



# THE FUTURE OF FEMALE ENTREPRENEURSHIP

Pathways to progress



appg

*Women and Enterprise All-Party  
Parliamentary Group*

# Foreword

---

Dell as part of Dell Technologies are proud to work with the APPG on Women and Enterprise. The group brings together two focus areas for our company: entrepreneurship and diversity and inclusion. Founded by Michael Dell, our Chairman and CEO, in his university dorm room 34 years ago, entrepreneurship is part of our company's DNA. From that small start, Dell, and now Dell Technologies has grown into a company of 140,000 employees globally, providing the essential IT infrastructure for public and private for customers of all sizes across 180 countries.

With that growth, we recognise our responsibility to foster a workplace where everyone feels they belong and feel motivated to do their best work for our customers. We know that a diverse workforce supported by an inclusive culture delivers business and social value that is just as important to Dell's market leadership as our technology strategy and execution. Put simply, creating a diverse and inclusive culture is key to how we will continue to grow our business and ensure success, both today and in the future.

It is also critical that we support diversity outside of our own company. One way we do this is through the Dell Women's Entrepreneur Network (DWEN), providing female entrepreneurs with improved access to capital, technology, networks and information – areas where women have historically been under-served where we feel we can make a significant impact. Another is through our supplier diversity programme through which we have spent more than \$3 billion US dollars over the past six years with certified women-owned, minority-owned suppliers and small businesses. The work of Chair Craig Tracey MP and the entrepreneurs and members of the APPG that have contributed to this report has highlighted some key issues for female entrepreneurs. Financing, networking and achieving brand recognition internationally are issues that will halt female owned companies before they have had a chance to grow. We welcome this report and hope the Government will look closely at its recommendations.

It is important that we get all entrepreneurs, from all backgrounds, working to achieve their full potential and for the future of the economy.



**Creating a diverse and inclusive culture is key to how we will continue to grow our business and ensure success**

# Introduction by Craig Tracey MP

---



Craig Tracey MP

Chair of the All-Party  
Parliamentary Group on  
Women and Enterprise

I am delighted to introduce the first report of the All-Party Parliamentary Group on Women and Enterprise. It has been a long time in the making, drawing on years of research and experience, for which I would like to thank our business board for their hard work, patience and consistent determination to change policy in this area. I would also like to thank Dell Technologies for sponsoring the Secretariat for the APPG and the support they have provided us throughout this process, which has enabled us to make this journey to date.

Our group prides itself on the breadth of its members and contributors and on providing female entrepreneurs from across the country with the opportunity to use their voice and participate in creating better conditions for other female entrepreneurs to thrive. We feel this unique perspective has led to this group and our first report making large steps in the continued progression to economic equality for women and unlocking its huge potential for the UK economy.

Just as no two people are the same, I of course appreciate that the exact needs of two businesses will not be identical. However, there are recurring themes that our research and collective experience has uncovered, our recommendations set out in this report have been devised to increase the number of female entrepreneurs who start or scale their own business, from gaining their first seed funding to overcoming barriers to export. Our overall vision is ensuring female entrepreneurs are front and centre of the Government's agenda over the coming years.

The quality and diversity of the UK's female entrepreneurs is incredible and is something that the UK should be proud of. But there should be more of them. As we prepare to leave the European Union we should be thinking of how we can encourage more women to grow their businesses and export. At present the UK is not doing enough to encourage more female entrepreneurs to start and scale up and this report draws attention to key ways the government can encourage this untapped treasure within the UK economy.

As someone who has started their own business I believe that our recommendations, if adopted, could benefit the lives of so many entrepreneurs and encourage enterprise across the country. The APPG on Women and Enterprise has a key role to play in developing this strategy & this report is just the beginning of what we see as an incredibly exciting time for advancing female entrepreneurship!

# Introduction

The Women and Enterprise All-Party Parliamentary Group (APPG) has conducted this report to understand the current experience being faced by female entrepreneurs. The APPG sees the potential growth of women-owned businesses as an area of economic opportunity for the UK, as they already contribute an impressive £115 billion to the economy, despite the fact that they currently secure significantly less than 5% of corporate and public sector contracts.

Research shows that if women started businesses at the same rate as men this would create an additional 10% growth in our overall economy by 2032. On this basis, women's enterprise is critical to the UK's future prosperity. One in every five businesses is owned by women but if the gender imbalance was addressed, female run businesses could add an additional £250 billion to the UK economy and up to \$28 trillion to the world economy.

We believe it is the joint duty of Government, financial institutions and the private sector to support female entrepreneurs to ensure that the UK economy takes full advantage of this untapped opportunity. Post-Brexit, this could be critical in both supporting and enhancing the UK's future growth potential.

There are clearly documented reasons why this growth is not happening. The Enterprise Research Centre has identified these as:

- Money
- Markets
- Management

Clearly, these hurdles are not insurmountable, but the UK is in danger of falling behind other nations which have taken a stronger lead on this issue and opportunity, including some developing nations.

Furthermore, we found that female specific business programmes offer great returns. Mentors can help women-owned businesses develop business strategies by sharing their skills, expertise, experience and contacts. Business coaches can assist by providing structure and setting goals with accountability measures.

Finally, at a time when more women than ever are starting their own businesses, access to finance continues to be a necessary resource to business development and growth. However, the APPG has found there are still significant barriers to female entrepreneurs, both starting and scaling their businesses.

In view of these challenges, this first report focuses on three major issues we have identified as facing female entrepreneurs face:

- Access to finance
- Business Support, Coaching and Mentoring
- International Trade and Connections

A lack of gender disaggregated data was also a recurring theme throughout our inquiry which has the consequence of restricting the ability to create effective forward strategies.

Accurate and current data is needed to assess the economic stage of women-owned businesses, their impact on the economy and their progress, and to provide a strong evidence base on which to develop policies to improve numbers and growth. By publishing data on women-owned businesses we will drive the women's economic empowerment agenda forward.

This report intends to recognise the progress and achievements of female entrepreneurs, whilst also drawing attention to key issues they face. We have also highlighted areas in which the Government and the private sector can develop their support and understanding of issues specific to women seeking to start and grow a business.

