

The Alison Rose Review of Female Entrepreneurship



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Foreword

I firmly believe that the disparity that exists between female and male entrepreneurs is unacceptable and holding the UK back. The unrealised potential for the UK economy is enormous.

This is why I was pleased to accept the invitation from Robert Jenrick MP, Exchequer Secretary to the Treasury, to carry out this review into barriers to female entrepreneurship. We have a shared ambition to strengthen the UK's position as one of the best places in the world for women to start and grow a business.

Business has a significant part to play in making the UK the best place to start and scale a business regardless of gender. It is clear that tailored support from specialists who understand the different challenges that female business owners face, as well as the way they think and run their business, makes a real difference to success rates.

Our ambition – through the implementation of the recommendations in this report and joined-up action from the private and public sectors – is to break down the barriers to achieving our aspiration and unlock the potential that exists within the UK economy.

From our detailed research we believe the biggest opportunities to help female entrepreneurs fall in three areas:

- Increasing the funding directed towards them;
- Greater family care support; and,
- Making entrepreneurship more accessible for women and increasing support locally, through relatable and accessible mentors and networks.

Underpinning these challenges we have identified the key barriers that have an impact on female entrepreneurs and eight initiatives, as well as a number of other areas for further development, that will help women pursue their business aspirations, whether to start-up or scale-up.

I know from my day job, running the UK's biggest bank for business, how important it is to support entrepreneurship and I have seen the difference that tailored support can make. This is why I established our Entrepreneur Accelerator programme, with 12 free accelerator hubs, helping develop and nurture the ecosystem for our very vibrant entrepreneurship community in the UK and I am pleased to say that over 50% of entrepreneurs in the programme are female. The impact of targeted initiatives is also seen in our Women in Business Programme where we have over 500 accredited Women in Business specialists working across the UK. This has led to an 18% increase in the number of new business banking accounts for women-led businesses and a 10% increase in lending to our female customers in 2018.

It is also clear that across both public and private sectors, we need to do things differently. I welcome the UK Government's forthcoming Gender Equality and Economic Empowerment Strategy which should prove a helpful vehicle for centrally coordinated action that is regularly updated to reflect the changing needs of the UK economy.

Research carried out by McKinsey & Co has shown that companies with the greatest gender diversity on their executive teams are 21% more likely to outperform peers on profitability and 27% more likely to create superior value. Our research also shows that women are as successful as men in sustaining a business once established. To make the UK the most attractive place to do business we need the creativity and innovation that comes from diversity of thought in order to keep up with the rapidly changing world around us.

I would also like to take this opportunity to put on record my thanks to McKinsey & Co for their considerable assistance in the development of this report and the research that underpins it.

I will be working with partners across the public and private sectors on taking forward these recommendations and will update on progress in due course.

I hope you read this report and feel motivated to make a difference, and to get involved to make the UK a better place for business.



Alison Rose

Deputy CEO, NatWest Holdings and
CEO, Commercial & Private Banking.

Alison Rose is the Deputy CEO,
NatWest Holdings and
CEO, Commercial & Private Banking.



Section 2

Executive summary

Executive summary

The goal of the Rose Review is to tap the huge unrealised economic potential of female entrepreneurs by making the UK one of the best countries in the world for women to start and grow a new business. Up to £250 billion of new value could be added to the UK economy if women started and scaled new businesses at the same rate as UK men. Even if the UK were to achieve the same average share of women entrepreneurs as best-in-class peer countries, this would add £200 billion of new value to the UK economy¹.

Many thoughtful analyses of issues around entrepreneurial gender equality have been undertaken in recent years, and these formed an invaluable starting point for our work. Building on earlier work through in-depth UK-wide interviews and survey research, coupled with global best practice benchmarking, we put forward here a set of practical solutions to help ensure that every woman with entrepreneurial spirit can achieve her full potential.

The value creation challenge

- The UK is the start-up capital of Europe, with a 5.1% growth rate in the number of new businesses in 2013–2017². Over 1,100 new businesses are set up in the UK each day. UK companies attract more venture capital than any other European country³.
- The UK scores highly in international indexes of female entrepreneurship which assess environment, ecosystem and aspirations⁴. An innovation-friendly business environment, universal education, SME training programmes and a high level of acceptance of women in business help contribute to high UK ratings. They also reflect government efforts over the past 15 years to foster female entrepreneurship, such as the Strategic Framework for Women's Enterprise in 2003 and initiatives prompted by the 2015 Burt report⁵.
- Women do not lack ability or ambition. Yet only 1 in 3 UK entrepreneurs is female: a gender gap equivalent to ~1.1 million missing businesses⁶. Female-led businesses are only 44% of the size of male-led businesses on average, in terms of their contribution to the economy, and male SMEs are five times more likely to scale up to £1million turnover than female SMEs⁷.

¹ See methodology in Appendix 3

² "Revealed: Europe's start-up capital and the most dominating industry." Open Access Government, February 20, 2019.

³ KPMG. Venture Pulse Q3 2018, report, 2018.

⁴ Dell 2018 Women Entrepreneur Cities Study – Rating Global Cities' Ability to Attract and Support High Potential Women Entrepreneurs, report, 2018, & Lloyd et al., The 2015 Female Entrepreneurship Index: Analysing the Conditions That Foster High-potential Female Entrepreneurship in 77 Countries, report, 2015.

⁵ Lorely Burt, The Burt Report: Inclusive Support for Women in Enterprise – February 2015.

⁶ Calculation based on Global Entrepreneurship Monitor figures for Total Entrepreneurial Activity (proportion of working age population setting up or running a new business) and ONS Labour Force Survey figures on the size of the working age population.

⁷ The Federation of Small Businesses (FSB). "Women in Enterprise: The Untapped Potential." (2016). Department of Business, Energy and Industrial Strategy (BEIS). Business Population Estimates for the UK and Regions 2018 (2018). YouGov 2017 Business Survey, RBS Analytics.

- **Fewer UK women choose to become entrepreneurs than in best practice peer countries:** Only ~6% of UK women run their own businesses, compared to ~15% of women in Canada, almost ~11% of women in the US, and over ~9% of women in Australia and the Netherlands⁸. The UK also lags many peer countries on gender parity – the ratio of female entrepreneurs to male entrepreneurs – with a current UK ratio of 0.46. In other words, for every 10 male UK entrepreneurs, there are fewer than five female entrepreneurs. By comparison, gender parity in the Netherlands is almost 0.9, Spain sits above 0.8, and Australia, the US, Canada, Israel, Sweden and Greece have gender parity ratios of 0.6 or more⁹.
- **At almost every stage, women are less likely to pursue entrepreneurship:** Just 8.6% of all UK women surveyed said they plan to start a business in the next three years, compared to 14.3% of men¹⁰. Women are then only half as likely as men to launch an enterprise: we found that 5.6% of UK women surveyed had in fact started businesses (equivalent to 65% of the number of women who expressed this future intention) compared to 11.2% of UK men (equivalent to 78% of men who expressed this intention)¹¹. If they do start-up a business, UK women entrepreneurs are also less likely to scale up to £1million turnover than men. Our data suggests that once established, 29% of male entrepreneurs will eventually achieve £1–50 million turnover. Only 13% of women running established businesses make this leap. This is despite the fact that women are as successful as men in sustaining a business once established, with 73% of entrepreneurs of both sexes running businesses older than 3.5 years.
- **Perceived bias within the UK venture finance community is a concern.** Only 13% of senior people on UK investment teams are woman, and almost half (48%) of investment teams have no women at all. Less than 1% of UK venture funding goes to all-female teams and just 4% of deals. This is a complex issue, but not one that we should skirt as it is frequently mentioned by female entrepreneurs who feel they are judged to be less competent than their male peers.

The cumulative effect of women's different decisions along the entrepreneurial journey is that men in the UK are five times more likely than women to build a business of £1 million+ turnover: 2.4% of working age men achieve this compared to 0.5% of all UK women.

⁸ Global Entrepreneurship Monitor – Global Report 2017/2018, report, 2018.

⁹ Global Entrepreneurship Monitor – Global Report 2017/2018, report, 2018.

¹⁰ Monitor, Global Entrepreneurship. Women's Entrepreneurship 2016/2017 Report, report, 2017.

¹¹ Monitor, Global Entrepreneurship. Women's Entrepreneurship 2016/2017 Report, report, 2017.

Key to helping improve UK productivity will be to ensure that women have access to the advice and support they need to fully develop their entrepreneurial skills and supporting women who wish to scale up their enterprises. The UK has the second-lowest productivity among G-7 countries, well behind Germany and the US, due in large part to a large number of less efficient businesses¹². Women-owned enterprises represent less than 25% of business in the UK's five most productive sectors¹³. They also tend to be smaller: 81% of female businesses employ five people or less compared to 73% of businesses owned by men¹⁴.

Our approach

- The overriding objectives for the review were to:
 - Develop viable solutions to overcome the main barriers that hold UK women back from starting or scaling businesses, informed by global best practice, that could be implemented by both private and public sector actors following the release of our report.
 - Combine intensive data analysis with in-depth interviews to help us understand the motivations and experiences underlying the data. To this end, we reviewed over 50 previous reports, held more than 200 in-depth interviews and workshops with entrepreneurs, business leaders, investors, support bodies and academics across the UK, and conducted UK-wide survey research of over 5,000 people, split between ~3,500 non-entrepreneurs and ~1,500 entrepreneurs including 500 male and 1,100 female entrepreneurs. The latter survey helped us pinpoint those issues that were especially important for female entrepreneurs compared to men. This was underpinned by a number of dedicated roundtables with stakeholders drawn from across the entrepreneurial ecosystem to test and refine the emerging thinking.
- Our research covered every country and region of the UK, from the South West and Wales to Scotland and Northern Ireland via every English region, and included many rural areas and towns outside London and the major cities.
- Drawing on this extensive primary and secondary research, we systematically analysed the entrepreneurial journey from intention through start-up, sustain and scale up for both male and female-owned businesses. This rigorous process enabled us to quantify the points where women are less likely to go forward with an enterprise than male peers, and identify the key reasons why.

¹² Chapman, Nicholas, and UK Office for National Statistics. International Comparisons of Productivity - Final Estimates: 2014, report, 2016.

¹³ Labour productivity, UK: April to June 2018 (UK Office for National Statistics (ONS), February 20, 2019).

¹⁴ Jonathan Dimson et al., Productivity: The Route to Brexit Success, report, December 2016.

- We also looked in detail at international best practice and policy around the world, and in particular at four peer countries with higher rates of female entrepreneurship: Australia, Canada, the Netherlands and the USA.

Overcoming the barriers faced by UK women entrepreneurs

Our first priority was to fully understand the barriers which hold UK women back from starting or scaling businesses. By analysing barriers at each stage, we identified the three most significant opportunities to help more women succeed as entrepreneurs:

1. Increase funding directed towards female entrepreneurs.

Access to and awareness of funding was highlighted as the number one issue for female entrepreneurs across the entire entrepreneurial journey, from intention to scale-up. Indeed, female-led businesses receive less funding than those headed by men at every stage of their journey. Start-up funding is the #1 barrier mentioned by women non-entrepreneurs: women launch businesses with 53% less capital on average than men, are less aware of funding options and less likely to take on debt. Only 1% of all venture funding goes to businesses founded by all-female teams, inhibiting scale up¹⁵.

2. Provide greater family care support for female entrepreneurs.

As with funding, we found disproportionate primary/family care responsibilities affect female entrepreneurs throughout the entrepreneurial journey. Women are twice as likely as men to mention family responsibilities as a barrier to starting a business. In addition, for female entrepreneurs with children, primary care responsibilities are the #1 barrier to further business success, with 46% of female parent entrepreneurs identifying it as a “very important” or “important” barrier versus 33% of male parents with businesses. The significance of this finding cannot be understated, given the finding that flexibility around family care is the #1 reason to start a business for women with children. Female entrepreneurs or would-be entrepreneurs may also be caring for adult family members with special needs, or ageing parents and relatives. As the UK population ages, caring for elderly family members will become an increasingly significant issue for those of working age.

¹⁵ UK VC & Female Founders, report, February 2019.

3. Making entrepreneurship more accessible for women and increasing support locally, through relatable and accessible mentors and networks.

We found three separate but reinforcing cultural barriers affect women at all stages of the entrepreneurial journey. The first two were highlighted as particular concerns for women yet to start a business:

- **Women typically have higher risk-awareness than men** and are more cautious about starting or scaling a business, limiting their willingness to risk their livelihood on an uncertain venture. In our survey, women were **55%** more likely than men to cite fear of going it alone as a primary reason for not starting a business.
- **Women are less likely to believe they possess entrepreneurial skills:** Only 39% of women are confident in their capabilities to start a business compared to 55% of men. This is a perceived gap in ability, rather than an actual gap in skill sets. In addition, many of the women we interviewed often credited other people for their success and dismissed their own achievements.

For women who had already started a business, a third barrier gained significance, especially in the early years of the venture as they sought to scale their businesses:

- **Women are less likely than men to know other entrepreneurs or to have access to sponsors, mentors or professional support networks.** While 31% of women surveyed highlighted the importance of networking as a business skill, compared to 21% of men, only 30% of women said they already knew an entrepreneur versus 38% for men. Traditional networking methods are also a challenge and a lack of professional networks was perceived as a particularly important barrier by newer female entrepreneurs.

Across all opportunity areas, these barriers were, for many women, intensified by their perception that there is an underlying attitude among some men – whether family members, potential funders, possible mentors or business partners – that women do not really belong in the entrepreneurial world. We also found that women from minority ethnic groups experience all the same barriers, but to a greater extent than for other women. Such cultural and societal barriers will take a long time to overcome.

Key learnings from global best practice

To inform our thinking on ways to overcome the barriers in the UK, we analysed the policies and practices adopted in other countries that have succeeded in increasing their numbers of female entrepreneurs in the last 20 years¹⁶. In addition, based on their experiences, we identified some key learnings at national or programme level that should be considered by any country seeking to advance female entrepreneurship:

1. Governments need to adopt large-scale policies to genuinely transform the landscape for female entrepreneurs
2. A central body to coordinate resources and efforts is crucial to achieve large scale impact coupled with local delivery
3. Initiatives to foster a culture of entrepreneurship for all can deliver better results than interventions targeted solely at female entrepreneurs
4. Centralising information for entrepreneurs in an easy to access format will level the playing field between cities and rural areas
5. It is essential to track and evaluate the impact of all policies and initiatives, and build these processes into every intervention from the start.

Our recommendations

- Drawing on these different strands, we have identified many potentially high impact initiatives which could bring about positive change.
- Our initial recommendations comprise eight practical steps which can be taken forward immediately by the private sector, though all would benefit from public sector support.
- This set of initiatives is designed to deliver coordinated tangible improvements across all three opportunity areas identified:

¹⁶ See Appendix 2 for more information.

Initiative 1:

Promote greater transparency in UK funding allocation through a new Investing in Female Entrepreneurs Code

We recommend that a new Investing in Female Entrepreneurs Code be created and adopted which commits all financial institutions to the principles of gender equality and transparent reporting of gender funding data, building on recent UK efforts to build a more balanced and fair finance industry. The new code should encourage financial institutions to:

1. Adopt a set of best practices that will benefit female business owners across the country, and
2. Share with trade bodies or HM Treasury their funding data split by gender, to be reported on an aggregated basis.

Initiative 2:

Launch new investment vehicles to increase funding going to female entrepreneurs

We recommend that UK banks and investment funds commit to assist their high net worth clients and institutional investors to invest in female businesses. Investors can thus access new, potentially profitable market opportunities whilst helping women-led enterprises to grow.

Initiative 3:

Encourage UK based institutional and private investors to further support and invest in female entrepreneurs

We recommend that institutional and private investors be encouraged to take steps to increase their investment in female-funded enterprises – for example, by ring fencing funds toward Environmental, Social and Governance (ESG) related investments with a specific focus on gender diversity or launching funding rounds for businesses in female-dominated sectors such as healthcare and services. To ensure and maximise impact, we believe the government should also appoint an industry task force to spearhead and oversee the effort.

Initiative 4:

Review existing and create new banking products aimed at entrepreneurs with family care responsibilities

We urge the UK's leading financial institutions to review their existing products and develop sets of products designed to help parent entrepreneurs to manage their businesses and the challenges of raising a family. Since family care is relevant to both female and male entrepreneurs, the same opportunities should be provided to both sexes. Similar products should also be extended to entrepreneurs facing other care responsibilities. Women entrepreneurs or would-be entrepreneurs are more likely to take on the care burden for adult family members with special needs, or ageing parents and relatives. As the UK population ages, caring for elderly family members will become an increasingly significant issue for those of working age.

Banks should also consider there are any enhancements that can be made to their current propositions – for example to address negative perceptions about the willingness of their institutions to show understanding or flexibility to their entrepreneur customers whose circumstances change for the reasons outlined here.

Initiative 5:

Improve access to expertise by expanding the entrepreneur and banker in residence programmes

We believe the private sector can play an important role to support government-led information initiatives across the country by providing access to further resources and expertise, and encourage private sector actors to offer their time to business hubs across the entirety of the UK. In particular, the UK finance sector should leverage its large retail footprint to offer 'expert in residence' services to selected other partners across the UK.

Initiative 6:

Expand existing mentorship and networking opportunities

We urge public and private sector organisations to come together to:

1. Share best practices on networking opportunities
2. Roll-out a new centralised networking platform that connects many of the networks already in place
3. Expand the reach of existing networks to under-served areas to create greater connection throughout the UK.

Initiative 7:

Accelerate development and roll-out of entrepreneurship-related courses to schools and colleges

We recommend a two-stage approach to maximise the impact of entrepreneurship courses on the UK economy. As a first step, we encourage more organisations to offer their support to schools and colleges nationwide. We would also call on private and public sector organisations to come together to collaborate on a common set of educational materials focused on entrepreneurship, financial literacy and self-belief, and aimed at both men and women.

Initiative 8:

Create an entrepreneur digital first-stop shop

We would like to encourage private sector actors – working in partnership with public bodies – to collaborate to create the UK’s first comprehensive digital first-stop information shop for entrepreneurs. This should not seek to supplement existing platforms but aim first of all to aggregate the large array of information relevant to entrepreneurs generally, and female entrepreneurs in particular. As a next step, the platform should tailor its content to each visitor to offer personalised recommendations on services and resources.

In conclusion

- There is no one silver bullet that will transform the landscape for female entrepreneurs overnight. Many barriers are cultural and societal, and will take many years to overcome. However, there are real and practical steps that can be taken given the importance of this matter to the UK economy.
- These eight initial initiatives provide a starting platform for the further significant and sustained action that we believe is required to ensure the UK taps the full unrealised potential of women as entrepreneurs. Their impact should be tracked over time, and refreshed with new action as needed, to reflect the changing UK economy.

- To maximise their impact and chances of success, we believe the UK Government should consider developing a common policy framework and supporting goals which focus on advancing female entrepreneurship. We welcome the UK Government's forthcoming Gender Equality and Economic Empowerment Strategy which should prove a helpful vehicle for centrally coordinated action.
- Our global research shows that coordinated action across different government departments and bodies in pursuit of shared long-term goals has been key in helping other countries to achieve sustained and large-scale success. By taking a holistic approach, both Canada and the Netherlands have reduced their entrepreneurial gender gap – the proportion of women running businesses compared to men – by about one-third over 10 years.
- Our review also identified many other high-potential initiatives to bring about positive change, some of which will require close partnership between the public and private sectors.
- We recognise that policy changes take time and other factors may limit government capacity to commit to new interventions at this time. We urge the government nonetheless to consider seriously the issues identified by this review and the advances made by global peer countries working to a common framework and goals. There is great energy and support for the recommendations proposed here, and for other initiatives already in place or planned.
- The £250 billion of potential new value if UK women matched UK men in starting and scaling businesses represents around four years of natural Gross Value Added (GVA) growth, added to the UK's current total GVA of around ~£1,900 billion per year. The £200 billion of potential value if the levels of UK women entrepreneurs matched best-in-class peers represents around four years of normal GVA growth.
- Only through a concerted and coordinated programme of action can the UK bring about the cultural changes and supportive nationwide ecosystem needed to tap this full unrealised economic potential of women as entrepreneurs. We believe these eight initiatives represent a good start.

Section 3

Creating value for the UK economy

Creating value for the UK economy

The goal of the Rose Review is to tap the huge unrealised economic potential of female entrepreneurs by making the UK one of the best countries in the world for women to start and grow a new business. The recommendations in this report are designed to ensure that every woman with the ambition to build a business will get the support she needs, when she needs it.

£250 billion of new value

We calculate that a sustained and concerted effort to help women succeed as entrepreneurs could add around £250 billion of new value to the UK economy, if women chose to start and scale businesses at the same rate as men. This is equivalent to around four years of natural Gross Value Added (GVA) growth – a sizeable proportion of the UK's annual current GVA of around £1,900 billion¹⁷. If the UK were simply to achieve the same average share of women entrepreneurs as best-in-class peer countries, as a percentage of the working age female population, who all scaled their businesses to the average size of female-owned businesses in the UK, this would add £200 billion of new value, equivalent to around three years of natural GVA growth¹⁸.

