



WOMEN IN ENTERPRISE

2017

This research was funded by the Scottish Government and delivered in partnership with Business Gateway, CoSLA, Highlands and Islands Enterprise, Scottish Enterprise and Women's Enterprise Scotland.

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Executive Summary

The Scottish Government supported this collaborative research project between partners who have committed to the Strategic Framework and Action Plan for Women's Enterprise in Scotland. Partners in this project include Business Gateway, CoSLA, Highlands and Islands Enterprise, Scottish Enterprise and Women's Enterprise Scotland. The project was further supported by the Association of Scottish Business Women (ASB), RBS and Scottish Women in Business (SWIB).

The findings of this research are based on a sample of women-led businesses and business support staff, in addition to desk based research.

The research took place between January and March 2017. A total of 125 women-led businesses and 39 business support staff participated.

This study focused on some of the business advice and business support available in Scotland – namely, those services available from Business Gateway Highlands and Islands Enterprise and Scottish Enterprise. The key objective of the study is to examine how practice in business support and advice could contribute to tackling the gender gap which currently exists in enterprise growth in Scotland. The study has a service user focus and considers the international context in addition to the Scottish context. It is important to note that this study only reviews business support provision in the context of women-led businesses and the enterprise gender gap. The study does not review business support provision in the wider context.

Key Findings

- Further developing women's enterprise is critically important for overall business prosperity, and economic growth in Scotland. This study found that opportunities to raise economic growth and reduce inequality are being missed by nations, including Scotland, as existing models which guide policy makers remain unadjusted for gender-equality. Inclusive growth is a driver of productivity. In Scotland, it is estimated that if women started up in business at the same rate as men an additional £7.6bn would be contributed to the Scottish economy.¹

¹ Framework and Action Plan for Women's Enterprise. Scottish Government (2014)

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- Experiences of women-led businesses in accessing business support varied between 'excellent' and 'poor'. The ability of the account manager or advisor was deemed to be key in the overall quality of support received
- 80% of women led business survey respondents stated they faced specific challenges as women business owners including achieving credibility for their business or business idea; difficulties with childcare / caring responsibilities; discrimination and issues of confidence. Those challenges were unaddressed (and in some cases wholly unseen and unacknowledged) by the majority of business support provision with which they had contact, thus creating a disconnect between the needs of the women business owners and the business support available.
- 46% percent of women-led businesses in this study said that they had experienced discrimination as a female business owner.
- To deal with some of these challenges, initiatives valued by women-led businesses included gender-specific training programmes and gender-specific business support.
- Business account managers taking part in this study also identified a gender-specific support toolkit as being of benefit. In the survey of business support staff, 87% said business support staff should be more aware of the differences between men and women in business and 75% of respondents said training on the provision of gender-aware support would help.
- Gender stereotyping persists around women-led businesses and is lowering levels of trust and respect for support services and the perceived value of the business support received. Cases where women's business aspirations were dismissed due to the sector in which they operated or the part time nature of the business, were prevalent throughout this study.

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- A key finding of this research was a ‘missing middle’² level of support experienced by women-led businesses – a gap between support from Business Gateway services and Scottish Enterprise and Highlands and Islands Enterprise support. This was particularly highlighted when seeking growth support and 83% of women-led businesses surveyed in this study wanted to grow in the next 3 years with 34% aspiring to grow rapidly.
- Women wishing to grow their businesses often face a hierarchy of growth support available - impacting business growth momentum, causing frustration and hampering the realisation of associated economic benefits.
- This study found that investment, innovation and internationalisation are all critical components to realise the growth potential of women-led businesses. Businesses participating in this study had a clear desire to grow - citing support in all three of those areas as requirements to support their growth ambitions.
- Access to mentoring was valued by 84% of women-led businesses who had accessed mentoring and identified by business support staff as a service requested by female clients. Those aspiring to grow also referenced key support areas as including networking (48%), finance (45%) and digital support (40%).
- Relevant role models were also valued, with reference made to role models helping to publicly challenge stereotypical assumptions often held about women in business.
- Access to finance remains a challenge for women-led businesses with 45% saying it was a requirement for growth. Grant funding accessed via Scottish Enterprise and Highlands and Islands Enterprise growth support was highly valued.
- There is a lack of clarity on how to access growth support with women-led businesses in this study reporting confusion and difficulties in knowing how to gain

² By ‘missing middle’, we are referring to the business support gap between start-up support and the criteria to access business growth support

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such support. Criteria for accessing growth support needs to be made more available, and awareness of the growth services provided by business support agencies needs to be raised.

- Collecting and analysing data is essential to ensure the monitoring and evaluation of progress against agreed targets. This study found a lack of gender-disaggregated data, hindering reporting on stated economic goals such as inclusive growth and precluding assessment of equality impacts.

Recommendations

1. Adopting a mainstream gender-aware approach to all enterprise and growth policies is critical to meet the needs of women led businesses in Scotland and to unlock the economic potential going forward.
2. Early stage 'pre-pre-start' business support programmes have successfully engaged more women in business activity and more widespread programmes are recommended to enable more women to continue to participate more fully in the business ecosystem.
3. A gendered analysis should be undertaken of language and communications used by business support organisations, and in particular across client facing communications, to identify and remove any gender bias.
4. Broadening access to business support and working towards bridging the 'missing middle' is recommended to encourage more women to continue with, build and grow their business and thus increase the economic contribution of those businesses.
5. Greater access to support on internationalisation and innovation for women-led businesses is recommended to help close the enterprise growth gender gap.
6. The gathering and analysis of gender disaggregated data is fundamental to measure the economic impact of closing the gender gap in enterprise and in

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particular, to measure the outputs of business support provision for women-led businesses.

7. Robust equality impact assessment of the overall disbursement of economic development funding would provide better data on existing and new investments. Such data led, equality impact approaches will help to inform best practice delivery and ensure an improved return on investment of economic development funding.
8. Accessible and available information and support with the grant funding process is recommended together with accessible micro grants to enable and sustain more businesses at the start-up phase.
9. Criteria for accessing business support growth services needs to be made more available to reduce current business confusion, and awareness of the growth services provided by business support agencies needs to be raised.
10. The allocation of economic development funding and in particular, resources and funding for business support provision in Scotland, must be analysed by gender to deliver transparency, accountability and due diligence of gender equality compliance and outcomes.

This study evidences the economic potential of women-led businesses and points to action opportunities to unlock a much greater contribution going forward. Helping to close the enterprise growth gender gap in Scotland. Collating gender-disaggregated data and equality impact assessing the disbursement of economic development funding will inform policy. The availability of greater measurement data will also help evidence progress on achieving stated strategic economic goals.

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Introduction

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The research took place between January and March 2017. A total of 125 women-led businesses and 29 business support staff participated.

This study focused on some of the business advice and business support available in Scotland – namely, those services available from Business Gateway, Highlands and Islands Enterprise and Scottish Enterprise. A key objective of the study is to examine whether current practice in business support and advice was meeting the needs of women in business; and how practice in business support and advice could contribute to tackling the gender gap in enterprise in Scotland. The study has a service user focus; however, it is important to note that this study only reviews business support provision in the context of women-led businesses, and the gender gap in enterprise. The study does not review business support provision in the wider context.

A further objective of this study is to review best practice in Scotland, the UK and internationally. The report looks at some examples of best practice in tackling the gender gap within enterprise, to provide insight on experiences and aid the identification of transformative action in the Scottish context.

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Terminology

Below is a definition of some terms used throughout this report:

Gender-Aware approaches to practice

A gender-aware approach in a working environment, either in a policy or practice issue, considers any barriers that may be preventing the participation and / or use of a particular service by women (or men) and adapts accordingly in order that a positive outcome is achieved. In the case of business support provision, this necessitates a knowledge and understanding of the key issues for women-led businesses.

Gender blind / Gender neutral

The term 'gender neutral' is often used to describe services that are generally considered to be applicable to the needs of both sexes. However, what is regarded as gender neutral can often be 'gender blind', if the specific service needs of the end user are not met by such an approach. The United Nations (2012) describes gender blindness as an, "*inability to perceive that there are different gender roles, need, responsibilities of men, women, boys and girls, and as a result failure to realize that policies, programmes and projects can have different impact on men, women, boys and girls.*"³ This definition will be used for this study.

Gender-Specific

A gender-specific approach in a working environment, either in a policy or practice issue, is a targeted intervention applicable to one gender (men or women). Any such intervention being founded on insights from gender-disaggregated data, research and/or best practice insights and outcomes.

Human capital

Human and social capital are inextricably linked with the OECD defining human capital as, "*...the knowledge, skills, competencies and attributes embodied in individuals that facilitate the creation of personal, social and economic well-being*".⁴ This term will be used in this report according to this definition, as the build-up of human capital is considered a key aspect in the sustainability of business.

³ United Nations <http://www.unwomen.org/> www.un.org/esa/sustdev/csd/csd15/lc/gender_terms.pdf

⁴ 'The Well-Being of Nations: The Role of Human and Social Capital', OECD, (2001)

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Inclusive Growth

The recently established RSA Inclusive Growth Commission defines inclusive growth as, *“broad-based growth that enables the widest range of people and places to both contribute to and benefit from economic success. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes”*.⁵

Occupational segregation

Occupational segregation as a term is used to describe gender segregation across job types and job roles and describes the concentration of men and women in different occupations, and where men and women are clustered into specific job types and grades of jobs, due to gender roles (for example, more women work in caring than in engineering, and more men are in senior management positions than women). Occupational segregation exists as much in the business sector as it does in the wider labour market with women’s and men’s businesses dominant in particular sectors.

Productivity

Productivity is commonly defined as a ratio of a volume measure of output to a volume measure of input use. While there is no disagreement on this general notion, a look at the productivity literature and its various applications reveals very quickly that there is neither a unique purpose for nor a single measure. GDP is one common measure, but it is increasingly viewed as outdated as opinion moves towards a broader range of measures such as the five indicators favoured by the World Economic Forum: good jobs; well-being; environment; fairness and health.^{6 7}

Social capital

Social capital is mostly explained as what develops due to relationships between groups. For example, the definition used by the Organisation for Economic Cooperation and Development is, *“networks together with shared norms, values and understandings that facilitate cooperation within or among groups”*.⁸ It will be used in this report as an attribute of individuals with social networks and personal connections, and the benefits that these may bring to their development as a potential business owner. Such capital is considered important when seeking to set up in business.

⁵ Inclusive Growth Commission Interim Report, RSA (September 2016)

⁶ A Guide to the Measurement of Industry-Level and Aggregate Productivity Growth, OECD Productivity Manual. OECD (2001)

⁷ Beyond GDP, World Economic Forum (2016)

⁸ The Well-Being of Nations: The Role of Human and Social Capital, OECD, (2001)

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Women-led businesses

Women-led businesses – These businesses are defined, using the Scottish Government definition, as “*controlled by a single woman or having a management team composed of a majority of women*”.⁹ As all businesses who took part in this study were ‘women-led’, they will be referred to as, ‘the businesses’.

⁹ Small Business Survey, Scottish Government (2015)

Methodology

Focus Groups

All partners were engaged in the delivery of the project. Prior to commencement of the research it was also conveyed to all individuals taking part (both business women and business support advisers) that contributors would be anonymous, and the information gathered would not be attributed to any individual and / or organisation to avoid identification.

Scottish Enterprise organised focus groups of both staff members and businesses in Glasgow, and a focus group of staff members in Dumfries. Highlands and Islands Enterprise organised a focus group of businesses and also one for staff in Inverness. Business Gateway Edinburgh organised a staff focus group and a focus group for businesses. Business Gateway National Unit organised a meeting with Business Gateway staff in Inverness. The majority of women who came forward to take part came through a range of networks and contacts and via requests through social media. The geographical spread of respondents ranged from areas in the North including Dornoch, Uig, Skye and Inverness, down through the central belt to areas including Kirkcudbright, Selkirk and Eyemouth in the South.

WES facilitated each focus group and conducted both telephone and online individual and group interviews. A total of 125 businesses and 39 business support staff participated in this research in the survey, focus groups and interviews.

Telephone and online interviews

These interviews were used for those who were very keen to participate in the research but were unable to attend focus groups. The one-to-one and small group (maximum 4 participants) online sessions helped to ensure a depth to the qualitative research while also widening the geographical spread of participants.

Online Survey

The online survey for the business was circulated by networks such as the Association of Scottish Business Women (ASB), Scottish Women in Business (SWIB) and the Women's Enterprise Scotland (WES) networks. The online survey was also circulated via social media.

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The online survey for business support staff was circulated by WES and Highlands and Islands Enterprise. The survey was not circulated by Scottish Enterprise as it was not considered to be a good time of year to be contacting customer facing staff and it is unclear if the survey was circulated by Business Gateway National Unit.

	Focus Group	Telephone and Online Interviews	Online Survey	Total
Women-led businesses	12	12	101	125
Business Support Staff	26	1	12	39
Total				164

Current position of Women in Enterprise

Scotland and the UK

Further developing women's enterprise is critically important for overall business prosperity, and economic growth in Scotland. With just over one-fifth of Scottish SMEs majority owned by women, these businesses make a valuable contribution to the Scottish economy. If the numbers of women led businesses in Scotland increased to equal those of men, our national bank balance would grow by at least 5% or £7.6 billion.¹⁰ Almost mitigating the estimated economic impact of Brexit in Scotland.¹¹

- In the UK, if levels of female entrepreneurial activity increased to match those of men, the UK economy could be boosted by over £180bn by 2025.¹²
- As more women are taking up self-employment, business activity by women is on an increasing trend. In the last eight years, the number of women in self-employment has risen by approximately 40% (or 427,000). By comparison the number of men in self-employment only rose by 13% (or 358,000) over the same period. Self-employment was found to have risen by 11% overall compared to a rise of just 0.2% in direct employment.¹³
- UK business startup figures show that in 2015, a total of 1900 businesses were launched in Glasgow and another 1400 were created in Edinburgh, greater than the 800 businesses launch in Cardiff during the same period but significantly lagging behind Manchester (5,200) and Birmingham (5,100). In London, 33,200 women-led businesses were created in 2015.¹⁴

¹⁰ Framework and Action Plan for Women's Enterprise (2014)

¹¹ 'Long term Economic Implications of Brexit in Scotland' Fraser of Allander Institute (2016)

¹² 'Three Years On' Women's Business Council and Deloitte (2016)

[http://womensbusinesscouncil.co.uk/wp-content/uploads/2017/02/6.2658 GEO WBC 3-years-on_v5_web-1.pdf](http://womensbusinesscouncil.co.uk/wp-content/uploads/2017/02/6.2658_GEO_WBC_3-years-on_v5_web-1.pdf)

¹³ The Royal Bank of Scotland Regional Economic Tracker (2016)

¹⁴ The Royal Bank of Scotland and Development Economics (2017)

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Challenges

Research shows many women face obstacles in setting up and growing their business, putting them at a competitive disadvantage. Those who do start up rarely own large businesses and their average earnings from self-employment are up to 60% lower than for men – a marked gender pay gap.¹⁵ A portion of this gap may be due to a tendency for women to allocate priority to reinvesting in the business and rewarding staff.¹⁶ Barriers faced by women translate in levels of labour productivity that are 5-30% lower than companies owned by men.

