

Female Entrepreneurship: Gearing Up For Business Growth

Introducing the Enterprise and Diversity Alliance (EDA)

The Enterprise and Diversity Alliance (EDA) is a unique collaboration to pioneer new ways of promoting development and growth of diverse SMEs through imaginative and productive relationships with large firms and private and public business service and finance providers.

Led by Professor Monder Ram and Professor Kiran Trehan of Birmingham Business School's [Centre for Research in Ethnic Minority Entrepreneurship](#) (CREME), its aim is to 'make diversity and enterprise everyone's business'.

It builds on the experience of a number of initiatives around enterprise and diversity delivered over a number of years by CREME and partner organisations.

Introduction and Context

In recent years female entrepreneurship has been on the rise. According to figures released by the Office for National Statistics in July 2013, there were 1.25 million women in self-employment, including business owners, from March to May 2013. This was 19% higher than the same period in 2008. However, female entrepreneurs continue to face issues in starting and growing their businesses.

These include barriers related to confidence, gaps in financial acumen, and access to business support and mentoring that resonates with their needs among others. In an effort to understand and improve the situation, Professor Kiran Trehan Co-Director of the [Enterprise and Diversity Alliance \(EDA\)](#) at Birmingham University and the Royal Bank of Scotland (RBS) combined forces to host an event for small, women-led businesses to hear about their issues in growing their business and raising business finance and to explore ideas to improve upon the business support that is currently available.

The event opened with a presentation by Professor Trehan which set out the key issues faced by female entrepreneurs based on the research. This was followed by a discussion from RBS and NatWest which focused on how they are responding to the barriers women are facing; a presentation from a female entrepreneur around the challenges she faces as a leader of a small business and the role of mentoring in helping her grow her business; and a group interactive session between female entrepreneurs and finance and business specialists exploring key business issues women face in growing their businesses.

In collaboration with:



Female Entrepreneurship — A Hot Topics Event with the EDA

This report draws together some of the key concepts and issues that female entrepreneurs face in growing and developing their businesses that stemmed from the discussions on the day. These include:

- **Confidence issues**
- **Gaps in financial knowledge**
- **Access to business support and mentoring**



Confidence

Lack of confidence is a perennial theme in female entrepreneurship. Many of the female entrepreneurs at the event explained that lack of confidence is one of the reasons they refrained from engaging with finance providers. They doubted their ability to acquire finance emphasising fear of engaging with banks (“What would I show a bank”). Female entrepreneurs also explained that they lacked confidence, particularly in discussing their business ideas with financial providers. They also felt that they would not be able to communicate in the way that finance providers expected. For some, a negative response on a grant application meant that they never returned for a second encounter as it “left a scar”.

Michelle Chivunga, Business Finance Policy Advisor from the British Bankers’ Association (BBA) agreed that this is a repeated issue that continues to arise for female entrepreneurs. According to Michelle, women create barriers for themselves before they even try to acquire finance. There is a perception that they will not be successful in their bank applications, which is a confidence issue. Michelle highlighted that 7 out of 10 female applicants are actually successful in obtaining funding hence; the likelihood in obtaining finance is high. She encouraged women to change their perceptions and recognise that the numbers suggest otherwise - the chances of success are higher than imagined. To become more confident, Michelle suggested that female entrepreneurs could refer to the BBA’s top tips on how to make applications successful (www.bba.org.uk). Additionally, she highlighted that banks have an appeal process, which should provide comfort to female entrepreneurs as a mechanism to continue to engage with banks after a first failed attempt.

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Andrew Harrison (Managing Director, Royal Bank of Scotland Corporate & Institutional Banking, Midlands & East of England) also explained how RBS and NatWest are helping to support the confidence of female entrepreneurs. RBS sponsors the 'NatWest every-woman awards', which aims to promote female role models to inspire the next generation of women business leaders. The awards are given to women who have had to overcome adversities such as financial constraints, social disadvantages or skills gaps. Jackie Andrews, a relationship manager at NatWest, also highlighted that banks can help the development of confidence in women through positive support interactions and advise.

“I understand the challenges women face when they are looking to juggle everything and multi-task as well.”

Sue Turner, NatWest

The relationship managers all highlighted that - as women themselves - they understand the challenges female entrepreneurs face on a daily basis which often involves juggling various roles as a mother and business woman. This should encourage women to approach banks, as the specialists understand what it means to be a woman in business.

Financial Knowledge

Another perennial theme in female entrepreneurship is gaps in financial knowledge. Female entrepreneurs reported gaps such as financial forecasting, planning, and how to manage cash flows. Many of the women avoided undertaking financial related roles within their business. Financial acumen was not an area that female entrepreneurs felt comfortable developing. In one group discussion, which was led by Ami Ranu, the Business Relationship Manager for NatWest, some female entrepreneurs suggested that women placed too much emphasis on demonstrating their passion for their business when engaging with finance providers over demonstrating their financial acumen. A seasoned female entrepreneur advised others to make sure they demonstrated their financial acumen during meetings with banks to bring more confidence to financial decision makers to enhance their application's success rate.

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The BBA recognised female entrepreneurs' issues with managing the finance aspects of their businesses. Michelle suggested that women start to approach finance 'head on' and 'push themselves outside their comfort zones'. Female entrepreneurs should also recognise that there are various business support providers such as accountants who can work alongside women and guide them in issues of finance. Women should not feel that they have to do everything by themselves or have to avoid engaging with finance issues altogether.