The value creation challenge

The UK has an impressive record of innovation and entrepreneurship. Over 1,100 new businesses are set up in Britain each day – roughly one every 75 seconds¹⁹. Between 2013 and 2017, the UK had the highest rate of start-up growth in Europe, with new business numbers increasing by 5.1%²⁰. And, despite uncertainties surrounding Brexit, UK businesses still attracted more venture capital than in any other European country: £1.4 billion in Q3 2018, far above the £634 million venture capital that flowed to Germany or the £344 million invested in France over the same period²¹.

¹⁷ See methodology in the Appendix 3.

¹⁸ See Appendix 3 for more information.

¹⁹ Andrew G Haldane, Bank of England, The UK's Productivity Problem: Hub No Spokes (28 June 2018). Department of Business, Energy and Industrial Strategy (BEIS). Business Population Estimates for the UK and Regions 2017 (2017).

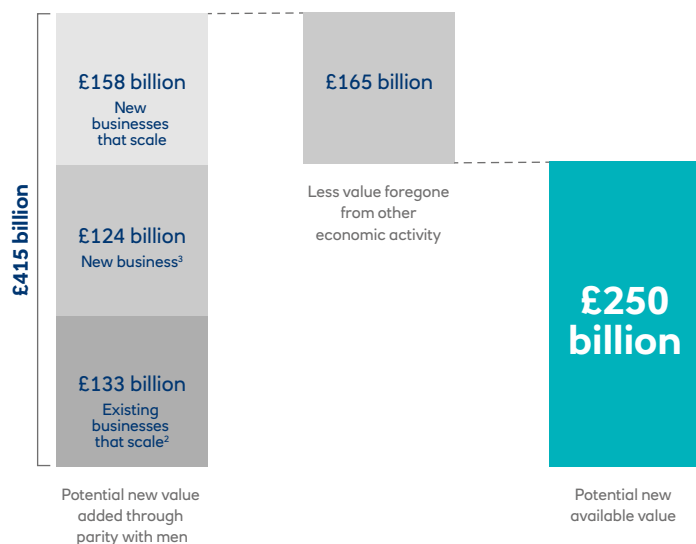
²⁰ "Revealed: Europe's start-up capital and the most dominating industry." Open Access Government, February 20, 2019.

²¹ KPMG. Venture Pulse Q3 2018.

Only one in three entrepreneurs is female, however: a gender gap equivalent to ~1.1 million missing businesses²². And, on average, female-led businesses are only 44% of the size of male-led businesses in terms of their contribution to the economy, with an average GVA of female businesses of £56k per year versus £126k for male ones²³. The chart below shows, an additional £133 billion of value could be created if all the UK's current women entrepreneurs chose to scale up their businesses – and were supported to do so – to the same extent as male peers. A further £124 billion value could be achieved if future women entrepreneurs started new businesses at the same rate as men. If all these new female-led businesses then scaled up in line with male peers, this would add another £158 billion to the UK economy. After taking account of value displaced from other economic activity which these female entrepreneurs might otherwise contribute, estimated at £165 billion, the potential new value available to the UK economy could be up to £250 billion.

Chart 1

Up to £250 billion could be added to the UK economy¹ if women started and scaled business at the same rate as men



¹ Starting figure 2017 GVA £584 billion European Commission, small business Authority (£:£ conversion rate 0.89)

² Based on difference between average GVA of male-led and female-led UK businesses (~£70k)

³ Based on difference between UK start-up rates of 5.6% for women and 11.2% for men

Source: See methodology in Appendix 3.

²² Calculation based on Global Entrepreneurship Monitor figures for Total Entrepreneurial Activity (proportion of working age population setting up or running a new business) and ONS Labour Force Survey figures on the size of the working age population.

²³ The Federation of Small Businesses (FSB). "Women in Enterprise: The Untapped Potential." (2016); Department of Business, Energy and Industrial Strategy (BEIS). Business Population Estimates for the UK and Regions 2017 (2017); YouGov. SME Banking Survey, report. 2017, RBS Analytics.

Helping to close the UK's productivity gap

Enhancing female entrepreneurial skills and supporting women who wish to scale up could also go a long way to help close the UK's longstanding productivity gap with global rivals. The United Kingdom went into the financial crisis with one of the lowest labour productivity levels among European peers and emerged with the steepest decline in productivity growth²⁴. While productivity growth has recovered slightly since 2014, UK productivity remains almost 20% below its level had it continued at pre-crisis rates. The UK has the second-lowest productivity among G-7 countries, well behind Germany and the USA: on average, a German worker produces 36% more than a British worker for every hour worked²⁵.

Much of this gap stems from the UK's large cohort of low-performing companies. Two-thirds of UK employees work for companies with below-average productivity, adjusted for industry and size of company²⁶.

Specifically, women-owned businesses represent less than 25% of business in the UK's five most productive sectors²⁷. They also tend to be smaller in scale than male peers: 81% of female businesses employ five people or less compared to 73% of businesses owned by men²⁸.

The productivity challenge is also a geographic one, with wide variations in productivity between different UK regions, and also within them²⁹.

Improving access to information and support for men and women entrepreneurs in all regions could help level the playing field between cities and rural areas, and between different regions.

Recent analysis suggests potential for at least 2% productivity growth per year over the next ten years³⁰. To capture that potential, UK policymakers and businesses will need to take decisive action to build future skills, accelerate digital transformation, improve access to finance and business collaborations, and encourage investment and exports. Initiatives to help tap the full unrealised economic potential of women entrepreneurs throughout the UK should be embedded into these strategies wherever possible.

²⁴ Jacques Bughin et al., Solving The United Kingdom's Productivity Puzzle in a Digital Age, Discussion Paper, September 2018.

²⁵ Chapman, Nicholas, and UK Office for National Statistics. International Comparisons of Productivity – Final Estimates: 2014, report, 2016.

²⁶ Labour productivity, UK: April to June 2018 (UK Office for National Statistics (ONS), February 20, 2019).

²⁷ Labour productivity, UK: April to June 2018 (UK Office for National Statistics (ONS), February 20, 2019).

²⁸ Jonathan Dimson et al., Productivity: The Route to Brexit Success, report, December 2016.

²⁹ Jonathan Dimson et al., Productivity: The Route to Brexit Success, report, December 2016.

³⁰ Jacques Bughin et al., Solving The United Kingdom's Productivity Puzzle in a Digital Age, Discussion Paper, September 2018.

The added value of diversity

There is a growing body of evidence that diversity fosters creativity and results in better decision making by encouraging new information and perspectives that more homogeneous groups may lack or disregard³¹. Gender diversity at senior levels also benefits the bottom line. A recent study of over 1,000 companies in 12 countries found that top quartile companies for executive-level gender diversity are 21% more likely to outperform fourth-quartile industry peers on profitability (EBIT margin), and 27 percent more likely to create superior long-term value³². A study of board-level diversity found that large companies with at least one woman board member outperformed those without by 26% over a six-year period, while small-cap firms performed 17% better³³. The report concluded: *“Companies with one or more women on the board have delivered higher average returns on equity, lower gearing, better average growth and higher price/book value multiples.”*

These findings suggest that increasing the proportion of women entrepreneurs within the SME landscape could enhance value creation for the UK economy still further, as a result of the different skills, experiences, insights and ideas they can bring.

³¹ Phillips, Katherine W, and Scientific American. How Diversity Makes Us Smarter, report, 2014.

³² Vivian Hunt et al., Delivering through Diversity, report, McKinsey & Company, January 2018.

³³ Mary Curtis, Christine Schmid, and Marion Struber, Gender Diversity and Corporate Performance, report, August 2012.

Section 4

Scope and approach

Scope and approach

The starting point for this review was a firm belief that helping more female entrepreneurs build successful businesses could unlock enormous value for the UK economy. This is not a new area of inquiry. Many thoughtful analyses of issues around self-employment and entrepreneurial gender equality have been undertaken in recent years, and these formed an invaluable starting point for our work³⁴. Other countries have also taken steps to help increase the number of women who start and grow businesses, and we looked in detail at their policies, practices and experience.

Most importantly, we wanted to hear from UK women themselves, to understand the views and experiences of successful female entrepreneurs and those just starting their entrepreneurial journey. We also wanted to hear from women who have never considered starting their own enterprise, or those with businesses but no wish to grow, to understand their different motivations and what might deter them.

Research priorities and criteria

Our research objectives for the review were:

- 1. To understand the barriers holding UK women back from starting or scaling businesses: and,
- 2. To develop viable solutions informed by global best practice that could be implemented by both public and private sector actors.

With the UK economic imperative in mind, we scoped the research around four priorities, starting at the highest level of UK-wide value-creation potential, then drilling down to identify specific issues, opportunities and interventions that could make a difference.

Scope: our research priorities
The value at stake for the UK economy of improving female entrepreneurship
The current UK landscape of female entrepreneurship
The barriers female entrepreneurs face, and how these differ from male entrepreneurs
Key interventions with the potential to overcome and unlock value for the UK economy

³⁴ See Appendix 2.

We also defined a set of research criteria to ensure our recommendations would be robust, actionable and have impact. Policymakers and business leaders face many competing demands for their time and investment. Our aim was to present a compelling and strongly-substantiated case for taking action and a set of rigorously-evaluated solutions.

Approach: our research criteria
Comprehensive and integrative: aggregating data and insights from multiple leading sources
Impact-led: focusing on economic value and potential levers to address UK productivity challenges
On the ground experience: leveraging in-depth RBS internal data to bring to life women's entrepreneurial journeys and the key fall-off points
Guided by global best practice: drawing on global and national case studies to identify the most significant opportunities
Scalable interventions: identifying policy decisions and wider initiatives with potential to scale across the UK

Defining the territory

We considered the following definitional questions to shape and focus our research.

Question	Decision
What is the definition of female entrepreneurship?	<ul style="list-style-type: none"> • At least 51% ownership by one or more women, plus one woman listed as CEO/COO • 1-250 employees (including self-employed sole traders) and less than £50m in annual revenue
What indicators should we use to assess proposed efforts?	<ul style="list-style-type: none"> • Economic impact: <ul style="list-style-type: none"> - equal Gross Value Added (GVA) contribution for both male and female entrepreneurs - Female TEA (Total Early-Stage Entrepreneurial Activity) of 10.5% • Gender parity: 1:1 ratio of female to male TEA

We drew on existing and new research to develop a detailed list of possible interventions and estimate their impact on the UK economy.

The work took place in two phases.

Phase 1: 'Deep dive' primary and secondary research

We combined intensive data analysis with in-depth interviews to help us understand the motivations and experiences underlying the data:

- We reviewed over 60 previous reports which are listed in full in Appendix 2.
- We conducted over 200 in-depth interviews with entrepreneurs, business leaders, investors, support bodies and academics across the UK. See Appendix 1 for a full list of those who generously contributed their time and assistance.
- We designed two surveys to explore attitudes to entrepreneurship UK-wide, collecting views from over 5,000 respondents. Around 1,600 male and female entrepreneurs, and around 3,500 men and women in the general population, provided insight on the issues and possible barriers to entrepreneurialism for both sexes. The latter survey helped us pinpoint the issues that are especially important for female entrepreneurs compared to men. See Appendix 2 for details of both surveys.
- Our surveys, interviews and workshops covered every country and region of the UK, from the South West and Wales to Scotland and Northern Ireland via every English region, and included many rural areas and towns outside London and the major cities.

Phase 2: Refining potential initiatives

The concept of the entrepreneurial journey, and how this differs for female and male entrepreneurs, proved a powerful organising framework for our work. Drawing on primary and secondary research, we systematically analysed the entrepreneurial journey, which can be visualised as a funnel with four stages: intention, start-up, sustain and scale up. At each stage, we quantified the levels of participation for working age men and women in entrepreneurship, to identify where women are less likely to take forward an enterprise than male peers. We then explored motivations at each stage for both male and female business owners in depth, using both survey data from our own surveys of UK entrepreneurs and comparative survey data from the Global Entrepreneurship Monitor (GEM) and the additional insights from our interviews. We also looked for issues and themes common to women in business generally, such as opportunities to build skills or build networks, and also sought to identify issues facing women in particular business sectors or geographic regions – particularly the needs of women not based in London. Since some choices that may eventually lead to entrepreneurship occur before women enter the workforce, we looked at opportunities for women to learn about business ownership and entrepreneurial skills, while in school, as well as access to adult training.

The entrepreneurial journey

Our research also looked in detail at international best practices and policy around the world, and in particular the experience, policies and practices of four other comparable OECD countries with higher rates of female entrepreneurship: Australia, Canada, the Netherlands and the USA. This global analysis generated two important inputs to the research: a wide variety of individual initiatives to consider and a short list of high-level key learnings that underpinned success at country or state level.

Drawing together these two strands of UK research insights and global best practice findings, we identified potential high impact initiatives at different stages of the entrepreneurial journey. We assessed the most promising interventions based on their likely effect in helping women and potential economic returns, then tested and refined practices through discussion with women entrepreneurs and with potential sponsors and partners in the public and private sectors.

This painstaking and detailed process has led to the shortlist of implementable recommendations presented in the report. Each initiative has the potential to help more women build and grow enterprises, and has secured support from prospective sponsors and partners.

This second phase of work is still ongoing. Our review has identified many other potentially viable initiatives which could bring about positive change. We continue to discuss possible ways to implement these with policymakers and industry leaders.

Section 5

The female entrepreneurial landscape in the UK

The female entrepreneurial landscape in the UK

As highlighted earlier, the UK has an impressive record of entrepreneurialism, attracting more venture capital and with a higher rate of start-ups than any other European nation.

The UK also scores highly in international indexes of female entrepreneurship: ranking fifth in the 2015 Dell women entrepreneur scorecard, and third in the 2015 Global Entrepreneurship and Development Institute's female entrepreneurship index, which assesses entrepreneurial environment, ecosystem and aspirations³⁵. Factors such as the UK's innovation-friendly business environment, universal access to education, access to SME training programmes and a high level of acceptance of women in business help contribute to high UK rankings³⁶, although levels of female entrepreneurship lag some peer countries.

These positive results reflect a range of efforts over the past 15 years by the UK Government to foster female entrepreneurship, starting with its Strategic Framework for Women's Enterprise in 2003. More recently, in 2013 the government launched its Women and the Economy action plan, which pledged to improve advice and support for women entrepreneurs, including those with caring responsibilities. In 2014 the government's Business is Great website was expanded to include advice for women looking to start, grow or accelerate their businesses. Further initiatives followed the 2015 Burt report by the Ambassador for Women in Enterprise, including mentoring events aimed at women and extension of tax-free help with childcare costs to the self-employed³⁷.

Despite these and other initiatives to help women start and grow their businesses, the evidence suggests that more needs to be done to support female entrepreneurs in the UK:

- Fewer UK women choose to become entrepreneurs than in best practice peer countries
- The ratio of female to male entrepreneurs in the UK has declined in recent years
- UK women are less likely than men to consider starting a business and less likely to scale up their business if they do
- Women entrepreneurs are underrepresented in the most productive sectors of the UK economy

³⁵ Dell 2018 Women Entrepreneur Cities Study – Rating Global Cities' Ability to Attract and Support High Potential Women Entrepreneurs, report, 2018. Lloyd et al., The 2015 Female Entrepreneurship Index: Analysing the Conditions That Foster High-potential Female Entrepreneurship in 77 Countries, report, 2015.

³⁶ Dell 2018 Women Entrepreneur Cities Study – Rating Global Cities' Ability to Attract and Support High Potential Women Entrepreneurs, report, 2018.

³⁷ Lorely Burt, The Burt Report: Inclusive Support for Women in Enterprise – February 2015.

³⁸ Global Entrepreneurship Monitor – Global Report 2017/2018, report, 2018.

³⁹ Global Entrepreneurship Monitor – Global Report 2017/2018, report, 2018.

⁴⁰ Global Entrepreneurship Monitor – Global Report 2017/2018, report, 2018.

Fewer UK women choose to become entrepreneurs than in best practice peer countries

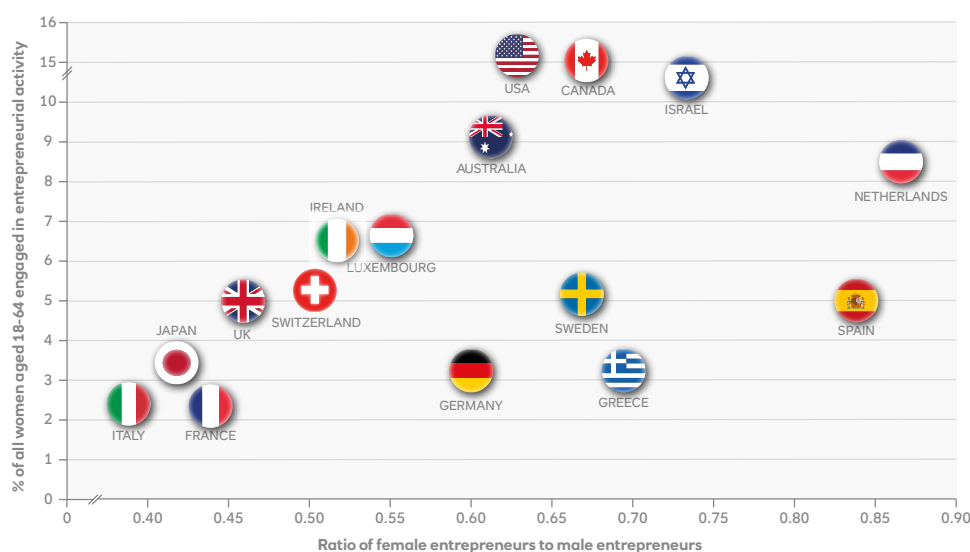
In 2017, only 5.6% of UK women run their own businesses, compared to 15% of women in Canada, almost 11% of women in the US, and over 9% of women in Australia and the Netherlands, as Chart 2 shows³⁸. This puts the UK in the bottom quartile for female entrepreneurial activity compared to these best practice peer countries with similar characteristics.

The UK also lags many peer countries on gender parity – the ratio of female entrepreneurs to male entrepreneurs – with a current UK ratio of 0.46³⁹. In other words, for every 10 male UK entrepreneurs, there are fewer than five female entrepreneurs. By comparison, gender parity in the Netherlands is almost 0.9, Spain sits above 0.8, and Australia, the US, Canada, Israel, Sweden and Greece have gender parity ratios of 0.6 or more⁴⁰.

Both Canada and the Netherlands have reduced their entrepreneurial gender gap – the proportion of women running businesses compared to men – by about one-third over the past 10 years. If women in the UK started businesses at the same rate as women in the Netherlands, relative to men, the number of female-owned enterprises would almost double, with a dramatic effect on UK economic growth.

Chart 2

Best practice peers have higher proportions of female entrepreneurs



Gender parity defined here as % of women aged 18-64 running businesses less than 3.5 years old divided by % of men aged 18-64 doing the same.

Source: Global Entrepreneurship Monitor, 2017 data.

The ratio of female to male entrepreneurs in the UK has declined

The gender parity gap between male and female entrepreneurs in the UK has been worsening steadily since 2013.

The UK survey data from Global Entrepreneurship Monitor shows an increasingly positive picture for male entrepreneurship: the proportion of UK men starting new businesses rose from 9.2% in 2013 to 12.2% in 2017, almost back to a previous high of 13.1%, as Chart 3 shows. The proportion of UK women starting new businesses has flatlined, however – only 5.6% of women are engaged in enterprise, compared to 5.8% in 2013⁴¹.

These diverging trends have depressed UK gender parity for new entrepreneurs to the lowest level since 2008, as shown in Chart 4. This decline in gender parity is especially worrying as it follows 10 years of steady improvement between 2003 and 2013, reaching a high point of 6.3 female entrepreneurs to every 10 males. The present declining trend suggests that targeted efforts to encourage women entrepreneurs need to be maintained and reinforced constantly over time if they are to have lasting effect.

⁴¹ Global Entrepreneurship Monitor – Global Report 2017/2018, report, 2018.