Specific barriers and challenges faced by women in Scotland and the UK when starting up or growing their own business including discrimination, credibility and access to finance¹⁷

¹⁸ Cultural norms and stereotypes make women less confident in their capacities as business owners.¹⁹ A perceived lack of skills is a barrier to starting up a business for many women and a lack of confidence in their ability to run a business.²⁰ When analysed more closely, it is likely that this is not an individualised problem of self-confidence but more an informed assessment drawn from a range of market signals concerning women's suitability and fit as entrepreneurs. The self or society-imposed structural constraints of women's lives combined with negative stereotypes have limited them as a group as potential entrepreneurs.²¹

Women led businesses are more likely to be concentrated in certain market sectors. Of women led businesses in the UK, just 7% are in manufacturing, 8% in construction and 12% in information and communications with 43% in other services.²² These figures are

¹⁵ Women Entrepreneurs in the OECD: Key Evidence and Policy Challenges, OECD Social, Employment and Migration Working Papers, No. 147, OECD (2013)

¹⁶ Women's Entrepreneurship and the Gender Pay Gap' Forbes (2012)
<https://www.forbes.com/sites/meghancasserly/2012/10/26/women-entrepreneurship-gender-pay-gap-persists/#7a99c0ab67ca>

¹⁷ 'Women in Enterprise: The Untapped Potential' Federation of Small Businesses (2016)

¹⁸ 'Untapped Unicorns, Scaling Up Female Entrepreneurship'. Female Founders Forum and Barclays Bank (2017),

¹⁹ 'Women Entrepreneurs in the OECD: Key Evidence and Policy Challenges,' Social, Employment and Migration Working Papers, No. 147, OECD (2013)

²⁰ Global Entrepreneurship Monitor (2012)

²¹ 'Women in Enterprise: A Different Perspective' RBS group (2013)

²² Companies House, 2015

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not particular to Scotland or the UK, with recent evidence from the Organisation for Economic Cooperation and Development supporting the concept of gender segregation of business ownership in particular sectors (e.g. higher proportions of women's businesses in wholesale and retail trade) across a range of countries.²³ Regular survey evidence from women-led businesses operating in this sector in Scotland points to a 'hierarchy of business support' as they are unable to fully access the kind of support they need to aid their businesses to grow.²⁴

Despite the barriers and challenges faced by women-led businesses in Scotland, these businesses have a desire to grow.²⁵ At this time, as more and more women are turning to self-employment and business start-up, there is a growing and as yet untapped opportunity to capitalise on the full economic potential of this sizeable demographic in Scotland. As detailed in recent 2017 publications, this opportunity extends to both supporting more micro businesses to grow²⁶ and supporting more businesses to scale-up.²⁷ Women owned firms outperform those owned by their male counterparts when characteristics such as business age, size and sector are controlled for as well as the attributes of the individual (age, education etc.).²⁸ These findings have parallels with studies into companies with greater numbers of women at Executive level - companies which were found to be more profitable.²⁹

Support

Business startup and growth support in Scotland is primarily accessed through public sector agencies. Business Gateway (BG) is a publicly funded service delivered by Local Authorities contributing to the economic well-being of Scotland by providing access to free business support services. The organisation gives assistance and impartial advice to people starting or growing their business by a combination of online support, local workshops and events, advice and business information. In 2015/16 a total of 58,271

²³ 'Closing the Gender Gap: Act Now' OECD (2012) <http://dx.doi.org/10.1787/9789264179370-en> OECD, 2012

²⁴ Women's Enterprise Scotland. Survey Results. (2016)

²⁵ *ibid*

²⁶ 'Building Our Industrial Strategy': Green Paper. UK Government (January 2017) <https://www.gov.uk/government/consultations/building-our-industrial-strategy>

²⁷ 'Untapped Unicorns, Scaling Up Female Entrepreneurship'. Female Founders Forum and Barclays Bank (2017)

²⁸ 'Women in Enterprise: A Different Perspective'. RBS Group (2013)

²⁹ 'Firms with more women in the C-Suite are more profitable', Harvard Business Review (2016)

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enquiries were received for advice and support. In addition, a record 607,887 people visited the website www.bgateway.com, an increase of 16% on the previous year.³⁰

Scottish Enterprise (SE) is an executive Non-Departmental Public Body of the Scottish Government, acting as a public agency with a statutory duty to undertake economic development for lowland Scotland. SE has 1481 employees and makes a distinctive contribution to the goals of Scotland's economic strategy. In addressing these goals, SE focuses on industry sectors identified as offering the opportunity to strengthen Scotland's competitive advantage through achieving critical mass and boosting productivity. Those sectors include Energy; Food and Drink; Life Sciences; Enabling Technologies; Tourism; Financial and Business Services; Universities and Creative Industries.³¹

Highlands and Islands Enterprise (HIE) is an executive Non-Departmental Public Body of the Scottish Government, acting as a public agency with a statutory duty to undertake economic development within the Highlands and Islands of Scotland. The HIE strategy focuses actions on the four strategic priorities of Scotland's Economic Strategy which aim to increase competitiveness and tackle inequality. As the Scottish Government's economic and community development agency for north and west Scotland, HIE's purpose is to generate sustainable economic growth across the Highlands and Islands. During 2015/16, HIE made major progress in specific sectors, such as life sciences, tourism, food and drink, energy and creative industries.³²

When providing growth support and public sector funding, economic impacts including displacement, additionality and leakage require to be considered.³³ as do the growth sectors identified by the Scottish Government.³⁴

³⁰ Business Gateway Annual Report (2016)

³¹ Scottish Enterprise Annual Report and Accounts (2015/16)

³² Highlands and Islands Enterprise Annual Report and Accounts (2015/16)

³³ The Green Book, Appraisal and Evaluation in Central Government (2003)

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

³⁴ Growth Sector Statistics Data Base Scottish Government (2017)

www.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors

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International

“The moral case for greater gender equity is clear, and so is the economic case. As countries around the world seek to grow their economies and reduce inequality, tapping into the huge potential of women can be a game changer.” Christine Lagarde, IMF, March 2017

A new study by the European Institute for Gender Equality (EIGE), launched on 8 March 2017, called for the European Union to improve its efforts towards gender equality as this would create more jobs and increase GDP per capita.³⁵ The OECD recognises women’s businesses as a source of job creation.³⁶

A variety of studies show that inclusive economic growth, is a driver of productivity. A recent report by the RSA³⁷ stated that, “The evidence that gender equality contributes to economic growth is more consistent than the thesis that economic growth contributes to gender equality”. World Bank studies show that women entrepreneurs make significant contributions to economic growth and poverty reduction, not only in developing countries but also in high-income countries.³⁸

The World Economic Forum's Inclusive Growth and Development Report 2017³⁹ concludes that most countries are missing opportunities to raise economic growth and reduce inequality because the growth model and measurement tools that have guided policymakers for decades require significant readjustment. Annual median per capita income declined across all advanced countries by average rate of 2.4% over the past five years, and growth per capita averaged less than 1% in part due to growing wealth inequality. The 2016 Global Gender Gap Index⁴⁰ highlights the importance of gender equality in driving efficiency and competitiveness in the global economy. The UK ranks 20th out of 144 overall, but 53rd out of 144 for economic participation and opportunity.

³⁵ ‘Economic Benefits of Gender Equality’ European Institute for Gender Equality (2017)

³⁶ ‘Achieving stronger growth by promoting a more gender balanced economy’ OECD (2014)

³⁷ Inclusive Growth Commission Interim Report, RSA, (September 2016)

³⁸ ‘Supporting high-growth potential women entrepreneurs’, World Bank (2014)

³⁹ Inclusive Growth and Development Report. World Economic Forum (2017)

⁴⁰ The Global Gender Gap Report. World Economic Forum (2016)

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The number of women setting up a business in the UK still lags behind countries such as Canada and the US. ⁴¹From 1997 to 2014, in the U.S. alone, women-owned companies grew by 79%, generating nearly US\$1.5tr in revenue and growing at 1.5 times the national average. ⁴²Achieving full gender equality would add 26 percent, or US\$28 trillion, to global gross domestic product in 2025.

The proportional population percentage of new female entrepreneurs and women setting up a new business internationally is as follows:

1. Canada 13.5%
2. USA 9.2%
3. Netherlands 7.3%
4. Singapore 7.2%
5. Sweden 4.9%
6. UK 4.7%
7. Germany 3.3%
8. Italy 2.8%

In Canada in 2010, policies and programs were identified to enable female business owners and self-employed workers to contribute further to the Canadian economy. Those action strategies included a national women-focused economic development strategy, the development of new markets and supplier diversity, increased access to finance and the adoption of technology and gender-disaggregated reporting and accounting.⁴³

In the US, key areas of focus for national women's entrepreneurship growth include access to finance including micro loans, access to public sector contracts and access to relevant training and mentoring through local women-specific business centres.⁴⁴

⁴¹ RBS and Development Economics (2017)

⁴² 'How Advancing Women's Equality Can Add US\$ 12 Trillion To Global Growth', McKinsey & Co (2015)

⁴³ 'Action Strategies to support Women's Enterprise Development' The Canadian Taskforce for Women's Business Growth (2011)

⁴⁴ '21st Century Barriers to Women's Entrepreneurship: Majority Report of the U.S. Senate Committee on Small Business and Entrepreneurship' (July 2014)

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Findings

General overview of businesses supported

- Overall, business support staff estimated women-led businesses were in the range of 5% – 25% of most account managed portfolios (growth agency) and between 20% - 50% of most business advisor portfolios (start ups).
- In sectors such as financial services and digital companies, business support staff reported that women tended to be more equally represented in leadership or board positions in businesses with whom they were working.
- Staff participants stated that succession (e.g. via family businesses) seemed to be a popular method whereby women progressed into leadership roles in the business.
- Staff participants also observed that other senior positions held by women in supported companies were still within gender stereotyped roles, such as those in HR and Marketing.

Characteristics of Women-led Businesses Identified by Business Support Staff

Differences in the characteristics of women-led and men-led businesses are often cited. Business advisors and account managers in this study, in their experience, noted different characteristics displayed by women led businesses including –

- a lack of confidence; (women being more likely to admit this)
- not being motivated in the same way as men regarding money;
- more awareness of caring responsibilities and issues of work/life balance;
- adopting a more sustainable approach to business;
- more emotion and a different approach to communication. (women being more likely to exhibit emotion)

"[women are]..not motivated in the same way in terms of money - taking a much more environmentally friendly, sustainable approach to work, to the workplace. Males tend to be much more focused on numbers" SE Account Manager

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Challenges for women in business

Research shows that women face particular obstacles when setting up and growing businesses.^{45 46 47 48 49 50}

This study found that 80% of business survey respondents faced specific challenges as women business owners, with examples including achieving credibility for the business or business idea; issues of confidence; access to finance, and support for childcare / caring responsibilities. While the issue of confidence was often referred to by the businesses participating in this study, research has found that when analysed more closely, it is likely that this is not an individualised problem of self-confidence but more an informed assessment drawn from a range of market signals concerning women's suitability and fit as entrepreneurs.⁵¹

An often-quoted example by women business owners is that the role of women in companies (even when it is their own company) is frequently assumed to be junior in comparison to male colleagues. This emerged as a common theme throughout this study with 46% saying they had experienced discrimination as a female business owner. In one example, when the husband of a female business founder joined the business, the business was then taken more seriously by male buyers with a noted increase reported in sales. In another example, the female managing director did not receive communications (mail and e-mail) from a business growth agency directly as communications from the agency were consistently sent to her husband. Despite raising this as an issue, the matter was only rectified by the owner reverting to her own name, by which she was known before she was married.

⁴⁵ 'Women Entrepreneurs in the OECD: Key Evidence and Policy Challenges' OECD Social, Employment and Migration Working Papers, No. 147, OECD (2013)

⁴⁶ Global Entrepreneurship Monitor Report (2012)

⁴⁷ 'Women in Enterprise: The Untapped Potential' Federation of Small Businesses (2016)

⁴⁸ 'Supporting Growth Oriented Women Entrepreneurs: a review of the evidence and key challenges' Trade & Competitiveness 2014 No 5, World Bank Group(2014)

⁴⁹ 'Status Beliefs and the Spirit of Capitalism: Accounting for Gender Biases in Entrepreneurship and Innovation, Thebaud, S. Social Forces Journal (2015) 94 (1): 61-86)

⁵⁰ "Factors affecting the success of women's entrepreneurship: a review of literature", Cabrera, E.M. and Mauricio, D. (2017) International Journal of Gender and Entrepreneurship, Vol. 9 Issue: 1, pp.31-65

⁵¹ Women in Enterprise: A Different Perspective'. RBS Group (2013)

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"I think a lot of people could be put off at that stage (starting up a business). It's a bit overwhelming, gosh I don't fit in" SE Client

"People forget I have power and talk across me – I'm founder, CEO and majority shareholder" Business Survey respondent

"Having positive role models can help you overcome that (discrimination)" SE Client

"Confidence is a huge issue and self-esteem...., I probably had three times more confidence when I was 18 or 21 and there's something that happens, I don't know if it's our own personal experiences, having children, stepping away from the workplace" BG Client.

"Men were just sailing through on that wave of confidence. There is no way I could become like that" SE Client.

"credibility - especially as many men see women just running a lifestyle business" Business Survey Respondent

Examples of discrimination experienced by businesses resonated with business advisors and account management staff. Personal experiences of observing discriminatory situations were recounted, in addition to clients confiding some of their own direct experiences of discrimination. Instances of businesses with a majority ageing workforce having less gender diversity were referenced by account management staff, in contrast to examples of businesses with a younger workforce age being more gender diverse.

