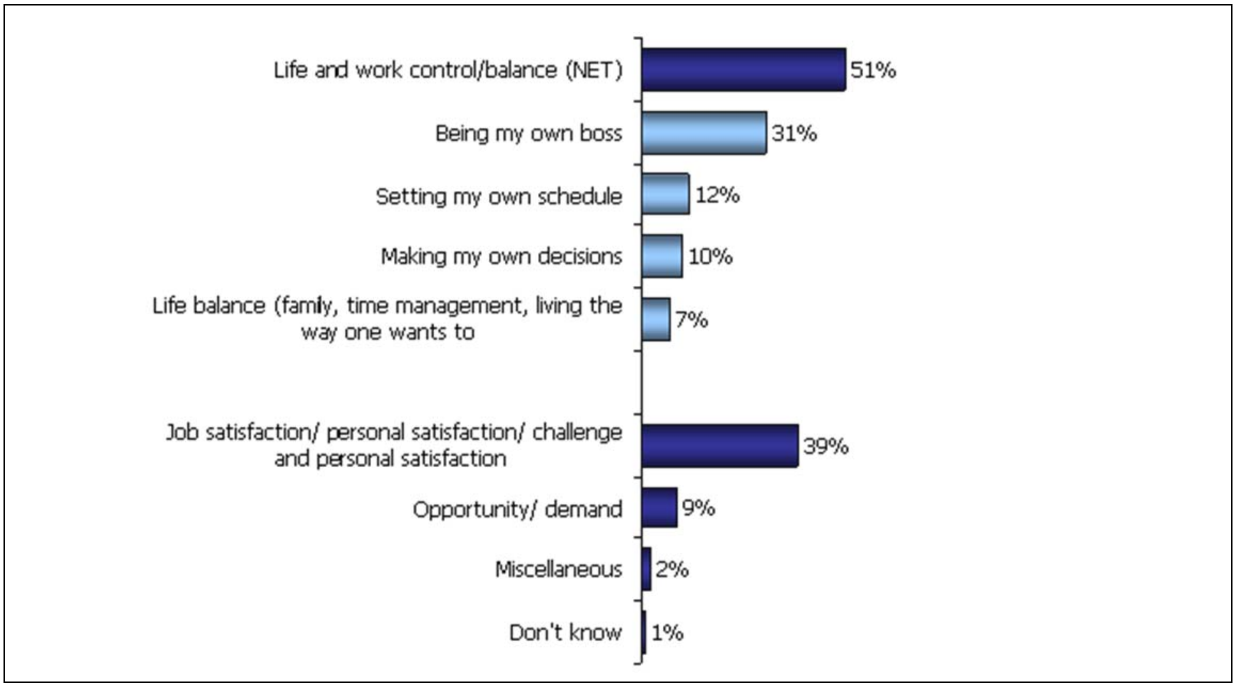
Men and women have differences in their motives for business start-up. Kepler *et al*. (2007) report statistically significant differences, where male entrepreneurs score higher on aspirations "to make money" and lower on "more flexibility for personal and family life" compared to women entrepreneurs. "Moreover, male entrepreneurs are more likely than female entrepreneurs to indicate that starting a business is more important than spending time with their families" (Kepler *et al*., 2007).

The 2011 WEC survey found similar results. The most common response was passion and self-fulfillment, with 69% of the respondents, followed by greater independence and autonomy with 53%. Freedom to schedule around family demands was a top-three motivator for 23% of the respondents (which, combined with the need for independence, was a motivator for 76% of those surveyed). Survey respondents cited increased income as a top-three motivator only 20% of the time. This is consistent with the 2008 WEC survey, which is summarized below:

TABLE 1- GROWTH-ORIENTED WOMEN ENTREPRENEURS' MOTIVATIONS AT START-UP

Mentioned in Top 3 Motivations for Business Start-up	(n=131)
Passion and self-fulfillment	69%
Greater independence and autonomy	53%
For the challenge	28%
Good business opportunity	25%
Freedom to schedule around family demands	23%
Increased income	20%

FIGURE 1 – PRIMARY MOTIVATION FOR STARTING A BUSINESS (WEC, 2008, N=150)



3.2 MOTIVATIONS NOT TO GROW THE BUSINESS

In October 2010, Industry Canada released a financing profile of women entrepreneurs, with data from 2007. It reports that in 2007, 56% of female-owned SME's did <u>not</u> intend to expand their business, and 62% of men did <u>not</u> intend to grow their business. The number of women with no growth intentions declined from 2004 to 2007.

However, this data indicates that the working hypothesis for this VCF study may be incorrect since, according to the latest data, more women are starting a business AND more women intend to grow their business than men (at least they did in 2007). The question might need to be changed to this one: "why are male-owned businesses larger than female-owned firms."

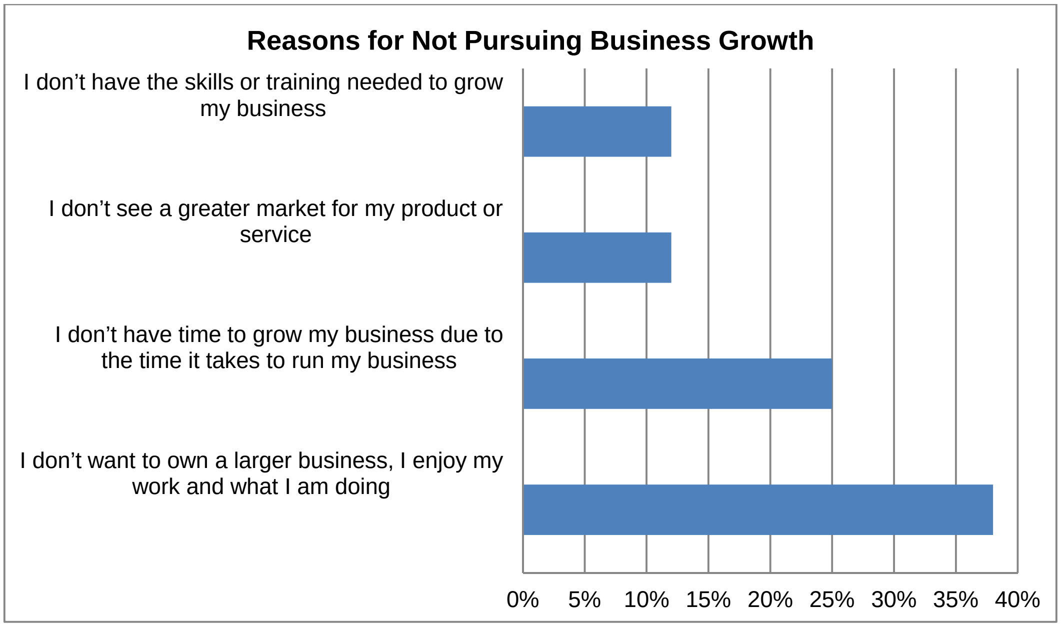
Motivators for and against growing the business must be examined in order to understand why the majority of women (56%) choose <u>not</u> to grow their businesses. Of the Women's Enterprise Centre 2011 survey respondents, 6% had no interest in growth; however, the survey was sent to a sample of established and growth-oriented business owners. While the number of respondents not interested in growth was small, the reasons selected are in keeping with the 'lifestyle' entrepreneur. The most common reason given, at 38%, was,

'I don't want to own a larger business. I enjoy my work and like what I'm doing.'

The second most common reason given was,

'I don't have time to grow my business due to the time it takes to run my business.'