Chart 3

Female entrepreneur numbers are not growing

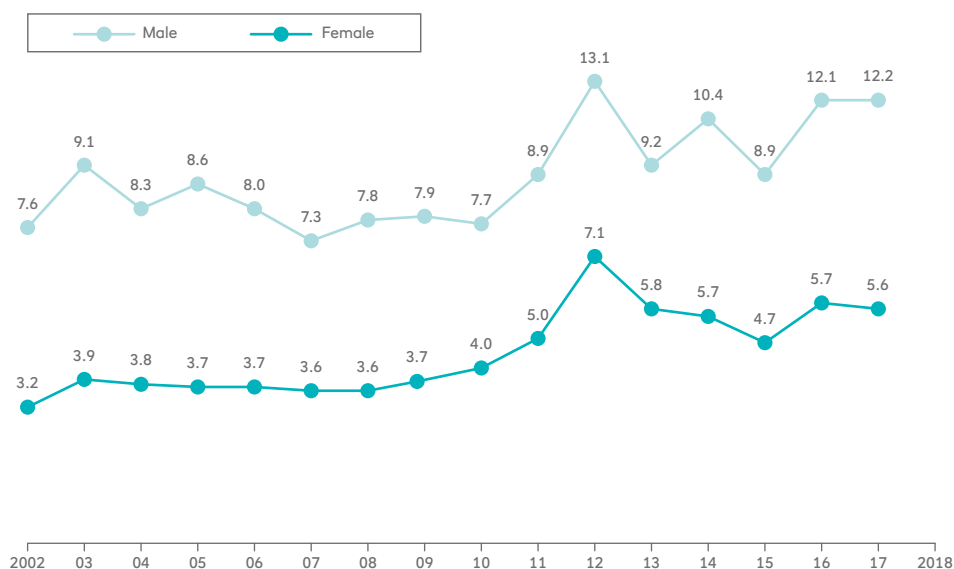
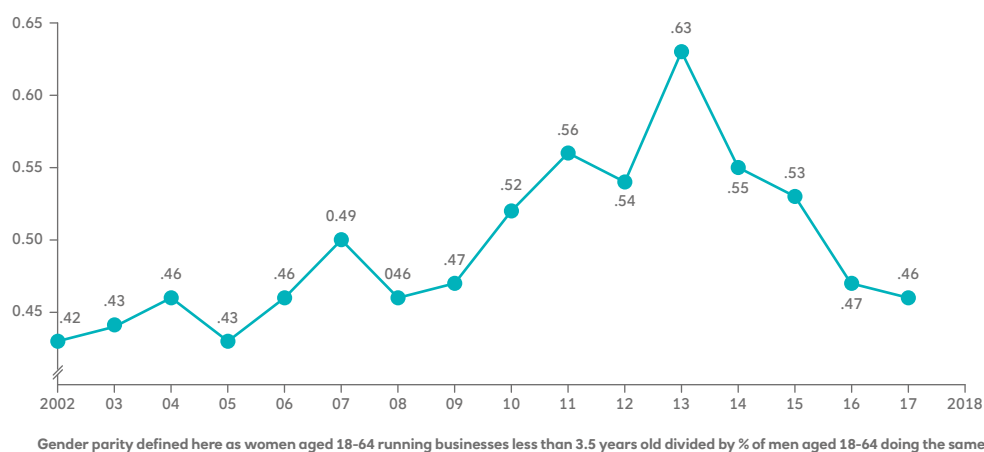


Chart 4

Gender parity has declined since 2013



¹ Defined as running a business that is less than 3.5 years old.

² Gender parity is defined for the purposes of this report as the % of 18-64 year old women running businesses less than 3.5 years old divided by the % of 18-64 year old men doing the same.

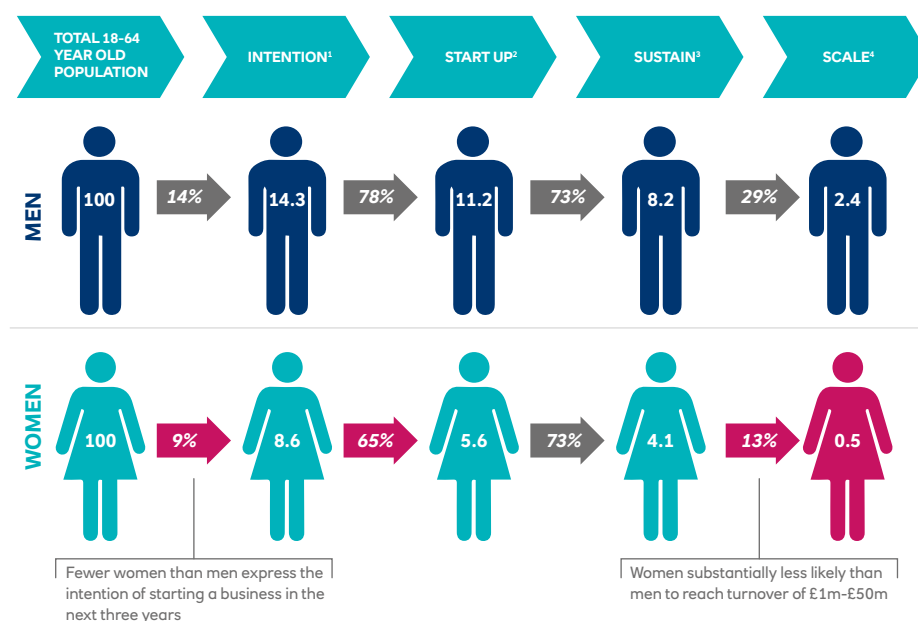
Source: Global Entrepreneurship Monitor, 2002 – 2017 data.

At almost every stage, women are less likely to pursue entrepreneurship

We looked in depth at the four stages of the entrepreneurial journey: intention to start a business, start-up, sustain and scale. For each stage we quantified the proportions of men and women, drawing on comparative global data and our detailed surveys of UK men and women. This allowed us to identify the crucial points where women choose to hold back or leave the entrepreneurial path, as Chart 5 below shows, and to compare the proportion of women at any stage to the proportions of men, and the different reasons for their choices. We also assessed UK levels of female entrepreneurship at each stage against those in best practice peer countries.

Chart 5

At almost every stage, women are less likely to make the entrepreneurial journey than men



We found that at almost every stage, UK women are less likely to pursue entrepreneurship than UK men, or women in best practice countries:

Intention: Very few UK women express an intention to become entrepreneurs

Only 8.6% of all UK women surveyed in the Global Entrepreneur Monitor in 2017 said they plan to start a business in the next three years, compared to 14.3% of men⁴². Women in peer countries are far more likely to aspire to run businesses: in similar surveys 20% of Canadian women say they plan to start a business soon, as do 15% of women in the US and 13% of Australian women⁴³.

Start-up: Even fewer UK women actually start a business*

Women in the UK are only half as likely to launch an enterprise as UK men. The Global Entrepreneurship Monitor found that just 5.6% of UK women surveyed had in fact started businesses in 2016 (equivalent to 65% of the number of women who expressed this future intention) compared to 11.2% of men⁴⁴.

Sustain: Women are as successful as men in sustaining a business once established, however†

The same proportion (73%) of men and women entrepreneurs in our survey had run a business for 3.5 years or more, suggesting that women-owned businesses are at least as stable and resilient as those run by men.

Scale: UK women entrepreneurs are far less likely to scale up to over 1 million in turnover than men

Our data suggests that, once established, male entrepreneurs are more than twice as likely as women to successfully scale up their business to achieve £1-50 million turnover. Only 13% of women currently running businesses make this leap, compared to 29% of men.

The cumulative effect of women's different decisions along the entrepreneurial journey is that men in the UK are five times more likely than women to build a business of £1 million+ turnover: 2.4% of working age men achieve this compared to 0.5% of all UK women. On average, female-led businesses are only 44% of the size of male businesses in terms of their contribution to the economy⁴⁵.

“Ask yourself, do you want to scale? It is ok to run a highly profitable business which created beautiful products and services for people and gives you an abundant life with lots of freedom and flexibility. More than ok! So why the obsession with scale? It all feels a bit Silicon Valley... and not in a good way. However, do you want to ensure that you are harnessing the best technologies to create the best products and services for your customers and to make sure you are reaching as many customers as possible? Of course.”

Kathryn Parsons MBE | Co-CEO of Decoded, London

* Defined as having a business less than 3.5 years old.

† Defined as running a business that is older than 3.5 years.

⁴² Monitor, Global Entrepreneurship. Women's Entrepreneurship 2016/2017 Report, report, 2017.

⁴³ Monitor, Global Entrepreneurship. Women's Entrepreneurship 2016/2017 Report, report, 2017.

⁴⁴ Monitor, Global Entrepreneurship. Women's Entrepreneurship 2016/2017 Report, report, 2017.

⁴⁵ The Federation of Small Businesses. Women in Enterprise: The Untapped Potential. Report. 2016. Department of Business, Energy and Industrial Strategy (BEIS). Business Population Estimates for the UK and Regions 2018 (2018); YouGov. SME Banking Survey, report. 2017. RBS Analytics.

Our findings show that the first challenge is to encourage more UK women to seriously consider entrepreneurship as an option for them, at some point in their working life. This has wide-ranging implications. The choices and beliefs that lead to entrepreneurship may be laid down long before women enter the workforce, while they are still in the education system. We believe it is critical to develop the pipeline at an early stage through initiatives targeted at school girls – this includes encouraging young women to continue to study STEM (Science, technology, engineering and mathematics) subjects as key to improving female start-up rates in more productive sectors. This will help to increase awareness of the entrepreneurial journey and build the confidence required to become tomorrow's entrepreneurs.

Women's choices will also reflect the opportunities they and other women have to build business skills in the workplace or to meet other entrepreneurs, and the attitudes they encounter from male family members, colleagues or potential business advisers and mentors.

“I set up my business with the intention to positively impact my local community; it was never my intention to scale. It is important we recognise that different entrepreneurs have different goals for their businesses and that these might change.”

Female Entrepreneur | London

Chart 6

The desire to have a more flexible work life balance is a primary motivator of female entrepreneurs

Question asked: Think about when you first started your business. What were the main reasons you decided to start your own business?

	Female, total	Male, total	Female, w. children	Male, w. children
To be independent/make my own decisions	52% ①	47% ①	44% ②	39% ②
To have a more flexible work-life balance (family)	27% ②	17% ⑥	46% ①	19% ⑥
To make better use of my skills and experience	24% ③	23% ③	23% ④	23% ③
To earn more money	24% ④	34% ②	27% ③	40% ①
To have a more flexible work-life balance (hobbies)	23% ⑤	21% ④	18% ⑥	20% ⑤
To challenge myself	19% ⑥	20% ⑤	19% ⑤	23% ③
To execute a great business idea	17% ⑦	13% ⑦	16% ⑦	16% ⑦
To contribute to society	10% ⑧	8% ⑪	10% ⑧	14% ⑧
To choose the people I want to work with	9% ⑨	10% ⑧	7% ⑩	13% ⑨
It just kind of happened, I did not think much about it	8% ⑩	10% ⑨	8% ⑨	9% ⑩
Because I struggled to find a job	8% ⑪	9% ⑩	5% ⑪	9% ⑪
To continue a family tradition	3% ⑫	6% ⑫	4% ⑫	8% ⑫
Because my friends/family or colleagues told me I should do it	3% ⑬	5% ⑬	3% ⑬	8% ⑫

Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

The next, and crucial, challenge is to inspire women to be ambitious for their businesses, and to support them to grow further, though only if this is a path they wish to take. Achieving a flexible work-life balance is an important factor for many female entrepreneurs, and the #1 reason for female entrepreneurs with children to start a business. The demands involved in scaling up a small business or running a larger business will not appeal to all: entrepreneurs of both sexes may choose to stay small, work fewer hours, employ fewer people or avoid complexity for their own reasons.

A study of male and female small business owners found that 70% of female entrepreneurs expressed an explicit aim of keeping their businesses the same size compared to 63% of men. However, women were almost as likely (43%) as men (47%) to say they wanted to build a national business⁴⁶. Our aim is to level the playing field for women who wish to start businesses, and ensure that female entrepreneurs who do wish to scale can access support and funding as easily as male peers.

Women entrepreneurs are underrepresented in the most productive, high value sectors

One contributing factor making it harder for women entrepreneurs to build high value businesses is that they are less likely than men to work in high yielding sectors of the economy, as Chart 7 demonstrates.

Women make up fewer than 25% of entrepreneurs in high value sectors – those generating average output of £50+ per hour – such as financial services, IT, or manufacturing⁴⁷. Women entrepreneurs are also underrepresented in low value, lower opportunity sectors such as agriculture and construction, which reflects low levels of female entrepreneurship generally, but their low participation in high value sectors carries a greater opportunity cost.

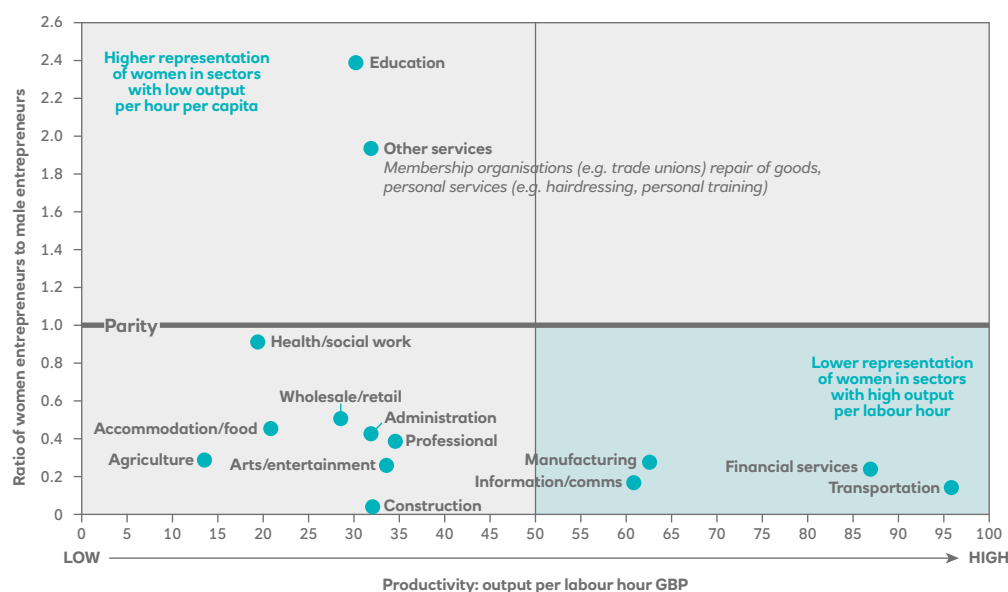
By contrast, women are significantly more likely than men to start businesses in certain lower productivity sectors, such as education (2.5 times more likely than men) or service (2.1 times more likely than men). For many women this may reflect personal decisions to put flexibility, family time or personal satisfaction over financial return. However, it is also reflective of the pipeline challenge as entrepreneurs are more likely to start businesses in sectors that they know well.

⁴⁶ Building Better Business Resilience, ERC and JP Morgan December 2018.

⁴⁷ Labour productivity, UK: April to June 2018 (UK Office for National Statistics (ONS), February 20, 2019).

Chart 7

Only 25% of entrepreneurs in high productivity sectors are women



¹ Excluding output per hours outliers: real estate, and mining; and sectors where data was of poor quality: energy, water, public/defence and household services;

² As a% of the total self-employment with employees in a given sector.

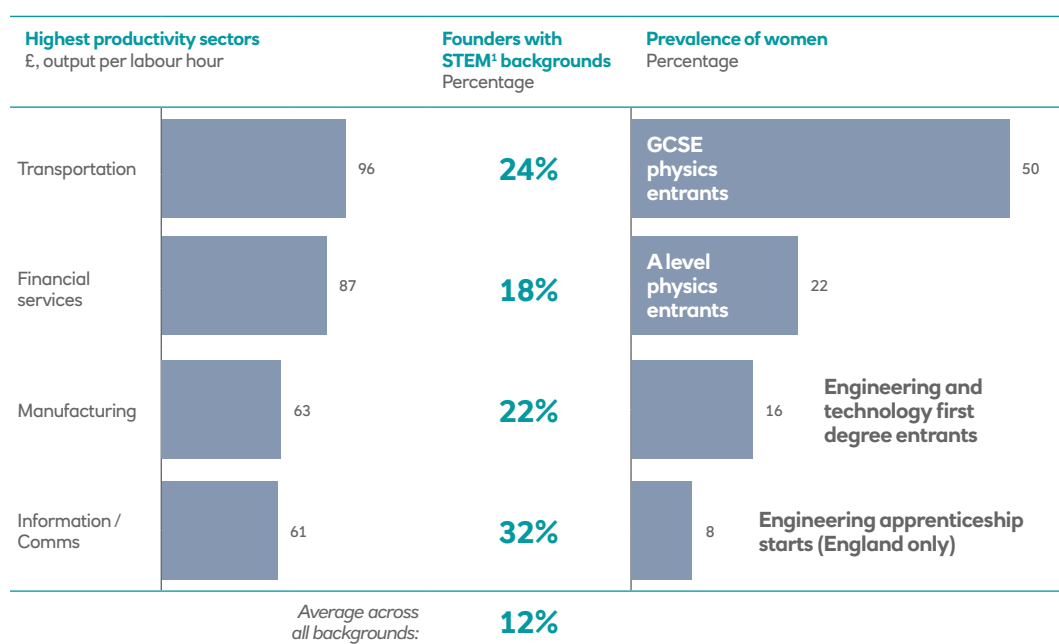
Source: Labour productivity, UK: April to June 2018 (UK Office for National Statistics (ONS), February 20, 2019).

Sector	Description
Accommodation / Food	Hotels, restaurants and catering
Administration	Leasing of equipment/goods, recruitment, security, facilities management, office administration and call centres
Agriculture	Agriculture, forestry and fishing
Arts / Entertainment	Creative arts, cultural activities, gambling and sports
Construction	Construction of buildings and infrastructures
Education	Education from pre-primary to higher education
Financial services / Insurance	Banks, insurance providers, wealth and asset management, banking fintechs
Health / Social work	Medical care, residential care and social work
Information / Comms	Computer programming, software, media, telecoms, tech
Manufacturing	Manufacture of all physical products
Other services	Membership organisations (e.g. trade unions) repair of goods, personal services (e.g. hairdressing, personal training)
Professional	Law, consulting, architecture, R&D (includes biotech), photography and veterinary
Transportation	Land, water, air transport (includes airlines), courier services and warehousing
Wholeseller / Retail	Sale (wholesale and retail) of tangible and intangible goods

One factor in the lower representation of women in some high productivity sectors is that fewer women have qualifications or experience in STEM subjects (science, technology, engineering and mathematics) than men. By comparison, business owners in the highest productivity sectors are more likely to have STEM backgrounds than entrepreneurs in general. Just 12% of all entrepreneurs have pursued degrees in STEM subjects compared to 32% of those who have set up information or communication businesses.

Chart 8

Women are substantially less likely than men to have qualifications in and / or experience of STEM



¹ As a proxy, we have used respondents who have pursued a degree in Math, Engineering or Technology.

Source: Bespoke survey commissioned from YouGov for this review, November 2018, ONS Labour productivity by Industry Division Q2 2018.

This is an issue with wider implications for the UK economy, over and above levels of female entrepreneurship. A recent analysis of the UK productivity challenge concluded that “The United Kingdom is facing a STEM skills gap, with an additional one million new professionals needed by 2020. This talent shortage could impede the progress of the United Kingdom’s most productive industries, such as energy and manufacturing⁴⁸.”

However, the lower representation of female entrepreneurs in high-productivity areas affects both their own financial prospects and their ability to achieve productivity gains. From a UK economic growth perspective, the data suggests a need to support more women and girls to build the digital and STEM skills that will be needed in the future. These skills will pave the way for more women entrepreneurs in higher productivity sectors, while also assisting women in other sectors to improve productivity and scale up their businesses.

⁴⁸ Jacques Bughin et al., Solving The United Kingdom’s Productivity Puzzle in a Digital Age, Discussion Paper, September 2018.

Section 6

Opportunities to improve

Opportunities to improve

At every stage of the business journey, UK women are less likely to pursue entrepreneurialism than men. Only half as many women as men start businesses. Male entrepreneurs are also five times more likely than women to grow their business to £1 million turnover or more.

Yet some of the UK's most innovative and successful businesses have been started and run by women, such as those established by Asma Khan, Keely Deininger and Roni Savage (see case studies included). Looking at women's business contribution more broadly, recent research has shown that companies with the greatest gender diversity on their executive teams are 21% more likely to outperform peers on profitability and 27% more likely to create superior value⁴⁹.

A key priority for this review was to identify and understand the barriers holding UK women back from starting or scaling businesses, creating a large pool of untapped potential. By analysing barriers at each stage of the entrepreneurial journey, we pinpointed the most important obstacles for women as access to funding, disproportionate primary care responsibilities, greater risk awareness, perception of skills and access to networks and mentoring. Looking across these, we have identified three significant opportunities to help more women succeed as entrepreneurs:

1. Increase funding directed towards female entrepreneurs.

At every stage, female-led businesses receive less funding than those headed by men. Start-up funding is the #1 barrier mentioned by women non-entrepreneurs: women start businesses with 53% less capital on average than men, are less aware of funding options and less likely to take on debt. Only 1% of all venture funding goes to businesses founded by all-female teams, inhibiting scale up⁵⁰.

⁴⁹ Vivian Hunt et al., Delivering through Diversity, report, McKinsey & Company, January 2018.

⁵⁰ UK VC & Female Founders, report, February 2019.

Case Study

Embrace your strengths, leave your weaknesses behind



I began my business in the only way I could afford to, I started from my own kitchen. At the beginning, I invested only £50. I wanted a low-risk strategy; a way to check whether people would like my food, and more importantly whether they would spend money on my food. After 3 to 4 years of driving my husband and children mad, I moved to a pop-up in a pub kitchen. Every stage of my journey, I felt like I was the first one, the pioneer experiencing challenges for the first time.

The biggest hurdle in scaling my business was securing my first lease. I was very aware of my shortcomings, I'd never done a PowerPoint presentation or a business plan. I come from an old Indian family, and we have a saying; 'when you go into battle, you work on your strengths, and you make sure you leave your weaknesses behind.' My strength is that I am very creative, I know how to be a good hostess and how to be a good cook. Because of this, rather than have a traditional business meeting, I asked my prospective landlord if we could meet over lunch. We served hot samosas, and before I knew it, there were 50 people out the door asking for food and the landlord was happy to give me the lease.

Sometimes the playing field is not level, but you can't give up; as Marlon Brando says "I coulda been a contender!" This is the most powerful lesson in business, when you realise you are sinking, you need to turn to your strengths.