Advisors and account managers related to the challenges listed above for businesses including achieving credibility for the business, juggling work and family life and issues of confidence, and many reported that in their experience, women were more acutely aware of work and family balance, and caring responsibilities, whereas men tended not to refer to it at all in any business development discussion. In the business support staff survey, 100% of survey respondents said there were specific challenges for women-led businesses. Advisors in Edinburgh found that offering women only courses and events helped women to overcome some of these challenges. Role models were also identified as a good source of support. The importance of building a trusted relationship with the businesses was highlighted by advisors and account managers.

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"Some of it is about relationship, people really opening up and feeling they can share some things" SE Account Manager

"Women will admit to a lack of confidence, I've found that, I'm sorry. If you drill down into that they will admit it to a female advisor but I'm not sure if they would admit it to a male advisor. Lack of confidence is a huge thing I find a lot of businesses I speak to it's that lack of confidence" BG Advisor

"for women who have put their skills on hold, its going back into the system, learning refreshing. Which traditionally guys have not gone on and done, not many career breaks with men" BG Advisor

"In one of the companies I deal with, the previous owner passed away so his wife ended up taking over the business.....that's exactly what she was thinking. 'Am I able to do this, what's my ability, where are my gaps'. She didn't feel confident enough about the finances.... she had all the experience from her previous role that she needed. It was just making that step" SE Account Manager

Reasons for Starting Up in Business

Women business owners were asked why they had started their own business. There were a number of different reasons given by women as to why they were motivated to start up their own business, and these influencing factors include a mix of 'pull' and 'push' factors. 'Pull' factors included a family role model who was already in business; and existing family commitments making the flexibility to work at home and / or a more convenient workplace, and better 'juggle' caring responsibilities attractive. 'Push' factors included redundancy; and more recently, due to the economic downturn, issues such as downsizing of companies and budget cuts in the public sector; the 'glass ceiling' in employment and discriminatory employment displacement including pregnancy / maternity discrimination.⁵²

"The week before I was due to go off on maternity leave they said we can't guarantee your job for when you come back, what do you want to do? I knew it was completely

⁵² 'Pushed or Pulled? Women's Entry into Self-Employment and Small Business Ownership'. Gender, Work and Organization. Hughes, K. D. (2003) Vol. 10 No. 4, August 2003. pp. 433 – 454

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illegal but they offered me an increased package and I just took it. I knew they would do what they wanted anyway, that was just how they were". BG Client

Experiences of business support

Knowing where to look and find support was a common theme. Information on support available is difficult to obtain and there is a lack of effective signposting. Looking for and gathering information is time consuming for businesses, leading to frustration. Finding the right support often felt like luck, as the landscape was reported to be confusing, challenging and disconnected.

"It's really hard to know what is out there, Cultural Enterprise is one of our neighbours and that's how I signed up for their information." SE Client

"You need a manual to tell you where to go for support. You need to take time out of business to attend events to find out what organisations are out there." HIE Client

A range of support had been accessed from BG, SE, HIE and enterprise hubs - from assistance with grants to specialist support e.g. with marketing strategy, intellectual property, grant applications, networking and training. Experiences of accessing this support varied between 'excellent' and 'poor'. The ability of the account manager or advisor was deemed to be key in the overall quality of support received. Accountants were also mentioned as a helpful source of business support.

"(BG) Good business starting point. Very fortunate with our BG advisor" Survey Respondent

"SE have been very good. Very helpful and gained support to get RSA funding. Don't think we would have been successful without that. We had to supply long answers but gained £100k. Also, got innovation support..... It does depend on who your account manager is. They have to be able to navigate the system. You need someone who can recognise what's there." SE Client

"(HIE) Very supportive with our training and development needs, business support and guidance and keeping up to date what is going on" Business Survey Respondent

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"(named enterprise hub) helpful for networking and accessing finance" Business Survey Respondent

There was a general view from the businesses that the support system was being driven by the structure of the organisation providing the support and not being influenced by the end client needs. It was reported that the support available could be difficult to access due to issues such as form filling / application processes which led to delays in the support being made available. For example, application data for certain grants and support is not held centrally and requires to be re-keyed for different applications. This was especially frustrating when delays were experienced in the approval of support, thus impacting on the accessibility of such support. In one case, changes in the process part way through an application required the paperwork to be completed again by the business from the start, creating additional delay.

"your initial idea is important, but BG think numbers are more important. Some support can feel intimidating" BG Client, Inverness

"(named enterprise hub) was all about pitching! I lost my personality!" Enterprise Hub Client

Quality and Value

The quality and perceived value of the business support received varied widely. Where the process had been smooth and the support accessed met the needs of the business, it was highly valued by the client. For example, signposting to other organisations who could help with a specific issue, and knowing the support available and how to access it, was highly valued. Support with HR as the business was scaling up, and issues recruiting staff were often cited as issues requiring specialist support which was not always available.

"I have limited awareness of the support available. Access to support is managed for you. I don't understand structure of HIE [The process] took forever and I still don't know the decision-making process at HIE." HIE Client

"The (HIE) leadership programme sounds great, but you need to be account managed first, so how do you grow?" HIE Client

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“Rules are broken all the time to get people account managed or on a mentoring programme.” BG Client

Where the support had been more challenging to access, there was frustration and disappointment when the support did not deliver the expected value. For example, many stated that often support was viewed as “a tick box exercise” with agencies not fully understanding - or taking the time to understand - the specific needs of the business. In one case, a business had accessed support to produce a strategy, but the report received was based on an outdated business website and did not produce a detailed enough plan to take forward. The business gained little value from the report with no support on implementation.

Recognising different needs

Within support services, the different needs of women in business were not understood or acknowledged, and it was felt that business support services should take account of the different needs of women led businesses. For example, women starting up businesses on a part time basis, funding the business themselves, or operating in particular sectors were regularly categorised as “*lifestyle businesses*” and viewed as less valuable and less likely to grow by business advisors.

“Having your own business is not an easy journey and I think the frustration comes when the support can be some of the hurdles in the way too.” BG Client

“I hate the ‘lifestyle’ thing, because you’re still a business and that’s what works for you, but you are often disregarded.” BG Client

“I was told I’m not innovative enough”, BG Client

The “lifestyle” category of businesses formed part of what is considered to be a ‘hierarchy of support’ that is available. It was a commonly held view that the availability and amount of business support depended in which sector the business operated. In particular, businesses regarded as “lifestyle” - which covered many women led businesses – were “dismissed” and “turned away”. Assumptions were made by advisors about the (lack of) growth prospects, regardless of the ambition of the business owner and the desire of the business to scale and grow.

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"We are so lucky in Scotland, we have so many avenues open to us, but it feels like they are not equally open. It feels as if there is a vision of what that person should bebut everyone just doesn't fit into that" BG client

"Unless you're saying what I'm saying about growth (predicting a 20% increase) if you're a woman, you're not taken seriously" HIE Client.

"Because I didn't want to go for investment, because I didn't want to do crowd funding, I wanted to nurture the business until the time was right, and so that was the language being used back to me "oh, OK you're just lifestyle" and it's like, 'we're not going to get any brownie points by nurturing you'" BG client

"Feel that support and advice is only directed towards certain industries." Survey Respondent

The experience of women-led businesses was that the approach to support provision is "one size fits all", however, no businesses agreed with or related to that as an appropriate approach. This was not just restricted to public sector business support agencies, as it was also experienced in the entrepreneurial hubs. Examples included references to a "male gorilla" culture and feeling uncomfortable as a woman at mixed sex training events. This 'one size' approach led female clients to question the value and appropriateness of the business support they received. Another example included many businesses feeling they were being pressurised to seek business investment right from the start of the business, and if they did not want this, they were regarded as lacking business growth ambition. There was a sense that this approach to investment was regarded by advisors as best practice, yet women led businesses were unconvinced this was the best way forward. Many felt that advisors lacked insight and empathy towards the reservations being expressed by the women led businesses.

"That 'one size fits all'.....I do generally think my contact with advisory services has been incredibly positive and helpful but other parts have been really offensive..... there is a huge element of 'one size fits all'". BG client

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"There needs to be more support; they need to ask why are you setting up that business. If it's going to be a one-person business that's a 'lifestyle' business and SE or BG won't be falling over themselves to help. They call it displacement, where you are displacing other jobs and they think it's not worthwhile doing that, but actually they should be asking, 'are you ambitious', 'how do you want to do this, franchise'. Aim higher, you don't need to do it this way (one person)." SE Client

"They do push you down a certain outcome; a certain road, whether its necessarily the right thing for your business at that particular time. They don't always listen. I think it's not that sometimes that we know better, but it's OK, I don't think that's the right thing for my business right now. I don't think you're giving me the right advice, I don't think that advice is impartial" BG client

There was a lack of understanding amongst the businesses in the study of how business growth support operated and a lack of transparency was experienced. There was a view, from business women and from business support agencies, that in the more northern rural areas there was a tendency towards greater flexibility by business support agencies to allow to access growth support for businesses. Examples of BG staff being flexible with criteria and repositioning businesses across different sectors to help clients gain access to vital growth support were given. While this flexible support to access growth services was welcomed by clients, frustration was created at the lack of transparency.

For those businesses aspiring to grow but unable to access growth support, many felt that they just had to 'go it alone', with a sense that they would have achieved their growth by the time growth support was offered or in place.

"It (accessing growth support) feels like a secret society – how do you get in?" HIE Client

"And what represents high growth? that's the thing. Because I would think we are on a high growth trajectory the way we are going at the moment and we are aiming to sell our business within 6 to 8 years, that was always the outcome.so by then you are almost at the point of, well I don't really need that, or we will have sold out by the time we get to that point (of growth support) BG Client

"What is innovative?" HIE Client

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The 'Missing Middle'⁵³

The gap between start up support and growth support was a common theme in this study. The “missing middle” impacted the capability of the businesses to sustain start up momentum and scale up. Current training provided by business support agencies was seen as too ‘start up centric’ and while there was a desire to learn more about how to sustain and grow the business, the training support was not there. The ability to access further skills development for the business owner as well as other employees was seen as critical – yet missing.

“We’re not a high growth company, we’re a services company but there is a real gap. If you’re not in that high growth and you’re not under that certain age, then you’re in the middle, you’re that “lifestyle” BG client

“You need to be a big business to approach HIE. BG are no help at all – too basic. There’s nothing in between. Feel like I don’t fit – will I ever fit?” BG Client

“BG workshops are very general and not advanced enough” BG Client

“I have a scalable company and need help (employing people), but there’s none available. Is it even worth it? I’ve kind of decided that I’ll just do it myself.” BG Client

Preconceived ideas about women-led businesses had the potential for advisors to fail to connect with these businesses, leading women to believe that their business and business ambition is being misunderstood. Such a disconnect between the advisor and the end client can lead to a lack of trust and poorer quality of relationship, or no relationship at all. In one case, a women-led business startup in the Health and Wellbeing sector sought support from BG, but the advisor was not interested in the business or their aspirations. No support was received as the business was not considered to be a viable option. Yet within just a couple of years this business has 20 staff, is just opening its second premises and has a third location identified and in plan.

“You know the cliché I am so very tired of “fail fast”. Just aaarghwe do it in a different way.” BG Client

⁵³ By ‘missing middle’, we are referring to the business support gap between start-up support and the criteria to access business growth support

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"One adviser actually said that to me you're not going to make multi millions with this business and I just thought, how rude! I might make multi millions and I will prove you wrong. It's not a 'lifestyle' business - we set this business up very professionally as scalable. We have an exit strategy and we have a second business sitting in the wings" BG Client

"As a small business, sometimes you need to protect yourself until you know there is that equal trust and respect. I think some of the conversations haven't been as respectful as they could have been" BG Client

"The training is all about starting a business, I'd like to know more about stepping over that line. For me it's about keeping your business going it's not just about what makes you take those first steps." BG Client

"Developing your skills (is important) you don't just stop". BG Client

Growth

The ability to access growth support was valued by the businesses. Data on female participation rates for 2016/17 leadership development programmes offered by HIE and SE showed a spread of participation ranging from 14% to 45%:

2016/17	Emerging Leaders	Leadership for Growth	Leadership Essentials	High Impact Leaders
HIE	38%	45%		14%
SE	20%	25%	36%	

Those businesses which had been able to gain growth support pointed to growth benefits such as access to grant funding and help with specialist areas including IP and recruiting staff. Growth is a key deliverable for enterprise advice services, and the policy of national economic development agencies is to identify and provide specialist support for companies with high growth potential. When providing growth support and public sector

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funding, economic impacts including displacement, additionality and leakage require to be considered.⁵⁴ as do the growth sectors identified by the Scottish Government.⁵⁵

It is unclear how these economic considerations shape the qualifying criteria for business start up and growth support. Many businesses commented on an inability to fully access start up support and a lack of transparency on the requirements to gain ongoing growth support.

Most of the business respondents who were not account managed aspired to grow but did not know how to access support to help them achieve growth. There was confusion on the definition of “high growth” potential and how to qualify for growth support. It was a commonly held view that the availability and amount of business support depended in which sector the business operated. Such restrictions on accessibility formed part of what is considered to be a ‘hierarchy of support’ that is available. Few women’s businesses currently meet the thresholds that would identify them as ‘high growth’, effectively excluding them from accessing growth support and expert, specific growth support relevant to their business needs is not provided. The recent Green Paper on Building an Industrial Strategy⁵⁶ notes that local economic growth strategies should focus not only on high-growth scale- ups, but also on those with more moderate ambitions. Enabling many small businesses to achieve their more moderate goals could have a significant economic impact.