FIGURE 2 – REASONS FOR CHOOSING NOT TO GROW THE BUSINESS



3.3 MOTIVATIONS TO GROW THE BUSINESS

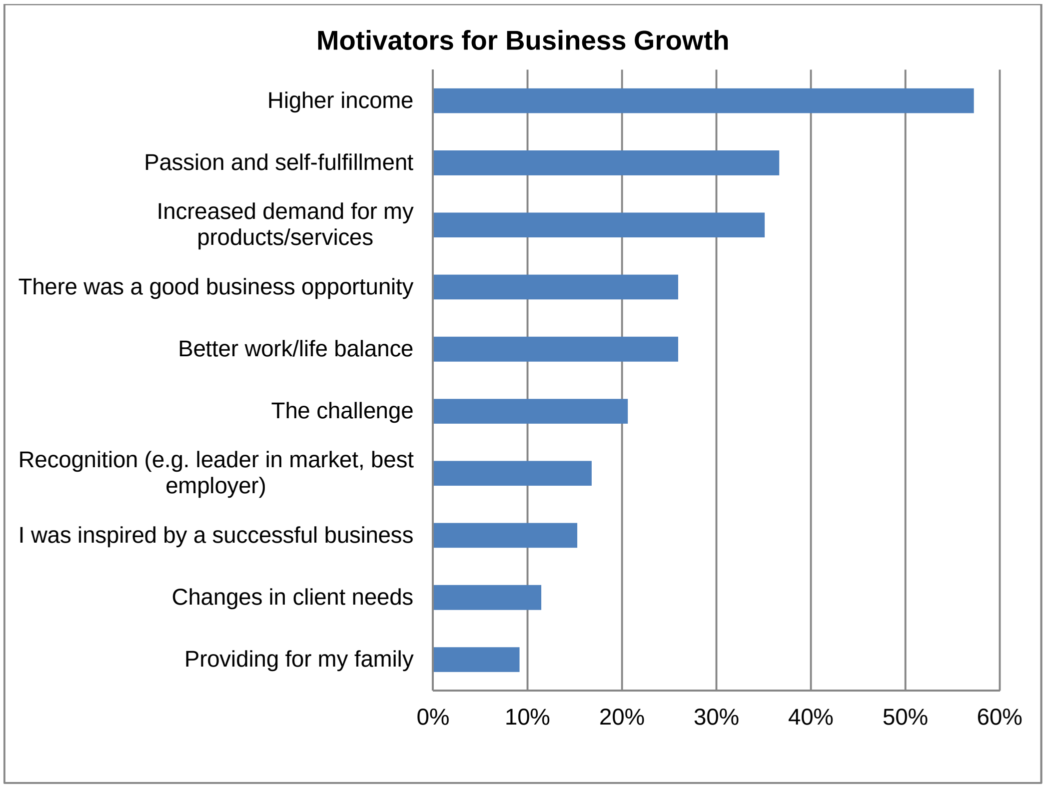
According to Industry Canada, in 2007, 6% more women had growth intentions than men (44% vs 38% respectively). Women's intentions to grow their business increased by 13% between 2004 and 2007. This is a positive trend.

The majority of business owners surveyed by WEC in 2011 wanted to grow their business. Unlike the motivators at start-up, the most common motivator for growth was the potential for a higher income followed by passion and self-fulfillment. Interestingly, 26% of respondents indicated that they wanted to grow their business in order to achieve better work / life balance.

On an aggregated basis, the top three motivators for growing a business for the women in the 2011 WEC survey were:

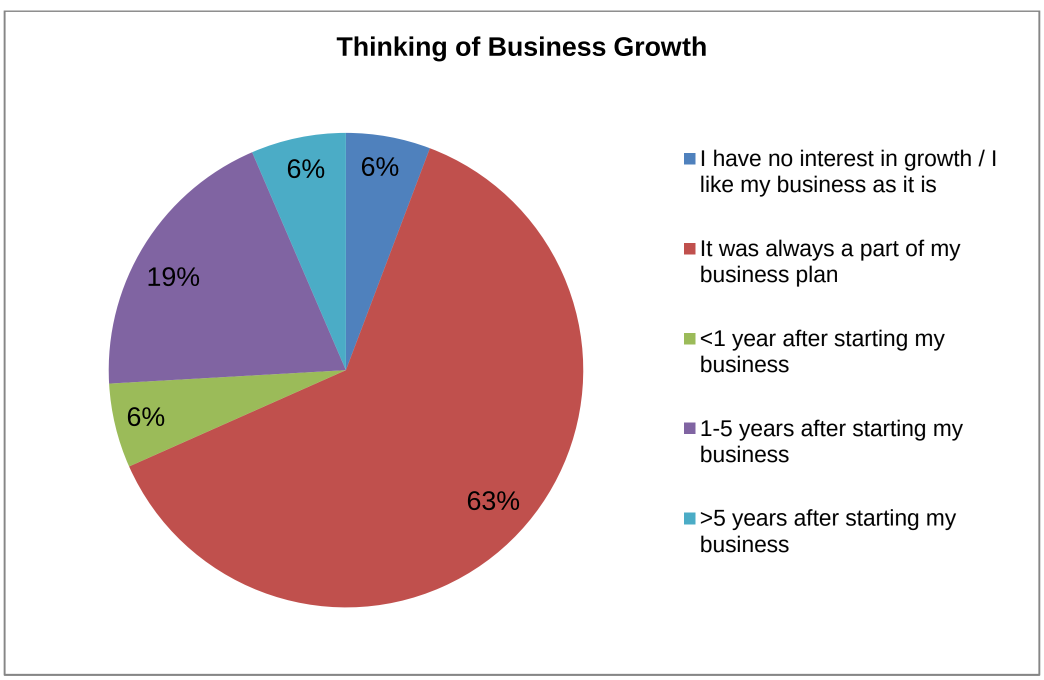
- Higher income and providing for family (66%)
- Passion, self-fulfillment, challenge and being inspired (63%)
- Increased demand, good business opportunity (61%)

FIGURE 3 – MOTIVATORS FOR BUSINESS GROWTH



The majority of entrepreneurs surveyed had always intended to grow their business, as per Figure 4 below. The significance of these results is that growth can occur at many stages, but the intention to grow a business generally occurs in the early years.

FIGURE 4 – WHEN DO WOMEN BUSINESS OWNERS THINK ABOUT GROWTH?



4. ISSUES AND BARRIERS

Business owners face many barriers and challenges when attempting to grow their business. These barriers will be discussed as follows: women entrepreneur-related factors, firm and external factors, barriers to accessing financing, and barriers specific to aboriginals and immigrants.

4.1 WOMEN ENTREPRENEUR-RELATED FACTORS

The personal barriers and challenges to business growth which are intrinsic to the business owner herself will be discussed in this section in terms of business skills and management experience, and family responsibilities.

Business Skills and Management Experience

Since WEC was created in 1995, studies have shown that women business owners have a lower level of management experience and less business training when they start their business than their male counterparts. This appears to still be the case, as the Industry Canada study reports. In 2007, 45% more men had over ten years of management experience than their female counterparts.

The 2011 WEC survey allowed women growth clients to select their top three personal barriers to growing their business. Limited management experience, limited business training and business planning were virtually tied as the top reason, followed closely by the need for mentoring and time constraints. This result underscores the need for business support services to help bridge these gaps with management and business skills training and with mentors.