Asma Khan is the chef behind London's much-acclaimed 'Darjeeling Express' restaurant, and author of the cookbook "Asma's Indian Kitchen". A winner of multiple business awards, including the entrepreneur winner at the 2018 Asian Women of the Year Awards. In 2019, Asma will be the first British chef to join the cast of Netflix's hit-show, 'Chef's Table'.

"By and large, it is our own inhibition that stop us from asking for help. When you start a new business, talk to as many people as possible. You will be surprised by the kindness and generosity of others"

Asma Khan | Darjeeling Express

2 . Provide greater family care support for female entrepreneurs.

Women are twice as likely as men to mention family responsibilities as a barrier to starting a business, and rates of entrepreneurialism fall sharply for women after the age of 35 compared to men. For female entrepreneurs with children, balancing family demands is the #1 barrier to success.

3. Making entrepreneurship more accessible for women and increasing support locally, through relatable and accessible mentors and networks.

Three separate but reinforcing cultural barriers affect women at all stages of the entrepreneurial journey:

- Women typically have higher risk-awareness than men, and are more cautious about starting or scaling a business
- Women are less likely to believe they possess entrepreneurial skills
- Women are far less likely than men to know other entrepreneurs or to have access to sponsors, mentors or professional support networks

It is no surprise that these three broad areas emerge as those offering the greatest opportunity to advance female entrepreneurship. A number of previous studies (see Appendix 2) have separately highlighted issues such as access to capital, care responsibilities and systemic cultural factors as obstacles to women starting and scaling businesses.

In this review we sought to explore these possible barriers still further, using survey research, in-depth interviews and workshops and experience in peer countries. The insights we gained into underlying causes and the interplay between barriers have helped inform practical, implementable recommendations.

The main reasons why women do not start businesses

We asked over 1,500 men and women non-entrepreneurs to list all the reasons deterring them from starting a business. Access to funding is the #1 barrier, mentioned by almost twice as many women as men. Women are also twice as likely to cite caring responsibilities as a barrier than men. The financial and other risks of starting a business also deter women more than men, while one in six women believe they lack the necessary skills and knowledge.

Chart 9

Our survey of non-entrepreneurs identified four main reasons why women do not start a business

Question asked:

You mentioned that you have never considered starting your own business or considered starting your own business but have not started it yet. Why is that? Select all that applies.

Barriers ranked by importance for: % of responses (N = 1,500)	Female respondents	Male respondents	Difference in women's rate of mention vs. men	Key barriers to women starting a business
I don't know how I would fund it	38	21	81%	A: Low esteem and awareness of start-up capital
It is too big of a financial risk to start my own business	30	31	-5%	
I am afraid that if I started a business it would fail	22	21	3%	B: Greater risk awareness
I am afraid to start a business on my own	18	12	55%	
I lack the skills and knowledge necessary	16	13	23%	C: Perceived missing skills and experience
It would interfere with caring for my children/parents/household	12	6	98%	D: Disproportionate primary care
The economy is not right	12	16	-24%	
I don't have a strong business idea	12	15	-21%	
I am too busy in my current job	8	10	-16%	
It will be too stressful	7	9	-23%	
I am worried about losing employee benefits if I start my own business	7	6	18%	
I don't know where to find potential clients	6	6	-10%	Difference >20%
I love my current career and wouldn't want to change it	4	4	-12%	Difference <20%
I don't have support from my family and close friends to start my own business	2	4	-55%	
There are no mentor/sponsorship programmes	2	4	-51%	

Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

The main reasons why women do not scale up businesses

Our survey of male and female business owners asked them to rate the importance of different barriers to the success of their business. The biggest barriers for women entrepreneurs are securing funding and juggling business and personal commitments – around 30% of women see these as important or very important, compared to roughly 20% of men.

Interestingly, where women have already taken the plunge and started a business, their perception of skills and knowledge gaps being barriers is not significantly greater than men. This perhaps reflects higher levels of confidence, risk tolerance or experience among the small percentage (5.6%) of UK women who currently choose the entrepreneurial path. However, women business owners are more likely than men to feel that they lack professional networks and see this as a barrier.

Chart 10

Our survey of entrepreneurs identified three main reasons why female-run businesses do not scale

Question asked:

Thinking about your business today, how important are the following barriers to your business success?
Share of 'important' or 'extremely important' responses.

Barriers perceived importance by entrepreneurs % of female responses (N = 1,572)	Female respondents	Male respondents	Difference in women's rate of mention vs. men	Key barriers to women starting a business
The state of the UK economy is not good	41	30	35%	
Struggle to balance business responsibilities with personal commitments	31	21	49%	D: Disproportionate primary care responsibilities
Difficulty securing funding for my business	31	22	42%	A: Low access and awareness of scale-up capital
Limited professional networks	26	22	20%	E: Lack of reliable sponsorship / mentorship / role model
Lack knowledge required to run the business	24	23	5%	
Lack of opportunity to build required skills	24	21	16%	Difference >20%
I lack confidence in my abilities to run my own business	22	21	8%	Difference <20%
Lack of support from family and friends	17	21	-18%	
People assume that I shouldn't be running a business / I'm not able to run one	16	12	36%	
People tell me that running a business is not a good thing to do with my time	8	14	-43%	

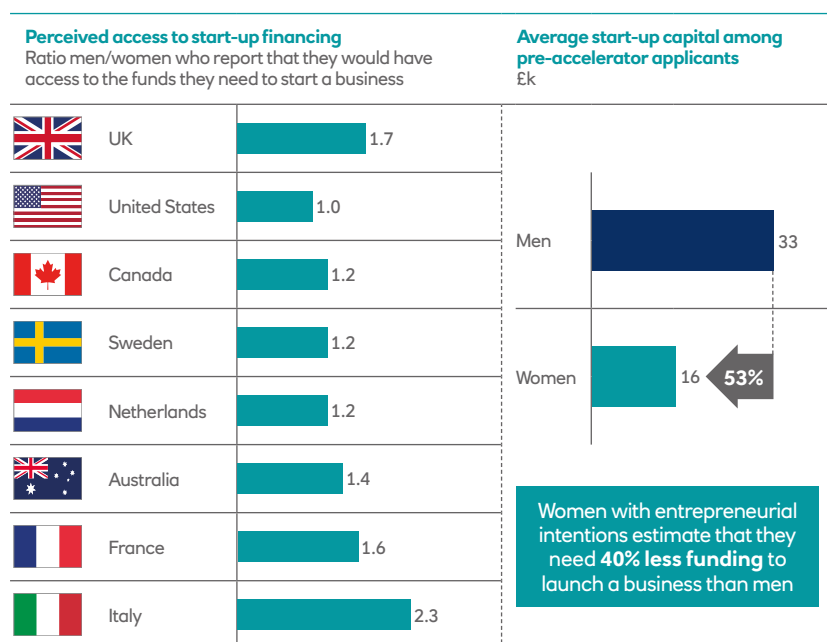
Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

OPPORTUNITY 1:**Increase funding directed towards female entrepreneurs**

Access to funding is seen by women as the #1 barrier to entrepreneurship across the entire entrepreneurial journey. Women are 81% less likely than men to feel they can access the necessary start-up funds. Put another way, UK men are almost twice as likely to feel confident that they can find funding, a far higher ratio (1.7) than in peer countries such as the US, Canada, Sweden or the Netherlands, as Chart 11 shows⁵¹. UK women typically estimate that they need 40% less funding to launch their business: on average UK women start businesses with 53% less capital than men⁵².

Chart 11

Women entrepreneurs are less likely to believe they can access finance than men and secure less start-up capital



Source: OECD Gender Data Portal based on Gallup World Poll, 2013 data; Global Entrepreneurship Monitor 2014 data; Women in Enterprise Potential, Federation of Small Businesses, April 2016; Applications to leading high street bank pre-accelerator programme, April 2018

Women are less aware of different funding options

Funding barriers are not just a problem for start-ups: at every stage of the entrepreneurial journey, female-led businesses secure less funding than those of men, as Chart 12 shows⁵³. Two key issues for entrepreneurs in search of funding are information access and complexity.

⁵¹ OECD Gender Data Portal based on Gallup World Poll, 2013 data.

⁵² Applications to leading high street bank pre-accelerator programme, April 2018.

⁵³ OECD Gender Data Portal based on Gallup World Poll, 2013 data.

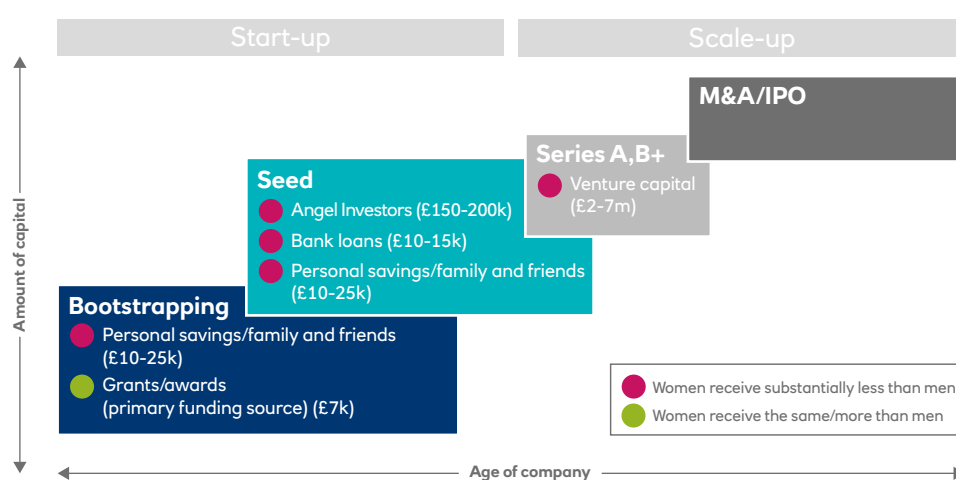
Information on sources of capital is fragmented across multiple platforms, and often highly technical, making it difficult for entrepreneurs to understand what they can apply for, or to compare the long-term benefits of one option versus another. Not all funding options will suit every business, making it essential to carefully select the most appropriate option at each stage of the venture.

The first challenge is getting a business off the ground. Our interviews revealed that women are significantly less aware of different start-up funding options and processes than men. A survey of over 500 female-led start-ups and aspiring business owners in 2017 found that 40% of respondents didn't know where or how to start the process of seeking funding, and 25% didn't know how to write proposals or complete the right paperwork⁵⁴.

With women less likely than men to know other entrepreneurs or to have professional networks to consult, they typically fall back on more traditional and familiar sources of capital. Female start-ups are more likely to rely on bank loans and credit card debt than those led by men, or to ask family and friends for help. These can be significantly more expensive than other sources of capital available.

Chart 12

Female-led businesses access less funding at every stage of the funding journey...



Source: RBS Pre Accelerator April 2018 Applications; 'Routes to Finance', London & Partners, UK Association of Business Angels.

⁵⁴ AllBright, Women CEOs choose gender equality, (2017).

Women starting businesses are also less willing to take on bank loans than men. The most popular funding option for women starting up is grant funding, averaging around £7,000 per business (as Chart 13 shows)⁵⁵. Around 40% of early stage women entrepreneurs take this route compared to the 1% who secure angel investment. And, on average, female entrepreneurs estimate that they need 40% less funding than men to launch their businesses. By comparison, 10% of male entrepreneurs had secured angel or other investment averaging £150,000-200,000. Men were 10% less likely than women to use grants.

Their more cautious approach puts female entrepreneurs at an immediate disadvantage to their male peers, reducing funding headroom and also depriving them of access to expert advice. Grants are typically 20-28 times lower in value than angel investment and less likely to be accompanied by ongoing support or mentorship⁵⁶, meaning women miss out on this hugely valuable guidance.

Nearly half of all male entrepreneurs used personal savings as start-up capital, compared to a third of women⁵⁷. Savings are less likely to be a viable funding option for many female entrepreneurs, however, as UK women earn £223,000 less on average during their working life than men⁵⁸.

“We raised £10,000 just from our family. Funding must be a full time job – I couldn’t be doing it while working at my previous company.”

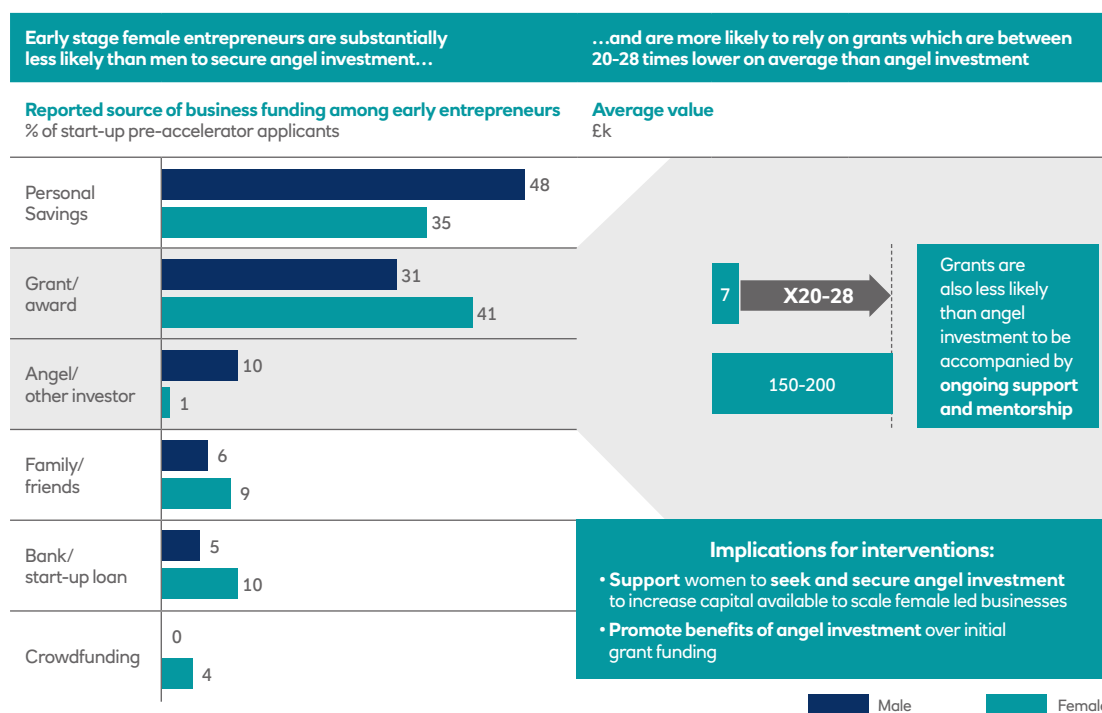
Female entrepreneur | London

“I used my personal finances. I didn’t feel there was a lot of funding for beauty health and wellness”

Female entrepreneur | Manchester

Chart 13

Women are more likely to rely on lower value grants early on than higher value angel investment



Source: Young Women's Trust analysis of Annual Survey of Hours and Earnings January 2018, Women in Enterprise, Untapped potential, Federation of Small Businesses, April 2016.

Our findings highlight the need for would-be women entrepreneurs to have access to advice and information as early as possible – including explanation of less obvious sources of funding such as angel investment – to ensure they fully understand the different start-up funding options and have an accurate picture of their capital needs. Different funding structures will suit different entrepreneurs and enterprises, and some businesses will need more capital to get off the ground than others. Advice on local sources of funding would also be helpful to women entrepreneurs living in rural areas or smaller towns, as there is a perception that most capital is reserved for businesses in the major cities.

As many female entrepreneurs themselves observed, having access to personal and professional networks of other entrepreneurs could be invaluable for women navigating the funding maze.

Women are less likely to secure scale up finance

The funding gender gap grows even larger when women start exploring ways to grow their businesses. Only ~10% of female-owned businesses succeed in scaling up to £1 million turnover or more, compared to 21% of male-owned businesses, and funding barriers play a major role.

Mirroring the pattern seen with female-owned start-ups, women contemplating scale up are less likely than men to take on debt⁵⁹. And, again mirroring with start-ups, women typically ask for smaller amounts of money than men with the average female business loan balance several orders of magnitude lower.

Many women are so pessimistic about their chances of securing finance that they do not apply for loans at all⁶⁰. Almost half (46%) of all-female would-be borrowers did not seek finance because they expected issues with the loan process, nearly double the proportion of men fearing this, as Chart 14 shows. An assumption that they would simply be turned down deterred 40% of women, compared to three in ten men.

⁵⁵ Young Women's Trust analysis of Annual Survey of Hours and Earnings January 2018.

⁵⁶ RBS proprietary data.

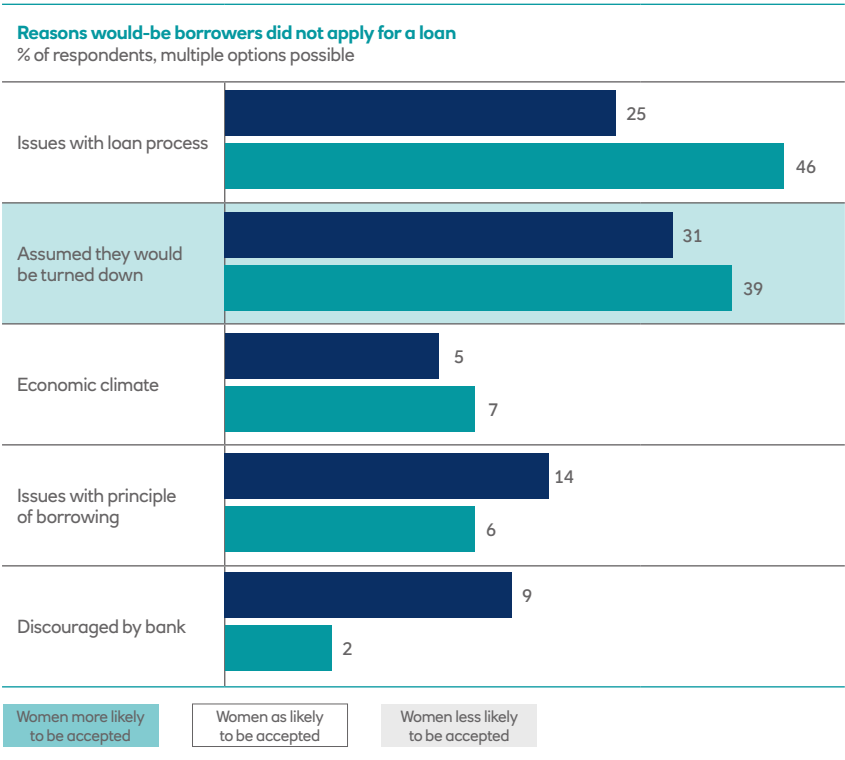
⁵⁷ RBS proprietary data.

⁵⁸ Young Women's Trust analysis of Annual Survey of Hours and Earnings January 2018.

⁵⁹ RBS proprietary data.

⁶⁰ BDRC Continental, and Shiona Davies. Women-led Businesses Analysis from the SME Finance Monitor YE4 2015, report, 2016.

Chart 14
Women are less likely to seek scale up loans than men



Source: Leading high street bank business banking data, January 2018, BDRC SME Finance Monitor 2015

Our findings on scale up funding barriers suggest that women entrepreneurs need better information and reassurances about scale up loans, processes and success rates, so that fear of failure does not become a self-fulfilling prophecy. NatWest data shows that in fact women who apply for loans are as likely to be accepted as men in most sectors.

“I’m not very good with numbers, because I’m aware of this limitation, I’m really cautious, I don’t take risks with money. I’m not the type of entrepreneur who takes on excessive debt funding, instead I’ve built my entire business through an initial investment of £7,500 of my own savings. Because I’ve been cautious in other ways, it has freed up money to invest in what is important to me. First and foremost, I have invested in the people who work with me – we have pledged that 70% of our staff will fulfil senior roles within our organisation, we have invested in training opportunities, flexible working and each staff member has access to the resources and technology they need to do their job to the best of their abilities”

Dr Asha Patel | Founder and CEO of Innovating Minds CIC, Birmingham

Women struggle to secure venture funding

New research from the British Business Bank (BBB) in collaboration with Diversity VC and the British Private Equity & Venture Capital Association (BVCA) shows that less than 1% of UK venture funding goes to all-female teams, and just 4% of deals⁶¹. Of the BBB sample of venture capital firms (VCs), 61% did not see a single all-female teams at investment committee stage in 2017, and 24% saw no women at all at investment committee.

To understand this low figure, the report suggests that decision makers must look at three parts of the investment funnel:

- Women's prevalence in industries and firms
- Women's interaction with VC firms' networks
- Potential bias in investment decision-making

On the first point, the report states “...in industries where there are few women, one would expect fewer VC investments into female founders. For example, software attracts the most VC deals but only 26% of employees in digital industries are women.”

The BBB data also underlines the importance of approaching VCs through their network. Warm introductions are 13 times more likely than cold submissions to reach investment committees and to be funded. Unfortunately, only 36% of all-female teams have a warm introduction, compared to 40% for mixed gender and 42% for all-male teams. The opposite is true for cold submissions.

Perceived bias within the UK venture finance community is a concern frequently mentioned by female entrepreneurs, despite some recent efforts by industry to change this perception. Many women entrepreneurs feel that they are judged to be less competent than their male peers, and encounter a lack of understanding and imagination from investors evaluating their business ideas, something which came out strongly in our interviews and workshops. In a 2018 survey of 750 women business owners, two-thirds of them felt they were not taken seriously by investors and banks when seeking funding, and the same poll found that 65% felt they had been unfairly treated⁶².