The requirements for receiving growth support in Scotland operate on construct of turnover based projections and ambitions which can fail to engage women. When it comes to talking about their success, research shows women are more modest and less likely to say their business is prospering – even when they are reporting higher profits than their male counterparts. Though it is often assumed that women want to run “*lifestyle*”

⁵⁴ The Green Book, Appraisal and Evaluation in Central Government (2003)
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/220541/green_book_complete.pdf

⁵⁵ Growth Sector Statistics Data Base Scottish Government (2017)
www.gov.scot/Topics/Statistics/Browse/Business/Publications/GrowthSectors

⁵⁶ UK Government Green Paper: ‘Building Our Industrial Strategy’ (January 2017)

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businesses, both men and women show a strong appetite to grow the business they own or manage – with women showing greater entrepreneurial ambitions.⁵⁷

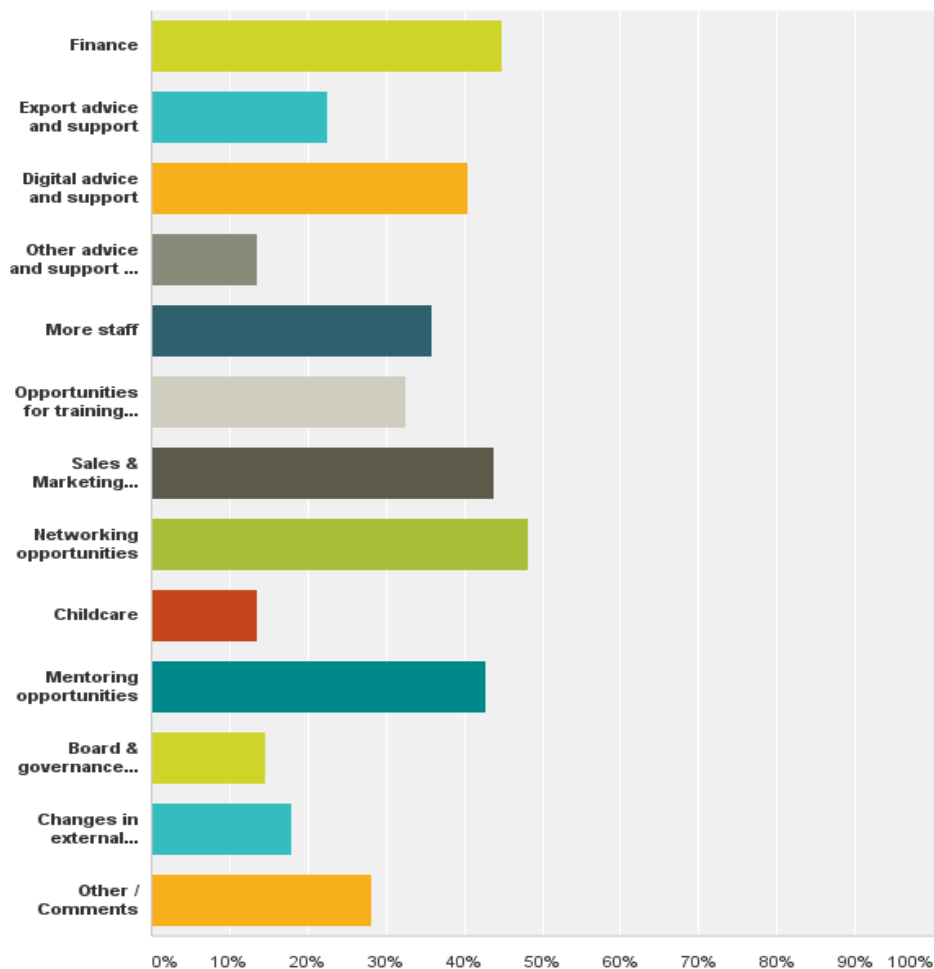
In this research, the businesses displayed a clear desire to grow with 34% of respondents stating they aspired to grow rapidly over the next 3 years and 20% predicting turnover growth of over 100%. A range of support areas were identified to enable growth including finance, networking, mentoring, sales & marketing and digital. (See Graph below). These findings are consistent with findings from Business Gateway customer market research reports in 2015 and 2016.

⁵⁷ 'Shattering Stereotypes; women in entrepreneurship'. Barclays and the Centre for Entrepreneurship (2015)

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Q15 What do you feel you need to achieve your business aspirations over the next three years?

Answered: 89 Skipped: 12



While the UK ranks third for start-ups, it ranks thirteenth for the number of businesses that scale up successfully according to OECD research.⁵⁸ The Global Gender Gap Index⁵⁹ highlights the importance of gender equality in driving efficiency and competitiveness in

⁵⁸ 'The Dynamics of Employment Growth: New Evidence from 18 Countries'. Criscuolo, C. Gal, P.N. and Menon, C. (OECD, 2014)

⁵⁹ Global Gender Gap Index. World Economic Forum (2016)

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the global economy. The UK ranks 20th out of 144 overall, but 53rd out of 144 for economic participation and opportunity. A broader access to growth support for women led businesses would seem to hold significant economic potential as a sectoral strategy to boost scale up levels in Scotland.

“I am just as ambitious as any man, sometimes more ambitious I would say. I’m out to grow a global brand and I might not get there in 5 years or six years but I’ve always had that vision right from the very outset and an exit strategy” BG Client

“We expect to continue to grow our total sales by 80% annually” Business Survey Respondent

Women view and approach the execution of growing their business in a different way. They strive for steady, profitable growth trajectories often preferring to re-invest business profits over equity investment to scale sustainably, and tend to think of male entrepreneurs as more concerned with fast growth and a quick exit. Women are also more likely to relate knowledge or skills to the ability to grow.⁶⁰ Businesses with better qualified management and a dedicated programme of management development have been shown to perform more effectively.⁶¹ Those growth characteristics and approaches were also evidenced in this research:

“Growth means sustainability - I want to grow - and that growth to be stable and last for years - not rapid and crash” Business Survey Respondent

“Growing organically going for a quarter of turnover so we can manage growth and the relationships required” Business Survey Respondent

“I have worked in a lot of senior roles, but when you are doing it for yourself it’s quite different. There are a lot of skills I don’t have ..and recognising what you don’t have and either bringing that in or acknowledging am I the right person to really scale the business. Do I take a different role and allow someone to come in and really scale the business?” BG Client

⁶⁰ ‘Shattering Stereotypes; Women in Entrepreneurship’. Barclays and the Centre for Entrepreneurship, (2015)

⁶¹ US National Bureau of Economic Research (2017)

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Business Support Journey Overview

The business support journey for women led businesses in Scotland comprises five key stages.



Pre-pre-start: very early stage business and idea creation support which addresses some of the key barriers for women such as a perceived lack of skills and ability to start up a business.⁶² Building more resilient and economically active communities and providing a pipeline for business progression. While this more informal, very early stage support exists and has produced economic benefits,^{63 64 65} it is not broadly available or accessible currently.

"Before I never thought I could do this. Now I realise I can. And I have a good team of people with me" WEvolution Client

'Growbiz has been a Godsend for me. I am learning new skills, being supported by my peers and being offered other business help through them. Thank you.' GrowBiz Client

Prestart support is offered by BG, a branded service delivered by Local Authorities and Enterprise Hubs. Testing out and researching ideas in a more formal business structure. Supporting with insight into shaping those ideas into more formal business planning frameworks.

Startup support is offered via BG, a branded service delivered by Local Authorities and Enterprise Hubs. Progressing business plans as businesses are created and launched. Accessible online and via local offices across Scotland.

⁶² 'Women in Enterprise: A Different Perspective' RBS Group (2013)

⁶³ WEvolution Annual Review (2016)

⁶⁴ Military Spouses Business Creation Course Report, Women's Enterprise Scotland (2017)

⁶⁵ 'Enterprising Rural Perthshire Programme' GrowBiz in partnership with Business Gateway www.growbiz.co.uk

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Missing middle: one of the findings of this research points to a lack of mainstream business support for women led businesses who have completed the start-up phase but fall outwith existing criteria for business growth support (the majority of women led businesses).

“now that we are going into our 5th year of trading I am finding it difficult to find any sources to help me develop the business. I have a clear strategy and have approached Business Gateway and Scottish Enterprise with my plan but to no avail”
Business Survey Respondent

“I think the 3-4 year mark is especially tough” Business Survey Respondent

Growth support is offered through BG, HIE and SE in collaboration with other expert organisations including Scottish Development International, Global Scot, Entrepreneurial Scotland, Entrepreneurial Spark etc. Ongoing growth support is accessed through an account management infrastructure, including a BG “Growth Pipeline” which links to SE and HIE. Specific growth support can be accessed outwith account management eg for strategy or innovation support, subject to application. These business growth support structures and collaborations do not currently include women-specific support and gender-disaggregated performance data is limited.

Overall, many of these findings are consistent with the trends and findings of other studies over the years, including UK and international studies. Research continues to point to the economic potential of women in enterprise^{66 67 68 69 70}, specific challenges

⁶⁶ ‘Greater Return of Women’s Enterprise’, The UK Women’s Enterprise Taskforce Final Report and Recommendations, (2009)

⁶⁷ Women’s Business Council Progress Report (2016)

⁶⁸ ‘Women in Enterprise: The Untapped Potential’ Federation of Small Businesses (2016)

⁶⁹ ‘How Advancing Women’s Equality Can Add \$ 12 Trillion To Global Growth’, McKinsey & Co (2015)

⁷⁰ ‘Action Strategies to Support Women’s Enterprise Development’, The Canadian Taskforce for Women’s Business Growth (2011),

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faced by women led businesses^{71 72 73 74 75}, the role of training in addressing gender issues^{76 77 78} the desire of women-led businesses to grow^{79 80 81 82} and the value of specific services^{83 84 85} and support areas for women-led businesses.

⁷¹ Global Entrepreneurship Monitor Report, (2012)

⁷² 'Women in Enterprise: The Untapped Potential' Federation of Small Businesses (2016)

⁷³ 'Supporting Growth Oriented Women Entrepreneurs: a review of the evidence and key challenges', Trade & Competitiveness 2014 No 5, World Bank Group,

⁷⁴ 'Status Beliefs and the Spirit of Capitalism: Accounting for Gender Biases in Entrepreneurship and Innovation', Thebaud, S. Social Forces Journal (2015) 94 (1): 61-86 ,

⁷⁵ Cabrera, E.M and Mauricio, (2017) "Factors affecting the success of women's entrepreneurship: a review of literature", International Journal of Gender and Entrepreneurship, Vol. 9 Issue: 1, pp.31-65,

⁷⁶ Ziegert and Hanges 2005

⁷⁷ Carlsson and Rooth 2007

⁷⁸ Devine et al 2012

⁷⁹ Women in Enterprise: A Different Perspective' RBS Group (2013)

⁸⁰ Women's Enterprise Scotland. Survey Results (2012; 2014; 2016)

⁸¹ 'Shattering Stereotypes; women in entrepreneurship'. Barclays and the Centre for Entrepreneurship, 2015

⁸² 'Three Years On' Women's Business Council and Deloitte (2016)

⁸³ 'Empowering Women, Broadening Horizons', Cherie Blair Foundation 2016

⁸⁴ 'Breaking Barriers to the Economic Integration of Women in the Global Market, Asia-Pacific Economic Co-operation 2016

⁸⁵ 'Women in Enterprise: The Untapped Potential', Federation of Small Businesses 2016

Scottish Government Policy

The stated commitment in the Scottish Government economic strategy is to increase economic growth by, “...Increasing competitiveness” and “tackling inequality” which are now listed as the two key pillars on which the road to Scotland’s economic prosperity depends.⁸⁶

According to the recent report from Audit Scotland⁸⁷ there is no agreed definition of ‘economic development activity’, presenting a challenge in identifying total public sector spending which directly supports economic growth. In addition, the question of how to create economic growth through transforming start-ups into high growth scale-ups has been addressed by recent studies and produced new thinking.

Latest growth research^{88 89} examines the nature and types of interventions designed to help business support foster “gazelles” or high growth firms (HGFs). On closer inspection of the evidence, it was found that policy makers have certain misconceptions about the nature of these firms. These “myths” are at odds with the empirical evidence and yet they continue to shape (both intentionally and unintentionally) entrepreneurship policy. Myths include that HGFs are high-tech; HGFs come from universities; HGFs are venture capital backed; HGFs grow steadily; HGFs grow organically and HGFs are the same regardless of location. These findings have implications for gender-specific business growth strategies. For example, women are under-represented in venture capital backed firms (often a proxy for high growth firms) yet may offer significant growth potential.

Women and men use public services differently – they have different life experiences and face different economic realities and challenges. Such gender based differences apply in the business advice and support landscape. Research shows that women are more likely

⁸⁶ Scotland’s Economic Strategy, Scottish Government (2015)
<http://www.gov.scot/Publications/2015/03/5984>

⁸⁷ Supporting Scotland’s Economic Growth’. Audit Scotland, July 2016

⁸⁸ ‘Tackling Myths in Entrepreneurship Policy; What High Growth Firms Really Look Like, Centre for Entrepreneurs 2017

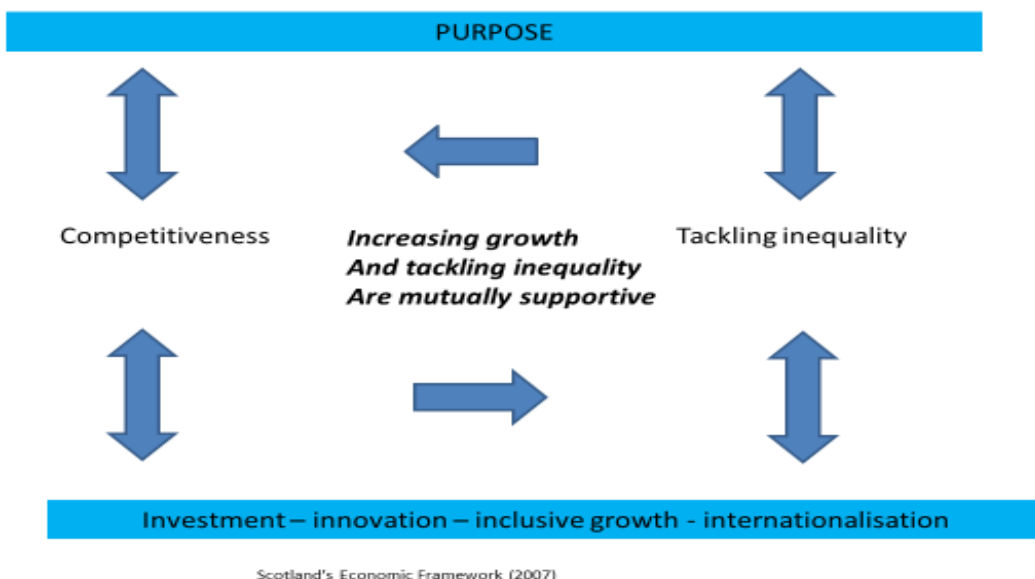
⁸⁹ Women Entrepreneurs in the OECD: Key Evidence and Policy Challenges, OECD Social, Employment and Migration Working Papers, No. 147, OECD (2013)

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than men to state that they find the environment around business advice to be quite unwelcoming and unsympathetic. Women and men have been reported as seeking (and preferring) different kinds of advice, with men opting for advice on a consultancy basis while women preferred more of a mentoring and coaching service. It has also been suggested that women seek more advice – particularly in the early stages – than men.⁹⁰

Gender is a key consideration in providing support which meets all the needs of the end service user and optimizes economic growth potential.^{91 92 93 94}

The findings of this research are now considered under the four components of Scotland's Economic Strategy. In addition to inclusive growth, investment, innovation and internationalisation are all critical components to unlock the full business growth potential.