The APPG welcomes the work of the Rose Review, launched on International Women's Day, which sets out key recommendation to Government and the private sector. The work of the Rose Review has been key in drawing attention to the necessary work that still needs to be undertaken to get more women to start and grow their own businesses.

This is our first report and will be followed by a further report that focuses on Skills and Education, Supply Chains, and Diversity and Inclusion. Throughout this document, the APPG have set out our key recommendations to both Government and the private sector.



## Executive Summary

---

This report makes the overarching point that whilst female entrepreneurs are currently a huge asset to the UK economy and they are a resource waiting to be fully unlocked. We firmly believe the time is right to empower this potential as the UK leaves the European Union. Given this context, we have considered the Government's Industrial Strategy and current policies which will support the economy in the coming years instead of structures which the UK will no longer be part of.

However, without clear data on women owned businesses it is virtually impossible to measure and track their growth in the UK or the effects of Government funding and schemes that are intended to encourage them. That is why at the core of all our recommendations we call for the Government to collect gender disaggregated data to ensure that programmes and schemes they create are monitored correctly to allow for records of progress to be measured.

We accept that progress cannot be made just by Government intervention and we have therefore set out recommendations for both Government and the Private Sector.

## Our recommendations to Government

- We recommend Government should provide gender disaggregated data in key areas so that the impact of any policy changes can be properly measured.
- A tick box question to identify women-owned businesses should be added to the HMRC Tax Return form which businesses are currently required to submit annually.
- Government needs to measure gender diversity at initial conception, scale-up and exit to understand why attitudes towards funding differ from those of their male counterparts.
- Government should develop regional businesses hubs through the UK modeled on the US Women's businesses centers.
- Government provision of national and international signposting to knowledge, tools and experts with relevant market information and contacts. This could be added to the Department of Business, Energy, Innovation Skills (BEIS) 'Great Britain' campaign.

## Key recommendations to Private Sector

- Increase the number of women working in VC firms by encouraging diversity and inclusion when recruiting new members of the team
- Business should adopt and promote mentoring and coaching schemes to ensure the appropriate development of women in business.
- Women-owned businesses to consider participation in programmes set up by international organisations and Government such as SheTrades by ITC, the Goldman Sachs 10,000 Women programmes and Entrepreneurial Sparks to aid export growth



**Increase the number of women working in VC firms by encouraging diversity and inclusion**



# Access to Finance

Access to finance is critical in enabling progress for women-led businesses at all stages of their business journey, yet comparatively few are making it out of the growth pipeline.

A clear example can be seen in Scotland where 50% of businesses receiving start up support are women-owned, yet only 20% of them go on to make it into the growth pipeline. This is being attributed to a lack of tailored government support for female enterprise.

There is an obvious opportunity for the Government to help meet its growth targets by targeting small and microbusinesses, encouraging them to 'scale up'. This is a more sustainable model for growth, rather than an over reliance on smaller numbers of large businesses generating higher growth. This approach has the potential to encourage greater development of home-grown enterprise as we move into the post-Brexit era.

We also found that the current funding gaps are holding back female owned businesses from scaling up. To counter this, Government business support needs to be adapted to ensure that women are given a higher awareness of the financing opportunities that exist. There needs to be a greater understanding of who the Government are targeting to ensure support fits all entrepreneurs' requirements – including those which are not currently being fulfilled for female entrepreneurs.

Our evidence revealed that women are more likely to take risks with their time, but not their money. This has led to a hesitance in women approaching alternative funding vehicles and instead taking personal loans when traditional business loans are not approved by banks. This reluctance particularly applies to secured lending, most notably when the main asset at risk is a family home. The effect of this directly leads to a lower amount of funding being secured which restricts business potential.

Secondly, women's reasons for starting a business are often different to that of men. This leads to different priorities in funding and timelines. We found that many women set up businesses to allow flexible working to facilitate family life and other commitments.



Women are more likely to take risks with their time, but not their money

Thirdly, women tend to ask for less capital when applying for support. This manifests itself as women starting businesses with around half of the capital men obtain.

The current funding landscape has well-tuned funding models that support businesses to scale-up, however these models do not naturally align to the microbusiness profile of the majority of women-owned businesses and are not well publicised. The government could do more to sign-post these models and services that advise on funding such as the British Business Bank.

Encouragingly, more women currently intend on becoming business owners than men: 13 per cent within the next year, compared to nine per cent of men. That's two million more British women who want to be their own boss. This is clearly an untapped market for finance providers that should be nurtured.

A great example we found of how this potential is being supported is through the British Library's Business and IP Centre. The IP Centre is pioneering access to needs-based support for entrepreneurs supporting over 120,000 SMEs through:

- Their programme of workshops
- 1:1 advice sessions
- Their 'Inspiring Entrepreneurs' series of events

The IP Centre also supports small business owners, entrepreneurs and inventors. Through specialised start-up support programs and £10,000 worth of free support per business through their 'Innovating for Growth programme'.

Last year, the British Libraries' Business IP Centre gave face-to-face support to over 5,000 people of which 62% were women. In addition, their national network of 11 Centres supported over 18,500 people, of which 59% were women. The network harnesses the unique reach and accessibility of the UK's public library network, which are used as community hubs, to attract a more diverse audience than other business support services and gives them the skills, confidence and contacts they need to be successful. As there is a national decline in the traditional use of libraries we see potential for this resource to be used more widely across the UK to provide the home of business hubs including specific support for women-owned businesses.

The British Libraries' Business IP Centre is a good example of a resource that provides early support and follow through for entrepreneurs. They support entrepreneurs through from conception including developing strong business plans, thus giving a better chance of success gaining a traditional loan.





## Bank Lending

It is clear that banks are starting to perceive women as a financing sector. 90 banks globally have banking products specifically aimed at women. This is a good first step in them understanding that female entrepreneurs may have different priorities when going to a bank for a loan.

