



Design Workshop: Empowering women in entrepreneurship + social enterprise

CONTEXT

We know that the benefits of having more women-led high-growth companies in Canada are substantial, and yet so too are the hurdles women must jump over for their businesses to succeed at scaling.

To better understand the challenges that women entrepreneurs face in growing their businesses, the Brookfield Institute for Innovation + Entrepreneurship is hosting an Empowering Women in Entrepreneurship and Social Enterprise Design Workshop on September 28, 2017.

The workshop will bring together women active in the entrepreneurship space—entrepreneurs, funders, advisors, and supporters—to identify 1–3 targeted opportunities for program interventions that could support women entrepreneurs seeking to grow their businesses.

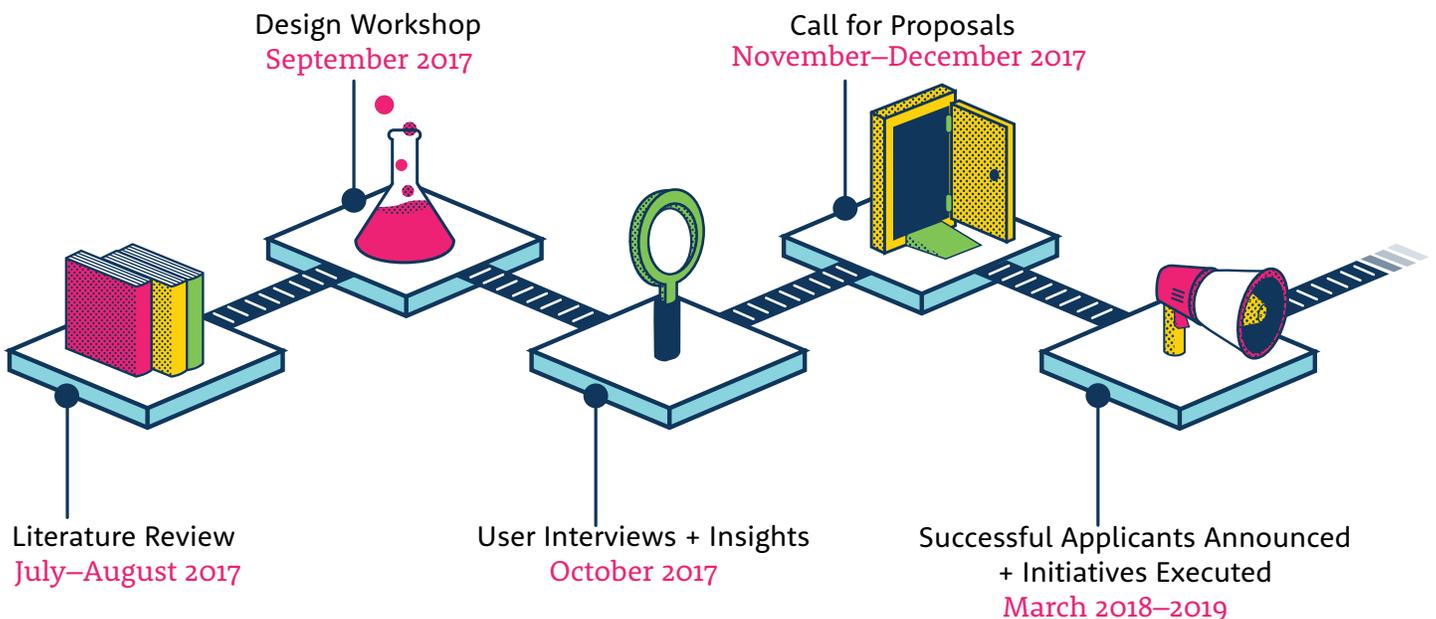
The overall purpose is to inform the design of a Call for Proposals for ~\$450K of funding. Following the workshop, that design will be further refined through one-on-one interviews with women entrepreneurs and ecosystem players. In late fall 2017, we will launch the Call for Proposals. Over a 12-month period, funding awarded via the Call will address one or more challenges that women entrepreneurs in Ontario face in growing their businesses.

DISCUSSION QUESTIONS

As a participant to the workshop, we would ask you to reflect on the following questions that will guide a focused discussion aimed at identifying 1–3 targeted opportunities for program interventions that could support women entrepreneurs seeking to grow their businesses.