⁹⁰ Yazdanfar, D., and Abbasian, S., (2015) 'Gender and the use of external business advice'. International Journal of Gender and Entrepreneurship. Vol 7 (1) pp. 105 – 124

⁹¹ How Advancing Women's Equality Can Add \$ 12 Trillion To Global Growth', McKinsey & Co (2015)

⁹² Action Strategies to Support Women's Enterprise Development', The Canadian Taskforce for Women's Business Growth (2011),

⁹³ Global Gender Gap Index. World Economic Forum (2016)

⁹⁴ 'Economic Benefits of Gender Equality' European Institute for Gender Equality (2017)

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INNOVATION

This study showed that -

- there were mixed views amongst business support agencies and staff on what constitutes “innovation”.
- Businesses interviewed for the study wanted to access innovation but some were unclear about what it meant and unsure as to whether their business could qualify for any of the grants available under this priority area.

“We would also like access to support for more technological and business model innovations.” Business Survey Respondent

The OECD Innovation Strategy ⁹⁵notes that innovation can often account for a substantial share of economic growth – around 50% of total GDP growth. Restricting access to innovation has implications for economic growth. Research and studies show that diversity of thought powers innovation, and that businesses founded by women with previous entrepreneurial experience are more likely to innovate and invest in Research & Development⁹⁶ Multiple and varied voices have a wide range of experiences, and this can help generate new ideas about products and practices.⁹⁷ Studies show greater gender diversity helps to unearth novel solutions and powers radical innovation.⁹⁸ Research on social entrepreneurship also indicates that women social entrepreneurs are more innovative than male social entrepreneurs, while spending less on innovation.⁹⁹

Without a gender-aware and informed business ecosystem, women are 20% less likely than men to gain support for their ideas, inhibiting economic growth.¹⁰⁰ In Scotland, the business landscape remains majority male and this lack of diversity requires a strategy to mitigate. Guarding against outcomes where women led businesses and their ideas may be dismissed – for example due to the sector in which they operate or due to a lack of insight

⁹⁵ ‘An Agenda for Policy Action, OECD Innovation Strategy, OECD (2015)

⁹⁶ Economic Benefits of Gender Equality’ European Institute for Gender Equality (2017)

⁹⁷ ‘How Diversity Can Drive Innovation’ Harvard Business Review (2013)

⁹⁸ ‘Gender Diversity within R&D Teams’, Journal of Innovation, Organisation and Management 2013 (Vol 15)

⁹⁹ Huysentruyt, M. OECD Local Economic and Employment Development (LEED) Working Papers; Paris, 21 pp.2014

¹⁰⁰ Economic Benefits of Gender Equality’ European Institute for Gender Equality (2017)

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into how women led businesses may operate in a different way – with impacts for economic growth.¹⁰¹

INTERNATIONALISATION

This study showed that –

- exporting was directly associated with business growth with 22% of women led businesses saying they needed advice and support with exporting to achieve their business growth aspirations.
- While support with exporting and internationalisation is available, access to this support is restricted and generally forms part of “growth” support. Examples were provided by both advisors and women led businesses themselves, of growth criteria being adjusted or circumvented to gain this support.
- Women led businesses found a lack of clarity on what constitutes a “growth business” and difficulty in accessing overall growth support including internationalisation.

Between 10% and 40% of SMEs are direct exporters. Significant differences exist across countries for example, the share of firms that export in Germany is three times as large as in France.¹⁰² Close collaboration is necessary to ensure SMEs are provided with timely and accessible support for innovation and exporting.¹⁰³

Internationally, Canada has the highest proportional population percentage of new female entrepreneurs and women setting up a new business.¹⁰⁴ Studies in Canada suggest that growth-orientated, women business owners might consider the value of exporting to achieve enterprise growth, regardless of firm age or sector. Economic strategies should focus on development of the business (e.g., helping to make women-owned firms “export ready”). Export programs are not gender-neutral. For example, sector-specific export programs targeting manufacturing and technology firms by market composition, on average, support male-dominated sectors. To avoid gender-bias in export programme criteria, eligibility criteria should be sensitive to the association among

¹⁰¹ ‘Achieving stronger growth by promoting a more gender balanced economy’ OECD (2014)

¹⁰² ‘Entrepreneurship at a Glance’ OECD (2016)

¹⁰³ ‘SME Innovation, Exporting and Growth’ Enterprise Research Centre, White paper No 5, (2013)

¹⁰⁴ The Royal Bank of Scotland and Development Economics (2017)

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gender, sector and firm size. All programmes (e.g., trade missions, industry or sector funded initiatives) should report participation rates by gender composition of the management team.¹⁰⁵

INCLUSIVE GROWTH

This study showed that -

- There was a view of a 'hierarchy' of business advice from the women-led businesses and that if their business was not in a particular sector, or achieving or forecasting a particular turnover, they felt that they received a reduced service.
- Concern was expressed that business advice agencies did not offer services of equal quality and status to small companies being run by women.
- While business support and advice services do not offer gender aware business support, 80% of business survey respondents said there were specific challenges faced by women led businesses.
- 70% of business survey respondents said business advice services should be more aware of the differences between men and women in business and advisors would benefit from training in this regard.

The recent RSA Inclusive Growth Commission recommended that opening up economic opportunities for a broader range of people, and creating a shift towards an more 'enterprising culture', are some of the measures needed to make provision for inclusive growth.¹⁰⁶ A variety of studies show that inclusive economic growth, is a driver of productivity.^{107 108 109} . The evidence that gender equality contributes to economic growth is more consistent than the relationship that economic growth contributes to gender equality.¹¹⁰

Commenting on inclusive growth, the World Economic Forum¹¹¹ concludes that most countries are missing opportunities to raise economic growth and reduce inequality because the growth model and measurement tools that have guided policymakers for

¹⁰⁵ 'Gender and Export Propensity', Orser, Spence et al, University of Ottawa (2010)

¹⁰⁶ 'Making our Economy Work for Everyone' Inclusive Growth Commission, Final Report (2017)

¹⁰⁷ 'Supporting high-growth potential women entrepreneurs', World Bank (2014)

¹⁰⁸ 'Economic Benefits of Gender Equality' European Institute for Gender Equality (2017)

¹⁰⁹ 'Achieving stronger growth by promoting a more gender balanced economy' OECD (2014)

¹¹⁰ Inclusive Growth Commission Interim Report, RSA, September 2016

¹¹¹ Inclusive Growth and Development Report, World Economic Forum 2017

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decades require significant readjustment. Annual median per capita income declined across all advanced countries by average rate of 2.4% over the past five years, and growth per capita averaged less than 1% in part due to growing wealth inequality. The 2016 Global Gender Gap Index¹¹² highlights the importance of gender equality in driving efficiency and competitiveness in the global economy. The UK ranks 20th out of 144 overall, but 53rd out of 144 for economic participation and opportunity.

Achieving full gender equality would add 26 percent, or US\$28 trillion, to global gross domestic product in 2025¹¹³

The European Institute for Gender Equality (EIGE) provides a European framework on good practices in the field of women's entrepreneurship. This includes policy recommendations in their 'Good Practices in Women's Entrepreneurship'¹¹⁴ publication.

INVESTMENT

This study showed that -

- Access to finance continues to be a core issue for women in business. In the current enterprise support system, access to finance is a resource targeted at "high growth" companies rather than smaller businesses.
- 45% of business survey respondents said that they required finance to grow their business.
- While grant funding is a key source of finance, those using grant funding point to a cumbersome process to access the funding and lengthy timescales.

Businesses commented that business support application data is not held centrally so there was frustration at having to rekey similar application data. In one case, the process for the specific grant funding changed, requiring an additional application to be redone from scratch to access a particular aspect. In another case, a separate company was recommended to be created to protect IP, necessitating the whole access

¹¹² Global Gender Gap Index, World Economic Forum, 2016

¹¹³ 'How Advancing Women's Equality Can Add US\$ 12 Trillion To Global Growth', McKinsey & Co 2015

¹¹⁴ 'Good Practices in Women's Entrepreneurship', European Institute for Gender Equality, 2014

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to support process starting again from scratch via BG, when the original company was already accessing SE growth support.

Collectively, “micro” businesses make a notable contribution to Scotland’s economy and provide employment for many people. A more widespread accessibility to finance may help more businesses to achieve their growth ambitions and boost the economy. There is a lack of economic data available to benchmark the economic gain from supporting “high growth” companies, against the gain from supporting greater numbers of women-led “micro” businesses to grow.¹¹⁵ Emerging industrial strategies propose local economic growth strategies should focus not only on high-growth scale-ups, but also on those with more moderate ambitions. Enabling many small businesses to achieve their more moderate goals could have significant economic impact.¹¹⁶

¹¹⁵ Making our Economy Work for Everyone’ Inclusive Growth Commission, Final Report (2017)

¹¹⁶ ‘Building our Industrial Strategy’ UK government Green Paper January 2017.

Strategic Framework for Women's Enterprise in Scotland

Launched in 2014, the Strategic Framework and Action Plan for Women's Enterprise in Scotland aims to increase the contribution of women's enterprise to the Scottish economy. The Framework incorporates themes critical for women-led businesses to start up and flourish and activity is delivered through a collaborative approach with partners including BG, HIE, SE, the Royal Bank of Scotland and Women's Enterprise Scotland:

Measurement

Much of the research literature on entrepreneurship focuses on comparisons between male and female led businesses. Some researchers ¹¹⁷ suggest it is not enough to compare male and female businesses without analysis on why the differences exists. The key issue here is lack of gender analysis, as there is a need to understand the influences, attitudes, discrimination and (sometimes unconscious) gender bias that has an impact on women's participation in entrepreneurship. More researchers are recognising the importance of a gendered analysis of research in entrepreneurship. ¹¹⁸This focus will support an improved approach to monitoring and evaluation of intervention programmes to encourage more women into entrepreneurship – and support them in their business ventures.

'Traditional' views of women entrepreneurs such as they lack ambition, and are less capable than male entrepreneurs, need to be challenged. Greater gender analysis in research studies will improve our knowledge and understanding leading to better policy development. The Federation of Small Businesses (FSB) recently reported on the 'untapped potential' of the women's business sector in the UK, highlighting the importance of this sector to the UK economy. ¹¹⁹Recommendations designed to boost women entrepreneurship across the UK included improved data collection on business ownership. The FSB identified a lack of consistent and regular gender-disaggregated

¹¹⁷ 36. Henry, C., Foss, L., Fayolle, A., Walker, E., and Duffy, S. (2015) 'Entrepreneurial Leadership and Gender: Exploring Theory and Practice in Global Contexts'. *Journal of Small Business Management*. 53 (3). Pp. 581 – 586

¹¹⁸ 37. Henry, C. and Foss, L. and Ahl, H. (2015) 'Gender and entrepreneurship research: A review of methodological approaches', *International Small Business Journal*, pp 1 – 25

¹¹⁹ 'Women in Enterprise: The Untapped Potential' Federation of Small Businesses (2016)

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business ownership data and recommended improved data collection to provide policymakers with a stronger evidence base on women entrepreneurship.

Collecting and analysing gender disaggregated data in business support organisations in Scotland is patchy, and it is not normal practice that this data is gathered. Business support advisers and account managers commented that a lack of gender disaggregated data is an issue in the current system. A lack of knowledge of the needs and experiences of women-led businesses restricts insight. Clear rules on what constitutes a 'woman led' business were felt to be important in designing a data capture process. Data on women-led businesses and their uptake of certain programmes provides more accurate measurement and continued improvement of such initiatives. Other societal factors such as age were currently deemed to have greater focus due to specific policy priorities on the ageing workforce and youth un/employment.

BG gathers data on clients as part of equal opportunities monitoring. Consistent minimum levels of data are captured by BG staff in local areas, and stored on a national CRM system shared with Scottish Enterprise. The system ensures that a consistent minimum standard of data is captured nationally. Local areas are free to determine the most efficient way of doing this (e.g. some areas drive it through a central admin resource, others & particularly rural areas rely on advisers to do this themselves).

The Business Gateway National Unit provides support to BG staff with the day-to-day operation of the CRM system, manages a helpdesk service to resolve issues, and liaises with Scottish Enterprise on the operational management and development of the system.

Scottish Enterprise are responsible for delivering a shared CRM system, governance arrangements to oversee the shared CRM, and providing incident management support and resolution. HIE is not on the same data system as BG and BG advisers in the HIE area commented on a lack of insight re client progression. In SE gender disaggregated data was not generally captured, but now there is work underway to identify and capture this data.

"Some kind of exercise to look at CRM, look at companies which have a lead female and see at what's being accessed, we've just never looked at it like that before" SE Account Manager

"We are all using the same system but each regional area does it differently" BG Advisor

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Mentoring and Networking

The concept of mentoring as an important means of support and access to human capital was regularly raised in the literature. Research ¹²⁰suggests the need for more business women as mentors since mixed-sex mentoring relationships may not always be of benefit. Women interviewed as part of this study, generally had good experience of mentors but it was mentioned that this was achieved by either knowing the mentor previously, or having a mentor with skills and experience in a similar business sector. Evidence in this study, did however, show that mixed-sex mentoring may not be suitable for all women, with some women reporting a poor experience.

Women are more likely than men to state that they find the environment around business advice to be quite unwelcoming and unsympathetic. Women and men have been reported as preferring different kinds of advice, with men opting for advice on a consultancy basis while women preferred more of a mentoring and coaching service.¹²¹

Mentoring was identified and acknowledged as a service particularly requested and valued by women led businesses in all advisor and account manager focus groups. Access to mentoring was also highly valued by the businesses themselves with 84% of those who had accessed mentoring services saying that having a mentor made a positive difference. In addition, 43% cited mentoring as the support they needed to grow their business in the next three years. Where businesses had been able to access a mentor, there was found to be benefit from 'speaking with someone who had been there and done it'. Scottish Business Mentoring is a scheme provided by Scottish Enterprise in partnership with the Scottish Chambers of Commerce subject to certain criteria including turnover. ¹²²

A lack of mentoring provision was referred to as one of the gaps between BG and HIE/SE. Unless businesses were account managed, there was difficulty in sourcing and accessing a suitable mentor – 17% of business survey respondents said they had been unable to find a relatable mentor. Some businesses referred to mentoring support being offered but

¹²⁰ McGowan, P., Cooper, S., Durkin, M., and O'Kane, C. (2015) 'The influence of social and human capital in developing young women as entrepreneurial business leaders'. *Journal of Small Business Management*. 53 (3) pp. 645 – 661

¹²¹ *ibid*

¹²² See <http://www.scottishbusinessmentoring.co.uk/>

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without an appropriate support structure in place, giving rise to poor and sometimes very difficult experiences. In one case, mentoring took place in the flat of the mentee (woman business owner) and when the (male) mentor used sexualised language during the session, the mentee felt at risk and closed the session as quickly as possible to remove the mentor from her home.