Our research uncovered several recurring themes, particularly that:

### **Female entrepreneurs are more likely to:**

- Apply for longer-term loans
- Ask for less money

### **Female entrepreneurs are less likely to:**

- Risk a family home for a secured loan
- Go to alternative investment providers

Women-owned businesses borrow less from banks than male owned businesses – this is most prominent in start-ups. Once turnover reaches over £250,000 lending amounts flatten out and gender balance is reached. One of the potential reasons for this is that business lending has a higher risk profile overall and banks have a low appetite for high risk borrowing. When a business track record is developed banks are more likely to invest.

Part of the barrier is therefore creating the business support at the conception of a business to ensure the entrepreneur is given the correct information to make the best business case to a bank.

# Start-up Loans

It is vital that women can access start up loans or initial capital. If access to these funds are not made available, the benefits of female owned businesses will be capped, meaning the UK missing out on the economic potential discussed earlier in the report.

In the United States, the Consumer Financial Protection Bureau (CFPB) requires banks to collect and provide data on the gender, race and ethnicity of business loan applicants as it does with personal loans such as mortgages. This allows the CFPB to analyse the profile of those who are receiving smaller loan options and enables them to tackle gender disparity in the sector. We propose that the Financial Conduct Authority (FCA) require UK banks to provide this data to allow the UK Government to make informed decisions and design appropriate programmes to ensure entrepreneur diversity is achieved and that more women are able to access the finance they need to start up their businesses.

According to the Entrepreneurs Network, just nine per cent of funding into UK start-ups currently goes to women-run businesses annually. These barriers mean that nearly three quarters of female founders are forced to fund their ventures out of their own pockets.

# Venture Capital

A Harvard Business School report found among senior roles in venture capital and private equity, women held just 9% and 6% of all senior roles, respectively. When they included Hedge funds, the Business School found that the number of women in senior management roles fell to just 3%. These statistics highlight the need for Government and private sector to support more inclusion and diversity in the UK venture capital ecosystem to ensure that female entrepreneurs reach out to alternative investment mechanisms when traditional bank loans are not appropriate.

We know that women seek a lower level of venture capital investment as only 2% of venture capital investment went towards businesses founded by women in 2017. During this period all-women teams received \$1.9 billion of the \$85 billion total invested by venture capitalists during the year according to the database PitchBook – which equates to about 2.2% of the total pot. In comparison, all-male teams received about \$66.9 billion – roughly 79%. Male entrepreneurs are 86 per cent more likely to be funded by a VC, and 56 per cent more likely to secure alternative investment. The VC industry needs to fundamentally change to ensure fair access to alternative funding.

This over representation of men in the industry is arguably due to the fact that only 9% of decision makers at venture capital firms are women, which has led to less investment in products and businesses aimed at females, as they do not see the innovation in the proposed products or have as much awareness of the gaps in the market.

## Case study

elvie

**Tania Boler, co-founder of Elvie**, who make pelvic floor trainers, was told her product was too niche to be backed by VCs. This was despite the findings she presented to the board showing that one in three women experience pelvic floor problems and one in 10 will require surgery in the future.

In 2017, the UK startup announced a \$6 million Series A round led by European VC firm Octopus Ventures. Female focused VC AllBright also joined the round, which was used to expand sales to more markets and build out its product portfolio.

The product turned a profit in six months and is now sold in 59 countries.

Furthermore, research from the British Chamber of Commerce says that women are better at spotting gaps in the market, offering innovative products and using technology than their male counterparts.

Only 13% of UK VC partners are female and 48% of UK VCs have no women in their investment teams at all. This lack of female representation is a fundamental flaw in the industry and leads to fewer women pitching for alternative funding as they do not see themselves represented on panels. Many feel that their products will not be understood.

What is clear is that there needs to be more data collected on the challenges facing women approaching VCs. One way of achieving this is to build a common, data-driven view of the challenges within the industry. This could be achieved by working with VCs to create and combine anonymous diversity driven data to determine at which point women drop out of funding opportunities or what prevents them from applying in the first place. This could also include the results of investment with different diversity profiles on decision making panels. However, Jenny Tooth and the UK Business Angels Association (UKBAA) are leading the way in seeking more female angels to ensure there is greater diversity in the industry. The UKBAA have created an industry code that sees financial institutions tracking the gender split of their funding ensuring greater awareness in the industry of how money is spent on female entrepreneurs.

The British Business Bank (BBB) are also doing good work by collecting anonymous industry data which is done by providing a template and data coding table for funds to fill in and submit. To be as inclusive as possible, they also offer to

complete the template in a business's office using pre-anonymised documents or complete it in collaboration with someone with-in the business.

The BBB measures the size, age and focus of funds, whilst recording the apparent gender, ethnicity, warmth of introduction and success of funding. This data will allow them to make informed recommendations in the future to help women gain the access to finance they need. This is a template that could be followed by VCs.

We also found that male and female entrepreneurs are asked different questions by VCs. According to a Harvard study men are asked 'promotion orientated' questions whereas questions asked to women are 'prevention orientated'. Irrelevant of gender those asked 'promotion orientated' questions were able to secure significantly higher capital than their counterparts. This demonstrates a flaw in VCs and the way they perceive female investors as prevention orientated questions assume that there is a higher risk of failure if a woman runs a business.

This is further supported by research by the German Institute for Economic Research (DIW). The DIW evaluated data from more than 800,000 men and women. The data found that 38% of female who run businesses are invested in by less stable financial products such as stocks, whereas 45% of men have this funding. A regression analysis reveals that women would take a more calculated risk with their business if they had more money to invest. This only further highlights the need for women to have access to the large investment vehicles such as VC and alternative investment as women generally still have half as much to invest as men, which often limits their capacity to grow at a comparable rate.



## Key Recommendations – Government

- The Government needs to measure gender diversity at initial conception, scale-up and exit to understand why attitudes towards funding differ from those of their male counterparts.
- Government should help find partners to work with VCs to create and combine anonymous diversity driven data to determine at which point women drop out of funding opportunities or what prevents them from applying in the first place.
- Government to provide clarity and greater awareness of funding options such as sign posting to the British Business Bank Hub and Local Growth Hubs.