“I have never felt at a disadvantage from having followed my preference in my company for constant steady growth across all metrics, including diversity, balanced with my responsibilities as a mother. I have in fact constantly engineered the conditions under which all aspects have flourished and all objectives in my life have been attained”

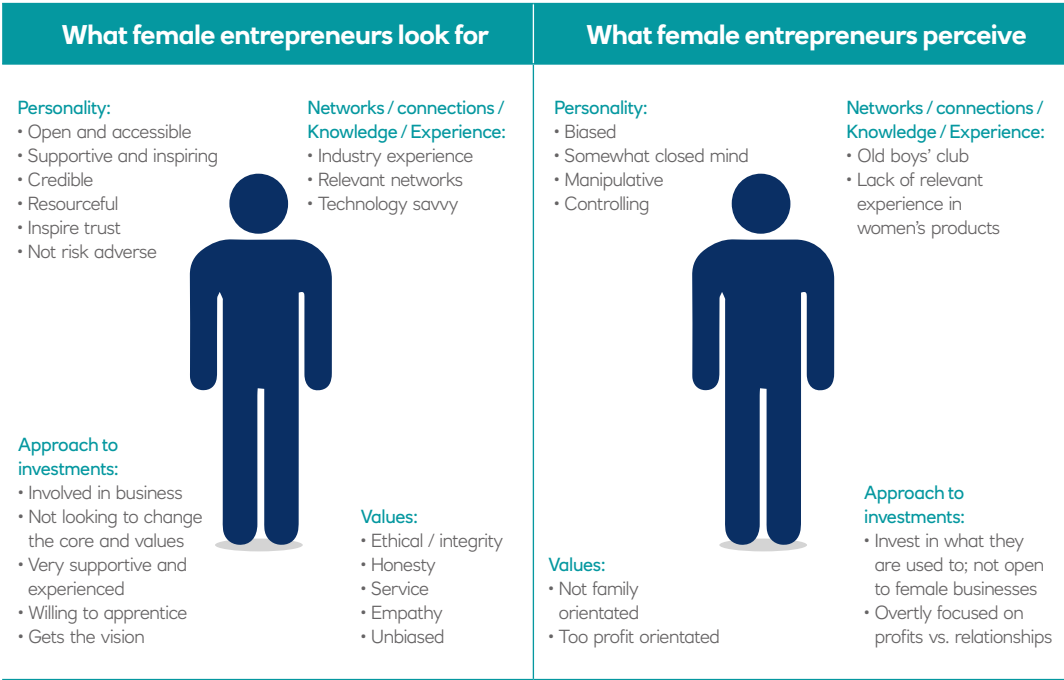
Claire Enders | CEO of Enders Analysis, London

⁶¹ UK VC & Female Founders, report, February 2019.

⁶² Steafel, Eleanor, Ashley Kirk, Claire Cohen, and The Telegraph. Two Thirds of British Female Business Owners Say They Are Still Not Taken Seriously by Investors, Telegraph Poll Reveals, report.

Our interviews and workshops with female entrepreneurs confirmed a huge gulf for many between the open-minded reception women hope for when pitching their business vision and their actual experience as chart 15 illustrates.

Chart 15
We have captured female entrepreneurs’ perspective through multiple interviews and workshops



Source: Survey conducted as part of the Rose review of female entrepreneurship.

“I used to use my husband to do all the pitches to the investors, even though I did all the work. This was the only way to be heard”
Female entrepreneur | London

“My business partner is treated differently in our meetings – especially when talking with investors, or with public sector. Once we were generating ideas and testing them out with investors. She suggested ideas and two guys totally dismissed what she said straight away. She turned to me and asked me to share exactly the same idea. I did, and they said: that’s a great idea”
Male entrepreneur | Belfast

“When I say the word “beauty”, they (male VC investors) immediately assume we are setting up another beauty salon down the road. They don’t appreciate that we have the vision to create a global, sustainable beauty brand. In the end, I felt I was being ridiculed for my business, and I simply didn’t have time for that”
Jo-Anne Chidley | Founder of the Beauty Kitchen UK, Glasgow

There is a growing body of evidence that venture capital investors view women entrepreneurs as higher risk prospects than men. A recent survey of US investors⁶³ found they are twice as likely to think that women-owned businesses perform below market average than male-owned ones (8% versus 4%).

Investors are also more likely to judge women on factors other than their business strategy: 24% say that a confident applicant is important when considering a women-owned business, compared to only 14% when considering businesses in general. While firms invest in men based on perceived potential, women get funding only if they can already demonstrate performance. A 2015 analysis of venture capital pitch sessions⁶⁴ in the US found investors ask very different questions of men and women entrepreneurs:

- 67% of questions asked of men are “promotion” questions, designed to identify the potential benefits of investment
- 66% of questions asked of women are “prevention” questions aimed at identifying the potential risks of investment.

Increasing the number of female VC decisionmakers may help change investment habits and mindsets. Only 13% of senior people on UK VC investment teams are women, and almost half (48%) of investment teams have no women at all⁶⁵. Male partners greatly outnumber female partners at most firms, and female partners are more likely to be relatively new. There is some evidence, that the small number of venture firms with female founders and/or an unusually high percentage of female partners, invest at elevated levels in female entrepreneurs⁶⁶.

One way to overcome investor bias against female entrepreneurs may be to focus explicitly on the opportunities of female-led businesses as an investment sector. The US research⁶⁷ found that only 18% of investors prioritise businesses owned by women, compared to 49% with sector-specific priorities and 40% with identified geographic priorities. In addition, tracking and increased transparency around where investment funding goes and the proportion that goes to female-led businesses would help encourage behaviour change. UK VC investment teams should also consider the benefits of unconscious bias training.

“There is this myth that entrepreneurs are big risk takers and an extrapolation that women, often assumed to be risk averse, are therefore not great entrepreneurs. But, if we look closely at track records of successful founders, we often find people who are great at identifying, managing, balancing and mitigating risk. This misconception about women and about entrepreneurs means a great many investment opportunities are not taken advantage of and it is a great loss to investors and to our society”

Anya Navidski | CEO of Voulez Capital

⁶³ Morgan Stanley. The Growing Market Investors Are Missing: The Trillion-dollar Case for Investing in Female and Multicultural Entrepreneurs, report, 2018.

⁶⁴ Kanze, Dana, Laura Huang, Mark A. Conley, and E. Tory Higgins. “We Ask Men to Win and Women Not to Lose: Closing the Gender Gap in Startup Funding.” *Academy of Management Journal* 61, no. 2 (2018): 586-614.

⁶⁵ Women in Private Equity, report, May 2018, accessed February 25, 2019.

⁶⁶ CrunchBase, Women in Venture report, 2016.

⁶⁷ Morgan Stanley. The Growing Market Investors Are Missing: The Trillion-dollar Case for Investing in Female and Multicultural Entrepreneurs, report, 2018.

Case Study

The adventure of juggling business with children



At the time of starting my business, I had already been a designer for 19 years. Before I started my business, I was a design director at a Marks and Spencer supplier. I absolutely loved my job, but juggling a six-year-old, a three-year-old, and new baby didn't lend itself to travelling for work for weeks at a time. I had achieved everything I wanted to do in the company I was working for, so I thought I would give full-time motherhood a go!

At 39, this was however a bit too much of a culture shock. I loved being a mother, but I knew that I wanted to do something to keep my design brain working. One day, I called my mother and asked her to look after the children. I took a plane to Vietnam, a country I'd always wanted to visit, and within days I had already designing a complete range of clothing out of my hotel room. I became an accidental entrepreneur overnight. No company name. No business plan. No research. Just action.

I have faced many challenges along my journey; cash flow being one of them, being incredibly time-poor another. I ran my business between school runs, karate lessons, shopping, making the dinner and putting three kids to bed. For me, it is now a priority to support other mothers to be successful in the workforce. I employ a lot of mothers, and I make sure that our work days are flexible, so that my team are able to drop their children off at school in the morning before coming to work.



Keely Deininger started her business, Angel's Face, in 2007, with an investment from a colleague, and the promise to 'do something amazing'. Angel's Face is now a globally recognised children's clothing brand, which can be found in over 73 countries and 400 stores and Keely herself is the winner of multiple business awards, including the 2018 Everywoman Hera Award for most inspirational woman.

"I learnt nothing when I first started my business, but it felt like an adventure, and luckily I was able to take my children in tow. They became my models and my muses"

Keely Deininger | Angel's Face

OPPORTUNITY 2:**Provide greater family care support for female entrepreneurs.**

The relationship between family responsibilities and female entrepreneurialism is a complex one. For female entrepreneurs with children, the #1 reason for starting a business is to achieve a more flexible work-life balance – this is also the #2 reason given by women overall. In our interviews we heard from many women who had been motivated to start a business to gain more control over their schedules, work hours and physical work location, often to juggle family obligations.

The desire for self-employment is strikingly high among women returning to work after a career break. A 2015 study of women returning to work after a break of a year or more found that 23% chose to become self-employed⁶⁸. For some, this is a positive choice to gain greater autonomy over their lives. For others, it reflects the difficulty of finding jobs offering the same flexibility, especially at professional and managerial levels.

Women taking a career break represent a significant pool of possible future female entrepreneurs, therefore. Some 1.9 million UK women are currently economically inactive while looking after home and family, a figure that excludes mothers and carers who do small amounts of paid work⁶⁹. The majority of women on career breaks intend to return to the workplace at some point: the same survey also found that 84% of those still at home planned to return to their old job or find a new one – though interestingly, only 6% of those still at home identified self-employment as a possible future path.

Family responsibilities are also a barrier to entrepreneurship and, with an ageing demographic, family caring responsibilities will be an increasing problem in years to come. In our survey of non-entrepreneurs, we found that women are twice as likely as men to mention family responsibilities as a significant barrier. Women spend 60% more time on primary care than men on average, and rates of entrepreneurship across the working age population drop sharply for women after the age of 35⁷⁰, as Chart 16 shows. There is no equivalent drop for men.

“After being made redundant when I was half way through my second pregnancy, I wanted a future career where I could not only take control of my own life but also have the flexibility to work around my children. I hated commuting and felt I wasted precious time where I was neither spending time with my daughters or working.”

Jennifer Bailey | Founder and CEO of Calla, Warrington

“Working with mothers with younger children I see a lot of talent hidden away and never explored. Childcare costs, lack of accessible advice with childcare provision, no access to child tax for self-employed and male dominated environments within many business sectors create a real barrier to start a business for many women.”

Yuliana Topazly | Founder of My Outspace

⁶⁸ Timewise. What Do Women Returners Want, report, 2015.

⁶⁹ Labour productivity, UK: April to June 2018 (UK Office for National Statistics (ONS), February 20, 2019).

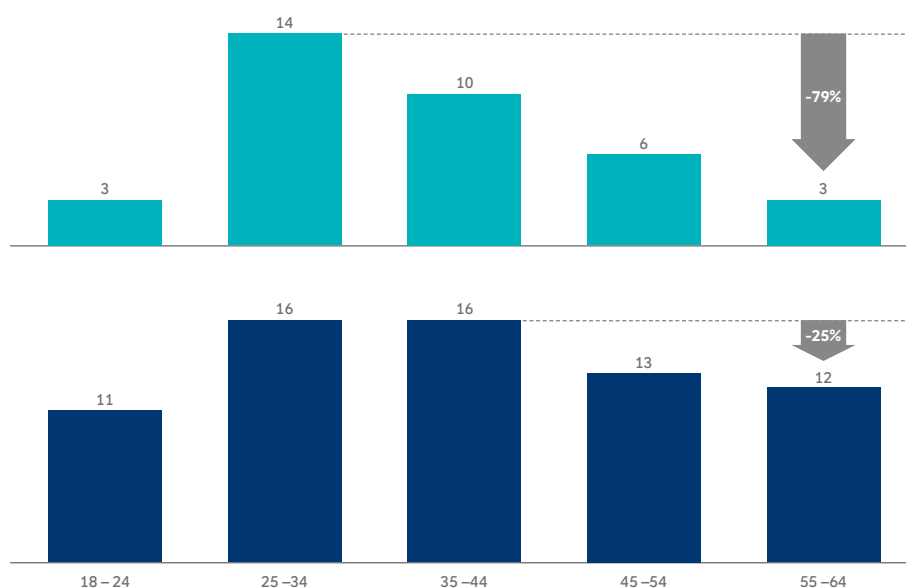
⁷⁰ UK Harmonised European Time Use Survey, 2000 and 2015; Global Entrepreneurship Monitor 2016.

Chart 16

Disproportionate caring responsibilities result in reduced rates of entrepreneurship for men vs. women

Entrepreneurship rate by age

Percentage of working-age pop. running a business <3.5 years old



Source: UK Harmonised European Time Use Survey, 2000 and 2015.

While childless women business owners rate funding and economic conditions as the biggest barriers to their business success, the biggest challenge for female entrepreneurs with children is the struggle to balance family and business demands, a concern mentioned by almost half this group.

“You always try to balance your family: I got it wrong many times. It’s so hard. Mums struggle with this much more, they are in this mother role... My wife just takes care of it, you cannot change this.”

Male entrepreneur | Belfast

“I’m freaking out right now about how I’m going to do it [having a baby]. I haven’t found anyone to talk about it. I only spoke with one person. She got pregnant when she was launching – she said it was hell.”

Female entrepreneur | London

“It is hard work, having a business and a child. There is a mindset that mothers are responsible for the children and dads take risks.”

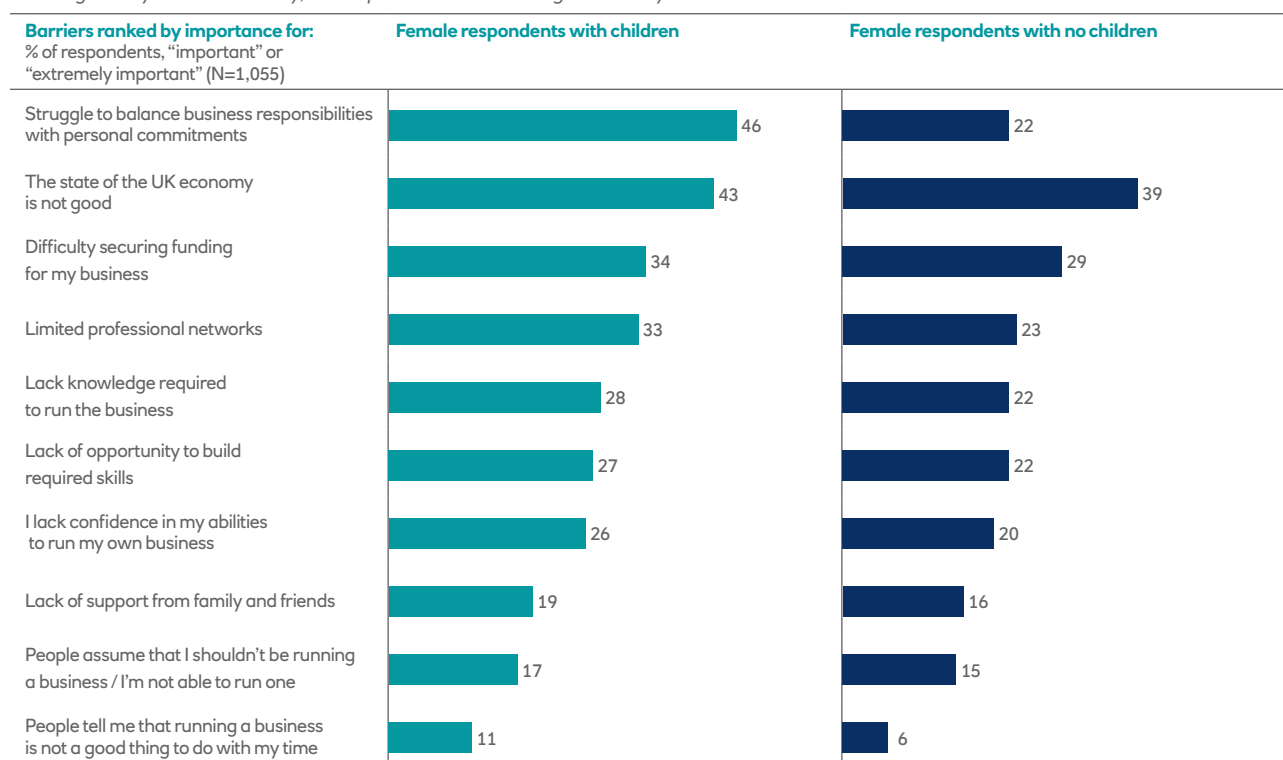
Male entrepreneur | Belfast

Chart 17

Female entrepreneurs with children see balancing family responsibilities as the biggest barrier to business success

Question asked:

Thinking about your business today, how important are the following barriers to your business' success?



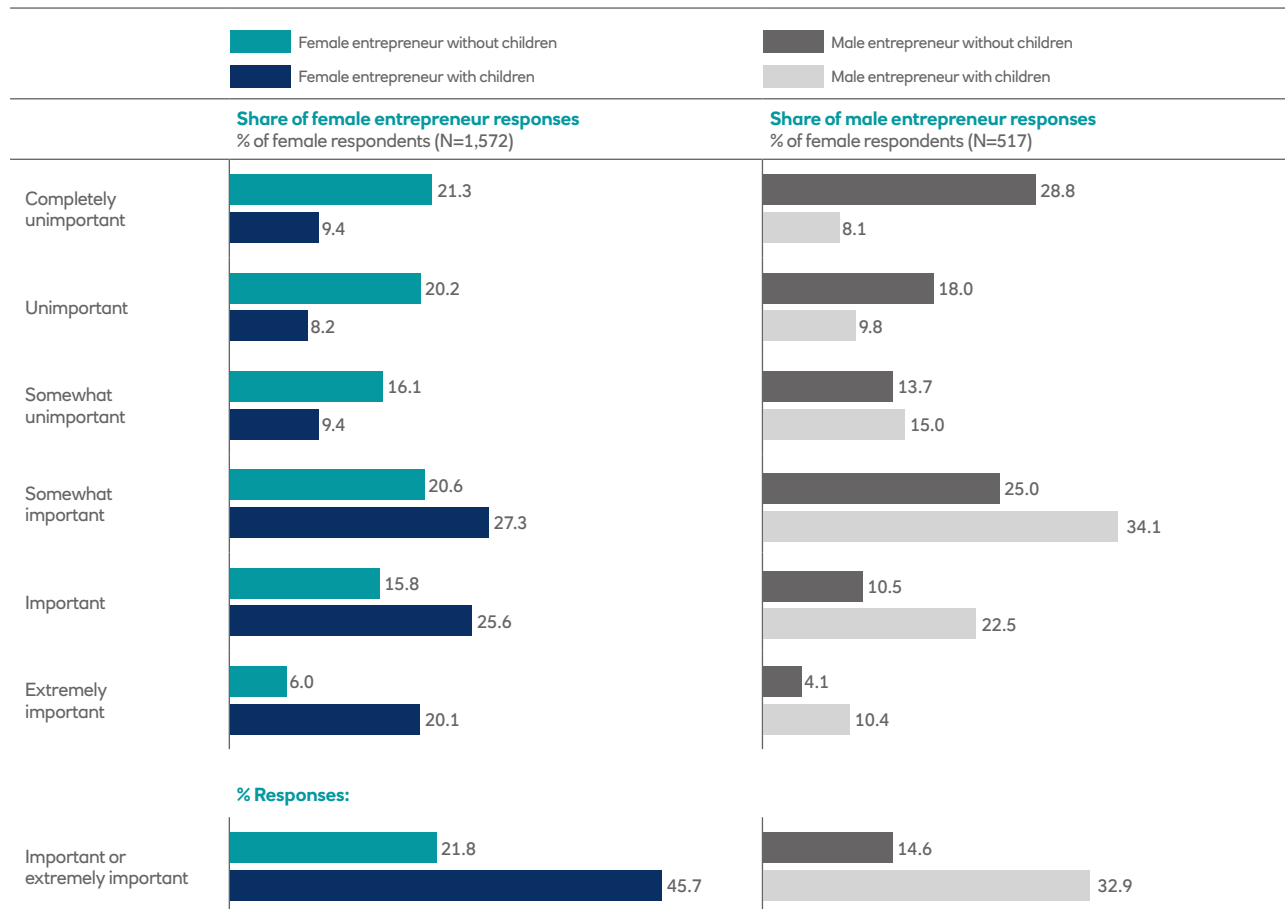
Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

Male entrepreneurs with children were far less likely to identify family responsibilities as an important barrier: only 33% of male parent entrepreneurs flagged this as a concern compared to almost 46% of women entrepreneurs with children⁷¹ as shown in Chart 18.

⁷¹ Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

Chart 18

Primary care responsibilities as a barrier – female vs. male entrepreneurs

Question asked:*Thinking about your business today, how important are the following barriers to your business' success –***I struggle to balance my responsibility as a business owner with my personal commitments (e.g. childcare)**

Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

Providing targeted financial or other support could reassure parent entrepreneurs of both sexes, but particularly women, that they have the capacity not only to start but also to build more vibrant and dynamic businesses. Research shows that women entrepreneurs in countries with supportive work-family policies, such as the Netherlands, express more ambitious growth intentions, employ more workers and are more innovative than those in countries without such benefits⁷².