"The first mentor I had was the one who said, 'you're doing fine, don't worry you're doing great'. That really made a difference. He didn't give me a grilling or anything". SE Client

"It's having that person in the room that allows you to formulate. It's not a case of having your own business - having the answers at the back of the book - because the book hasn't been written" BG Client

"He asked to mentor me and at the time I was 'hmmm not very sure', but it's worth the conversation. He seems very experienced, he's been recommended to me I immediately went back to (enterprise hub) and said that's inappropriate, wholly inappropriate. He's taking it offsite, meeting in a pub, a lot of chat about his wife, etc. it's not about business, it was not appropriate" BG Client

"I would like a mentor, someone to help you run with it and listen without telling you what to do" HIE Client

"A lack of confidence, I see that amongst my other friends too who are also in business. I think it's about getting a good mentor. The more that you do, you are developing your own skills and you know you can do it, but you definitely need some kind of mentor to get through that" SE Client

The value of networking was cited by advisors, with women specific networking events in Edinburgh being well attended. Advisors and account managers also recalled previous women specific programmes being run across Scotland in the past which were well attended and well received by women led businesses. Providing a means by which to access social capital.

"They need different support. Women's views are more open, have different ways of dealing with business issues. Women have a commonality e.g. caring responsibilities. Networking to share ideas and experiences is great" BG Advisor

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There was a consensus from businesses that networking was valuable and support to identify suitable events and networks would be welcomed. In the business research survey, 48% said they needed support with networking to achieve their growth aspirations. Examples of the benefits included feeling more comfortable in a women specific environment; greater confidence to network and speak with others; less intimidating environments, and a 'good place to do business'. While networking in general can be intimidating, women only networks were found to be more comfortable environments for many, helping to grow confidence and eventually leading women into other mixed sex networking events. The timing and nature of networking events was key for women led businesses. The afterhours approach of many events (e.g. "Beer and Pizza") was less appealing to some women.

Experience of networking was mixed – as were the expectations as to what 'networking' actually was. Many participants had gone along to women's business networking events with a variety of expectations and intentions, including to meet other businesses, look for possible business collaborations, seek out some peer support and seek out potential customers. Unfortunately, some were disappointed as a selection of the events were largely social-type events and not particularly business focused.

"One thing which is missing I feel is on the networking side of things. As our company is growing there will be issues that other people have experienced and I feel I miss out. I don't go out and join in e.g. Scotland IS. I'm a mum so time is an issue" SE client

"I don't speak up. I walk in to a room of men in suits and I don't have the confidence to speak with them" HIE Client,

"We set up our own (female network) ...there is a group of us who regularly meet and support each other through a lot of the challenges - and we've all had them so we phone each other and say, 'can you believe this...can you believe that' and we are there for each other" BG Client

"I am making tough decisions and sometimes ones that are not popular. What I have done is to speak to other women running a business" Business Survey Respondent

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Role Models

Role models were seen by business advisors as valuable in supporting women led businesses to overcome challenges. Research¹²³ has shown that stereotypical images and media representations of women entrepreneurs can be damaging in several ways, as they not only have a negative impact on women who may be considering starting their own business but also on potential funders and business collaborators who may be influenced by such representations. Evidence suggests the importance of role models for the development (and aspirations) of women's businesses¹²⁴ is significant. In this research, the businesses participating also pointed to the value and importance of role models:

"I think it's always good to hear other people's experiences and to know it's really hard when you are juggling stuff. It's not like a success story which makes it seem out of your reach. I think there's a lot of things you do learn." SE Client

"Having positive role models can help you overcome that (discrimination)" SE Client

"role models are really important" BG Advisor

An increase in the number of articles in the press on women entrepreneurs is part of the change needed to shift perceptions away from entrepreneurship as a 'male' activity. To combat damaging stereotypes, the presentation of women's entrepreneurship through language, printed and online media should be accompanied by a gendered analysis.

The Women's Enterprise Ambassador Role Model project supported by the Scottish Government is a programme which works in conjunction with the media and women led businesses in Scotland. The project aims to tackle gender stereotyping and provide inspiration for women led businesses across Scotland. In 2016/17 the programme achieved a media reach of 7.9m.¹²⁵

Finance

Most countries in the OECD area show gender gaps in factors that are important for entrepreneurship. On average, men are more likely than women to declare that they

¹²³ Doris Ruth Eikhof, Juliette Summers, Sara Carter, (2013) "'Women doing their own thing': media representations of female entrepreneurship", International Journal of Entrepreneurial Behaviour & Research, Vol. 19 Iss: 5, pp.547 – 564 DOI <http://dx.doi.org/10.1108/IJEBR-09-2011-0107>

¹²⁴ Good Practice in Women's Entrepreneurship. European Institute for Gender Equality, (2017)

¹²⁵ See Ambassador Role Model Programme, Women's Enterprise Scotland www.wesambassadors.co.uk

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would have access to money to set up a business (34% for men and 27% for women) and to training to help them do so (51% for men 44% for women). These gender gaps are likely to explain differences in outcomes as well. On average, 5.1% of employed men aged 15-24 are self-employed, compared with 3.6% for women, while 29.2% of employed men aged 55+ are self-employed compared with 15.9% for women.¹²⁶

Women led businesses in general have a different approach and attitude to funding, and this has implications for business support provision and delivery. Access to finance continues to be an issue for most women-led businesses. Startup costs can impact cash-flow and greater help with this would be welcomed, as businesses often state that there could be far less pressure in early days of development if smaller grants, for example, micro-grants, were more readily available. Once businesses were established there is often frustration at the need to build initial sales and a lack of access to growth funding – even small amounts of funding – can seriously hinder activity and infrastructure development. In Scotland business growth funding is available from Scottish Edge with some categories being 100% grant funding and others currently a 50/50 mix of grant/loan funding. Almost £2m of the £6.5m lent to date via the main fund has gone to women, with women representing 30% of all applications for Round 10 (the most recent to date).¹²⁷

There was a desire amongst all the businesses interviewed to be able to grow the business steadily and not to take on investment and investors right at the start of the business. Some businesses which were attracting investor offers and funding, expressed discomfort with pressure from business support staff and organisations to conform to traditional business growth patterns and take on investment. Most of the businesses lacked conviction that this was the best route for their business which made them question whether the support staff were taking the time to fully understand their business. Alternative approaches, such as funding business growth from the proceeds of business sales generated, were seen as being more attractive in the longer term by the business. Benefits of this approach included building the business before taking on investors and giving away less equity as a result. There was also a sense that having investor money available at the start may not be productive as the business owners felt they were still learning. Also, there could be a risk that money could be absorbed in areas which ultimately may not require investment spend to be effective (e.g. marketing).

Those who had accessed traditional bank funding indicated value in going through the assessment process and, in particular, the boost from having a thorough business plan.

¹²⁶ Future of Business Survey World Bank Group (2016)

¹²⁷ See www.scottishedge.com

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When funding was secured, the positive decision gave a sense of business validation and therefore increased confidence in the business owner.

"That was our first question, where do we get money from - and I really thought we would be able to get funding, or even free laptops or something. The banks were fairly easy for us to get, but that's just because of what we do - it's a tested market"
BG Client

"Access to funding is one of the most important thing for all new / small businesses"
Business Survey Respondent

"I think it comes back to a different mentality. It was often said you don't need funding, you just need sales and I've often gone with self-funding just from that perspective, but in the male environments it's about taking bankers, having shareholders, having investors and that's considered what the successful journey is"
BG Client

Gender-Specific Support

While the ability to access mainstream business support was valued, business women interviewed for this study felt that current services are not providing a gender-aware, tailored business support service. Sixty eight percent of business survey respondents said there were differences between male and female businesses and 70% said business advice services should be more aware of the differences between men and women in business.

Gender-specific support was viewed as most effective if activated right at the start of business formation. Some business growth support staff commented on a lesser opportunity to influence gender balance once a business had been formed. There was seen to be greater opportunity to develop a more gender-specific service when more women led businesses came through to start up and to influence and improve the mainstream growth service. In the business support staff survey, 90% of respondents said there were differences between men and women in business and 87% said business support services should be more aware of the differences.

Training was seen as beneficial by a majority of businesses and business support staff. In the survey of women-led businesses, 70% of respondents said that business support staff would benefit from training on the provision of gender-specific support, including treating women equally, taking them seriously and recognising biases. In the survey of business support staff 75% said staff would benefit from training in gender-specific support

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"I think they should start to recognise their prejudices" Business Survey Respondent

"Training in awareness that they need to treat women equally and take them seriously - and treat all people seriously regardless of their background would help"
Survey Respondent

"Unconscious bias" Business Survey Respondent

"Though when raising investment, also still loads of patronising dinosaurs around"
Business Survey Respondent

"We should be able to provide that quality and appropriateness of service" SE
Account Manager

Currently, there are no business support services targeted specifically to women led businesses. There are some programmes for women only (e.g. BG Edinburgh) and individual women in business events across the country (e.g. BG Glasgow) and also those run by women's networks (e.g. Scottish Women in Business⁴⁶) but there is no single policy driven approach for women-led businesses.

"out of 5, the average rating (for the women specific programme) was 4.9 - which is really high in comparison to all the programmes" BG Advisor

"BG's Glasgow based Women into Business events were exceptionally good, and were the place where I learned most at the start of my own business" Business Survey
Respondent

Women-specific support was valued as a safe environment where issues can be shared more openly and a more comfortable environment is created. The only public sector example of women-specific support found during this study was the training course provided by BG Edinburgh. This course was run as it was felt that gender-specific support provided a more positive quality support experience for women which appeared to be missing from mainstream support services. During discussion with the BG Edinburgh staff group, there was a lack of understanding about why this type of support was not more broadly available, given its popularity and positive evaluation reports.

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"we've found that in women's groups you feel like you can say stuff and it's just a bit more open and easier to say things out loud and you feel more comfortable" BG Client

"I think there's a quality there that's missing in businesses generally which could help propel women forward" SE Client

"Support for women is happening in in STEM, universities e.g. engineering, in law, so why would you not have it in business?" BG Client

"You go to (women specific) events because its relevant, not because it's dumbing down because you are female" BG Client

'Going for Growth'¹²⁸ is a gender-specific programme offered by Enterprise Ireland. The emphasis is on participants who have a clear aspiration for growth, and who will commit to attending all the regular meetings. Over 450 women-led businesses have participated to date. Most of the participants in the most recent cycle of Going for Growth increased their turnover during the six months of the cycle by an average of 36%, bringing the turnover of the group to over €35.3 million.

¹²⁸ 'Going for Growth', Enterprise Ireland, 2017 <http://www.goingforgrowth.com>

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Best Practice

An objective of this study is to review some examples of best practice in Scotland, the UK and internationally. Some examples of best practice in tackling the gender gap within enterprise are listed below, to provide insight on experiences and aid the identification of transformative action in the Scottish context.

Economic benefits of Gender Equality

European Institute of Gender Equality (EIGE)

Extracts of policy recommendations taken from EIGE publication, 'Good Practices in Women's Entrepreneurship' European Institute for Gender Equality (2014)

In recent years, the role and contribution of women's entrepreneurship to women's economic empowerment, economic growth, society and sustainable development has been widely recognised. Research has increased knowledge about women business owners (characteristics, motivations, attitudes, aspirations, preferences, etc.) and their enterprises (structure, performance, obstacles and challenges, etc.). Against this background of growing momentum, EIGE provides a European framework on good practices in the field of women's entrepreneurship, including a list of guiding principles and criteria for good practices.

Guiding principles for women's entrepreneurship

- Evidence-based approaches: women's entrepreneurship has to be better explored from an economic, statistical and political perspective so as to improve the factual and analytical understanding of the role and impact of women entrepreneurs in the economy and society.
- Monitoring and evaluation: Independent external evaluations as well as sex-disaggregated data collection are crucial to guarantee the quality standards of any intervention and programme.
- Political commitment and leadership.
- A systematic and multi-dimensional approach which is able to avoid fragmentation by addressing the multiple aspects of women entrepreneurship.
- A women's entrepreneurial dimension in both designing and assessing entrepreneurship and economic/growth policies.
- Attention to the voices of women entrepreneurs, women's groups and women entrepreneurs' networks

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- Promotion and support of peer-education and awareness- raising instruments such as mentoring, coaching, awards, success stories and role models.
- Inclusion of men in debate and communication, means that men can recognise the added value of promoting women's activity as entrepreneurs.
- Access to finance is improved, by establishing female friendly financial services and products.
- Entrepreneurship education and training is fostered.
- Positive actions are developed to allow women to actively participate in the labour market and entrepreneurship in particular.

General criteria for good practices in the field of women's entrepreneurship

The following general criteria have been identified by EIGE:

1. a clear understanding and statement of the role and value of women's entrepreneurship in the economy and society at large;
2. an evidence-based approach;
3. a systematic and multi-dimensional approach;
4. direct involvement and a central role of women in the design and implementation of interventions;
5. the encompassing of all stages of entrepreneurship development and types of female enterprises;
6. a diversification of targets.

For more information: www.eige.europa.eu

Gender Specific Growth Support

Going for Growth Ireland: Enterprise Ireland

The 'Going for Growth' initiative is supported and enabled by Enterprise Ireland and KPMG. The programme was awarded 'Good Practice' by the European Institute of Gender Equality (EIGE) and also highlighted by the OECD and the EU as an 'Inspiring Practice'.

Applications are considered from businesses across all sectors, located in the Republic of Ireland. Regardless of current business size, the application is considered if a strong growth ambition can be demonstrated. The emphasis is on participants who have a clear aspiration for growth, and who will commit to attending all the regular meetings. To be

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considered suitable, the applicant should already be the owner manager of a business of which she is a major shareholder and key influencer. Suitable applicants need to demonstrate significant aspiration for growth and should be working full time on the business. It is expected that the business will have been trading for at least two years. The programme, which involves a time commitment of about three hours a month over a five month period and is free of charge to suitable applicants. Those selected to participate in Going for Growth are expected to attend all monthly meetings, and must be available to attend a full day National Launch Forum.