## Key Recommendations – Private Sector

- Increase the number of women working in VC firms by encouraging diversity and inclusion when recruiting new members of the team to ensure teams are not hired in the image of the existing team.
- Encouraging schemes for female mentoring throughout the VC process. Where this is not possible, firms should be providing introductions to networks that would provide this support to their entrepreneurs.
- Private sector needs to identify ways to overcome the specific barriers faced by female-led firms in accessing venture capital. This could be achieved by recording the bank's lending numbers provided to UK Finance at the end of each month and signing up to the Code to share their numbers with a gender lens.
- Banks and Finance companies should collect data on the SME's they lend to, specifically recording whether a business is female owned.
- Banks to report SME lending with a gender lens to provide better gender disaggregated data from the private sector.
- Consideration of 'Women only funds' such as Voulez Capital and Diversity VC to encourage more women to invest in their business.
- Banks to make applying for funding simple which could be achieved through a more straightforward and user friendly online application process.



22 per cent [of female entrepreneurs] said a lack of confidence was one of the most significant challenges they faced when starting their business

## Business Support, Coaching and Mentoring

Recent international research has confirmed that support for female entrepreneurs is already provided by many organisations in a range of different ways. However, those organisations were found to lack co-ordination and services were variable in quality, making it difficult to always connect with the most appropriate support. 38% of women in the UK, compared to 3% in Europe, take advice from Government specific support and when this is offered, 1/3 of these women commission it in their own businesses.

A correlation between coaching, mentoring and economic growth is evidenced from the outcomes of the programmes studied for this report.

For women in particular, coaching and mentoring has much to offer in terms of developing their confidence in entrepreneurial skills and helping boost economic performance. The FSB research reviewed as part of this study, found that against this backdrop, coaching and mentoring programmes designed specifically to meet the needs of women entrepreneurs have much to offer and were particularly effective.

An RBS Group report found that women do not necessarily lack self-confidence, but more that they have a clear and informed assessment of how well prepared they are to develop as entrepreneurs. This suggests that women are more

self-aware and understand business risks in a way that men don't. This has led to mentoring having to adapt to genders to ensure they are given the appropriate support to help their business thrive.

There is strong evidence that needs based mentoring and coaching for female business owners has a significant impact on economic growth and success. In a study on 'The influence of social and human capital in developing young women as entrepreneurial business leaders', it was found that women and men have been reported as preferring different kinds of business advice with men opting for business development from business or management consultants while women often prefer personal development through mentoring and coaching services.

This study further found that women are also more likely than men to say they find the environment around business advice to be quite unwelcoming and unsympathetic.

In order to understand the potential benefits of business support, coaching and mentoring, clarity on what 'coaching' and 'mentoring' are is vital to achieving the best results, as without this understanding, many beneficiaries may ask for the wrong service. The differences between coaching and mentoring must be clearly narrated and understood by all

programme stakeholders. Incorrect pairing is harmful to all parties as beneficiaries are unable to reach their goals and are unlikely to use this vital service again.

A clear differentiation will assist with best matching need to service provision, in addition to delivering robust measurement of outcomes.

Organisations, including the World Bank, acknowledge that mentoring is an important resource for female entrepreneurs. Likewise, research shows that organisations with strong coaching cultures report higher revenues and employee engagement rates than peer organisations without strong coaching cultures.

There is excellent evidence which shows that businesses using mentoring have an increase in revenue compared to their counterparts that don't use these services. A report by micro mentor, a free business mentoring programme that connects entrepreneurs with business mentors, has found that businesses receiving mentoring achieved an increased revenue by an average of 83% - five times more than those who did not receive mentoring through the scheme<sup>1</sup>.

One successful coaching scheme with great impact is run by the US Small Business Administration's Office of Women's Business Ownership which was established to foster the participation of women entrepreneurs in the economy. Women's Business Centers operate in almost every state, offering training in finance, management, marketing, and the internet, as well as access to financial and procurement assistance programs. The US tops the list of countries for their support of high impact women's entrepreneurship. The proportional population percentage of new female entrepreneurs setting up a business in the US is 9.2%, almost double the 4.9% rate in the UK. This is something we believe could be replicated by re-empowering the Women's Business Council, established by Rt Hon Theresa May MP to support female entrepreneurs and local enterprise groups.

A measurement framework is vital to track the progress of coaching and mentoring to evidence the business growth and other benefits achieved. In order to set appropriate measures, it is critical to clearly differentiate between coaching and mentoring. We have used The Chartered Institute of Personnel and Development's (CIPD) definitions as reference for the purpose of this report.

## Definition of Coaching

Coaching aims to produce optimal performance and improvement at work. It focuses on specific skills and goals, although it may also have an impact on an individual's personal attributes such as social interaction or confidence. The process typically lasts for a defined period of time or forms the basis of an on-going management style.

Although there's a lack of agreement among coaching professionals about precise definitions, there are some generally agreed characteristics of coaching in organisations:

- It's essentially a non-directive form of development
- It focuses on improving performance and developing an individual
- Personal factors may be included but the emphasis is on performance at work
- Coaching activities have both organisational and individual goals
- It provides people with the opportunity to better assess their strengths as well as their development areas
- It's a skilled activity, which should be delivered by people who are trained in it. This can be delivered by line managers and others trained in coaching skills

## Definition of Mentoring

Mentoring in the workplace tends to describe a relationship in which a more experienced colleague shares their greater knowledge to support the inexperienced member of staff. It calls on the skills of questioning, listening, clarifying and reframing that are also associated with coaching.

One key distinction is that mentoring relationships tend to be longer term than coaching arrangements. In a succession planning scenario, for example, a regional finance director might be mentored by a group level counterpart over a lengthy period to develop a sound approach to dealing with the board, presenting to analysts and challenging departmental budgets.

Mentoring relationships work best when they move beyond the directive approach of a senior colleague 'telling it how it is', to one where they both learn from each other. An effective mentoring relationship is a learning opportunity for both parties, encouraging sharing and learning across generations and/or between roles.

<sup>1</sup>: <https://www.micromentor.org/learn-more/impact>

# Sustainability & Growth

**M**entoring and coaching can be powerful tools for supporting female entrepreneurs, as they can help develop personal and business skills that facilitate them leading their business more effectively.