TABLE 2 – TOP BARRIERS AND CHALLENGES TO GROWTH (WEC SURVEY, 2011)

Barrier / Challenge Encountered	Growth Oriented Entrepreneurs (n=131)
Limited management experience	31%
Limited business training / education	30%
Difficulties with business planning	30%
Lack of mentoring	28%
Lack of time due to family responsibilities	27%
Limited understanding of financial statements	26%

The 2008 WEC survey had slightly different results, but training was definitely a major issue:

TABLE 3 – TOP BARRIERS TO BUSINESS SUCCESS (WEC MARKET RESEARCH, 2008)

Barrier / Challenge Encountered	Growth Oriented Entrepreneurs (n=150)
Need funding / money	35%
Need to improve skills / get training	26%
Time and family challenges	26%
Bias against women	14%

Family Responsibilities

Management of family responsibilities does play a significant role in how women entrepreneurs think about growth. Of the 2011 WEC survey respondents, 69% were married or equivalent, and 42% of the total had kids under 18 living at home. One-sixth of those were single parents (7% of the total).

Overall, having a family is positively correlated with growth intentions, and 10% of respondents felt providing for their family was a top motivator for growth. However, some women seem to delay business growth plans for a later date in order to retain flexibility while supporting a family, particularly for those clients that are the sole income earner in the family.

The following are quotes from the recent Women's Enterprise Centre survey that speak to how family issues relate to business growth for women at different stages of life:

- *Financial security is very important. I want my business to be stable before I have kids.*
- *I want to grow my business […] for more flexibility to schedule around family responsibilities.*
- *I want to grow my business to have more financial security for my family, but while still making 3pm pick-up time.*
- *I want my business to become self-sufficient with a management team to enable me to remain strategic while balancing demands of family and having a flexible schedule.*
- *My family will see me pursuing my dreams, taking risks, being tenacious and patient, doing what I love and making a difference in the lives of others. I am modeling behaviour for my children especially my daughter.*
- *Over the years I have slowly educated myself, acquired experience and skills as time allowed while raising a family. Now that my children are older/grown the full-time focus is growing the business. My business is now my baby.*

Financial Strength and Literacy

In addition to their time constraints and business skills and management experience challenges, women may also face other personal barriers to growth. While credit histories and collateral levels may not affect how women think about growth, they may affect whether they choose to pursue it. They may assume that they will not be able to obtain financing. Even when financial literacy challenges do not effect how a business owner thinks about or pursues growth, they can, however, lead to poor decisions. A business owner with poor financial literacy skills may attempt growth when it is not appropriate. This can problem can manifest itself at any stage of the business cycle.

Confidence Levels

Although self-employed women have made great strides in the world of business, many continue to fight barriers related to traditional constructs of gender, economic power and expectations (Russell, 2002). Women's leadership experts indicate that there are elements still present in society which cause difficulty for women to adequately prepare for leadership responsibilities within their own businesses. Aboriginal and immigrant women may face even lower levels of support from their families, whose traditional beliefs do not support women working outside the home.

It has also been reported that women suffer more from the 'imposter syndrome' than men, which is characterized by a lack of confidence and uncertainty about whether they are entitled to be in their position. This syndrome is found to be particularly common among women who are successful in their given careers (Kets de Vries, 2005). Women's Enterprise Centre 2007 mentoring research on early stage entrepreneurs indicates that confidence plays a big role in how effective women believe they are in selling themselves and their products/services. This theme has been echoed at virtually every training event hosted by WEC since 2005.

These confidence issues impact the way women business owners present themselves and negotiate on behalf of their business, whether that be with a financial institution, vendor, customer or peer, or even a family member.

Conclusions Regarding Personal Barriers to Growth

The fact that women entrepreneurs are, on average, younger and less experienced than their male counterparts when they start a business, provides a strong justification to provide extra support to help address the personal challenges that growth-oriented women business owners face. This support would include information services, advice, training and mentoring, plus initiatives to assist with financial literacy and confidence-building. This support should be specific, and should help women understand and implement specific strategies to grow their business. Several challenges related to this are summarized in Appendix 1. In order for it to succeed, this support must also be provided in a way that is sensitive to their time constraints brought on by their family commitments.

4.2 FIRM-RELATED AND EXTERNAL BARRIERS

Firm-related barriers, external barriers and those related to the customer base and/or industry are discussed in order in this section, along with assistance which could help overcome these barriers.

Firm-Related Barriers

Industry Canada (2007) reports the following different barriers to growth for male and female survey respondents. Statistically higher perceived levels are in bold. Women perceived higher levels of obstacles to their firms' growth and development than men on all factors.

TABLE 4 – PERCEIVED FIRM-RELATED BARRIERS (INDUSTRY CANADA, 2007)

Perceived Obstacles to Business Growth, %		
	Women	**Men**
Rising business costs	**59**	53
Increasing competition	**49**	36
Insurance premiums	**43**	31
Instability of demand	**37**	32
Finding qualified labour	**34**	40
Government regulations	28	27
Obtaining financing	**21**	16

In the 2011 WEC survey, women identified a number of firm-related barriers to growing their businesses. However, these can be aggregated into the top three barriers, namely financing and profitability issues (69%), HR issues (46%), and skills and training issues (37%).

If finding qualified labour is difficult in the current economy, this barrier is expected to get worse if and when the economy improves, and labour shortages return.

TABLE 5 – FIRM-RELATED BARRIERS (WEC 2011 SURVEY)

Firm Related Barriers	
Obtaining financing	45%
Finding qualified labour	30%
Low profitability	24%
Management capacity	20%
Lack of market research	17%
Staffing issues (high staff turnover)	16%
Difficulties finding suitable space	15%
Remoteness of business location	7%

External barriers

The top aggregated external barriers from the 2011 WEC survey were regulatory and tax burden (34%), demand issues (26%), costs (10%), and infrastructure / logistics issues (7%). The firm-related barriers were named by respondents more often than external barriers, especially on an aggregated basis. Instability of demand is likely due to the economic turmoil in the last three years.

TABLE 6 – EXTERNAL BARRIERS TO GROWTH (WEC 2011 SURVEY)

External Barriers	
Instability of consumer demand	26%
Legal requirements	13%
Government regulations	11%
Taxation levels	10%
Insurance rates	10%
Lack of infrastructure (high speed internet, phone, roads)	4%
Inability to access affordable shipping	3%

Barriers Related to Industry or Customer Base

As part of this report, VCF has requested that we discuss whether there are differences in the growth intentions of B2B firms compared to B2C firms. Using the 2011 WEC Loan Portfolio Analysis as a base for this information, it is evident that non-growth firms are much more likely to be B2C than high-growth firms (86% vs 39%). Forty-five percent of firms in the 2011 WEC survey were B2C.

From both datasets, it appears that growth-oriented firms sell to both the B2B and B2C customer base (42-58 split in the WEC loan clients, 55-45 split for survey respondents). However, a significantly higher number of high-growth firms (61%) are in the B2B space.

Women's Enterprise Centre clients are mostly in the service sector and small in nature. Among the 2011 WEC survey respondents, 63% were in the service sector, and 72% had fewer than five employees. This is consistent with other studies that found as many as 80% of women-owned firms are in the service sector in Canada. According to Orser, Riding and Manley (2006), "women-owned firms are smaller, less likely to grow than counterpart firms owned by men, and disproportionately represented among firms in the retail and service sectors." The retail and personal service sectors are also mature industries with a high degree of competition, resulting in lower profit margins. These issues pose barriers to profitability.