1. Of the challenges outlined in this document, which resonate and why?
2. Which ones would you reframe, and what additional challenges or enablers would you add?
3. Think of existing supports for women entrepreneurs in Ontario. Where do they do a good job of supporting women seeking to grow their businesses, and where do gaps exist?
 - a. Are there particular stages of the growth trajectory that are better or less-well supported?
 - b. How does your response vary by sector, geography, for women with additional intersectionalities, or due to other factors?
4. Given the funding we have available for this Call for Proposal (~\$450k), and your understanding of the current ecosystem to support women entrepreneurs, what opportunities for program interventions would you prioritize?

Following the completion of this workshop, we will also produce a paper that shares the aggregated insights captured from the workshop. All insights will be anonymous.



DEFINITIONS

Entrepreneurs are called to action by unique motivations and aspirations. Here we identify the motivations and business aspirations of the women entrepreneurs we seek to support via this particular Call for Proposals.

ENTREPRENEUR MOTIVATION

Why was the business started in the first place?

Necessity/lifestyle-driven

Starting a business out of necessity, due to lack of income or to better support their lifestyle because of the added flexibility that entrepreneurship can provide.

Opportunity/innovation-driven

Identifying the opportunity to disrupt a business through a better or unique approach by creating a new product or service.

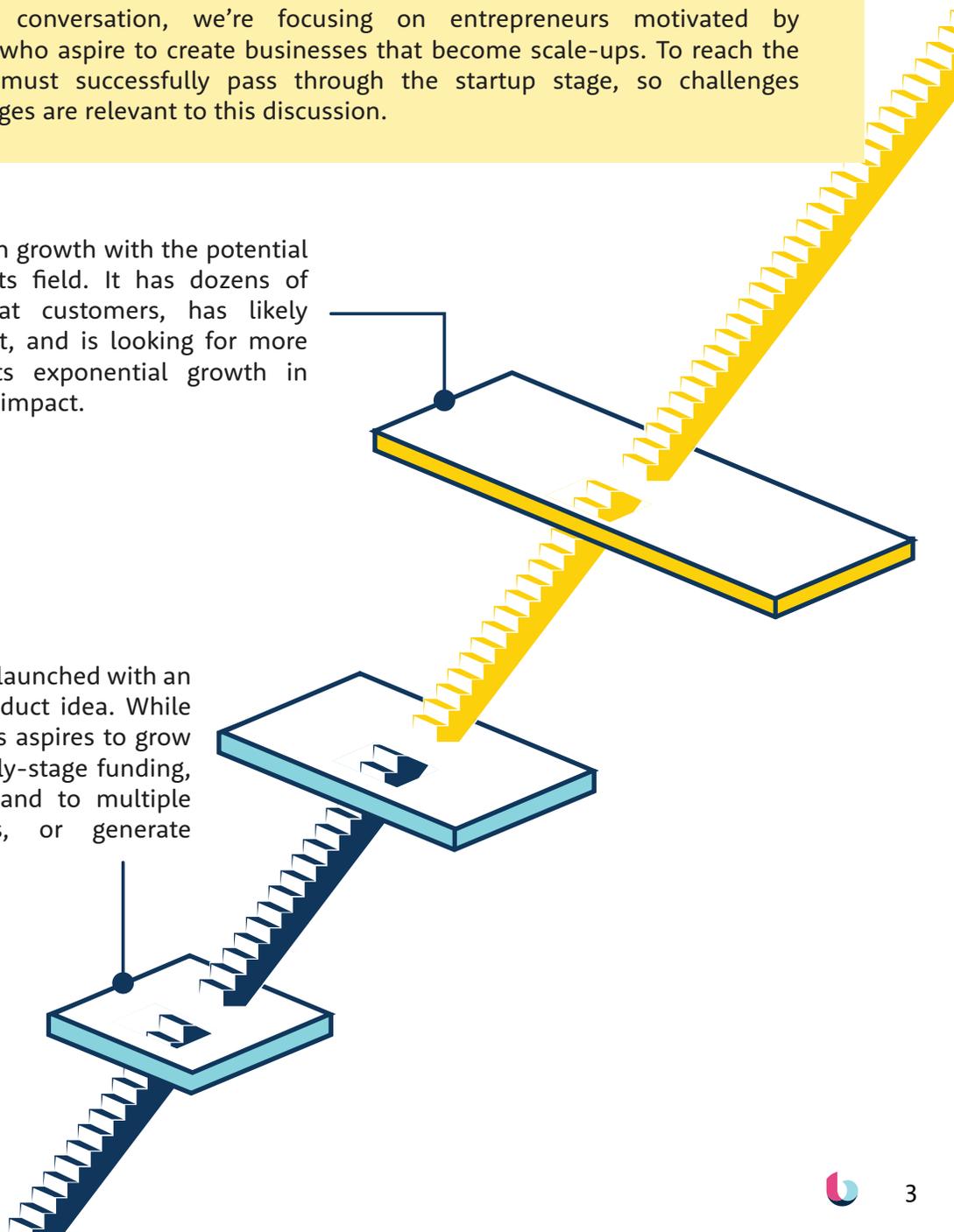
For the purposes of this conversation, we're focusing on entrepreneurs motivated by opportunity/innovation, and who aspire to create businesses that become scale-ups. To reach the scale-up stage, a business must successfully pass through the startup stage, so challenges entrepreneurs face in both stages are relevant to this discussion.