While female entrepreneurs face specific challenges that can inhibit business sustainability and success, research shows that these are not necessarily disabling if the entrepreneur possesses strong leadership skills, resourcefulness, resilience and professional relationships. This is evidenced from the Women and Enterprise Scotland (WES) leadership courses where greater leadership capability and an extended peer network has seen increased confidence, business collaboration and business growth.

In the UK, mentoring was valued by 84% of women-led businesses who had accessed it. 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”.

A lack of mentoring provision was referred to by women owned businesses as one of the gaps between business start-up and scaling up. Unless businesses were receiving growth support, there was difficulty in sourcing and accessing a suitable mentor with 17% of business survey respondents saying they had been unable to find a relatable mentor. Yet there are many mentoring and coaching schemes which have been established over the years. Growth Accelerator, Manufacturing Growth Programme, Meet a Mentor and Great 200 Leaders provide good examples of this.

## Case study

### **Ruth Forster, founder of Wagstaff Recruitment:**

“For me the benefits of engaging a business coach are numerous. Fundamentally I have developed skills enabling me to be a better leader, specifically understanding more about me, how I can utilise my skills and how I can get the best out of my team.

“Having the right coach leaves you feeling like you have tapped into more potential giving you the confidence to take bigger steps and braver decisions, armed with tools to make calculated and informed decisions.

“Working with the right coach enables you to make decisions for yourself rather than being told the answer.”

**wagstaff**  
RECRUITMENT

# Mentoring & Coaching in Action

Programmes which have delivered good engagement include the Cherie Blair Foundation for Women's mentoring programme. This is an innovative scheme pioneered by the Foundation which matches women business owners and aspiring women entrepreneurs in low and middle income countries with mentors from around the world.

From 2008 – 2018 the Foundation supported over 7500 women mentees and has reported a range of successes including building women's skills, confidence, access to markets and increasing the profits and sustainability of their businesses. Of the 750 women who completed the Foundation's mentoring programme in 2018, 86% committed to mentoring others after their graduation from our programme and 62% had already started mentoring others. These figures highlight the 'ripple effect' of mentoring and the enormous value that programmes like these can add to businesses and wider communities.

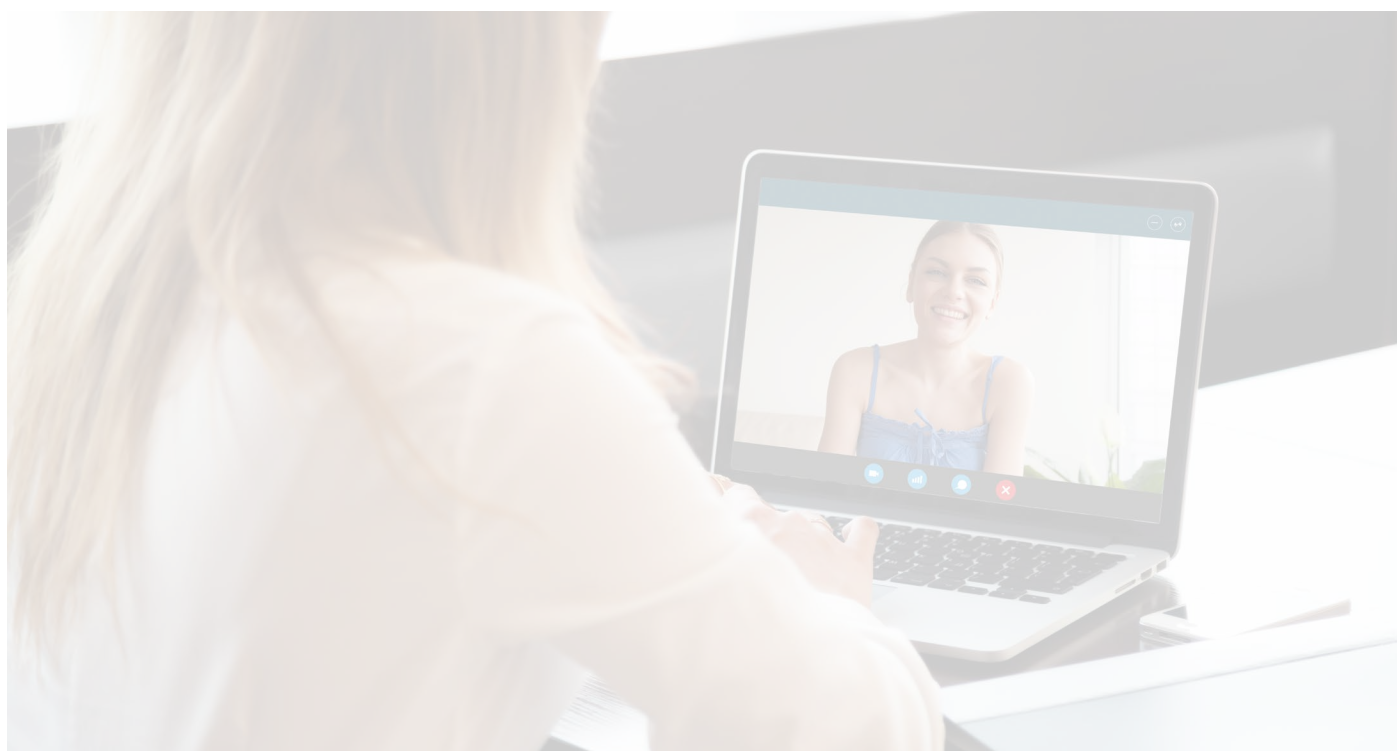
Coaching is often used to support leadership development and research. Through Coaching, Wagstaff Recruitment evidenced a 539% return on investment. When employee retention was accounted for, this rose to 788% return on investment.

## Face to Face v Digital Mentoring

While gender disaggregated data is lacking, the available data from women-specific mentoring programmes internationally and in the UK, demonstrates good levels of success in terms of both engagement and economic growth. Learnings from those programmes can be taken and applied in order to leverage the benefits of mentoring and coaching as a facilitator of UK economic growth.

Mentoring and coaching services can be offered both digitally and face to face. The use of tools such as video-based apps can help to broaden digital based mentoring delivery channels and access, so the creation of a highly visible and engaging digital platform to support service awareness could be valuable to business development.