Unsurprisingly, women entrepreneurs in our research were 60% more likely than men to identify care-related interventions as potentially helpful to them and their business, such as subsidised and accessible childcare or co-working spaces with childcare. However, when asked about a range of interventions to help their business succeed, women entrepreneurs with children rated every option more highly than childless women entrepreneurs, including initiatives not directly related to care, as Chart 19 shows. This suggests that women entrepreneurs with caring responsibilities feel inhibited in their ability to grow their business in a variety of less direct ways, such as financial pressures, access to sick pay and ability to access training and networks.

Women also take on caring responsibilities besides childcare. Female entrepreneurs or would-be entrepreneurs may be caring for adult family members with special needs, or ageing parents and relatives. As the UK population ages, caring for elderly family members will become an increasingly significant issue for those of working age. A 2016 study of the UK's ageing population found that 73% of disabled people over 65 received some care from a spouse or other family members⁷³. In mid-2014, the median age of the UK population exceeded 40 for the first time, up from 33.9 years in 1974 and over 70% of UK population growth between 2014 and 2039 will be in the over 60 age group, which is predicted to increase from 14.9 to 21.9 million people⁷⁴. The report observes that: *“The ageing population, alongside a major increase in the diversity of family types, is likely to change the role of families, and challenge policies that rely on them”*.

“Women taking a career break represent a significant pool of possible future female entrepreneurs. Some 1.9 million UK women are currently economically inactive while looking after home and family, a figure that excludes mothers and carers who do small amounts of paid work. The majority of women on career breaks intend to return to the workplace at some point: the survey* also found that 84% of those still at home planned to return to their old job or find a new one – though interestingly, only 6% of those still at home identified self-employment as a possible future path.”

Julianne Miles | Co-Founder of Women Returners, London

⁷² Thebaud, Sarah. Stronger Work-family Policies Help Women Entrepreneurs Build Better Businesses, report.

⁷³ Government Office for Science and Foresight, Future of an Ageing Population, report, July 07, 2016.

⁷⁴ Government Office for Science and Foresight, Future of an Ageing Population, report, July 07, 2016.

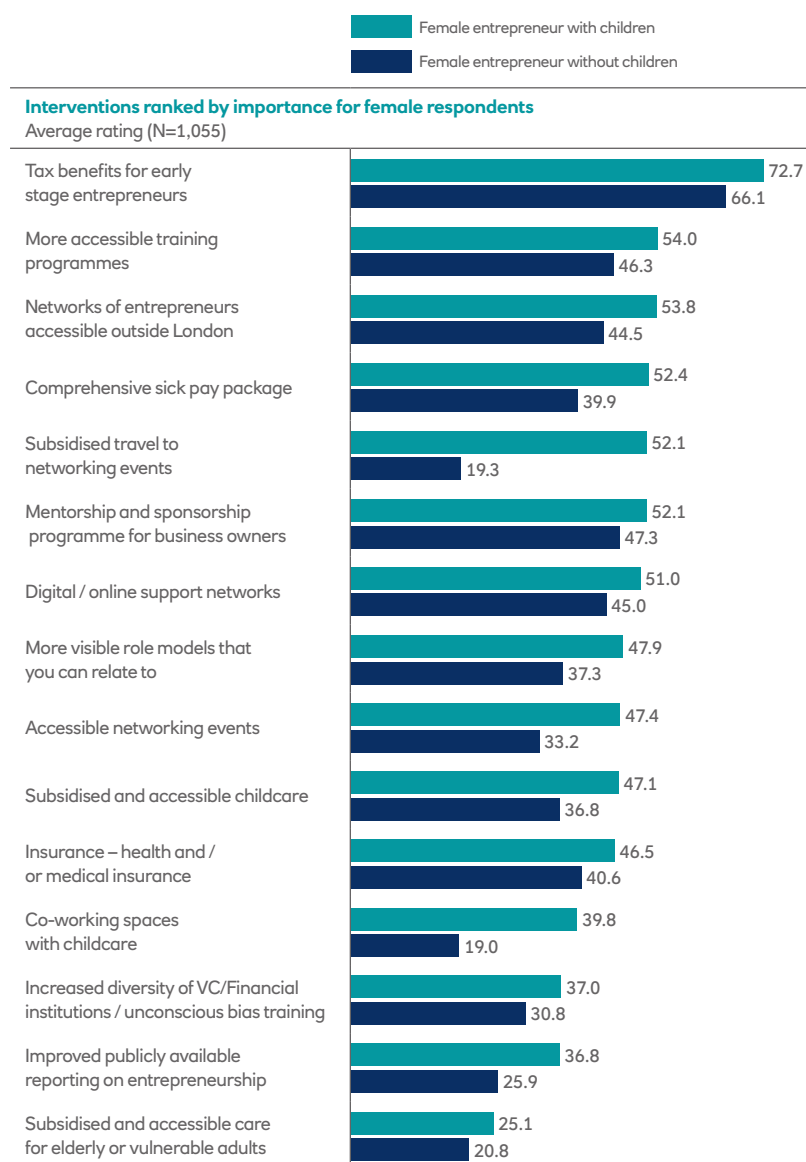
* ONS, February 2018

Chart 19

Female entrepreneurs with children give more importance to every intervention than those without children

Question asked:

There are different interventions that could help you and your business to become more successful. Can you evaluate each intervention on how helpful it would be to you and your business?



Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

OPPORTUNITY 3:

Making entrepreneurship more accessible for women and increasing support locally, through relatable and accessible mentors and networks.

The third area of opportunity is to create a supportive ecosystem that can inspire women to believe they have what it takes to be entrepreneurs and give them the personal encouragement and practical support they need to start, run and grow a business.

Women do not lack ability or ambition. More young women in the UK now go to university than men, a gap that has widened over the last decade, and girls outperform boys at all stages of the school system. Women have increasingly demonstrated that they can lead and innovate across many fields, from business to academia, science and politics. The cultural and habitual barriers that deter women from entrepreneurship can also be overcome.

Our interviews and surveys highlighted three separate but reinforcing cultural barriers that affect women at every stage of the entrepreneurial journey. The first two barriers were particular concerns for women yet to start a business:

- **Greater risk awareness.** Women are typically more cautious about starting or scaling a business than men, so less willing to risk their livelihood on an uncertain venture. In our survey, women were 55% more likely than men to cite fear of doing it alone as a primary reason not to start a business. When women run businesses, their approach to entrepreneurship may appear less confident or ambitious than male peers.
- **Perceived missing skills and experience.** Women are less likely than men to believe they possess necessary entrepreneurial skills, with only 39% of women confident in their capabilities to start a business compared to 56% of men.
- **Access to networks, sponsorship, mentorship and role models.** Women are far less likely than men to know other entrepreneurs or to have strong female role models. Women value external networks more than men, but 26% of women feel their lack of networks is a barrier.

“Whilst engaging in discussions and debate about this subject, I hear many comments suggesting female entrepreneurs lack confidence. I don’t agree that this is the case. I think that women have a very clear understanding of their strengths and weaknesses (all entrepreneurs male and female have them!) and they are often comfortable as females talking about things that they need to improve on. In my experience, this is something seen more in females and therefore often translates into a narrative that they are not as confident as men. It is my view that they are.”

Karen Tracey | Owner of Dunelm Business Consultants, Birmingham

Greater risk awareness

Women are significantly more likely to cite fear of failure or fear of doing it alone as a primary reason for not starting a business, as Chart 20 below shows. Clearly not all women lack self-belief, but we were struck by the number of female entrepreneurs we met who commented that they only had the confidence to set up their business because other people – friends, partners, parents or colleagues – urged them to do it. These women were more likely to attribute their subsequent success to other people, rather than to their own capabilities.

As already seen in the earlier discussion of funding, women's more cautious, risk-aware approach means they are less likely to obtain the full amount of start-up capital they need than men, and less likely to seek – or secure – further funding to grow their business. The result can be a vicious cycle where women lack the funding to take even moderate risks that could increase their success, so become still more cautious, particularly where they have self-funded⁷⁵.

“It took me a really long time to resign. There are a lot of things to lose – great job, team, career, opportunities.”

Female entrepreneur | Belfast

Chart 20

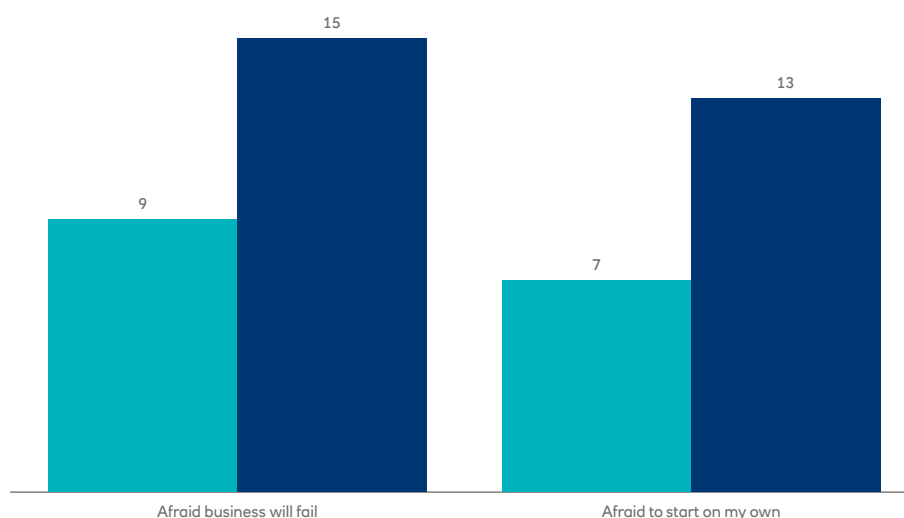
Women are more deterred by the possibility of failure than men

Question asked:

You mentioned that you have never considered starting your own business or considered starting your own business but have not started it yet. Why is that? Respondents who selected self-belief barriers

Weighted importance given for not considering starting a business by gender

Percentage of responses (N=1,566)



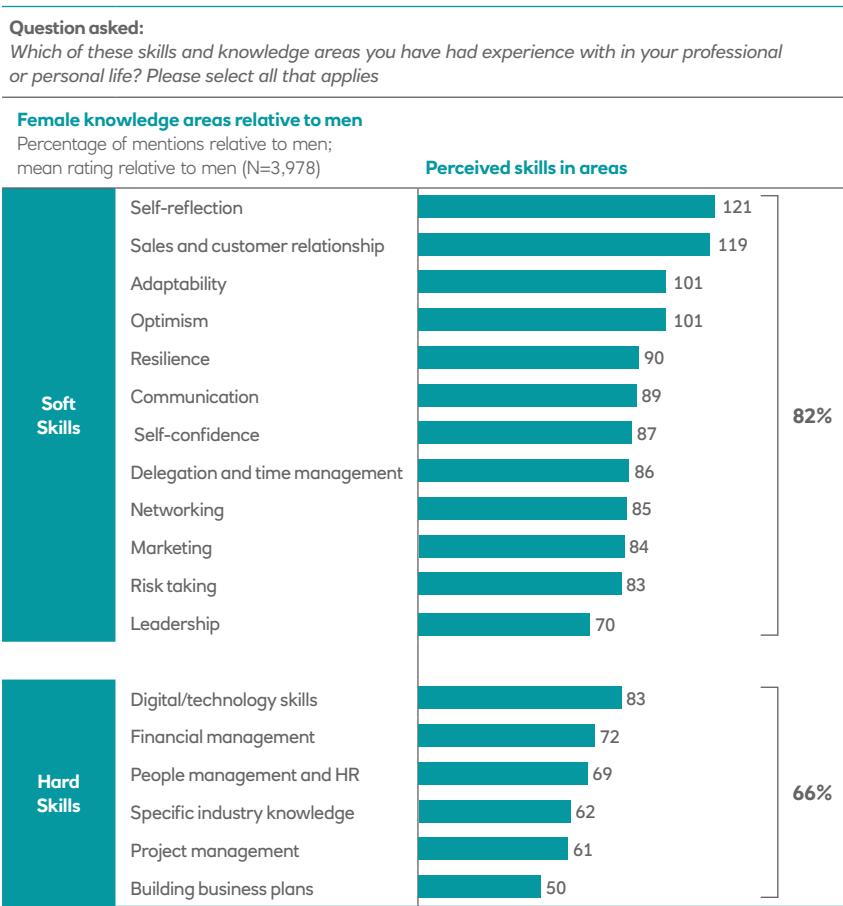
Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

⁷⁵ Morgan Stanley. The Growing Market Investors Are Missing: The Trillion-dollar Case for Investing in Female and Multicultural Entrepreneurs, report, 2018.

Perceived missing skills and experience

In our survey of the general population, we found that women are consistently less likely than men to believe they have developed necessary entrepreneurial skills in the course of their professional or personal life. Men express greater confidence in their skills in almost every area, particularly technical areas such as digital technology or financial management where women are only 66% as confident of their skills as men.

Chart 21
Women are less likely to identify themselves as having core entrepreneurial skills



“ I strongly believe I’m not an entrepreneur. I’m still struggling to say this. Entrepreneur means a lot of skills that I don’t have. My husband has it more than I do”
Female entrepreneur | London

Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

The clear impression we gained from our conversations with women entrepreneurs and would-be entrepreneurs is that women perceive a higher bar to entry to entrepreneurship than men, believing they need near-perfect professional or technical credentials just to have the right to start a business. Men are more willing to take a chance and learn as they go, in the same way that research shows men are willing to apply for jobs if they meet 60% of the qualifications stated, while women believe they need 100%⁷⁶.

Our survey showed that the profile of past managerial experience among women who have taken the plunge and started businesses is in fact very similar to that of male peers. Female entrepreneurs were almost as likely as male entrepreneurs to have senior management experience, with 13% of women business owners having run departments and 8% having held top management roles, compared to 13% and 10% of men respectively. It is thus possible that having fewer women in senior positions in UK companies than men contributes to the lack of female entrepreneurs in the UK.

It is true that STEM skills and knowledge are associated with business success in higher productivity sectors such as transportation, financial services and information technology, and that women entrepreneurs, are substantially less likely than men to have qualifications in or experience of STEM subjects. However, this is a separate issue from the tendency identified in our survey of women to perceive personal across-the-board skills deficits compared to men. There are already interventions underway to close STEM gender gaps in schools⁷⁷, and the need to increase digital skills across the UK workforce to improve UK productivity has also been identified. These are not the focus of this review.

Rather, our research highlights a need to help women entrepreneurs build greater confidence in the skills they have, and provide targeted support to help them develop the skills they feel they need. Recent research among female entrepreneurs and aspiring entrepreneurs by The AllBright Collective⁷⁸ shows that legal and intellectual property expertise are the skills they most wish to develop, closely followed by tax and compliance guidance, and funding know-how.

⁷⁶ Morgan Stanley. The Growing Market Investors Are Missing: The Trillion-dollar Case for Investing in Female and Multicultural Entrepreneurs, report, 2018.

⁷⁷ For more details see STEM Learning <https://www.stem.org.uk/about-us>

⁷⁸ AllBright, Women CEOs choose gender equality, (2017).

Case Study

Women in STEM: breaking down barriers



After obtaining a degree in Engineering Geology and a Masters in Environmental Management, I worked for a number of Engineering and Environmental Consultancies on construction projects across the UK (including widening of M25 and A406), before starting my own business, Jomas Associates, in 2009. Initially, I started small, writing reports for projects from my dining table. I focused on providing a high value service, expediently, without compromising on the quality of my deliverables. I also placed emphasis on customer service and client satisfaction. This led to referrals and organic growth of the business, and eventually meant that I had to recruit permanent staff, and establish premises for the team to work from. Jomas has grown on average 30% year-on-year, since start-up.

From the commencement of my career, I have worked in a male dominated environment. I rarely came across other women, and there were no female role models in the industry to look up to. This could have been an impediment to me progressing my career, but I was lucky to have a support structure around me, with a mentor who was older and more experienced, and who believed strongly in my ability and potential, albeit he was a man. The industry is ridden with stereotypes, and it is important to have this support structure combined with resilience, hard work and perseverance.



After gaining several years of industry experience, Roni Savage established Jomas Associates in 2009. Since then, both Roni and her business have received multiple awards and recognitions. Personally, Roni received the 2018 Everywoman Athena Award for most inspirational woman; Jomas, which was identified as a 'high growth company' by Goldman Sachs and awarded 'Best Consultant to Work With' in the Construction Enquirer Awards, continues to grow year-on-year

“Identify your purpose first – why?, then create a plan, work hard and be resilient and do not give up too soon, as long as you have a clear plan.”

Roni Savage | Jomas Associates

Access to networks, sponsorship, mentorship and role models

Personal and professional networks are a powerful mechanism to inspire female would-be entrepreneurs and help them build their confidence and skills, support them through their journey and increase the likelihood that they will be successful. Networks can be loose umbrellas of connections that allow like-minded individuals to meet, compare notes and seek informal advice. They can be an information exchange where women test ideas with more experienced entrepreneurs, hear success stories and learn about bouncing back from failures. They can also be organising hubs for more structured and systematic support, such as coaching, training and advice on financing.

While women are more likely than men to identify networks as an important source of business help, in practice men are more likely than women to know at least one entrepreneur, which research shows doubles the likelihood that they will start a business. Women in our interviews also commented that business networking events do not always feel female-friendly – for example, evening events that are difficult for women parents to attend, male-dominated guest lists and speaker rosters, or overnight events held in hotels. Networking events are also more commonly held in London or other big cities, making them less accessible to women living further out or in rural areas.

There are mixed views on women-only networks, however. While some women welcome the chance to share views and learn from other female entrepreneurs, others feel separate networks further cut women off from the mainstream. Increasing the female-friendly nature of mainstream networks would provide women with a wider choice.

“We (my sister and I) have had a host of informal mentors throughout our journey. We’ve realised that the most important element is having a mentor that you feel is truly there to help you. We’ve also realised that you need different types of help at different stages of your business journey; mentorship from entrepreneurs who are only a couple of years ahead of you can actually be more powerful than mentorship from those who are ten years ahead.”

Clare Hopkins | Co-founder of Balance Me, London

Case Study

Matching mentors and mentees:

Mentor – Karen Tracey, Owner of Dunelm Business Consultants, Birmingham



Coaching and mentoring are hugely important to entrepreneurs and women respond brilliantly to a proper coach or mentor. Getting all this right is down to a number of things but there are two things that are critical:

1. Understanding the difference between coaching and mentoring is key. Coaches ask great questions, don't focus on giving advice and help the recipient of the coaching come up with their own goals and hold them accountable. Mentors are more about giving advice, signposting and are often in the same sector or field.
2. Matching two people is also critical. Not just anybody can coach or mentor anyone. Consideration should be given to a number of factors, e.g., where are they based? What time can they commit? It is not just matching two people that are in the same geographical area, work in the same business or just know each other. Female entrepreneurs often respond well to other female role models in business who can demonstrate and talk about the challenges women entrepreneurs face when starting and scaling a business. Established female entrepreneurs, who have themselves met and overcome these challenges, should be encouraged to talk widely about their success and to educate other women on how to use mentorship and coaching effectively during their journey.

There are many successful entrepreneurs and industry leaders in the UK who would love to mentor emerging female entrepreneurs; it's just about matching the right people and setting clear expectations.

“There are many successful entrepreneurs and industry leaders in the UK who would love to mentor emerging female entrepreneurs; it's just about matching the right people and setting clear expectations.”

Karen Tracey | Dunelm Business Consultants | Birmingham

Case Study

Matching mentors and mentees:

Mentee – Ailish Lucas, Founder of The Glow Getter, London



I am currently looking for a mentor. I already have a great coach – my coach asks me all the right questions and encourages me to develop a growth mindset. I also use my girlfriends for support: we meet once a week in a coffee shop to set our goals.

For mentoring, I'm looking for somebody with experience in my industry, essentially somebody that can say 'yes, I understand your business' and 'yes, I can help introduce you to the right people to help open doors'.

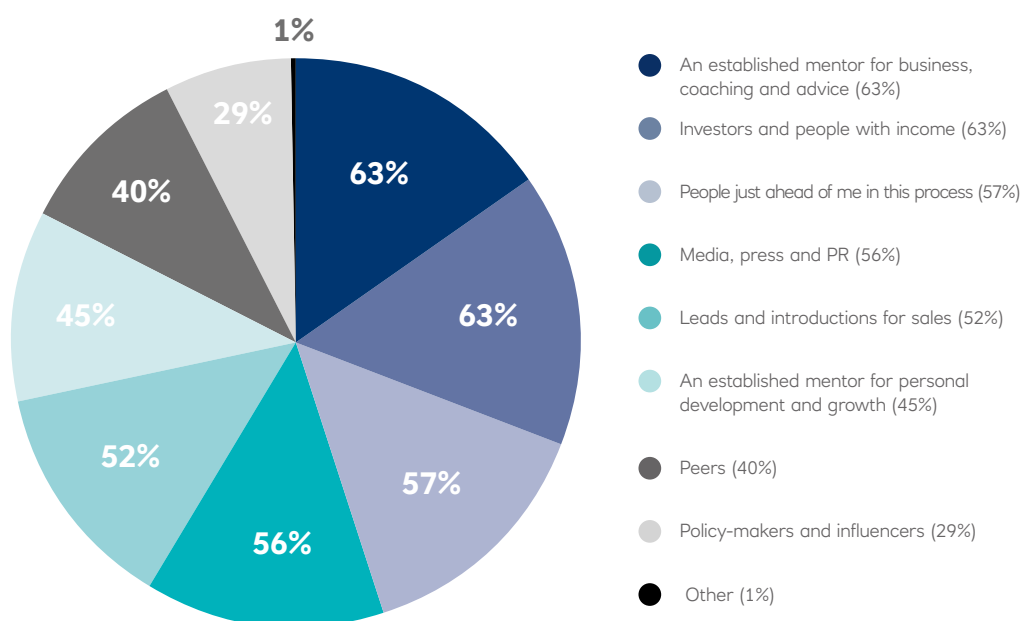
I have found it really difficult to actually find a mentor, especially one who has experience relevant to my business, which is digital. In some part, I think this is due to me being a female entrepreneur; the tech industry in the UK still tends to be predominately male-dominated. This is not a problem in itself – I don't mind having a male mentor – but I feel there tends to be a lack of understanding of what my business is and what the potential could be.