TABLE 7 – PORTION OF CLIENTS/RESPONDENTS IN SERVICE, B2B, B2C (WEC, 2011)

	2011 WEC Loan Portfolio Analysis n=145					2011 WEC Survey n=139
	Non-Growth	Low-Growth	High-Growth	Total Growth	Total Growth and Non-Growth	
Total Service	35%	43%	52%	47%	40%	63%
Total B2B	14%	30%	**61%**	42%	26%	**55%**
Total B2C	**86%**	70%	39%	58%	74%	**45%**

In terms of industry sectors served, both the growth loan clients and 2011 WEC survey respondents have a similar profile, with significant differences in retail and service B2B. The larger number of growth loan clients in retail is likely due to the fact that they were unsuccessful getting traditional financing for their business, so they accessed a loan from WEC instead. The higher number of service B2B clients in the WEC survey sample may be a function of the lower capital requirements for service businesses in general.

TABLE 8 – BREAKDOWN BY INDUSTRY (WEC, 2011)

	2011 WEC Loan Portfolio Analysis	2011 WEC Survey
	% of Growth Loans	% of Total
Hospitality	10%	6%
Manufacturing	12%	10%
Retail	**25**%	14%
Service B2B	23%	**38**%
Service B2C	23%	25%
Wholesale	7%	6%
Grand Total	100%	100%

Assistance to Overcome Barriers

The 2011 WEC survey respondents identified 18 different types of information or services to help overcome these barriers. The top 10 are as follows:

TABLE 9 – WHAT WOULD HELP OVERCOME BARRIERS (WEC 2011 SURVEY)

Information or services to overcome barriers and create success	
Business advising services	39%
Mentoring	34%
Financial management training	34%
Marketing training	31%
Market research data for my industry	29%
Assessment / evaluation of my entrepreneurial skills	25%
Access to debt financing	25%

Management skills training	24%
Access to equity financing	23%
Leadership training	22%

Given these suggestions, Women's Enterprise Centre is clearly targeting its services at most of the key interventions requested to help women business owners through business advisory services, mentoring, training in financial management, marketing, management skills and leadership, and financing opportunities. The only more specialized service requested and not provided by WEC is market research for the industry. However, partners such as Small Business BC and the Small Business Accelerator at UBC are working on providing that market research piece. The only requested financing service provided is access to equity financing. While WEC can play a role in providing information about equity investment options, this may be more appropriate for the private sector to provide, rather than an NPO.

One way of addressing the challenge related to the high numbers of women in non-growth industries is to encourage more women into more profitable and higher wage industries. Only 6% of women firms in Canada are in knowledge based industries or manufacturing sectors (Pregel, n.d.). Of 2011 WEC survey respondents, 1% were in manufacturing. A September 2011 study released by the Kauffman Foundation, an entrepreneurial research organization, states that "women have managed to break through the glass ceiling in engineering and technology but not through the glass walls to break out and start their own companies" (Kauffman, 2011). This represents an opportunity to help women create larger and more profitable businesses in the technology sector.

4.3 BARRIERS TO ACCESSING FINANCING

There is considerable debate in Canada whether women actually face higher barriers accessing capital than men. The following provides a summary of the latest statistics on male and female business financing activities in Canada, and points out the gender differences. Several differences appear to be the result of the lenders (L), while others may be brought on by the women business owners themselves (W). An R indicates that more research is needed. An A indicates that the women may need assistance in an area, by a business service provider (e.g. WEC), or a program of Vancity.

Lower Perceived Need for Financing ***W / A***

Previous studies. including Orser et al., (2006) have found that the vast majority of female business owners who did not apply for funding did not do so because they perceived that they were not in need of outside financing. The survey conducted by Women's Enterprise Centre in October 2011 also found that the main reason women business owners did not apply for funding from traditional lenders was that the respondents felt they didn't need it (61%). This result is consistent with the results found in a 2008 Women's Enterprise Centre survey, when 62% expressed no need for financing. To address this, and related issues, additional training would be helpful to assist women in envisioning how they could strategically use external financing to grow their business.

Smaller Amounts Borrowed ***W / R***

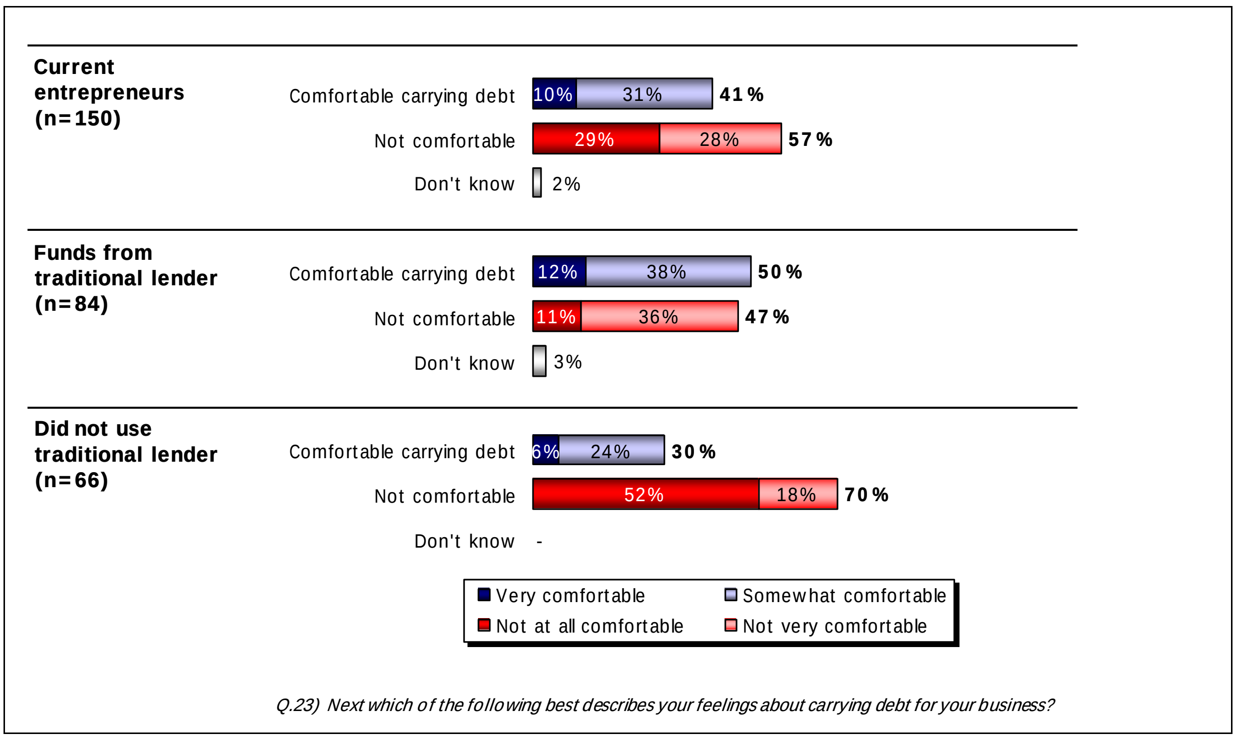
A major difference between genders is the amount of financing requested. In 2007, male-owned firms borrowed an average of 141% more than female-owned firms. It is not clear from the research whether this is because the women requested less, or they were approved for less. However, in view of all the other factors at play, WEC believes that the main reason for the difference is that the women requested less. This may be due to the fact that their businesses generated, on average, half the revenues of the male-owned firms. However, it is not possible to determine whether this indicates a causal relationship. More research is needed to get a conclusive understanding of this.

