

CROSS PARTY GROUP ON WOMEN IN ENTERPRISE

ANNUAL REPORT 2017 – 2018

From the Convenor - Gillian Martin MSP



The Women in Enterprise Cross Party Group continues to be a hub in the Scottish parliament for female business owners and innovators to discuss the issues that affect them, explore opportunities to develop their businesses and to share ideas. Year on year our membership expands to include a diverse range of women in business, from the women thinking of starting a business, micro-businesswomen, business support professionals, SME's and through to those who are business sector leaders. It's the connections made within the space of the Cross Party Group that I think hold the most excitement for me.

I love the idea that a young woman struggling with putting together her first business venture might be sat beside someone who becomes her mentor, and helps her to unlock her potential. It can be as simple as putting her in touch with support, or giving the benefit of advice based on years of experience. Women like to help other women, and that is the spirit our group harnesses every time we meet. We've achieved so much already and last year's programme was inspiring and I hope also practically helpful to those who came along.

Thank you to RBS who have sponsored the publication of this report.

Women in Enterprise

In Scotland, 20% of businesses are majority owned by women. These businesses currently contribute £5bn to the Scottish economy. If women started up in business at the same rate as men, the economy would be boosted by a further £7.6bn. Women's entrepreneurship is critical to the future prosperity of the economy and Scotland's innovation, productivity and competitiveness.

Women entrepreneurs make an important contribution to economic development both at a national and local level, representing a significant share of employment generation and economic growth potential. However, they can be disadvantaged at various stages of development due issues such as under-capitalisation, gender blind policy making, and discrimination as a result of stereotype attitudes towards women in business. This is why the Cross Party Group is important. The Cross Party Group (CPG) for Women in Enterprise was set up to –

- ✚ Establish a forum for the sharing of experiences and information on the position of women in enterprise in Scotland;
- ✚ Enable discussion and debate on the gender gap in enterprise, and seek solutions on how this might be tackled;

- ✚ Bring partners together with an interest in women and enterprise to develop a collaborative approach towards working together.



Each year a number of themes are chosen which are important to the discussion on women in enterprise and speakers and guests are invited to take part in the meetings. Organisations and individuals with expertise and interest in each theme are invited to attend and participate in the CPG. This enables relevant and structured discussion on a thematic basis and allows for varied attendance at each meeting.

This year, meetings focussed on -

- ✚ The Importance of the economic empowerment of women
- ✚ Women in the Rural Economy
- ✚ Access to Finance
- ✚ Young Women and Entrepreneurship

14 November 2017: 'The Importance of the economic empowerment of women'

The guest speaker at this meeting was Dr Margo Thomas, an associate Fellow at Chatham House, the Royal Institute of International Affairs, London. Margo lead the independent secretariat of the High-Level Panel on Women's Economic Empowerment established by the United Nations (UN) Secretary-General.

In her current role of Founder and CEO of the Women's Economic Imperative, Dr Thomas serves as a catalyst for initiatives aimed at increasing opportunities for the economic empowerment of disadvantaged and under-represented groups globally.

During her presentation, Dr Thomas highlighted that in the 2015 McKinsey Global Institute (MGI) Gender Parity Report it showed:



- ✚ Improving gender parity in work - including workforce participation, hours worked, and sector mix of employment can generate \$12 trillion in annual 2025 GDP globally. This is equivalent in size to the current GDP of Japan, Germany, and the United Kingdom combined, or twice the likely growth in global GDP contributed by female workers between 2014 and 2025 in a business-as-usual scenario.

🚩 For the UK realistically, this could add £150 billion in GDP in 2025.

This figure roughly equates to the size of Britain's total annual government expenditure on education, defence, and transport combined.

Dr Thomas concluded by listing six types of intervention which are thought necessary to bridge the gender gap -

- 🚩 Financial incentives and support
- 🚩 Technology and infrastructure
- 🚩 The creation of economic opportunity
- 🚩 Capability building (including mentoring, sponsorship)
- 🚩 Advocacy and shaping attitudes
- 🚩 Laws, policies, and regulations

07 February 2018: 'Women in the Rural Economy'

Guest speakers at this meeting were Jackie Brierton, Enterprise Co-ordinator of GrowBiz, and Professor Sally Shortall, Duke of Northumberland Chair of Rural Economy, Newcastle University.