Scale-up

A business experiencing high growth with the potential to be a world leader in its field. It has dozens of employees, multiple repeat customers, has likely received outside investment, and is looking for more investment to continue its exponential growth in market access, revenue and impact.

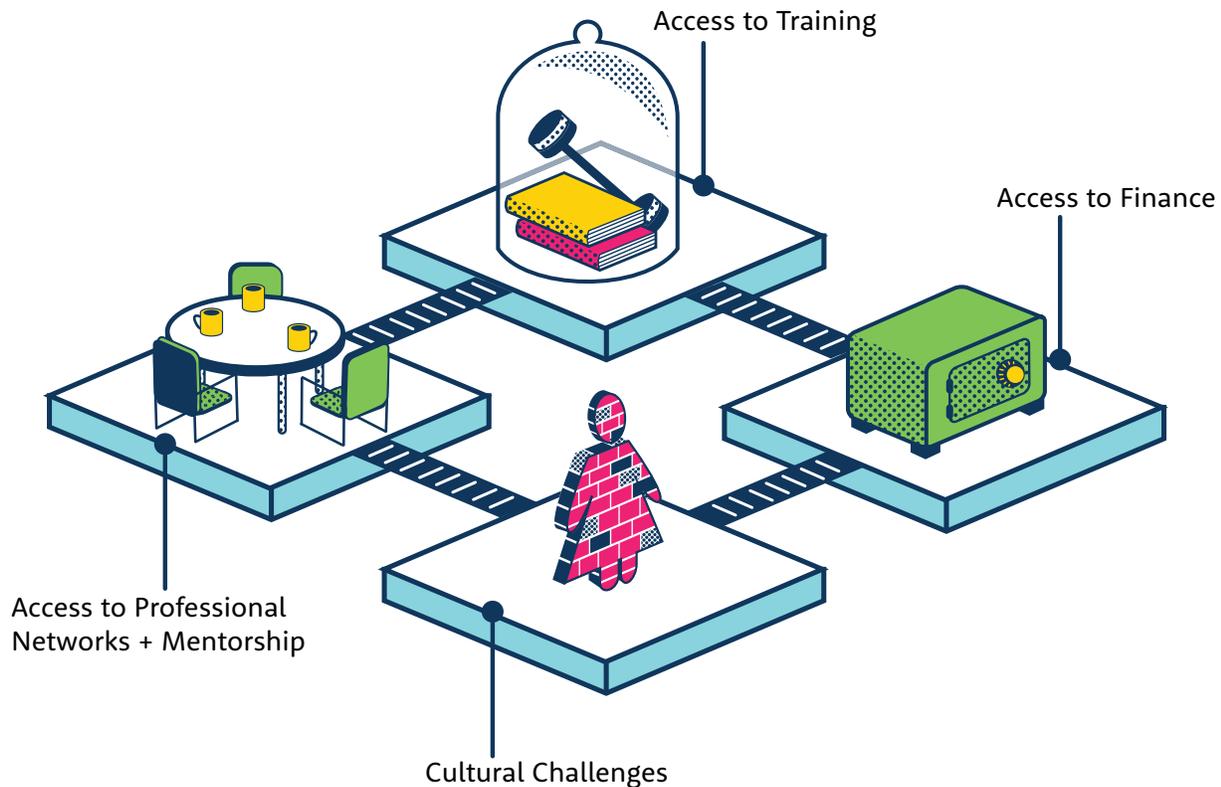
Startup

A business that has recently launched with an innovative or disruptive product idea. While initially small, the business aspires to grow significantly (e.g. attract early-stage funding, hire many employees, expand to multiple jurisdictions or countries, or generate significant profit).