Level of Comfort with Outside Financing ***W | L | R | A***

As the chart below demonstrates, WEC 2008 market research revealed women's feelings about the idea of their business carrying debt. Of the 150 entrepreneurs surveyed, 57% were uncomfortable carrying debt. Of those that had not used a traditional lender (bank or credit union), 70% were uncomfortable. Given that women are traditionally known as being more risk-averse than men, this is not surprising. All financing data presented in this report dates from 2007, which is just prior to the economic turmoil that has ensued from 2008 – 2011.

Recommended strategies in this regard would include more education on the benefits of the judicious use of external financing. Research into the success rates of female- versus male-owned businesses as a function of the outside financing they have received would also be useful. This might help indicate a threshold above which businesses (and perhaps governments) experience the 'law of diminishing returns.'

FIGURE 5 – WOMEN'S COMFORT LEVELS WITH CARRYING DEBT (WEC, 2008)



Different Financing Patterns at Start-up ***W | L | R | A***

Sources of outside financing used at start-up in 2007 are summarized in the following table. Statistically significant differences are highlighted to show gender difference. Both men and women tend to self-finance their business start-up, but men were more likely to have self-financed their business and used trade credit in 2007, while women were more likely to have used a non-traditional/government lender and leasing as a financing method. Reasons and impacts of these differences were not provided.

TABLE 10 – OUTSIDE FINANCING USED IN 2007 AT START-UP (INDUSTRY CANADA)

Outside Financing Sources at Start-up		
	Women	**Men**
Self-financed	70	**76**
Traditional lender (bank, credit union, credit card)	49	51
Leasing	**20**	10
Friends and family	9	7
Non-traditional / government lender	**6**	3
Equity financing	1	3
Trade credit	3	**13**

There is a significant difference between men and women in the use of commercial loans, lines of credit, and trade credit from suppliers. According to Industry Canada, only 42% of women-owned firms held a commercial loan or line of credit, compared with 50% of firms owned by men in 2007. The same was found for trade credit (30% compared to 41%). These differences may partly be the result of sector influences, as women own fewer businesses that use these types of financing (agriculture and manufacturing) (Carrington, 2006). However, as noted below, women are turned down more often for lines of credit so more research, controlling for industry, seems to be needed.

Different Financing Patterns for Business Growth ***W | L | R | A***

Women had different patterns of financing their business in 2007 as well. They are statistically significantly more likely to finance their existing business from personal savings, leasing and friends and family. Men are statistically significantly more likely to use retained earnings and trade credit. The impact of this on the woman's ability to grow her business is inconclusive, and more research would be helpful here, as well as more education for women on the long-term strategic use of these different forms of financing, including the cost and growth constraint implications.

TABLE 11 – OUTSIDE FINANCING USED IN 2007 BY ESTABLISHED SME'S (INDUSTRY CANADA)

Outside Financing Sources for Established SME's		
	Women	**Men**
Traditional lender (bank, credit union)	67	63
Personal savings	**60**	54
Retained Earnings	53	**59**
Leasing	**27**	20
Trade Credit	14	**24**
Friends and family	**12**	8
Non-traditional / government lender	7	7
Angel financing / equity	5	4

Lower Approval Rates for Short-Term Credit ***L | R***

The 2007 Industry Canada SME Financing Data Initiative Report indicates that in 2007, majority female-owned firms experienced approval rates that were slightly lower than male-owned firms overall (95% vs. 98%, respectively). This was up considerably from 2004, when approval rates were 84% and 90% for women and men, respectively. The 2007 report notes that the financial markets were very active that year, and that approval rates were high overall. There remained a significant disparity in approval rates for short-term credit (lines of credit and corporate credit cards) in 2007, where male-owned firms had 22% higher approval rates than women (94% vs. 77%, respectively) (Jung, 2010). Lenders could definitely close this gap by increasing opportunities for women to access lines of credit.

While approval rates in 2007 tell part of the story, they don't tell the whole story by any means as to how approval rates compare today, since they vary considerably year to year. In the 2008 WEC survey, 42% of current entrepreneurs reported that it was difficult for them to get business financing, which is 35% higher than those who reported that it was not difficult. More research is needed on approval rates since the 'credit crunch' started in 2008, and on how difficult it is today to get these approvals, as the disparity may have increased since 2007.

Perceived Barriers to Accessing Financing ***W | L***

In 2007, 31% more female-owned firms considered access to financing to be an obstacle to growth compared with male-owned firms (21% vs 16%, respectively). Omnibus research carried out for WEC in 2008 confirms this perception, where 38% of the general public in BC believe that women are <u>not</u> able to access the capital they need to succeed in their business, 52% of the women business owners themselves and 63% of the general public consider there to be more barriers overall for women to start and grow their business. The top three reasons why respondents to the WEC 2008 survey believe they had had challenges accessing financing were:

- Limited track record (41%)
- Type of business (37%)
- The fact of being a woman (36%)

An Industry Canada report indicated that in 2004 (the most recent year for which data was available), 60% more women than men expected to be turned down for a loan. These barriers could be a perception issue on the women's part; however, lenders could be more proactive in dispelling any misconceptions that exist in this regard by analyzing their own practices, and training their staff. A mechanism to report suspected barriers might help here—perhaps a form of Women's Financing Ombudsman.

More Declines due to Poor Security and Credit Histories ***W | L | R***

Industry Canada reports that women are significantly more likely to be turned down for a loan due to insufficient security and poor credit histories than their male counterparts. It's not clear from the data whether the security and credit histories of women are worse, or whether they just get turned down more for these reasons. While women need to be more proactive in creating and maintaining good credit histories, the lack of security is a bigger issue than this paper is able to address. Lenders could help clarify this issue by doing studies on their own portfolios to determine whether there are any gender differences in the security and credit history-related decline rates.

Higher Documentation Requirements ***L***

Women are also much more likely than men to be asked to provide cash flow projections (37% vs. 23%, respectively), appraisals of assets (46% vs. 29%), and personal financial statements (57% vs. 31%). Lenders could provide more training to their loans staff to eliminate this gender bias.

A recent example of this is an October 2011 G&M article, where BC business owner Tracy Gray talks about her experience applying for funding for her business through banks,

> Despite being granted a rare B.C. license to open a [VQA wine specialty store], Ms. Gray was turned down by many banks when she first applied in 2002. She and her former business partner, also a woman, had presented two houses as collateral. "The banks would ask us: 'So, what does your husband do? How is he involved in this business?' And we would say: 'Why is that relevant? And they are not involved at all,'" said Ms. Gray. "My husband has gone for business loans. They never asked him what his wife did." (Trichur, 2011)

4.4 BARRIERS FOR ABORIGINALS AND IMMIGRANTS

According to research carried out for WEC in 2005, 43% of aboriginal businesses in BC are owned by women, and they make up 4.6% of the women entrepreneurs in BC. In Canada, women represent 38% of all the self-employed aboriginal people, and the rate of aboriginal female self-employment has been increasing faster than that of aboriginal men (BDC, 2004).

Higher levels of business support are typically needed by aboriginal women to realize their goals of self-employment and entrepreneurship. In addition to business support, aboriginal women require extended support addressing other challenges that occur in their communities that can underpin or constrain their success. Such challenges include a lack of confidence to engage and participate in mainstream activities, valuation of personal strengths and talents not traditionally recognized, and limited resources for childcare and transportation (Baxter, 2011).

In addition, on-reserve aboriginal women face a greater challenge when applying for financing due to the fact that financial institutions may not use reserve land [or other assets held on reserve] as collateral (Baxter, 2011).

One-fifth of women-owned businesses are run by women who have immigrated to Canada. Immigrant women tend to start their business within five years of arriving in the country. And after five years, there is very little material difference between the characteristics of businesses run by immigrant women and those run by Canadian-born women (CIBC, 2005).