Going for Growth is based on peer support. Up to eight participants are selected by a Lead Entrepreneur to join her at a round table. Each Lead is prepared to share her learning with the group. Lead Entrepreneurs act as role models to the selected participants and share their knowledge and experience with them on a completely voluntary basis. Most owner managers agree that it can be a very isolating experience and it can be difficult to find someone who understands the issues involved. The Going for Growth roundtable initiative is designed to address these challenges.

To date, over 450 women entrepreneurs have participated in a cycle of Going for Growth. Besides an increase in their confidence, ambition and motivation, most of the participants in the most recent cycle of Going for Growth increased their turnover during the six months of the cycle by an average of 36%, bringing the turnover of the group to over €35.3 million. There was a 48% increase in the number of exporters among the group. An additional 70 jobs were created by participants (+17%), while 685 existing jobs were strengthened.

For more information: www.goingforgrowth.com

Pre-pre-start up Support

Military Spouses Business Creation course

Working hours can be unpredictable for forces staff, restricting the ability for spouses and partners of serving personnel to be economically active and grow career prospects, family income and self-esteem. This business creation programme was established to inspire, motivate and inform the partners and spouses of servicemen and women on the benefits and challenges of business creation and start up. At the start of the course many participants were only confident enough to say their name in a group setting and 57% said they did not have the confidence to start up a business.

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By the end of the ten-week training course, which ran for 1.5 hours each week over the ten weeks, participants had gained an insight into the business creation process with 76% of participants taking action to create a business during the course itself. Many of the newly created businesses started to trade during the course and succeeded in generating orders. The course was funded by the Armed Forces Covenant and was delivered by Women's Enterprise Scotland in collaboration with partners including Business Gateway.

For more information: www.startupwithwes.com/blog
<https://www.startupwithwes.com>

Ongoing End to End Business Support Delivery

GrowBiz

GrowBiz is an independent enterprise support organisation in rural Perthshire. It was recently highlighted as an example of good practice by the European Network for Rural Development (ENRD) and in a report by the SRUC (Scotland's Rural College) for the Council of Europe.

GrowBiz supports around 200 unique businesses annually through a range of activities designed to offer a flexible, client-focused and sustainable approach to enterprise development in a rural area. Although it is designed to support entrepreneurs from any background, age, gender or sector, GrowBiz's end to end model of enterprise support attracts a consistently high number of female clients (around 70% of total), including migrants, older women and women returning to economic activity following career breaks.

In addition to individually tailored one-to-one support, GrowBiz facilitates peer group and learning sessions, a mentor/mentee training and awareness programme, networking events and a unique skills XChange.

A recent review of Growbiz activity found that the informal, supportive and personal nature of the enterprise facilitation support it provides, through being embedded within the community, is key to its success with its client base. The GrowBiz model was found to be inspiring and effective and it has been identified as a source of good practice for the provision of rural enterprise support and facilitation elsewhere in Scotland.

For more information: <http://growbiz.co.uk>

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Role Model Ambassador Programmes

European Network of Female Entrepreneurs

The European Network of Female Entrepreneurship Ambassadors was established in 2009 as a role model programme. There are c270 entrepreneurs from across 22 European countries and the programme aims is to tell their stories to raise awareness and encourage more women to consider starting up a business as a career option. Many of the ambassadors have gone beyond this remit and provided direct support to women starting up in business. The Ambassador Network has been very successful and exceeded its objectives in terms of events organised and women reached. Over 650 national meetings have been held, reaching more than 61 000 potential women-led businesses. The ambassadors have supported the creation of more than 250 new women-led enterprises and created 22 networking and business support clubs for women.

For more information: http://ec.europa.eu/growth/smes/promoting-entrepreneurship/we-work-for/women/support-networks_en

Women's Enterprise Scotland Ambassadors

The Women's Enterprise Scotland Ambassador Role Model programme has featured the stories of female entrepreneurs in Scotland since 2014. The project aims to inspire and motivate women across Scotland to start up in business and offers the opportunity to engage and connect with other women-led start-up and growth businesses.

To date the Ambassador Programme has recruited and trained 15 Ambassadors, working in collaboration with other organisations across the ecosystem including E-Spark, the Royal Bank of Scotland and Scottish EDGE. Individual case studies of each business woman have been written to spread awareness of each woman's story - supported with accompanying videos and photographs.

There is a diverse ambassador cadre from a range of sectors and geographical areas across Scotland.

The Ambassador programme provides a public platform for case studies and good practice examples of the journey of women business owners in Scotland - supporting the Scotland CAN Do Action Plan on its focus of advocating female entrepreneurship. Ambassadors volunteer to be available for media interviews, speaking engagements, and events in schools and universities.

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For more information: <https://www.wescotland.co.uk/ambassadors-role-models>

Women in Business Specialists and Women's Markets

The Royal Bank of Scotland (RBS) and Westpac

RBS has over 400 Women in Business (WiB) Specialists operating across Scotland and the UK. Under both the RBS and NatWest brands. This service supports women whether they are starting up or already running a business and helps with everyday business needs. WiB Specialists can:

- Give specialist support and share business expertise
- Put clients in touch with partners, local businesses and professionals who may provide further support
- Inform about upcoming events and awards

WiB Specialists also link women in business with other networks and organisations that may be of support and/or assistance to them or their business. RBS undertook research to gain a detailed picture of gender and entrepreneurship in the UK so they could better understand the challenges that women are face when thinking of starting up in business - and gain insight on what can be done to provide support. The WiB specialists provide tailored specialist support and advice for women-led business. These specialists are trained and accredited by the Chartered Banker Institute and undertake continuing professional development training each year. Improving services for women through access to support with finance, networking and free local events and national conferences on specific business topics.

For more information: <http://www.business.rbs.co.uk/business/womeninbusiness.html>

Westpac Bank

Westpac Bank has the longest running programme of support for women-led businesses globally. It continues to be the only bank in Australia with a unit dedicated to supporting women, established by ex-CEO Gail Kelly. The Women's Markets team is comprised of business development managers who work alongside women to help them build sustainable and profitable futures.

Activity is coordinated across Australia focusing on facilitating education, information and networking opportunities. The programme includes a digital portal

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rubyconnection.com.au, an engaging online community where women can connect, meet and learn, no matter what type of business they own.

For more information: <https://www.westpac.com.au/business-banking/women-in-business/womens-market-team/>

Conclusions

*‘The economic empowerment of women and the rise of the entrepreneurial economy are two defining trends of our time’.*¹²⁹

The economic contribution of women-led businesses is an area of increasing focus in the UK and internationally. The key objective of the study was to examine how practice in business support and advice could be improved in Scotland, and to tackle the gender gap which currently exists in enterprise growth. The study had a service user focus and understands the provision of needs based business support is critical to unlock the full economic potential of Scotland’s business community.

Experiences of women-led businesses in accessing business support varied between ‘excellent’ and ‘poor’. The ability of the account manager or advisor was deemed to be key in the overall quality of support received

While a good deal of free and accessible business support is available in Scotland and valued, this support is not targeted to the needs of the increasing numbers of women-led businesses. Sectoral approaches are supported and coordinated across other groups - such as the young workforce – but this targeted support does not extend to women.

Challenges

- 80% percent of those women led business survey respondents stated they faced specific challenges as women business owners including achieving credibility for their business and / or their business idea; difficulties with childcare/caring responsibilities; discrimination and confidence. Those challenges were unaddressed (and in some cases wholly unseen and unacknowledged) by the majority of business support provision with which they had contact, thus creating a disconnect between the needs of the women business owners and the business support available. This disconnect was felt to be heightened by the women business owners in cases where staff providing them with business support had not run their own business. Many women business owners felt that this had an impact and perceived that the adviser lacked insight and empathy into issues faced by women-led businesses.

¹²⁹ Shattering Stereotypes Report, Centre for Entrepreneurs and Barclays Bank (2015)

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- To deal with some of these challenges, initiatives valued by women-led businesses included women-specific training programmes and gender-specific business support with 70% of businesses and 75% of business support staff pointing to the benefits of gender-specific training for business advisors.

Gender Stereotyping

- Gender stereotyping persists around women-led businesses and is lowering levels of trust and respect and the perceived value of the business support received. Cases where women's business aspirations were dismissed due to the sector in which they operated or the part time nature of the business, were prevalent throughout this study. Businesses within certain sectors were often referred to by advisors as 'lifestyle' businesses.
- Women wishing to grow their businesses often face a hierarchy of growth support available - impacting growth momentum, causing frustration and hampering the realisation of associated economic benefits. Pressure for women led businesses to conform to 'traditional' norms of 'growth businesses', including taking on early stage investment, can further strain relationships with business support organisations and staff. Women in this study commented that they were 'going it alone' in cases where their aspirations were not listened to and/or they had been unable to access relevant and appropriate support.
- Relevant women business role models¹³⁰ were considered important as they were associated with helping to overcome gender stereotypes and challenge issues of discrimination. 46% percent of women-led businesses in this study said that they had experienced discrimination as a female business owner.

Gaps in provision

- A key finding of this research was a 'missing middle' level of support experienced by women-led businesses – a gap between support from Business Gateway services and Scottish Enterprise and Highlands and Islands Enterprise support. This was particularly highlighted when seeking growth support - 83% of women-led businesses in this study wanted to grow in the next 3 years with 34% aspiring to grow rapidly.

¹³⁰ Doris Ruth Eikhof , Juliette Summers , Sara Carter , (2013) ""Women doing their own thing": media representations of female entrepreneurship", International Journal of Entrepreneurial Behaviour & Research, Vol. 19 Iss: 5, pp.547 – 564 DOI <http://dx.doi.org/10.1108/IJEBR-09-2011-0107>

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- Scotland's economic strategy ¹³¹ is based on increasing competitiveness and reducing inequality and delivered through a focus on inclusive growth, internationalisation, investment and innovation. This study found that investment, innovation and internationalisation are all critical components to the growth potential of women-led businesses, and businesses participating in this study had a clear desire to grow - citing support in all three of those areas as requirements to support their growth ambitions. For example, in this study 22% identified help with exporting as a requirement to achieve their growth aspirations. Increasing access to those areas of business support – and measuring and reporting on the access levels and outputs - is vital to optimise the economic growth of women-led businesses.
- Access to mentoring was valued by 84% of women-led businesses and identified by business support staff as a service requested by female clients. Women interviewed for this study commented on an inability to access mentoring due to qualifying criteria or lack of awareness of where to find mentoring support. Women seek a mentoring or coaching approach to advice while men opt for consultancy based advice.
- Access to finance remains a challenge for women-led businesses with 45% saying it was a requirement for growth. Grant funding accessed via Scottish Enterprise and Highlands and Islands Enterprise growth support was highly valued.

Gender disaggregated data and measurement

- Collecting and analysing data is essential to ensure the monitoring and evaluation of progress against agreed targets. This study found a lack of gender-disaggregated data, hindering reporting on stated economic goals such as inclusive growth and precluding assessment of equality impacts. Improved data is needed on gendered uptake of business support and investment.
- This study found that opportunities to raise economic growth and reduce inequality are being missed by nations as existing models which guide policy makers remain unadjusted for gender-equality. Inclusive growth is a driver of productivity and women entrepreneurs make significant contributions to economic growth and poverty reduction. In Scotland, it is estimated that if women started up in business at the same rate as men an additional £7.6bn would be contributed to the Scottish economy.

¹³¹ Scotland's Economic Strategy, Scottish Government (2015)

Recommendations

“I think in general society accepts that women can be, and many are, very successful in business. But the detail of that is more complicated. Confidence for women is a massive issue in all this and trying to get men to see past gender is another” Business Survey Respondent.

This study identified opportunities for targeted action to close the gender gap in enterprise in Scotland and increase productivity through greater economic empowerment of women. Recommendations below will go some way to delivering such action but require collaborative initiatives across the business ecosystem, coordinated through consistent women-specific enterprise expertise which is improved and underpinned by gender-disaggregated data and programme measurement.

Mainstreaming a Gender Aware Approach

- Adopting a mainstream gender-aware approach to all enterprise and growth policies is critical to meet the needs of women led businesses in Scotland and to unlock the economic potential going forward. Such an approach is recommended by international expert bodies ¹³² ¹³³48 to deliver gender equality into the ‘mainstream’ of activities rather than to deal with as an ‘add-on’.
- Implementation of those initiatives is recommended to help advisors better understand the challenges faced by women-led businesses and tailor business support more closely to the needs of the service user. Business account managers themselves also identified a gender-specific support toolkit as being of benefit.
- When thinking of starting up a business, women are more likely than men to perceive they lack the skills and confidence required to start up. International research shows that only 37% of women feel they have the skills needed versus 57% of men 50. Early stage ‘pre pre-start’ business support programmes have successfully engaged more women in business activity and more widespread programmes, such as the best practice Military Spouses Business Creation Course, will encourage more women to come through and participate in business.

¹³² European Institute for Gender Equality (2017)

¹³³ ‘Guide on Gender Mainstreaming, Business, Investment and Technology Services for Private Sector Development’ United Nations Industrial Development Organisation,,(2015)

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- Research points to an ‘embedded masculinity’ in entrepreneurship language, and women interviewed as part of this study also commented on experiences of a ‘male’ style of language and culture in accessing business support. It is recommended that a gendered analysis is undertaken of language and communications used by business support organisations, and in particular across client facing communications, to identify and remove any gender bias.

Training and Awareness Raising

- Women-led businesses in this study pointed to the value of training and awareness-raising with 70% saying business support staff would benefit from training in the provision of a more gender-specific support. Business support staff agreed with 75% saying training on gender-specific business support provision would help. The current ‘gender neutral’ approach to business support gives rise to gender based operational risk and this was found to have manifested in examples in this study of weak client relationships and organisational brand damage. The Women in Business Specialist model operated by the Royal Bank of Scotland offers a best practice framework for the delivery of gender-specific training for business support staff.

Mentoring, Networking and Role Models

Support with human and social capital was valued by women-led businesses including mentoring, networking and visibility of relevant role models.

- Access to mentoring, finding the right mentor and having a robust framework for mentoring provision were all key to successful service delivery. Demonstrating a preference for more of a mentoring and coaching advice service, than the consultancy based advice preferred by men. A broader access to mentoring services is recommended for women-led businesses along with the choice of single-sex or mixed-sex mentoring. Training for mentees and mentors is recommended to provide a consistent, professional mentoring service.
- Access to role models supports women to overcome the specific business challenges they face including challenging stereotyping and discrimination. Previous studies acknowledge the value of role models in overcoming gendered stereotypes, especially in enterprise which was found to have an ‘embedded

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masculinity’¹³⁴ in associated literature. A greater range and number of role models is recommended along with increased media visibility. Lessons can be learnt from the successes of the EU and WES ambassador role model programmes.