CHALLENGES

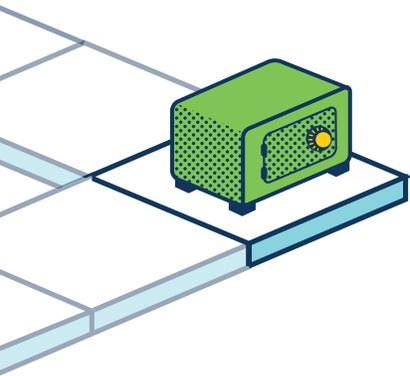
The challenges that women entrepreneurs face are diverse and are experienced differently in different contexts. For the purposes of this workshop, we have highlighted four challenges to spark discussion.



CULTURAL CHALLENGES

Women entrepreneurs experience a variety of cultural biases that underpin many other challenges they face and shape their experiences as business owners. These biases are also influenced by socioeconomic and intersectional factors and exist at many levels, both external and internal (which often manifest in socialized attitudes and behaviours). For instance, cultural expectations around domestic responsibilities have significantly impacted the ability of women to fully participate in the labour market.

- + Many of the challenges that women entrepreneurs face are amplified for women who are Indigenous, racialized, or who possess other intersectional identities.
- + Perceptions that women are risk-averse, less ambitious, and less interested in building high-growth large ventures are persistent and pose challenges to the growth of businesses led by women.
- + These cultural challenges are limiting in any environment, but particularly so in entrepreneurship, as many of the resources that entrepreneurs tap into for support—including funding, mentorship, incubation—are dominated by men. In entrepreneurship spaces, this disproportionate representation has led to deep entrenchment of these cultural biases, whether consciously or unconsciously.



ACCESS TO FINANCE

Access to capital is one of the most crucial factors in ensuring a business's continued growth and success. However, research suggests that limited access to resources in the long term has led to a "vicious cycle," with women often starting businesses with fewer assets and initial loans; in turn, future loans are more likely to be denied to them based on a lack of initial growth, which then stunts future growth opportunities.

Personal capital

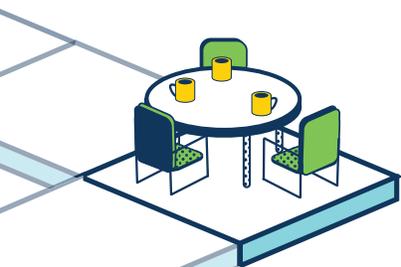
- + Many women are found to use personal capital over external financing for startup funds. Compounded by continued economic inequality, this often means that women are less likely than men to have high levels of personal capital, and often resulting in smaller businesses with less initial growth. Increased reliance on personal capital also means that the financial risk of business failure falls on the entrepreneur.

Debt financing

- + There is evidence of "second-order" differential treatment in accessing loans, such as different evaluative criteria for men and women. Research finds that banks assess "signals of quality" from men and women-led business differently: while the past performance and number of employees on the part of men are valued highly, these same signals do not seem to improve women's chances of obtaining a loan.

Equity funding

- + Women are less likely to receive funding from venture capital and other investors.
- + Women are also underrepresented as leaders in this area: in Canada, women make up 7 percent of partners at top venture firms and less than 12 percent of partners at both accelerators and corporate venture firms.
- + Research suggests that men and women have different styles of pitching for funds, and that women often seek lower levels of funding. Implicit bias on the part of investors is also relevant: growing evidence suggests that investors tend to prefer pitches from men, even when women's pitches have the same content.



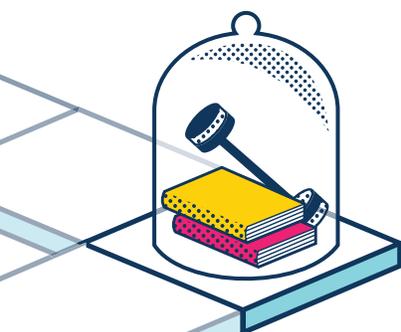
ACCESS TO PROFESSIONAL NETWORKS AND MENTORSHIP

Formal networks of investors and other professionals—which offer visibility, formal and informal mentorship, and access to suppliers and customers—have traditionally functioned as spaces for men. Entrenched male networks contribute to limited access to certain networks and underrepresentation of women in high-growth industries.

Mentorship is key to understanding how to build a business, access support and resources, and navigate risk and growth. Studies show that women benefit from strong professional networks, and that their relatively limited access leave women entrepreneurs "going it alone."

ACCESS TO TRAINING

Research suggests that entrepreneurship programs such as bootcamps, incubators, and accelerators benefit women and minorities in more profound ways than white men. It has also been argued that many programs are unwelcoming to women, while many that are geared towards women are still nascent.



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