Face-to-face is also a key service delivery channel and there is an opportunity to offer a blended approach of both digital and "in person" support.



## Best Practice Case Study: Women's Enterprise Scotland



In Scotland, a business mentoring scheme for women-owned businesses operated by Women's Enterprise Scotland (WES) used a digital portal to attract and recruit participant mentors and mentees. The portal contained case studies of women who had experienced mentoring and information on the training available for both mentors and mentees.

Feedback from participants in the Scottish programme pointed to the value of training provision for both the mentors and the mentees, establishing a common understanding of mentoring and the mentoring process, including differentiating mentoring from coaching. WES commented that the provision of training and a digital toolkit for mentors helped to encourage more women to step forward and become mentors.

The provision of training is a factor in achieving successful mentor and mentee matching according to [www.mentoring.org](http://www.mentoring.org). Another critical success factor is the interview process where knowing the needs of the mentee and the mentor's interpersonal skills are deemed key.

Where mentoring is being delivered via digital platforms, selection of a potential mentor is based on the mentor's profile information, so investment in the information collation and summary process is key. Some digital platforms such as the WES platform and the Cherie Blair Foundation offer additional support to mentors, for example through resource centres with management analytical tools and webinars.

There is an opportunity to apply the learnings from research and existing coaching and mentoring programmes to unlock the economic potential of women seeking to start up and grow their own business. While there are some programmes available, they differ in terms of reach and geographic location.

Consideration should be given to a pilot programme aimed at targeting the known gap areas geographically, in addition to piloting a next generation digital platform designed to offer coaching and mentoring services giving all women-owned businesses the opportunity to access them regardless of location.

Such a programme could offer useful insight into the application of language and images which are designed to engage and attract women. As nations such as Canada invest in the provision of women-specific business support, a pilot coaching and mentoring programme could offer the UK a solid base from which to boost female entrepreneurship and the economy. Whilst the government do not legislate on the behavioral skills needed in mentoring their responsibility should be focused on promoting the use of mentoring schemes and sign-posting institutions deemed to be establishing best practice.



There is an opportunity to apply the learnings from research and existing coaching and mentoring programmes to unlock the economic potential of women seeking to start up and grow their own business.

## Recommendations

### – Government

- Government should establish a standard for mentors and coaches.
- Government should hold a database of pre-approved and vetted mentors and coaches to assist evolving businesses to ensure confidence in accessing credible services.
- While a digital platform should not be controlled by government agencies or consultants, it is recommended that all bodies and stakeholders engaged in business support delivery collaborate to spread awareness of a digital portal.
- Gender disaggregated data on the return on investment achieved by existing programmes supporting women-owned businesses should be collated and shared by Government to enable gap-analysis. This information should include:
  - I. geographical reach of the programmes supporting women-owned businesses.
  - II. numbers of businesses supported.
  - III. the average investment per business and the average return on investment achieved.
- Through Women Business hubs, consideration should be given to a pilot programme designed to target the known gap areas geographically, in addition to piloting a next generation digital platform designed to offer coaching and mentoring services to all women-owned businesses, regardless of location.
- Government develop regional businesses hubs throughout the UK modeled on the US Women's businesses centers.

## Recommendations

### – Private sector

- When commissioning coaching or mentoring programmes, the length of time to be invested should be set out and agreed at the outset with both parties.
- All mentors should be properly vetted to ensure they have the appropriate skill base to mentor effectively.
- Coaches should hold an appropriate professional qualification or be able to evidence knowledge and experience of effective coaching success with real businesses or individuals.
- It is recommended that a comprehensive mentoring and coaching services are targeted at women-owned businesses to support business growth.
- Business should adopt and promote mentoring and coaching schemes to ensure business development.
- Mentors should be able to demonstrate proven experience of running their own business or business skills relevant to the mentee.
- Where mentoring and coaching is to be provided, all parties should have clear understanding of what the programme should deliver and establish expectations of outcomes at the start of the programme or activity to allow measurement of achievement, 'distance travelled' and return on investment.

# International Trade and Connections

International trade is the exchange of goods and service across international borders and central to the UK economy, accounting for nearly 60% of GDP. The demand for British goods and services is on the rise and the Department for International Trade (DIT) has set out its Export Strategy to help firms increase their capacity to export their goods and services overseas.

Overall, across the UK regions, there is a lack of consolidated or summarised gender-specific export data. While there are regions that have anecdotal success stories of female entrepreneurs who are contributing economically through international trade, these are small successful pockets of activity that cannot be extended as a viewpoint across other regions in the UK. In regions where women were in roles such as international advisers or led export-related departments or organisations, there were more initiatives in place to encourage women-owned businesses to participate.

There are clear gaps in national data and signposting for women-owned businesses that wish to export. Data available from the UK Longitudinal Small Business Survey 2017 shows that 19% of UK SME employers were majority-led by women, down 1% from 2017, while 21% of businesses with no employees were majority-led by women. These figures relate to SMEs that employ between 1 and 249 employees in the UK. They exclude working owners, partners, the self-employed and agency staff, but include casual or temporary staff. They also do not include micro businesses which fall below the VAT threshold.



**There are clear gaps in national data and signposting for women-owned businesses that wish to export**

When queried in 2017, The Department for International Trade said that “of the data we were able to source around 40% of businesses that the Department supports have female owners, partners, or directors, which equates to around 20,000 businesses.” They then referenced the UK Longitudinal Small Business Survey 2017 which found that by sector, against the overall average of businesses that were women-led and interacting with the Department, there were 54% in education, 54% in human health, 38% in other services and 27% in administrative services. This is important data to have as it establishes that female-led businesses, and the sectors they work in, are being measured. However the data does not go far or deep enough, and is not comprehensive.

When researching for this report, the APPG found it difficult to establish the total number of SME women-owned businesses exporting and the size of their contribution towards UK economic growth, either because this information is not collected or it is not disaggregated. As a result, there is a lack of insights and statistical national data for the government to analyse and study the international trade element of these businesses. If the business community and government aren't able to establish this disaggregated data, then it is difficult to work out which government schemes are working effectively to encourage women owned businesses to export.