- A greater choice and geographic spread of women specific networking events will help more women to participate and benefit from networking and meeting others with similar issues. Support with networking opportunities was cited by 48% of women-led businesses as a requirement to achieve business growth. Increasing the availability of networking events is recommended in addition to offering a choice of social led networking events and structured topic-led events. Collaboration between those running women-specific events and mixed gender networking would create a pathway to access additional networking and business benefits. Such an approach may not only help in finding solutions and support for business issues but also combat the loneliness and feelings of isolation experienced by 60% of business respondents.

Access to Finance

- Accessible and available information and support with the grant funding process is recommended together with accessible micro grants to enable and sustain more businesses at the start-up phase. Assistance and information on securing funding for growth is also recommended. Support with pricing strategies may also help to boost growth via sales.

The ‘Missing Middle’¹³⁵

- Women-led businesses identified a gap in support provision between what Business Gateway offered at start up and growth services offered by Business Gateway, Scottish Enterprise and Highlands and Islands Enterprise. This was often referred to as the ‘middle bit’ of service provision and support that seemed to be ‘missing’. Broadening access to business support and working towards bridging this ‘missing middle’ is recommended to encourage more women to continue with, build and grow their business and thus increase the economic contribution of those businesses. Lessons can be learnt from the GrowBiz best practice model of end to end business support delivery.

¹³⁴ McGowan, P., Cooper, S., Durkin, M., and O’Kane, C. (2015) ‘The influence of social and human capital in developing young women as entrepreneurial business leaders’. *Journal of Small Business Management*. 53 (3) pp. 645 – 661

¹³⁵ By ‘missing middle’, we are referring to the business support gap between start-up support and the criteria to access business growth support

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- Initiatives such as a women-specific growth programmes should be offered to encourage women-led businesses to achieve their business growth aspirations. The Enterprise Ireland 'Going for Growth' Programme offers a best practice insight when developing a growth programme.

Internationalisation and Innovation

- Greater access to support with internationalisation and innovation is also recommended. Studies continue to show links between gender diversity and greater levels of innovation ¹³⁶ ¹³⁷ ¹³⁸. Trade missions undertaken by economic development and business organisations should ensure a fair representation of women-led businesses take part.

Data and Measurement

- Collecting and analysing data is essential to ensure the monitoring and evaluation of progress against agreed targets. Yet there is a lack of gender-disaggregated data and reporting on business support activity across Scotland. The gathering and analysis of gender disaggregated data is fundamental to measure the economic impact of closing the gender gap in enterprise and in particular, to measure the outputs of business support provision for women-led businesses. Once data sets have been identified, the optimal basis for dashboard gender-disaggregation and analysis can be set.
- Access to gender-disaggregated data is also an essential policy component. Guarding against unbalanced outcomes and developing policies which support the attainment of cultural values and economic targets at local and national benchmarking levels. It is recommended that policy makers look to the EIGE best practice approach to develop a policy start point from which to progress.

Inclusive growth is a driver of productivity and women entrepreneurs make significant contributions to economic growth and poverty reduction. Achieving insight and learnings from support initiatives on a gender disaggregated basis will identify changes to existing economic growth models to boost performance.

¹³⁶ Economic Benefits of Gender Equality' European Institute for Gender Equality (2017)

¹³⁷ 'How Diversity Can Drive Innovation' Harvard Business Review, (2013)

¹³⁸ Gender Diversity within R&D Teams, Journal of Innovation, Organisation and Management Vol 15 (2013)

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- It is recommended that the allocation of economic funding and in particular, resources and funding for business support provision in Scotland, is analysed by gender to deliver transparency, accountability and due diligence of gender equality compliance and outcomes. Such an approach will facilitate informed decisions about how to target resources, evidence a fair allocation of resources by gender, identify best practice, demonstrate return on investment and boost the reporting and monitoring of gender based operational risk. As existing business support services are under review at this time, it is recommended that an equality impact assessment is completed for any proposal to reshape services so as to clearly identify any potential effects on women either setting up or currently in business.

Process

- Women interviewed as part of this study commented on the fragmentation of business support in Scotland identifying issues with data capture (repeatedly keying in the same business data for different support applications) and signposting (needing a “manual” to understand the business support available). An end to end business process review is recommended to identify data captured at each stage and assess opportunities to reduce data keying and increase single point data capture and re-use. A single digital portal signposting to all aspects of business support provision in Scotland is recommended, with a single-entry point for women-led businesses. It is understood that enterprise agencies are in the process of digitising their support provision currently which would help with this.
- There is a lack of clarity on how to access growth support with women-led businesses in this study reporting difficulties and confusion in knowing how to gain such support. Criteria for accessing growth support needs to be made more available, and awareness of the growth services provided by business support agencies needs to be raised.

Collaboration

- The fragmented nature of business support in Scotland was found to be confusing and frustrating by women-led businesses. Greater collaborations and coordination across the ecosystem, including skills development, would aid the provision of a more seamless service user experience, joining up pipelines and facilitating consistency of approach and best practice sharing.

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Further Research

This study evidences the economic potential of women-led businesses and points to action opportunities to unlock a greater contribution. We need to know more about the value of women's business to the Scottish economy to provide an evidence based approach and improve policy. There is a lack of research into the delivery frameworks and focus of business advice and, importantly, on the influence of business advice on the development of start-up, business success and future sustainability of women's businesses.

Any research undertaken on entrepreneurship, or social enterprise should have gender mainstreamed into the research methodology. The more gender analysis that is applied in research studies, the better our existing knowledge can be improved. Given the increased numbers of women starting and developing new businesses, it is hoped that in Scotland – or at least in the UK where sample sizes may be larger – more research studies will be undertaken in these areas.

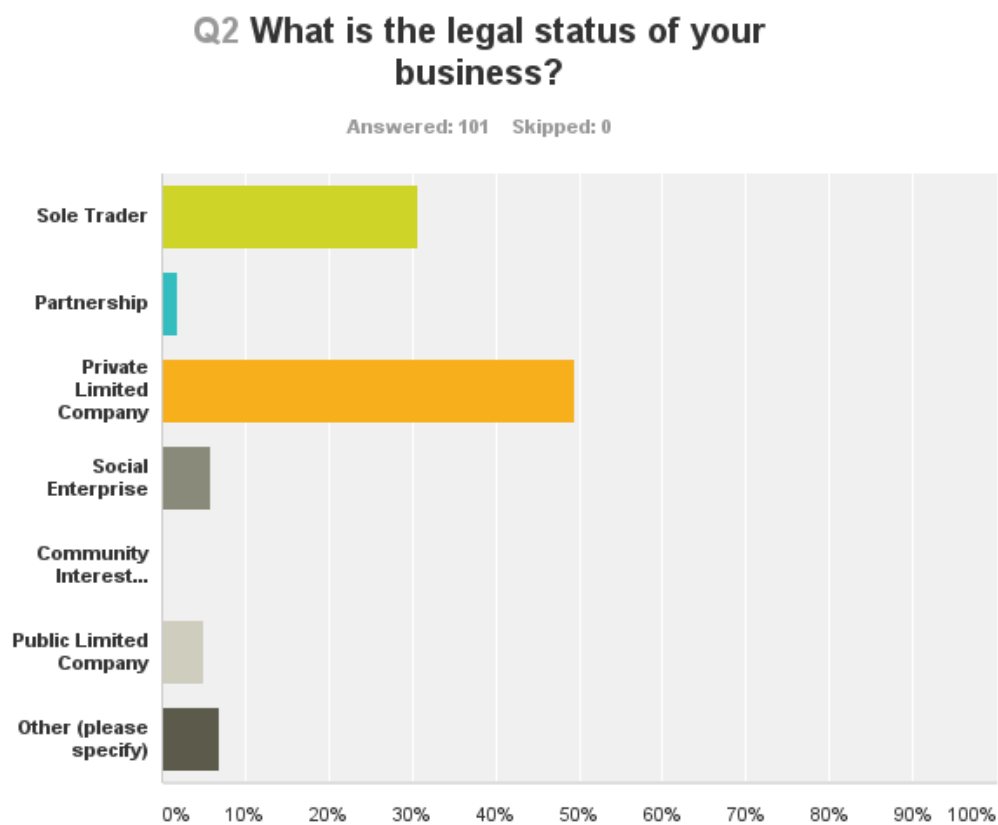
While this study has focussed on gender and proposed suggestions as to how the gender gap in enterprise may be tackled, it is understood that women are not a homogenous group. Issues of class, race and disability have not been discussed as part of this report. However, generally, to date these issues of intersectionality¹³⁹ are seldom incorporated into research on women entrepreneurs in Scotland. Further research in this area is also required in wider entrepreneurship policy in order that public policy on SMEs might be better informed.

¹³⁹ Intersectionality is described as, “the interaction of multiple identities and experiences of exclusion”. See Carter, S. Muara, S. Ram, M. Trehan, K. and Jones, T. (2015) ‘Barriers to Ethnic Minority and Women's Enterprise: Existing evidence, policy tensions and unsettled questions’. *International Small Business Journal*, 2015, Vol.33 (1) 49 – 69.

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Appendix

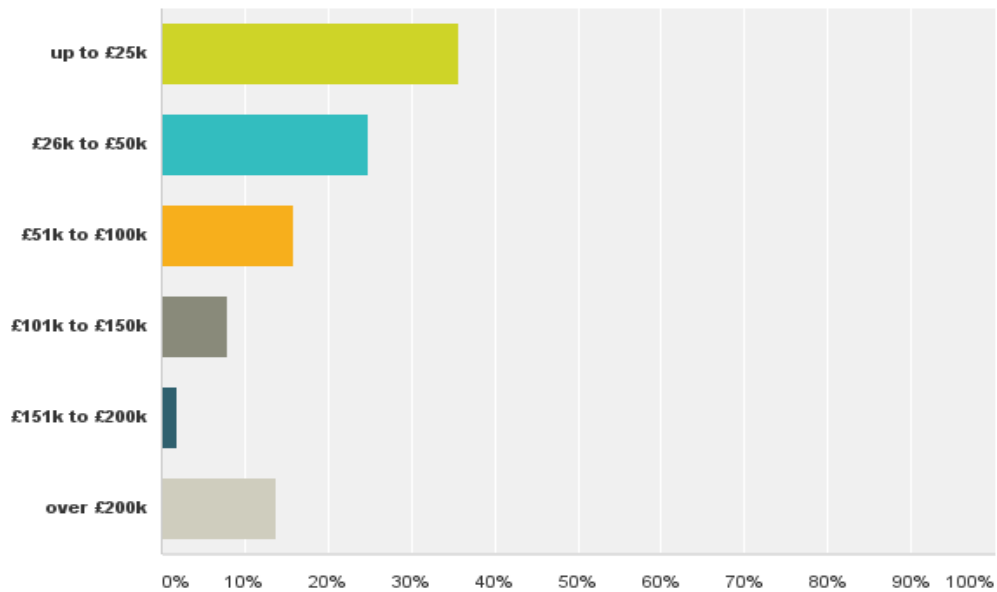
An analysis of the 101 businesses participating in the research survey is provided below. The analysis is only of survey respondents and does not include the 25 businesses which participated in the qualitative element of this study.



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Q4 What is your current annual turnover?

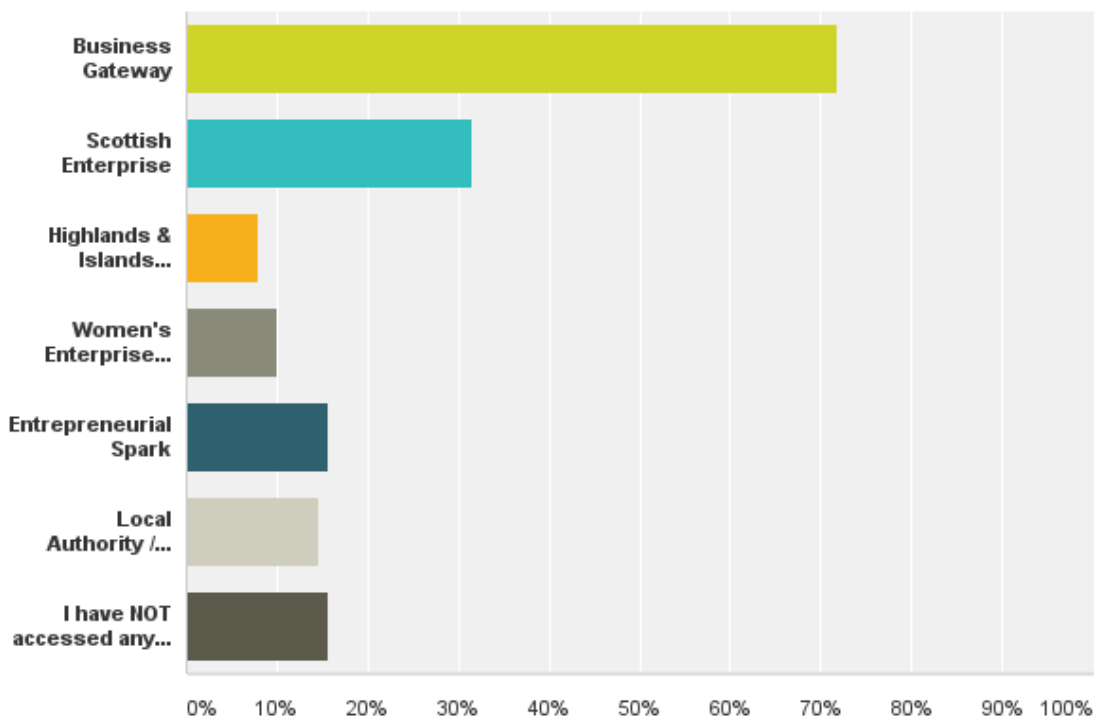
Answered: 101 Skipped: 0



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Q9 What business support services have you used?

Answered: 89 Skipped: 12



Geographic spread

Business participating in this study were located in areas including Dornoch, Uig, Skye and Inverness to the North, down through the central belt to areas including Kirkcudbright, Selkirk and Eyemouth in the South.

Sectoral spread

Business participating in this study showed a sectoral spread with examples including Agriculture, Learning and Development, Life Sciences, Creative Industries, Manufacturing, Tourism, Textiles, Food and Drink, Retail, Environmental and Construction.

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Contact Information

For further information, please visit our website at www.wescotland.co.uk or email us at info@wescotland.co.uk