Scotland's rural economy has nearly doubled between 1997 and 2015 (91% increase), yet women living in rural areas have the lowest annual income, and the largest median gender pay gap. Part-time employment and self-employment is also more common in rural Scotland. Jackie Brierton outlined that while GrowBiz provides business support to both men and women, 70% of the clients at GrowBiz are women. Some of the core principles of GrowBiz include – customised business support; a client focussed approach; building trust with the client base; and building capacity for people themselves rather than a complete focus on the business.



GrowBiz promotes a peer learning network which is an important part of the model and this has been particularly successful for women. Sectoral and topic peer support is available as well as support for those experiencing any health issues.

Using a mix of 'traditional' and 'smart' support methods for businesses, GrowBiz has proven to be an excellent model of support for rural businesses.

Professor Sally Shortall was part of a team commissioned by Scottish Government to carry out Scottish research between May 2016 - April 2017. The research methodology included interviewing two categories of women rural entrepreneurs - new entrants to farming; and women in rural businesses.

The research found on entering agriculture as a profession, women faced cultural barriers, such as lack of access to land and were also exposed to organisational discrimination. A need to monitor and understand the low numbers of women representatives on farming and agricultural organisations was identified, including a need to look at building the confidence of women to go forward for positions on these bodies.

Women liked the flexibility which owning their own business allowed – especially in helping with care responsibilities as facilities were lacking in rural areas.

Sally commented that the research found a need to break down some of the barriers (real and perceived) between the farming community and other rural businesses. This could benefit the community more widely through more cooperation and collaborative working across rural areas.



“Encouraging and enabling more women to participate in enterprise is vital for the rural economy, which in itself is the backbone of the Scottish economy. Whether it is helping with the running of a farm or diversifying into new business areas, women play a vital role in sustaining rural business communities. Giving them access to gender specific business support benefits all”

Lynn Mann, business owner, Supernature Oils Ltd., WES Ambassador, member of the National Council of Rural Advisors.

01 May 2018: Access to Finance.

Access to finance is a critical enabling resource for women-led businesses at all stages of the business journey, not just in Scotland but also across the UK. At a time when more women are starting up in business as a career option, access to finance continues to be reported as an important resource for business growth.

Yvonne Greeves, National Women in Business Manager, NatWest, Royal Bank of Scotland & Ulster Bank presented on the Women in Business (WIB) specialists programme which applies business expertise and tangible support to help female-led businesses to set up, scale and succeed.



The WIB programme includes 400 WIB specialists across the UK – with 60 Scotland-centric specialists.

Yvonne outlined that in terms of support, business women in Scotland often requested - access to business support skills and training; mentoring; networking opportunities, and access to finance as a key issue. One of the actions taken by the bank was to proactively contact women offering pre-assessed loan amounts and understand if additional lending could help to grow their business. A total of £24.7m was available to Royal Bank of Scotland women in business clients through the pre-assessed lending project. The bank also supported a think-tank on access to finance for women-owned businesses convened with international experts, academics and women-owned businesses themselves. The think-tank identified a number of recommendations including, for example, a fresh approach to communication,

creating a women's fund (eg. via models such as micro crowd-funding) and mapping existing sources of funding to identify priority gap areas.

Susan Harkins, Principal Officer, Business Gateway, City of Edinburgh Council explained how a programme developed by Business Gateway – Gateway to Investment – was created to engage entrepreneurs more productively with Business Angel Investors. There was a 50/50 gender split in attendees of the programme and of £1.5M raised since 2015, 20% of this total was raised by women owned business.

Both speakers commented on the increased number of women in business coming through to take up the programmes which were offered by their organisations.



11 September 2018 (AGM): Young Women and Entrepreneurship

Presentations were made at this meeting by Lisa Wardlaw, Young Enterprise Scotland (YES) and Christina Mackay, BeYonder Ltd.