# Reaching International Markets

Access to international markets is hampered by limitations in the existing knowledge, tools and support structures available for women owned business that are either involved in or are interested in exporting goods and services. The group undertook research into the dynamics affecting exporting women owned businesses, looking at the emerging opportunities alongside the existing gaps that are required to inform, inspire and connect UK women owned SMEs with international trading partners.

While there are UK-wide support structures available for SMEs through the Department for International Trade and its regional delivery partners, including the Chambers of Commerce, their reach and impact varies across the country. Furthermore while there have been some gender specific programmes at various times, including trade missions, these are not consistent, and not seen as a focus across the regions. In many cases they may no longer be funded or planned to take place. Additionally, most of the international trade programmes and events for women-owned businesses focus on the logistics of trading, rather than providing an understanding at a strategic and global level of the way the international markets are governed or structured, and the impact this has on their business.

According to HMRC, the total value of UK exports of goods was £329.8bn in 2017. Of these exports, £244.8bn (74%) were from England. The region with the highest value of exports was the South East, which exported £45.2bn worth of goods, 14% of the total value of UK goods exported.

The rise of business carried out over the internet, whether directly by women-owned businesses in contact with international buyers, or indirectly taking place using online platforms or digital marketplaces, is changing the trading landscape for many SMEs and women-owned businesses that may not traditionally regard themselves as trading across borders. Consequently, such trade is difficult to track and consolidate nationally.

Regions such as the Northern Powerhouse, the Midlands Engine and Coventry & Warwickshire Chambers Of Commerce have approaches that are coordinated towards female entrepreneurship, and have put champions in place to promote and support them. Such regions have pockets of international wom-

en-owned businesses trade activity which are typically from sectors that include engineering, manufacturing, life sciences, tech, education, legal services, food, media and digital.

We found there to be a lack of visibility of female SME role models trading internationally for women considering setting up in business and trading across borders. It also appears that women-owned businesses tend to set up businesses in areas that they are comfortable with and have experience in. Anecdotally, this may be the result of the lack of role models in industries such as those underpinned by STEM.

There is also a gender imbalance in the data across regions in the UK. This is not necessarily due to a lack of business gender equality, but could be a result of the low numbers of women actually in business, as well as participating in exporting activities, and also coming from areas with smaller populations. Potentially this is related to the Department for International Trade's focus on large cities and a lack of empowerment within regional business hubs.

Digital platforms and marketplaces such as EBAY, Amazon, Etsy and Facebook are providing international opportunities and support for SMEs. While it was not possible to obtain any insights into the split of women-owned businesses and their economic contribution from these platforms, it was widely reported in 2017 that UK SMEs exporting internationally are more positive about their futures and are more likely to create new jobs. This was confirmed by the most recent Future of Business Report from Facebook, the OECD and the World Bank. Furthermore, the vast majority of Facebook's six million+ active advertisers are SMEs which create more than half of all new jobs globally.

There is a need for more formal and informal gender-specific signposting of export-related business support, be it trade missions in emerging markets, on-location support and assistance with market introductions, foreign exchange and facilitation of international trade regulations and legislation. The uncertainty arising from the Brexit situation has compounded the landscape for all SMEs. Until there is a clear route regarding international trading rules, it will continue to be a challenge for women-owned businesses that would otherwise be in a position to consider investing and scaling up to service international trading partners.

## Case study: SuperfoodMarkets



Gemma Price founded Superfood Markets from home in July 2014. She started the business – a consumer online retail business that sells to over 40 countries globally – after spotting a gap in the online market for ethical, healthy food products. In 2017, its turnover was of £20 million – projected to double by 2019. Based in Bradford, Superfood Markets has 70 members of staff and a 9000 sq foot warehouse with consumers from across UK, Europe, Canada, Russia, Middle and Far East and Australia.

Gemma's distribution-based business was international "almost from the get go." Her background in Logistics and Distribution, and her career in the Foreign and Commonwealth Office and UK Department for International Trade as an International Trade Advisor were invaluable in helping her set up an international business that had to negotiate contracts and find distributors worldwide. Many of her challenges were common to other SMEs operating internationally.

Other challenges however, were gender specific. She spoke of many instances where she faced outright gen-

der-bias, especially when negotiating and closing deals. She was often treated as a senior administrator and not the person with authority, and would be asked to make way for her superior.

She continues to experience patronising talk and attitudes, whether coming from UK government departments or when meeting with other nationalities and personalities that do not appreciate females in authority. She believes that the root of the issue is perception. In the UK, she talks of a generational mind-set. Even within the UK network of trade-related departments and delivery partner, she found that many directors have yet to grasp and support digitally enabled businesses, let alone women-owned SMEs.

The anecdotal old-boys network still impacts women-owned businesses. Gemma has pushed back and moved on, but does not believe that this will change anytime soon. She believes the UK should be setting standards and best practice for behaviours for our international partners.

# International Trade in Action

In the UK, DIT is promoting the E-Exporting Programme to help UK companies accelerate their global growth through e-commerce. In the USA, the Association of Women in International Trade (USA) offers its members a real opportunity to develop their understanding of what it takes to trade internationally and focus on international trade agreements.

A number of governments have also introduced various initiatives such as gender clauses in trading agreements and are supporting women-owned businesses and organising introductions and missions to push and promote.

Detailed data on women-owned businesses can be obtained from the US Census Bureau's Survey of Business Owners

(SBO) conducted at 5-year intervals. More frequent data on women-owned businesses is available from the Annual Survey of Entrepreneurs (ASE), however this is not available at the same level of detail as the Survey of Business Owners.

If women-owned businesses are to truly maximise their potential to contribute towards the UK economic growth, the new UK Export Strategy developed by the DIT must acknowledge the contribution of SME women-owned businesses by developing initiatives such as those mentioned below that support and encourage their contribution through export:

## Role Models for Exporting

Our findings highlight the lack of visible role models from among women-owned businesses that are exporting internationally. There is also a gap in the number of trained official advisors from government, NGOs or private organisations specifically appointed to advise on international trade and support women-business owners get to international markets.