Immigrant women need extra support in specific areas as well. Their understanding of the Canadian licensing requirements, taxation, health and safety rules, credit rating systems and other business practices may be limited. They may experience language barriers which affect their ability to create a compelling business plan. Accounting standards may differ in their home country, and their professional designation may not be recognized in this country. They may experience a lower level of confidence due to these issues. All of these factors result in the need for extra training, mentoring, advisory support and other forms of assistance in order to help them succeed.

5. VISION OF SUCCESS

A discussion of the reasons why women don't grow their businesses as much as men must examine both the motivators for going into business and how an entrepreneur thinks about success (Hughes, 2006). While most small business studies define success exclusively in financial terms, such as productivity, sales or employment growth, or profit (Orser & Dyke, 2008), research also finds that non-financial success indicators are just as important in achieving success for both men and women. This is reflected in the study by Orser & Dyke (2008), as illustrated by the table below.

TABLE 12 – BUSINESS OWNER SUCCESS CRITERIA

Business Owners' Success Criteria (Orser & Dyke, 2008)			
Top 5 Women's Success Criteria, n=107		**Top 5 Men's Success Criteria, n=219**	
Customer relations / image	4.88	Customer relations / image	4.69
Maintaining personal relationships (friends, family, partner)	4.76	Maintaining personal relationships (friends, family, partner)	4.53
Product or service quality	4.69	Product or service quality	4.51
Balancing work / life demands	4.53	Maintaining professional autonomy	4.35
Maintaining professional autonomy	4.52	Professional recognition (product quality, recognition, respect)	4.28
Generating income (financial security).	4.47	Generating income (financial security).	4.27

As Orser & Dyke (2008) point out,

> because of the emphasis on financial criteria in the traditional view, it is generally reported that women achieve lower levels of *success* than men. This may serve to bias discussions about entrepreneurship, where traditional male values are thought of as the norm, and women's values considered the exception.

The Orser & Dyke results are consistent with a 2006 WEC survey into business owners' definition of success. In this survey, respondents were asked to indicate how important certain success criteria were on a scale of 1 to 4. In this survey (n=146), business excellence was ranked #1 with a score of 3.9; personal satisfaction was second at 3.8; and financial achievement was tied for third at 3.5 with professional achievement.

Given that background, the results of the 2011 WEC survey are somewhat surprising. In this survey, women were asked, "what is the primary indicator that an entrepreneur is accomplished." This is slightly different than a person's own personal definition of success. Aggregating these responses into categories, the top-ranked indicators of an accomplished entrepreneur are financial success of the business, professional recognition, contribution to society, and work/life/relationship issues. Financial success of the business has risen in relative importance compared to the results of Orser & Dyke. This may be a reflection of the turbulent economic times of the last few years, whereby just staying in business has been a major accomplishment and turning a profit has been elusive for many.

TABLE 13 – WHAT MAKES AN ENTREPRENEUR ACCOMPLISHED (WEC, 2011)

Primary Indicator that an Entrepreneur is Accomplished	
Financial success of the business	39%
Professional /community recognition and image	18%
Contribution to society or community	13%
Managing work/life demands and relationships with family and friends	12%
Personal disposable income	2%

In spite of the shift in focus to the financial success of the business, the 2011 WEC survey results seem to imply a further shift downwards in the relative importance of personal financial achievements as an indicator of success / accomplishment for the woman business owner. Contribution to community is ranked much higher for the 2011 survey respondents, and it is now the third most important indicator of being accomplished, a criteria that did not even appear in the top 4 in 2006. Financial achievements (i.e. the ability to acquire personal goods) was ranked sixth, after quality product or service, which was mentioned 8% of the time in 2011. Again, this may be a reflection of societal shifts in the last few years. Corporate social responsibility and social ventures have become much higher profile. The turbulent economic times have created more awareness of community needs (e.g. homelessness among the working poor), which may be the reason why contribution to community is more highly valued in 2011.

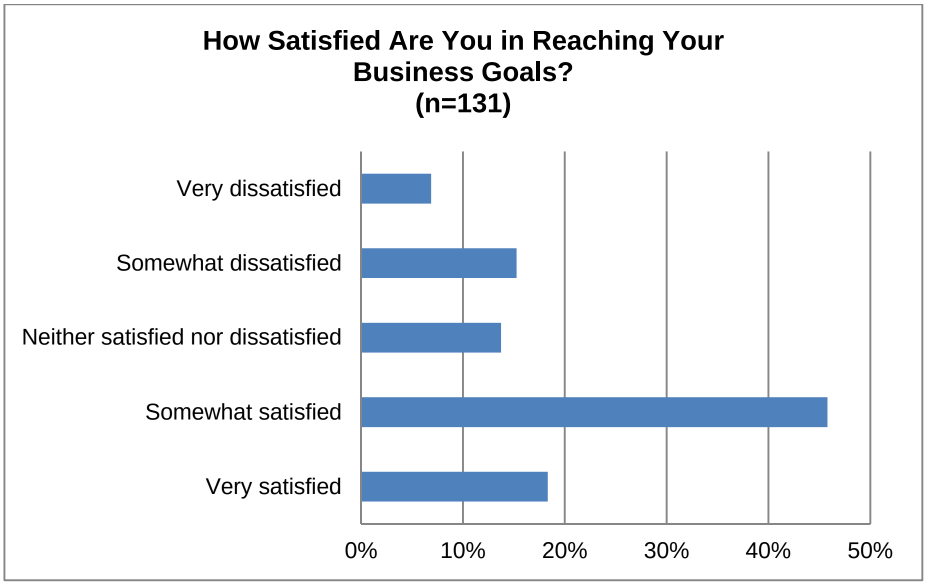
TABLE 14 – DEFINITIONS OF SUCCESS VS. ACCOMPLISHED (WEC 2006, 2011)

	WEC 2011 'Accomplished'		**WEC 2006 'Success'**	
	% of time mentioned	Ranking	Scale of 1-4	Ranking
Financial success of business / Business excellence	39%	1	3.9	1
Professional recognition / achievements	18%	2	3.5	4
Contribution to community	13%	3		
Work/life balance / Personal satisfaction	12%	4	3.8	2
Financial achievements	2%	6	3.5	3

Comparing the definitions of success versus accomplishment points to another possible paradox—the "paradox of the contented female business owner" (Powell and Eddleston, 2008). This relates to the fact that, compared to their male counterparts, women express higher levels of satisfaction even though male-owned firms out-perform female-owned firms. The authors conclude that differential values provided a more robust explanation to explain career satisfaction than differences in organizational inputs [human capital].

The 2011 WEC survey found that the majority (64%) of the women business owners are satisfied with their achievement in reaching business goals set at the time of starting their business (see Figure 6 below). This is notable, given the state of the economy over the previous few years.