“Ultimately, I believe that in life you make your own luck. If you want something, you should go out and find it. It would just be good if to have some system of support to help find the right mentor”

Ailish Lucas | The Glow Getter | London

Chart 22

What women entrepreneurs most want from a network



Source: AllBright Collective, 2017 Survey.

Networks can play a vitally important role in helping women entrepreneurs build their confidence and skills. When asked what they most wanted from an network AllBright Collective survey found that almost two-thirds of women entrepreneurs cited access to business mentors and investors as their top priorities⁷⁹. Finding a mentor who could help them with personal development and growth was also mentioned by 45% of women. Almost six in ten women hoped to meet people *'just ahead of me in the process'*, who could help alert them to the possible obstacles and challenges to expect, and would be familiar with processes and paperwork. Media, PR and sales connections were mentioned by more than 50% of women. The chance to meet other women entrepreneurs was also an important aspect, mentioned by 40% of those surveyed: significant since 65% of respondents also said they feel most confident in their own business or abilities when meeting like-minded people, and 49% feel most confident when they see *'people like me'* succeeding⁸⁰. As well as access to better networking opportunities, data highlights the importance of access to relatable role models for entrepreneurs.

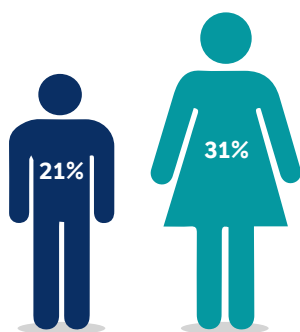
⁷⁹ AllBright, Women CEOs choose gender equality, (2017).

⁸⁰ AllBright, Women CEOs choose gender equality, (2017).

Chart 23

Women are more likely to value networks

Importance of networking as a business skill
Survey respondents (N=3,978)

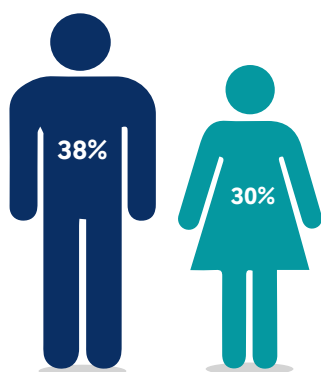


Source: Survey conducted as part of the Alison Rose Review of Female Entrepreneurship

Chart 24

Men are more likely to know an entrepreneur personally

Personally know an entrepreneur
Percentage of respondents



Personally know an entrepreneur



Chance of intending to start a business in the next three years

Impact of knowing an entrepreneur



Chance of starting a business less than 3.5 years old

Source: Global Entrepreneurial Monitor 2016 data, Klyver and Hinde 2006, The role of Social Networks at different stages of business formation.

The barriers we identified were, for many women, intensified by their perception that there is an underlying attitude among some men – whether family members, potential funders, possible mentors or business partners – that women do not really belong in the entrepreneurial world. We also found that women from minority ethnic groups experience all the same barriers, but to a greater extent than for other women. Such cultural and societal barriers will take a long time to overcome.

Section 7

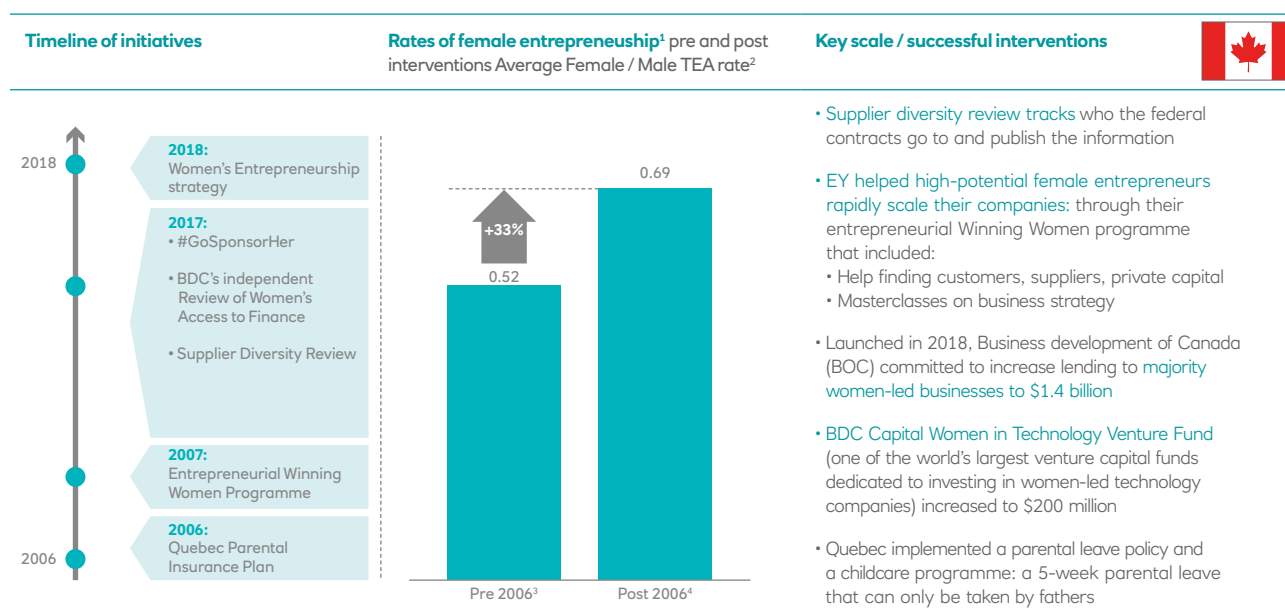
Key learnings from global best practices

Key learnings from global best practices

In the course of our research we looked in detail at international best practices and policy around the world, and in particular the experience, policies and practices of four other comparable OECD countries with higher rates of female entrepreneurship: Australia, Canada, the Netherlands and the US. As well as reviewing individual interventions, we also sought to identify the underlying factors for success at country or state level.

Chart 25

Canada's female/male entrepreneur ratio increased by ~33% between 2006–2017



¹ Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business.

² Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business, divided by the equivalent percentage to their male counterparts.

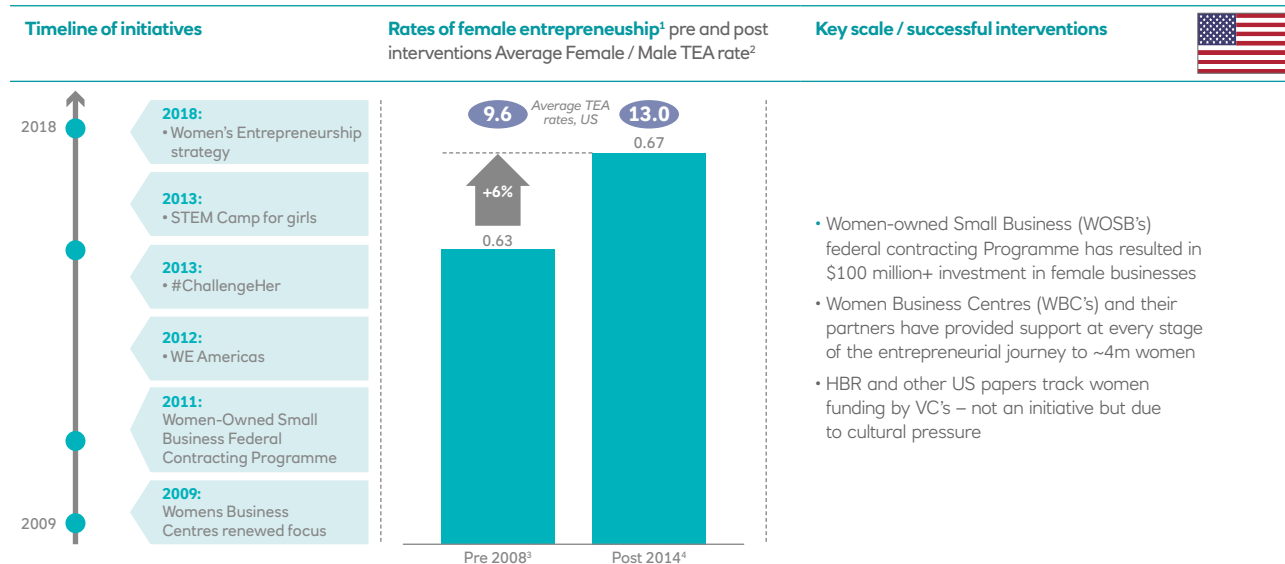
³ Average Female / Male TEA rate (2001 – 2006).

⁴ Average Female / Male TEA rate (2013 – 2017).

Source: Global Entrepreneurship Monitor.

Chart 26

The US has increased the number of female entrepreneurs by 20% and improved female/male ratios by 6% since 2008



¹ Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business.

² Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business, divided by the equivalent percentage to their male counterparts.

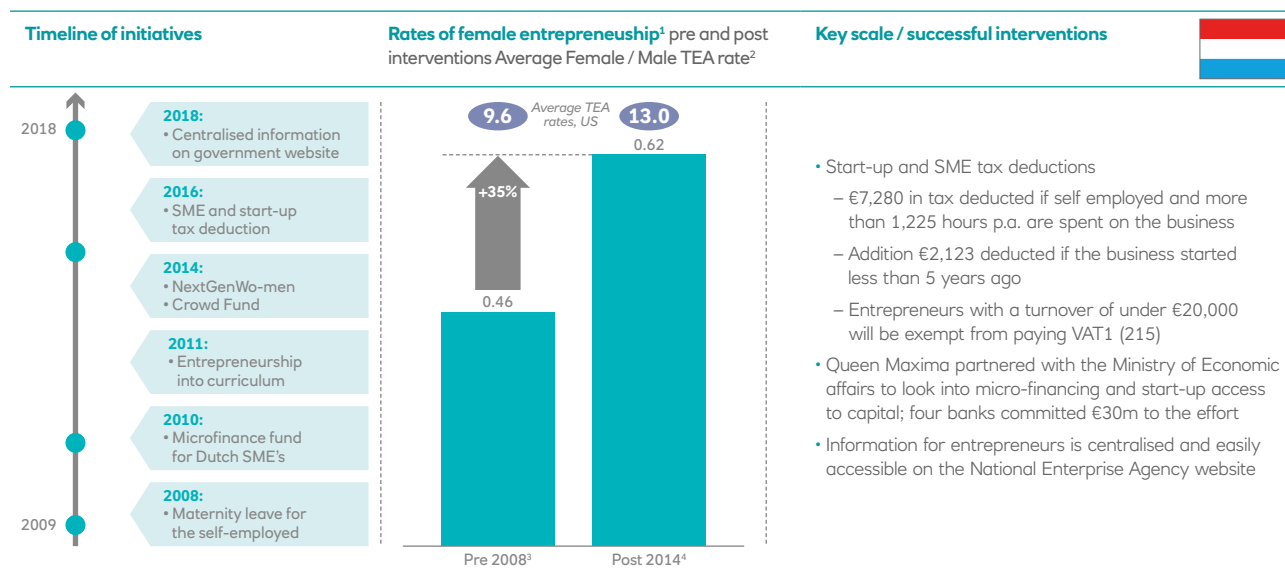
³ Average Female / Male TEA rate (2001 – 2006).

⁴ Average Female / Male TEA rate (2013 – 2017).

Source: Global Entrepreneurship Monitor.

Chart 27

The Netherlands has focused on helping all entrepreneurs: female entrepreneurs have benefited the most



¹ Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business.

² Percentage of female 18-64 population who are either a nascent entrepreneur or owner-manager of a new business, divided by the equivalent percentage to their male counterparts.

³ Average Female / Male TEA rate (2001 – 2006).

⁴ Average Female / Male TEA rate (2013 – 2017).

Source: Global Entrepreneurship Monitor.

From our analysis of successful approaches globally, we have identified key learnings that we believe should be considered by any nation seeking to advance female entrepreneurship.

Adopt large-scale policies to transform the landscape for female entrepreneurs

Numerous initiatives have been rolled out, both in the UK and across the world, to support female entrepreneurs to start, sustain and scale their businesses. Unfortunately, many of these, especially when private sector-led, have tended to be small and local in scale, which has limited their scope and impact. While we welcome any initiatives to assist female entrepreneurs, our research shows that a few large-scale initiatives often have greater impact than many smaller ones. Practically, this has two implications. First, it means that government has an important role in rolling out cross-country initiatives, particularly where an initiative cuts across different bodies and policy areas. Second, it means that private sector players should seek to pool their resources wherever possible when pursuing common aims.

Deploy a central coordinating body to achieve maximum impact

Following on from the previous point experience elsewhere underlines the vital importance of having a central body coordinating the resources and efforts of many participants. In the US, the Small Business Administration's Office of Women's Business Ownership has since 1979 actively pursued a mission to enable and empower women entrepreneurs through its network of Women Business Centres (WBCs) which provide management and technical assistance. In Canada, the 2018 Women Entrepreneurship Strategy has made available a vast array of resources across the country with the aim of doubling the number of female entrepreneurs by 2026 and adding CA\$250 billion in economic value to the country⁸¹. The motto of "centrally led locally delivered" is central to these efforts to maximise the impact of a limited set of resources.

⁸¹ Canada, Women Entrepreneurship Strategy.

Foster a culture of entrepreneurship for all

Improving the lot of female entrepreneurs does not necessarily require initiatives to be aimed solely at women or minorities. As our surveys showed, many of the barriers faced by women and female entrepreneurs also affect men and male entrepreneurs. This approach has informed policy in The Netherlands, where the Dutch government has taken a holistic approach to entrepreneurship which seeks to benefit both male and female owners. The Netherlands Enterprise Agency (NEA) supports all entrepreneurs through networking, subsidies, and knowledge development. The lesson we take away is that both public and private sector should consider whether simple changes to existing strategies could benefit a greater number of business owners when planning new initiatives.

Centralise information for entrepreneurs

Throughout the interview process, one concern kept coming up from both female and male entrepreneurs: where to find the most relevant data? All agreed that a lot of information is already available – the government alone has created multiple platforms on a range of topics and the private sector has provided additional material, often free of charge, to supplement these. The difficulty entrepreneurs and would-be entrepreneurs face is that there is no one single source of truth on all the possible resources available, making it difficult and time-consuming for entrepreneurs to prioritise their search.

We found that many countries have had success in centralising the information available in one location on a single entrepreneurship platform. The Canadian government provides an easy to use platform that enables business owners to determine what resources and services are available to them, based on geography, industry, goals and demographics⁸². Similarly, the Dutch government has set up a single interface covering all key topics relevant to new and existing business owners looking to set up a business in the Netherlands⁸³. While many entrepreneurs have the passion and drive to locate resources on their own, very few have time to spend on lengthy searches. A centralised information platform enables them to dedicate more time to higher-value activities and to growing their businesses.

⁸² Grow your business (Government of Canada, 2019).

⁸³ "Coming to the Netherlands," Business.gov.nl.

Put tracking and evaluation front and centre

The lack of diversity in the SME landscape is well known, but policymakers and industry organisations often struggle to find insightful granular data on current needs, or to assess the success of new policies and initiatives. The heightened interest generated by the release of each new report is further evidence of the need for reliable ongoing information, both on the state of female entrepreneurship in the UK generally and on specific issues such as access to affordable primary care or funding diversity. Indeed, the Global Banking Alliance believes that women's lack of access to funding is common throughout the world, *"largely due to a lack of quality data on the female economy"*⁸⁴.

By increasing access to and use of sex-disaggregated data, institutions (both public and private) will more easily develop the business case for supporting women, increasing the odds of funding being redirected towards these formerly unexplored opportunities. Looking more broadly at the design and implementation of new initiatives, tracking and evaluation should be built into these from the start, to ensure that high quality data and feedback from both providers and entrepreneurs themselves are collected as part of the process.

⁸⁴ Global Banking Alliance for Women, "Global Banking Alliance for Women Announces Partnership to Close Gender Data Gap in Finance," PR Newswire: News Distribution, Targeting and Monitoring, December 15, 2014.

Section 8

Our recommendations

Our recommendations

Our initial recommendations comprise eight immediate practical initiatives to increase the number of women entrepreneurs throughout the UK and enhance their prospects of success. Together they are designed to deliver tangible improvements across the three major opportunity areas identified by the review:

Opportunity 1:

Increase funding directed towards female entrepreneurs

- *Initiative 1:* Promote greater transparency in UK funding allocation
- *Initiative 2:* Launch new investment vehicles to increase funding going to female entrepreneurs
- *Initiative 3:* Encourage UK based institutional and private investors to further support and invest in female entrepreneurs

Opportunity 2:

Provide greater family care support for female entrepreneurs

- *Initiative 4:* Review existing and create new banking products aimed at entrepreneurs with family care responsibilities

Opportunity 3:

Making entrepreneurship more accessible for women and increasing support locally, through relatable and accessible mentors and networks

- *Initiative 5:* Improve access to expertise by expanding the entrepreneur and expert in residence programme
- *Initiative 6:* Expand existing mentoring and networking opportunities
- *Initiative 7:* Accelerate development and roll-out of entrepreneurship-related courses to schools and colleges
- *Initiative 8:* Create an entrepreneur digital first-stop shop.

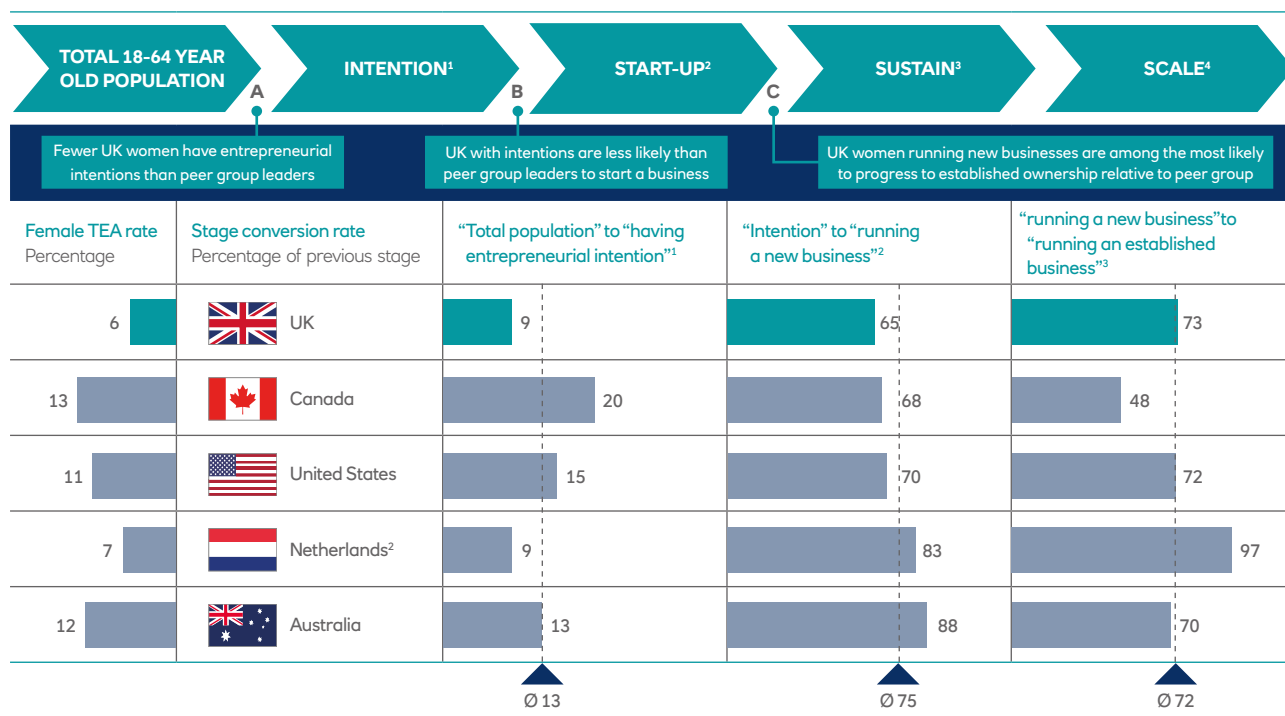
There is unfortunately no silver bullet that will transform the landscape for female entrepreneurs overnight. Many of the barriers that women face are cultural and societal in nature and it will take concerted action over many years to achieve a lasting shift in attitudes and behaviours. Some UK regions and areas outside the major cities will also need extra attention, where existing support structures and levels of female entrepreneurship are particularly low. Since women from minority ethnic groups experience all the same barriers, but to a greater extent than other women, some initiatives may need to be adapted and targeted to help them.