Seen from an international trading perspective, UK women-owned businesses in particular face different issues to their male counterparts, due to differences in cultural norms which can create barriers in access. T

here were many anecdotal examples of where this has happened particularly during negotiations or when discussing specific detail within areas of expertise which was particularly visible in fields such as logistics, construction, which have historically been male-dominated and run.

## Setting Standards Internationally

Currently there are countries in the Commonwealth and North America that are ensuring women-owned businesses have a foothold in international markets. By working with them and seeking to set international standards, the UK will be regarded as one of the drivers in this field, which has the potential to open doors for women-owned businesses to extend their markets.

There are many instances where this can take place through existing channels, such as the cross-Government initiative "Exporting is Great" campaign and organisations that promote UK companies such as Made in Britain (manufacturing), Chamber of Commerce and Institute Of Directors.

The UK has always been regarded as one of the leading countries in international trade, and such campaigns will continue to emphasise this message and create openings into new markets.

## Case study: The Travel Wrap Company



The Travelwrap Company was set up in 2007 as a WOB UK-based retail company with a B2B market mostly selling into large retail stores. As the company grew, it saw its revenue increase; the profit however did not. It managed to join the Goldman Sachs 10,000 Small Businesses Programme in 2012, which transformed the business. With mentor support the team revised their international growth strategy and stopped selling to trade. Instead they became a B2C global e-commerce business. They built five parallel ecommerce platforms in different currencies and started targeting their digital marketing activities at different global markets.

As with most SMEs looking to trade internationally, the company faced many challenges: from financing their growth, setting prices and selling globally through multi-currency sites, applying taxes and import duties to different states/countries, to goods being held up at customs. As a woman-owned business, they had to go that extra mile; however the digital landscape suited their

products and target market. They continued to grow and are now facing continuous challenges that most scale-ups come across at this stage including HR and infrastructure, systems and processes.

The Travelwrap Company would have not grown or made it internationally had it not embarked on the Goldman Sachs programme. It enabled them to refocus and make those valuable, crucial contacts within the DIT and other networks.

As the MD said, "Small business owners tend to think that exporting is something for big business, especially considering the risk of cost and capital. WOBs have a different mind-set and this must change." The Travelwrap Company started exporting in 2012. They export to 22 markets internationally and have a turnover of approximately £1 million, where 53% of the revenue is directly attributable to exports.



## Recommendations – Government

- The facilitation, visibility and connections for women-owned business growth through technology and digital markets.
- Investment in supporting structures that will enable gender-positive systems and processes.
- National and international signposting to knowledge, tools and experts with international market information and contacts. This could be added to the “Great Britain” campaign.
- Guidance on processes and programmes to develop/identify international trade facilitators to assist in-country economic engagement with introductions, signposting, connections and currency exchange.
- Initiatives and activities to identify market-ready industries and countries for women-owned businesses.
- Data collection and collation of national gender specific data to better inform programmes that will support women-owned businesses across the UK and encourage more women to export.
- Look to set international standards and best practice for behaviors for international partners, especially those that culturally are not used to negotiating with women leaders and women business owners.
- Provide trained advisers to deal with women-owned businesses and their preferred industries.
- Create a strong supporting infrastructure locally and internationally for women-owned businesses.

## Recommendations – Private sector

- Consider participation in programmes set up by international organisations and Government such as SheTrades by ITC, the Goldman Sachs 10,000 Women program and the NatWest Accelerator Programme to aid export growth
- Women-owned business to consider international trade in business growth strategies in order to spread risk and as an area for potential growth
- Consider developing programmes to engage with other women-owned businesses through international development networks such as Dell Women’s Entrepreneur Network (DWEN)
- Engage with existing global networks which identify, educate, register, and certify women-owned business to connect them with qualified corporates and buyers around the world.

# With Thanks

This report could not have been written without the support of our female business contributors and speakers, who came and informed the group on the work they are doing. Below are a list of the key people we would like to thank for their work and support.

## Chairs

- Craig Tracey MP

## Vice chairs

- Gillian Keegan MP – Officer
- Eddie Hughes MP – Officer
- Rachael Maclean MP – Officer
- Baroness Burt of Solihull – Officer

## Speakers

- Jessica Butcher MBE, Co-Founder, Blippar
- Graeme Fisher, MD policy and communications at the British Business Bank
- Baroness Rona Fairhead, Minister of State for Trade and Export Promotion at the Department for International Trade
- Victoria Harper, Features Editor at the Telegraph
- Claudia Harris, CEO of the Careers and Enterprise Company
- Isabel Oswell, Head of Business Audiences at the British Library

## The All-Party Parliamentary Group's Business Board

- Julie Baker, Natwest
- Will Parker, Dell Technologies
- Claire Vyvyan, Dell Technologies
- Richard Rawcliffe, Dell Technologies
- Alex Daly, AA Advisors
- Jill Pay, former Serjeant of Arms, House of Commons, and Chairman, Pink Shoe Senate
- Sue Lawton, WE Connect International
- Rebecca Hill, HHc Consulting
- Mark Hart, Deputy Director of Enterprise Research Centre, Aston University
- Karen Tracey, Dunelm Business Consultants
- Carolyn Currie, Women's Enterprise Scotland
- Lynne Cadenhead, Women's Enterprise Scotland
- Melanie Lawson, Bare Biology
- Teresa Boughey, Jungle HR
- Jenny Wardle, Grays & Feather
- Hannah Martin, Talented Ladies Club
- Muneerah Dubidat, Dunelm Business Consultants
- Janice B Gordon, The Problem-solver
- Noreen Cesareo, Market Accents
- Ren Kapur, X-forces enterprise
- Ruth Forster, WAG Staff Recruitment
- Angela Wilson, Angela's Swim School
- Lynne Parker, Funny Women
- Helen Walbey, Chair of Welsh Government Advisory Board for Women's Entrepreneurship
- Ishreen Bradley, Bizas Coaching & Consulting
- Seema Bennett, Everywoman
- Samantha Blythe-Moore, Creative Recruitment Solutions Ltd



*Women and Enterprise All-Party  
Parliamentary Group*