FIGURE 6 – SATISFACTION OF WOMEN BUSINESS OWNERS



When asked what factors most contributed to their success, hard work and determination was the most cited factor, followed by having a good quality product and passion for the business. When women entrepreneurs were asked why they felt they were or were not satisfied with meeting their business goals the following reasons were stated:

TABLE 15 –SATISFACTION AT REACHING BUSINESS GOALS (WEC, 2011)

Reasons for Satisfaction with Meeting Business Goals		Reasons for Lack of Satisfaction with Meeting Business Goals	
I deliver a good quality product or service	86%	Difficulty ensuring a steady revenue stream	62%
I love my line of work / Self fulfillment	76%	Income level has not been what I expected	53%
I have the ability to meet customer needs	60%	Not enough time to get everything done	47%
I have independence / autonomy	56%	Hard to build clientele	36%

6. CONCLUSIONS AND RECOMMENDATIONS

This Discussion Paper was commissioned by VCF to help stimulate discussion which will lead to better understanding as to why more women start businesses but more men grow them. In order to properly assess the question, we first looked at motivations for starting and growing the business. We then considered different types of barriers, both internal and external. However, these two factors don't tell the entire story. The desire to help women grow their business must be weighed against the women's own definitions of success and their feelings of whether they are already successful. Values play a large role in determining whether growing a business is an appropriate strategy for the business owner and, if so, how.

6.1 OPPORTUNITIES TO GROW BUSINESSES

Sales vs Profit

There are two generic approaches to growing a business: increasing sales and/or increasing profits. Both provide economic benefit to a country or province. The 2007 Industry Canada study demonstrates that 'size isn't everything': while total revenue of female-owned firms was only 50% of male-owned firms, their net profit before tax was 89% of male-owned firms. So, if you consider the profitability of the business to be an indicator of contribution to the economy, women-owned firms are actually contributing more (profit) output per dollar of input (revenues). When approaching what can be done to help women business owners, both approaches should be encouraged, but the approach which the individual selects will depend on the other aspects explored in this paper (motivations, definitions of success, current satisfaction levels, and their particular set of barriers).

Employment

However, we know that contribution to the economy also includes employment. Research suggests that high-growth companies help the economy the most through job creation and leadership in new industries (Mitchell, 2011). Since only 37% of women's businesses are considered high-growth compared to 63% of male-owned firms, there is an untapped potential for significant economic benefits (Pregel) by encouraging women-owned firms to increase their revenue base, thereby creating employment.

Expanding the Customer Base: Exports and Supplier Diversity Initiatives

Another real driver of economic benefit is exports. Only 10% of Canadian firms export and "fewer than 10% of Canadian women entrepreneurs are exporting now, so there are huge opportunities for women to grow and expand their businesses internationally," according to Josie L. Mousseau, Canada's Trade Commissioner for Women in International Trade with DFAIT. Women need training and encouragement to start exporting. This has been started by numerous organizations, such as DFAIT and WEC, but more can be done. For example, there is no BC chapter of the international Organization for Women in International Trade (see http://www.owit.org/en/Chapters/map.aspx).

Another related area of opportunity for women is to expand their sales into large corporations and government procurement programs, many of which have supplier diversity programs. More Canadian firms must be encouraged to diversify their supply chains, in order to create greater opportunity for all SMEs, in particular women-owned SMEs. The Taskforce for Women's Business Growth, WEConnect Canada, WBE Canada and their partners, including Women President's Organization and WEC in BC, are helping on this, but dedicated resources would help create more awareness and more progress in this area, especially on the corporate side.

6.2 ADDRESSING BARRIERS

The focus of this report has been to explore the barriers to growth, and to help explore what Vancity and others can do to assist in mitigating the obstacles to women's business growth. To summarize:

Motivations:

- 56% of women business owners choose not to grow their business;
- Of those who do, their reasons for growth are: higher income, self-fulfillment, and meeting untapped customer demand;

- The timing of growth intentions is crucial—more women decide to grow during first 5 years in business.

Barriers:

Personal barriers include

- Management & business skill training, need for mentors and help with time management ;
- Family responsibilities, leading to timing issues—both in terms of when business growth is feasible, and in terms of availability for training;
- Financial strength, financial literacy and overall confidence levels are issues for all, especially for aboriginal and immigrants.

Firm & external barriers exist in the areas of

- Cost management, competitive strategy, risk management, marketing, recruiting staff, government regulations & legal requirements, and obtaining financing;
- The main firm-related challenges are around financing and profitability issues, HR issues, and skills / training issues (in that order);
- Expanding the companies' customer base into B2B is an opportunity for higher growth.
- The women have clearly identified what help they need (see Table 7).

Barriers to Accessing Capital

Financing challenges still exist, but solving them will involve the women themselves, lenders, business service providers (eg WEC) and research organizations. The financing challenges, and who can help solve them (women, W; lenders, L; business service providers, A; further research, R), include:

- Lower perceived need for financing (W | A)
- Smaller amounts borrowed (W | R)
- Level of comfort with outside financing (W | L | R | A)
- Different financing patterns at start-up (W | L | R | A)
- Different financing patterns for business growth (W | L | R | A)
- Lower approval rates for short-term credit (L | R)
- Barriers to accessing financing (W | L)
- More declines due to poor security and credit histories (W | L | R)
- Higher documentation requirements (L)

Success:

Definitions of success differ between men and women business owners. In particular, women indicate:

- Increasing importance of contribution to community;
- Higher importance for women for work / life balance and professional autonomy;
- Lower priority of personal disposable income.

Satisfaction:

- Assessing satisfaction levels with regards to reaching business goals can be a challenge, because of the paradox of the contented female business owner – in spite of lower growth, they're satisfied because they have reached their business goals;

- Perhaps they need to be encouraged to reach higher!

6.3 SPECIFIC SUPPORT RECOMMENDATIONS

Based on the Women's Enterprise Centre survey findings and other research, there are a few recommendations for support that may assist traditional lenders in accessing women growth-oriented businesses. This could be done by partnering with Women's Enterprise Centre to decrease the resource burden on the lending institutions.

Business Advising

As per Table 9, 73% of women request business advising or mentoring, which implies one-on-one support. Assistance with market research is also requested. One method of helping to increase success is to provide business advising as part of a loan offering. Women's Enterprise Centre does this and the businesses that they finance are more likely to succeed than average. According to Industry Canada, on average, only 35% of BC businesses are still in operation after the first five years; however, 75% of WEC loan clients are still in operation after five years of getting financing. Pairing with an organization such as the Women's Enterprise Centre would be a cost-effective way to offer this service to loan clients.

Mentoring

Both the Women's Enterprise Centre findings and other research suggest that women learn a great deal through mentoring. It is also something that women themselves value and ask for. In order to access more women business owners as clients, traditional lenders could consider setting up an in-house mentoring program where new clients can be matched with a suitable mentor from the already-established client base. Lenders could explore how their colleagues at the five leading banks in the UK are structuring their joint mentoring program for SMEs (see Appendix 2).

Networking

Individuals who know an entrepreneur are more likely to consider entrepreneurship. Since females are less likely to be acquainted with an entrepreneur, they are less likely to become entrepreneurs. There is a lack of women entrepreneurial role models in the social networks of women (Klyver & Grant, 2010). Therefore there is a need to raise awareness of successful entrepreneurs, particularly women entrepreneurs. Establishing a social network of clients and potential clients that are women business owners will help the community of women entrepreneurs connect, and also raise awareness of Vancity as a lending institution.

Training Programs

As per Table 9, 65% of women also request marketing & financial training, which implies group training. Research has found that men and women tend to seek different types of assistance when looking at business development. Men tend to prioritize operational skills, such as identifying opportunities for growth, while women focus on intrinsic outcomes, such as improving strategic management skills and building self-confidence (Orser & Riding, 2006).

Research has also found that women approach leadership with a different perspective than men. Women relate more easily to the experience of other women (Hadary, 2010). In view of these two findings, training programs aimed at women that convert the experiences of successful women into practical learning programs would be beneficial. Developing these training programs will result in more women with successful businesses applying for growth funding. As well, it is an opportunity to bolster brand awareness and capture market share in the women who participate in the training programs, and position Vancity and its partners as a women business-friendly lending institution.