Amy Ranu, Business Relationship Manager from NatWest, also explained the importance of financial planning in reducing the risk of failure. She highlighted that banks are able to support female entrepreneurs in developing financial plans and women should feel comfortable in approaching them. She hoped to break the illusion that "bankers are these stiff formal suits".

"I don't know the language finance people understand."

Emaan Syed, Health SMART Midlands

Another interesting point came from Jackie Andrews, Business Relationship Manager from NatWest, who highlighted that female entrepreneurs tend to be cautious about borrowing money. She highlighted that finance can be a powerful tool for business growth. Banks have a role to demonstrate to female entrepreneurs that it is worth borrowing.

Business Support and Mentoring

Access to business support and mentoring that resonates with the needs of female entrepreneurs is also a perennial theme in female entrepreneurship. Many of the female entrepreneurs expressed that they lacked the knowledge on where to go for good quality support and mentoring. Some had attended previous mentoring events and did not realise the important role it could play in helping them grow their business.

Julie Fowler-Drake, CEO of Talbots Group, one of Britain's leading Jewellery, Gift and Retail packaging specialists presented a case study on her business and the role of mentoring in helping her grow her business. Mentoring played a significant role in Julie's ability to manage change in her organisation taking her business to new levels.

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Julie highlighted 4 reasons why she strongly advocates female entrepreneurs to engage with mentoring. First, mentorship provides valuable time to step away from the business, to think, and be inspired. Second, Julie explained that being at the top of a company can be a lonely place. Female entrepreneurs can find themselves advising individuals within their company but not seeking advice themselves. A mentor can provide valuable advice on business issues such as how to develop a vision and strategy, and how to identify new markets to diversify and grow. Third, access to a mentor can provide useful contacts from an experienced business person that can add value to a company. Fourth, mentors can help bring confidence and reassurance, which is often lacking with female entrepreneurs.



RBS and NatWest have developed initiatives to help improve issues women face in accessing business support and mentoring. For example, RBS have established what they call 'Women in Business Specialists'. Currently, there are more than 200 Women in Business Specialists working across the UK and RBS plans to grow that number to 250 by the end of the year. These specialists have been trained and accredited by RBS to provide specialist support to women looking to set up or grow businesses.

Apart from 'Women in Business Specialists', Andrew highlighted that an important part of RBS' strategy to help women overcome the challenges in accessing business support and advice is to work alongside various institutions such as Universities to help bridge the gap between themselves and female entrepreneurs. This event today was an example of this engagement style working alongside the EDA to make women aware of the support that is available to them.

“Mentorship gives you valuable time away from the business to think and be inspired.”

Julie Fowler-Drake, Talbots Group

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Manjit Kang, Relationship Manager at NatWest, also explained that banks provide access to peer-to-peer mentoring opportunities. Manjit is regularly connecting female entrepreneurs with other like-minded women in similar sectors. She highlighted the importance of seeking out such relationships which she has found benefit female entrepreneurs to develop their businesses. Lee Currier, Regional Enterprise Manager at NatWest, agreed with the rest of the 'Women in Business Specialists' also adding that banks also have a role to play in signposting female entrepreneurs in the right direction. Banks are engaging and running events with various local and regional institutions such as Chambers of Commerce. Female entrepreneurs can use banks to tap into such networks.

The BBA also picked up on some of the points Julie Fowler-Drake pointed out in her case study presentation on the use of mentoring to grow her jewellery business. Michelle explained that mentoring can play a critical role in helping female entrepreneurs with some of the issues they face around planning, finance, confidence and networking. Women should feel encouraged to engage with support that is out there.

Professor Trehan outlined the EDA's longstanding commitment to encourage appropriate forms of mentoring for minority businesses. The comments echoed by the banks were very much in line with the EDA's approach to mentoring. This involves looking at how to support small firms and female entrepreneurs in a way that resonates with them and that helps support what they do rather than a top down approach. Successful mentoring models have included peer-to-peer business mentoring between small and medium-sized firms (the 12/8 model), larger corporates mentoring smaller firms following a careful process of getting to know each other, and senior employees of banks working with minority ethnic businesses starting with ice-breaking, explanatory sessions in which misunderstandings are dispelled and expectations clarified.

Professor Trehan highlighted how the EDA's approach to mentoring has had various impacts. The 12/8 model of peer mentoring is inspiring similar initiatives. A group involving social enterprise businesses is evolving along similar lines with the active encouragement of the EDA. The large take-up of enterprise mentoring opportunities at this and subsequent events, together with feedback from attendees at each event confirm that the EDA's approach is an effective way of engaging EMBs and laying the ground for productive mentoring relationships.



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The Next Steps

This event marks the beginning of an important programme of collaborative work between RBS, NatWest and the EDA that aims to provide fresh insights, innovations in support for female entrepreneurs and develop leading-edge research which promotes growth.

For more information, please contact :

Liz Frost

Email: creme@contacts.bham.ac.uk

Phone: +44 (0)121 415 8438

Twitter: [@CREMEatBham](https://twitter.com/CREMEatBham)

Website: www.birmingham.ac.uk/creme