Lisa gave a brief outline of her work at YES, and as a business owner herself, Lisa

has experience to pass on to other young people looking to set up in business. While YES does not have a specific programme for young women, it is a thriving group with 60% of the businesses being started by young women. YES supports entrepreneurship and education programmes both at schools and in the college sector, with helping students into enterprise (through Bridge to Business programme) being a key part of the work.

Christina told a story of, *'Imagine a Business in which...'*, outlining what could be achieved if we worked better together to make change in Scotland. During the presentation, Christina outlined why Scotland can be a challenging place to do business. There is a need to challenge unconscious bias; and to look at the system which excludes many people from the labour market and / or training opportunities. For many, transitioning from benefits to work is difficult, and many women find it difficult to return to the labour market after periods of absence.

The meeting considered why the current policy framework is not fitting with real life situations and why attempts need to be made to ensure that policy makers get better at consulting and listening to business. Christina also suggested that more policy should be 'joined up' – benefiting more people and businesses across different sectors. For example, linking the textiles industry in Scotland to the rapid developments of various technologies could make the sector grow and thrive again.

Discussion included the issue of gender segregation in the labour market – and in enterprise – and how stereotyping into careers and types of work starts in the early years. With recent

research from Girlguiding UK showing that 53% of girls had thought about running their own business but one-third thought that their gender would hold them back, highlighted the importance of working in partnership with schools and other youth agencies to get girls to realise their full potential.



"As a young African woman, starting my own business was daunting. Once the business was started, I didn't know what to expect. I have faced many challenges as a result confidence building and personal development are very important to me. I was lucky to be given the opportunity to hear Michelle Obama speak at an event this year and that has inspired me and boosted my confidence. Becoming a WES ambassador gave me the opportunity to meet a diversity of successful women which motivating me. Having role models made such a big difference to me." Hermine Kinsela, business owner, Mbikudi. WES Ambassador.

Think Tank on Access to Finance – November 2017

In Scotland 50% of businesses receiving start-up support are women-owned, yet only 20% of women-owned businesses are making it into the growth pipeline and less than 5% are receiving account managed growth support. Evidence such as this led partners involved in the Cross Party Group to convene a Think Tank session which was held in London in November 2017 to mark Global Entrepreneurship week. International, UK and Scottish experts on women and enterprise were present, including women-owned businesses. The event, and its final report and recommendations, were kindly sponsored by Royal Bank of Scotland and Highlands and Islands Enterprise. Issues discussed included -

- ✚ Why the current funding landscape does not naturally align to the micro business profile of the majority of women-owned businesses. This funding gap holds back post start-up micro businesses wanting to grow.
- ✚ How the funding gap causes large amounts of time to be spent seeking funding, reducing time spent by owners on the business thus creating a continual cycle of "crisis management".
- ✚ How labour market gender segregation continues on into enterprise segregation.
- ✚ Evidence that supporting businesses to raise investment is important in order to scale and achieve accelerated growth.



The final report of the Think Tank made a number of recommendations which will be pursued by the various partners in Scotland. These recommendations included the need to -

- ✚ Map existing sources of funding and identify gaps; areas for opportunity; constraints and potential collaborators – from small scale to venture capital;
- ✚ Assess the opportunity for innovative new approaches to funding (in conjunction with mapping funding sources and identifying gap areas detailed);
- ✚ Review models to create a women’s fund – for example, via a micro-crowdfunding approach which could then seek match funding via private, public and/or third sector;
- ✚ Provide more women-specific banking support covering the whole of the lending journey from application to post draw down and repayment;
- ✚ Develop a lending scorecard which caters for the specific characteristics of the women’s sector. For example, catering for maternity leave within business cashflow data gives a much more accurate reflection of business performance and potential;
- ✚ Widen access to business angel funding via a fund offering smaller investment amounts and micro funding, in addition to larger more traditional business angel type investing.

For further information on the Cross Party Group on Women in Enterprise or on Women’s Enterprise Scotland, please contact anne@wescotland.co.uk or visit www.wescotland.co.uk