In particular, training in financial literacy and financial management strategies for growth are needed for women business owners to better understand business opportunities and business potential.

Outreach

Since more women are entering technology-based fields than ever before, there is an opportunity for Vancity to perform outreach activities that would encourage these women to consider entrepreneurship as a career alternative. Other opportunities exist in the areas of supplier diversity and international trade promotion.

6.4 LENDING POLICIES

There are numerous opportunities to support female-owned firms through lending policies and initiatives by lenders. Options (some of which have been lifted from the Taskforce from Women's Business Growth Action Strategies document) include:

Reward for Financial Literacy

Preferential lending rates could be given to businesses with owners that demonstrate financial literacy.

Increase Availability of Short-Term Debt to Women

Women need greater access to short-term debt in Canada, especially as women are 29% more likely than men to use debt financing for working capital, and they are 65% more likely to use debt to grow their business than men (Jung, 2010) .

6.5 GOVERNMENT AND POLICY RECOMMENDATIONS

Lending institutions and Women's Enterprise Centre are a part of the bigger picture of recommendations that are needed to support women business owners. Government and policy makers must also implement change to increase the growth of women's businesses. The Action Strategies for Women's Business Growth document is appended to this document, as it outlines these recommendations in detail.

7. LIST OF TABLES

8. LIST OF FIGURES

9. APPENDICES

APPENDIX 1 - GROWTH STRATEGIES AND POSSIBLE BARRIERS

Growth Strategy	Potential Barriers or Challenges Identified
Increase Sales	
	Limited marketing experience and knowledge
	Limited resources and management experience to conduct continual market research on trends and preferences of their target market and being able to adapt their business based on the information
	Challenges in accessing financing to bring in new inventory products
	Lack of experience and knowledge of the relative merits of incentives such as loyalty programs to lead to repeat business and referrals
	Limited strategic experience and knowledge to consider product line expansion, depth, or bundling
Increase Profits	
	Poor situational decisions to get into third party relationships such as sub leasing, resulting in less negotiating power
	Limited negotiation skills and confidence in dealings with suppliers, landlords, customers
	Resistance to raising one's prices due to the fear of 'not being liked'
	Limited ability to interpret financial statements to make good management decisions
	Limited ability to develop systems to manage and forecast cash flow
	Committing to contractual relationships without appropriate counsel or advice

APPENDIX 2 - UK INITIATIVES FOR SME LOANS AND TO SUPPORT WOMEN IN BUSINESS

Banks to launch mentoring scheme for SMEs

By Jamie Lawrence | July 4, 2011

A new mentoring scheme set up by the UK's major banks will provide knowledge and advice on various business areas to SMEs.

Small businesses will soon have access to a new mentoring scheme introduced by a consortium of banks. The scheme will offer advice and support on a range of issues including finance, marketing and HR.

It is being introduced by the UK's five biggest banks – Barclays, HSBC, Lloyds Banking Group, Royal Bank of Scotland and Santander - who are currently recruiting current and retired staff to act as volunteer mentors.

The scheme was set up by the **Business Finance Taskforce**, which was created last summer by the UK's major lenders.

The mentor scheme is no doubt a response to increasing criticism of the banking sector for not doing enough to support Britain's SME community.

Under **Project Merlin**, a deal between banks and the Government to increase lending to SMEs, the banks agreed to lend £76bn to smaller companies in 2011.

This is equal to £19bn a quarter, higher than the £16.8bn that was actually lent to SMEs during the first three months of 2011.

Despite this, Lloyds Banking Group director Stephen Pegg told the BBC that finance was available to SMEs and that the mentoring scheme would help them access it more easily.

"Having a bit of financial input, someone to ask the right questions... helps you put together better lending propositions so actually that finance can get out there and businesses can be encouraged to have the confidence to invest and the contacts to look at a wider range of finance," he said.

Andrew Cave from the **Federation of Small Businesses** said: "[This initiative] starts to repair the mistakes of the past by bringing people who are working in the banks closer to the business community."

Last week, Shadow Minister for Small Business and Enterprise Chuka Umunna urged Lloyds chief executive António Horta-Osório to **improve his company's lending to small businesses**

http://www.inspiresme.co.uk/news/finance/banks-to-launch-mentoring-scheme-for-smes/

Government calls for 10,000 mentors

By Paul Pearce-Couch | November 16, 2011

Business Minister Mark Prisk has announced new investment to recruit and train an additional 10,000 volunteers to become business mentors.

With funding to recruit and train a further 5,000 mentors as part of a package of support for female entrepreneurs announced earlier this month, as well as almost 11,000 business mentors already available through www.mentorsme.co.uk, this investment will bring the total number of business mentors available through the new mentoring portal to around 26,000.

New grant funding of £1.2m will support the **Small Firms Enterprise Development Initiative** (SFEDI)'s new Get Mentoring scheme recruit 10,000 business volunteers from SMEs.

Prisk said: "Businesses tell us they want to get advice from other experienced business people and we know that those seeking support are more likely to succeed.

"Mentoring can deliver significant economic benefits from just a small commitment of time and resources. Building a relationship with a mentor can have a positive effect on your business, whether you are just starting up or are already established.

"Boosting the number of mentors by another 10,000 will help more businesses get this valuable help and broaden the range of experienced people available through the online service."

Home Secretary and Minister for Women and Equalities Theresa May commented: "Mentoring is an effective way of helping businesses progress. It is about providing guidance, encouragement and exploring new ideas.

"We recently announced funding to create 5,000 mentors for entrepreneurs as part of a package of support for women's enterprise. I am delighted the Government is investing in recruitment of an additional 10,000 volunteers to become mentors."

Mark Prisk launched the scheme at a speed-mentoring event at the British Library's Business & Intellectual Property Centre.

A range of private sector project partners including **Institute of Directors**, **British Chambers of Commerce**, **Federation of Small Businesses** and the **Forum of Private Business** are providing further support and time contributions worth up to an estimated £3.7m.

The project will unlock support from business representatives and other bodies to recruit volunteers and promote the benefits of mentoring to their members.

The Federation of Small Businesses' National Chairman John Walker added: "We welcome involvement in this project. Mentoring is an extremely useful tool for all firms, and we know that start-ups that receive mentoring support are more likely to survive.

"It is important that mentors come from all walks of life, including those that have ran successful small businesses, so that they can offer a wide range of experience from different sectors for businesses to get the best out of their knowledge.

http://www.inspiresme.co.uk/news/general/government-calls-for-10,000-mentors-07047/

APPENDIX 3 – NATIONAL TASKFORCE ACTION STRATEGIES TO SUPPORT WOMEN'S ENTERPRISE DEVELOPMENT

Document available on request.

APPENDIX 4 – SURVEY RESPONSES

In October 2011, a survey was conducted by WEC which was circulated to growth-oriented clients of WEC along with clients of the Forum for Women Entrepreneurs (FWE). A total of 139 respondents filled in the survey, of which 90 were WEC clients, and 49 were FWE members. The respondents represented a good distribution of business experience. Highlights of the profile of respondents include (with comparisons to the BC averages as per the 2011 BC Stats Small Business Profile):

- 97% had <20 employees (BC average of all SMEs is 97%)
- 72% had <5 employees (BC average of all SMEs is 82%)
- 70% were between the ages of 35 – 54 (BC average 52%)
- 76% had completed college or university
- 69% were married at start-up

Survey responses available on request.

APPENDIX 5 – SURVEY COMMENTS

Survey comments available upon request.

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