The eight initiatives which are expanded in more detail on the following pages can be taken forward immediately by the private sector, though all would benefit from public sector support. However, to maximise their impact and chances of success, we believe the UK Government should consider developing a common policy framework and supporting goals which focus on advancing female entrepreneurship. Our global research shows that coordinated action across different government departments and bodies in pursuit of shared long-term goals has been crucial in helping other countries to achieve sustained and large-scale success. We therefore welcome the UK Government's forthcoming Gender Equality and Economic Empowerment Strategy which should prove a helpful vehicle for centrally coordinated action that is regularly updated to reflect the changing needs of the UK economy.

The impact of the initial programme above should be tracked over time and refreshed with new action as needed to reflect the changing UK economy. We have also identified many other high potential initiatives to bring about positive change, some of which will require close and coordinated partnership between the public and private sectors. We will continue to discuss possible ways to progress these with policymakers and industry leaders.

Chart 28

We looked in detail at support for women entrepreneurs in four peer countries



¹ Intention of setting up a business in the next 3 years.

² Running a business that is less than 3.5 years old.

³ Running a business that is older than 3.5 years; scale data not available.

⁴ 2014 data used.

Source: Global Entrepreneurship Monitor 2016 Data.

These global analyses and further extensive discussions with entrepreneurs helped identify which initiatives might have most impact, and how they might best be implemented.

Initiative 1:
Promote greater transparency in UK funding allocation
through a new pledge

There has been a tremendous amount of progress on supporting women in the UK finance industry in recent years, following Jayne-Anne Gadhia's review into the representation of women in senior managerial roles in financial services⁸⁵. In 2016, HM Treasury published The Women in Finance Charter, to encourage financial firms and the UK Government to work together to build a more balanced and fair industry. The City Minister, John Glen MP has spoken frequently on the UK Government's ambition for greater gender balance and recent report by the British Business Bank (BBB), in collaboration with Diversity VC and the British Venture Capital Association (BVCA), encourages venture capital firms to collect and analyse diversity and inclusion data on founders and share their findings⁸⁶.

Building on these efforts, we recommend that a new pledge be created and adopted which commits banks, VCs, Angels, and other institutional investors to the principles of gender equality and transparent reporting of gender funding data. The new pledge should encourage financial institutions to:

1. Adopt a set of best practices that will benefit female business owners across the country, and
2. Share with trade bodies or HM Treasury their funding data split by gender, to be reported on an aggregated basis.

Throughout our research, we have heard repeatedly that there is a lack of readily-available data for policy makers, researchers and advocates on funding split by gender by company type. Transparent reporting of the equity and lending journeys of female and male business owners will maintain awareness of the need to improve and may help female entrepreneurs by highlighting the institutions which provide most capital to women. Insights from the data will also ensure that policymakers can assess the extent of the funding gap for women entrepreneurs and track progress against national goals. It will further enable public and private sector actors to identify priority areas for actions and ways to tackle them.

“Various studies show that disclosure is one of the most effective instruments of change. If currently less than 1% of capital goes to women-led businesses, the impact from making that 20% or 50% is vast. This is not just in terms of products and services that as a society we need and find valuable, but also in the types of businesses and workplaces that are being created. In their culture. In their approach to work-life balance. In their understanding of employee needs. In short – in how those businesses serve us as a society.”

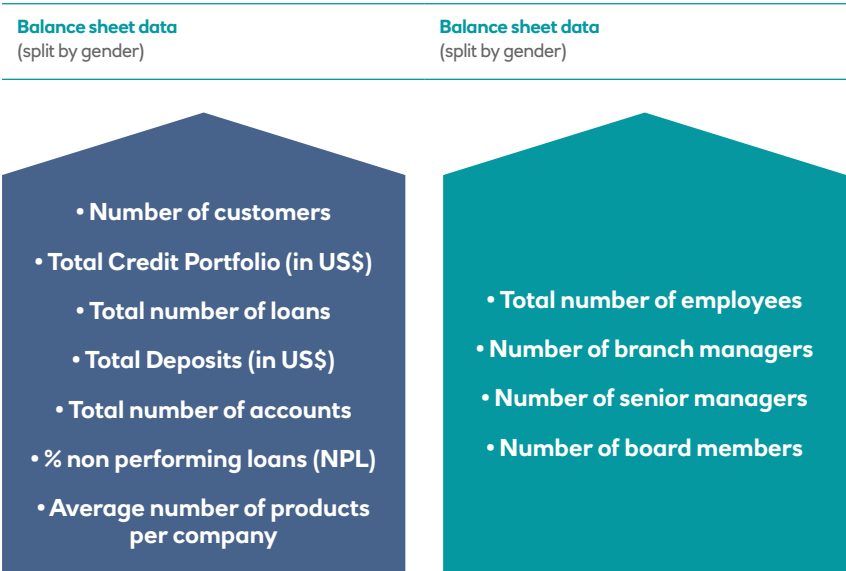
Anya Navidski | CEO of Voulez Capital

⁸⁵ Women in Finance Charter, 2016.

⁸⁶ UK VC & Female Founders, report, February 2019.

Our review of global best practice shows that gender-related funding data remains elusive across the world, though there have been some efforts to better understand the state of female entrepreneurship and clarify their funding needs. The Global Banking Alliance for Women (GBA), for example, is a global consortium of financial institutions dedicated to supporting banks to capture opportunities in the women’s market⁸⁷. The GBA promotes best practices across the banking industry and recommends that all financial institutions capture an array of gender-related data.

Chart 29
Recommended gender-related funding data



Source: Global Banking Alliance for Women.

We also found some national level efforts to track both private and public financing of SMEs. Within the private sector, PitchBook regularly tracks US venture capital activity split by gender⁸⁸. In Canada, the government tracks allocation of Official Development Assistance (ODA)-eligible funding by gender, an effort funded by the private and public sector Partnership of Gender Equality⁸⁹.

“Tracking funding allocations to women entrepreneurs, and collecting gender data more broadly, is a fundamental pillar of inclusive financial systems. What we don’t track becomes invisible, and only through transparent systems will we be able to ensure women entrepreneurs get the equitable access and support they need.”

Rebecca Ruf | Vice President of Programs, Global Banking Alliance for Women

“Nearly every female founder that I’ve had the pleasure of meeting in London and beyond wants to give back, as we ourselves have been helped by amazing, strong women along the way. I’m sure that as we succeed over the years, we’ll be able to more easily balance the desire to give back and help, and our day to day working lives.”

Jenny Griffiths MBE | Founder and CEO of Snap Tech

⁸⁷ See <http://www.gbaforwomen.org/>
⁸⁸ See <https://pitchbook.com/>
⁸⁹ Global Affairs Canada, “Partnership to Fund Gender Equality and the Empowerment of Women and Girls in Developing Countries,” Government of Canada, February 20, 2019.

Initiative 2: Launch new investment vehicles to increase funding going to female entrepreneurs

There is a strong demand for increased funding to be made available to female entrepreneurs. While a 2015 report by survey group BDRC suggested that women are only slightly less likely than men to use external finance, our own internal data and recent data from the BBB reveals a stark difference in the amounts raised by female and male business owners⁹⁰. On the supply side, an increasing number of female entrepreneurs are seeking ways to give back to the next generation of business owners, with both funding and advice.

Building on this desire, we urge UK banks and investment funds to commit to assist their high net worth clients and institutional investors to invest in female businesses. Investors will thus access new, potentially profitable market opportunities whilst helping women-led enterprises to grow: recent US research found that businesses founded by women ultimately deliver more than double the revenue per dollar than those founded by men⁹¹.

Some recent private sector efforts have sought to increase the amount of funding for UK female entrepreneurs. Jenny Tooth of the UK Business Angels Association has long advocated for more female angel investors and increased access to angel funding for female entrepreneurs. In 2007 Royal Bank of Scotland launched its Women in Business programme, which provides customised support to help more women start businesses, and in 2018 announced that it will make over £150 million available specifically for female-led SMEs across the UK. Similar initiatives have also taken place in the venture capital space, for example the efforts led by Anya Navidski of Voulez Capital.

Globally, our research uncovered a number of public and private sector initiatives to channel more funding towards female entrepreneurs. In Canada, the state-owned Business Development Bank of Canada (BDC) has committed to increase lending to majority women-led businesses to CA\$1.4 billion, as part of its female empowerment strategy. In parallel, the BDC Capital Women in Technology Venture Fund (one of the largest venture capital funds dedicated to investing in women-led technology companies) saw its capital increased to CA\$200 million⁹². In the US, both the public and private sector have long sought to increase financing to female ventures. In 2011 the US government introduced the Women-Owned Small Businesses (WOSBs) Federal Contracting Programme which aims to award 5% of all federal contracting dollars to WOSBs every year⁹³.

“Our UK VC and Female Founders report shows that women are significantly under-represented in pipelines and investments, whichever way the data is cut – by industry, by stage, by fund size, age and focus. This is an industry-wide issue, but many actions that need to be taken lie at the firm level. Venture capital funds need to collect and analyse diversity and inclusion data on founders and share their findings. Our UK VC and Female Founders report brought to light the fact that few VCs were already tracking founder gender, and fewer still were tracking other aspects such as race or socio-economic background. We are grateful that many VC firms created new datasets on female representation in their pipelines and investments for this research.”

Victoria Jonson | Senior Manager of the British Business Bank

⁹⁰ BDRC Continental, Women-led Businesses: Analysis from the SME Finance Monitor YEQ1 2014, report, February 2015. UK VC & Female Founders, report, February 2019.

⁹¹ Morgan Stanley. The Growing Market Investors Are Missing: The Trillion-dollar Case for Investing in Female and Multicultural Entrepreneurs, report, 2018.

⁹² Business Development Bank (BDC), Annual Report 2017 (2017).

⁹³ U.S. Small Business Administration, SBA Announces Contracting Program for Women-Owned Small Businesses (2011).

Initiative 3: Encourage UK-based institutional and private investors to further support and invest in female entrepreneurs

Institutional investors currently control £1.2 trillion of UK⁹⁴ assets and can play an important role in driving behaviour changes that will direct greater funding to female entrepreneurs. The BBB report mentioned previously found that less than 1% of UK venture funding goes to all-female led teams, and just 4% of all deals⁹⁵. The report found that in 2017, 61% of venture capital firms had no all-female teams present to their investment committees and 24% saw no women at all at investment committee and calls on the industry to do more to redress this deficit

We recommend that both institutional and private investors should be encouraged to take steps to increase their investment in female-funded enterprises. Specifically, we would call on investors to:

- **Increase transparency of their funding decisions/allocation**
- **Hire more female investors to create a greater diversity of views within investment committees**
- **Provide better training to their investment teams on the challenges and conscious and unconscious biases female entrepreneurs face**

To ensure and maximise impact, we believe the government should also appoint an industry task force to spearhead and oversee the effort. This should be composed of leading industry participants with a passion for the issue. The task force would encourage the largest industry players to publicly commit to greater gender diversity in their funding allocation, and to use their influence to encourage others to challenge their established habits and look afresh at the investment potential of women entrepreneurs.

“We need to incentivise capital and venture capital funding to recognise and financially back all generations, including the younger ones, by actively sourcing talent and opening the door to a potentially untapped economy of business.”

Alexandra Daly | Founder and Managing
Director of AA Advisors

⁹⁴ UK VC & Female Founders, report, February 2019.

⁹⁵ Meade Ruth and The Investment Association, Asset Management in the UK 2017-2018: The Investment Association Annual Survey, report, 2018.

A concerted effort to increase gender diversity in funding would be in line with broader sustainable investment commitments and also fits the rising trend towards socially-responsible and ethical investing by mutual funds. Assets under management in Environmental, Social and Governance (ESG) funds have risen 60 per cent since 2012, from £~500 billion to £~750 trillion in October 2018, according to Morningstar⁹⁶. This trend is particularly prominent in Europe, whose investment managers account for a large share of ESG assets under management. European-based ESG funds represent ~£550 billion in assets, compared with just ~£230 billion for US-based funds⁹⁷.

Our global analysis also identified some socially-conscious funds which are seeking to address gender diversity issues more directly. In Japan, the ~£1.1 trillion Government Pension Investment Fund has announced plans to allocate 10 per cent of its passive domestic equity to ESG indices⁹⁸, including the MSCI Japan Empowering Women Index which tracks companies that encourage women to work. In Sweden one of the country's four main state pension funds, AP2, has invested in gender equality social bonds issued by the World Bank.

⁹⁶ Attracta Mooney, "Rising Investor Interest Pushes ESG Funds past \$1tn," Financial Times, November 17, 2018.

⁹⁷ Attracta Mooney, "Rising Investor Interest Pushes ESG Funds past \$1tn," Financial Times, November 17, 2018.

⁹⁸ Junko Fujita, "Japan's GPIF Expects to Raise ESG Allocations to 10 Percent: FTSE..." Reuters, July 14, 2017.

Initiative 4:**Review existing and create new banking products aimed at entrepreneurs with family care responsibilities**

Our survey data suggests that entrepreneurs with children account for 36% of all entrepreneurs in the UK and ~38% of female entrepreneurs. This equates to over 600,000 female parent entrepreneurs in the UK⁹⁹. Despite this large market, UK financial institutions have been slow to target this as-yet-untapped market, which is crying out for greater innovation, both in new product development and in reframing the go-to-market for existing products.

We urge the UK's leading financial institutions to develop sets of products designed to help parent entrepreneurs to manage their businesses and the challenges of raising a family. There is indeed a need and an opportunity for an extensive range of family care-related financial products.

Many of the women we interviewed are also reticent to share details of their plans for children with providers of capital. Banks should also consider their existing products and whether there are any enhancements that can be made – for example to address negative perceptions about the willingness of their institutions to show understanding or flexibility to their entrepreneur customers whose circumstances change for the reasons outlined here.

In addition to providing greater equity support to female business owners, we believe there is scope for innovation in the debt space, specifically around debt repayment. Our interviews revealed that many female business owners openly question how they can balance the financial constraints of starting or running a new business with those of a new child. We believe that capital repayment holidays aimed at both male and female new parents would represent a step in the right direction. Expanding one's family should not increase fear of an unmanageable debt burden, and since family care is both a female and male issue, the same opportunities should be provided to both sexes.

“I think an interest payment holiday would definitely move the needle. Childcare is currently inaccessible for a large majority of women in the UK; not only is it not good enough – we are told that full-time childcare is from 9:00 – 10:00am and 1:00 – 5:00pm each day – it is also completely unaffordable. There should be more active government and corporate support of female entrepreneurs with child care responsibilities. It's a hard mountain to climb, and we need to start now.”

Jo-Anne Chidley | Founder of the Beauty Kitchen UK, Glasgow

“There's no doubt women's disproportionate childcare responsibilities can be a significant brake on their advancement, whether in employment or in entrepreneurship. A greater recognition that provision for affordable, good quality childcare is a fundamental infrastructural need – implying both government funding and private sector buy-in – could be a game-changer.”

Justine Roberts CBE | Founder and CEO of Mumsnet and Gransnet, London

⁹⁹ RBS analysis.

While the private sector has an important role to play, we believe government should also explore new ways to provide financial and other support to entrepreneurs with family care responsibilities of all kinds, which go further than those offered today. In our survey, female entrepreneurs with children identified family care responsibilities as the single biggest barrier to their business success. Other entrepreneurs or would-be entrepreneurs may be caring for parents – a growing challenge given the UK’s ageing population – or family members with special needs. Furthermore, similar products should be extended to entrepreneurs facing other care responsibilities as these can be as time-consuming and as much of a barrier as childcare ones.

Family care costs can quickly become prohibitive for entrepreneurs, especially those in the early stages of their business, rising for childcare to over £1,000/month per child. Many of the women we interviewed are also reticent to share details of their plans for children with providers of capital. This makes it even harder for them to plan for periods when they will either need extra help with their business or need to organise childcare while they work.

We acknowledge that improving public access to primary care is a costly endeavour, but we would strongly encourage policy makers and private sector actors to work together to develop cost-effective solutions so that female entrepreneurs can make their full – and potentially substantial – contribution to the economy.

We have been inspired by some of the efforts around the world to help women balance family and debt commitments. In the US, BridgeCare Finance was set up with the express purpose of providing financing to reduce monthly childcare payments for professional parents¹⁰⁰. Their offering is simple: they provide new loans to parents specifically to finance childcare and pre-school fees, with flexible payment terms to avoid over-burdening parents. In Jordan, under the leadership of Nadia Al Saeed, Bank al Etihad launched its pioneering “Shourouq” Women Market Program in 2014. This has been extremely successful, growing the bank’s female portfolio by 125 percent in the first three years. Around 30% of the bank’s client base is now female¹⁰¹. Creating female-friendly products is central to the Shourouq offer, one of which makes it easier for women borrowers to take maternity leave by offering loan break payments during the leave period.

¹⁰⁰ Lending Times Financing the \$21 Billion Childcare Industry, April 2018.

¹⁰¹ Allen Taylor, “Financing the \$21 Billion Childcare Industry” Lending Times, April 2, 2018.

Initiative 5:
Improve access to professional expertise by expanding the entrepreneur and expert in residence programme

Entrepreneurial success draws on many sources of expertise over and above formal training. In many interviews, entrepreneurs stressed the importance of good, relevant advice in either success or failure. As with networking opportunities, however, many entrepreneurs and topic experts interviewed mentioned the struggle to access relevant resources, especially in rural areas. Some recent efforts are underway to fill in these postcode gaps. The British Library is spearheading an effort to provide entrepreneurs and SMEs across the UK with free access to databases, market research, journals, directories and reports through 14 National Network Centres¹⁰². In parallel, Local Enterprise Partnerships (LEPs) are overseeing a network of growth hubs which provide a mechanism to integrate national and local business support to 4.7million businesses across England¹⁰³. Separate business advice services operate in Scotland (Business Gateway), Northern Ireland (run by Invest Northern Ireland) and Wales (Business Wales). Many of those leading these government platforms have said they would welcome additional tailored services and support from the private sector.

We believe that companies can play an important role to support these government-led information initiatives across the country by providing access to further resources and expertise. We would encourage greater ties between private sector actors and business hubs across the entirety of the UK. Many entrepreneurs throughout the UK, especially outside large urban centres, could benefit from greater access to relevant networking and mentorship opportunities, and awareness of local and relatable role models. Greater cooperation could reinforce the capabilities of business centres and better position these as the heart of their region's local entrepreneurial community.

“For those who cannot rely on a network of knowledgeable family, friends or professional connections, accessing good and relevant advice can be extremely difficult. Women are less likely than men to know other entrepreneurs – which doubles the chance of someone starting a business themselves. Providing easily-accessible sources of professional and technical knowledge on topics such as funding, marketing and exporting, vetted and rated by industry experts, can help bridge this advice gap.”

Warren Ralls | Director of The LEP Network

¹⁰² British Library; based on data shared with RBS as part of the Rose Review.

¹⁰³ See <https://www.lepnetwork.net/>

The UK finance sector for example could leverage its large retail footprint to offer ‘financing specialist’ services to selected other partners across the UK. Many financial institutions have developed the necessary capabilities to operate an entrepreneurial hub service across the UK, such as the NatWest Accelerator hubs. These experiences have shown the benefits of providing entrepreneurs with targeted practical advice.

One of the most impressive examples of practical targeted support that we came across in our global research was the US network of Women Business Centres (WBCs), which aims to increase the success of women business owners through comprehensive training and counseling¹⁰⁴. The 110 WBCs across the US provide free workshops, training, advice and mentoring along the entire journey of a female business. The impact has been staggering, with over 700,000 women trained and counselled since 2009, many of them in underserved and economically disadvantaged communities – and over three million women trained and counselled by WBC’s private sector partners in local communities. The service is supported by funding from The Small Business Administration and from WBC’s local partners.

“One-to-one mentoring sessions have been game-changing. My mentor has pushed me to see the bigger picture, and to hold myself accountable to external goals. Before this, I behaved as if I was the COO and my husband, my co-founder, was the CEO. Now my mindset has completely changed – I’ve started to act like the CEO.”

Laura Mimoun | Founder of Kaleido Salad Rolls, London

“Some of the fellow entrepreneurs in my programme have become like family, they celebrate your wins and put their arm round you when doesn’t quite work out. It is really hard running your own business. Being part of this makes me feel like part of something bigger. Through the workshops, coaching and positive environment, I can safely say I am a more confident business woman.”

Karen Walker | Founder of Bronze Leaf, Belfast

¹⁰⁴ Office of Women’s Business Ownership (U.S. Small Business Administration, February 20, 2019).

Initiative 6:**Expand existing mentorship and networking opportunities**

Networks are a powerful mechanism to give aspiring business owners formal and informal access to more experienced entrepreneurs who have encountered similar issues and – most importantly – can relate to the advice-seeker’s geographic and socio-economic background. A network structure also helps business leaders to control and manage the time they commit.

A number of initiatives in the UK aim to increase networking and mentorship opportunities for female entrepreneurs. Looking at the public sector, over a third of LEPs now run mentorship programmes, and many are exploring ways to expand these or create their own programmes. Be the Business, a collaboration between the UK Government and several leading UK companies, was set up in 2017 expressly to assist SMEs to improve their productivity. Its Mentoring for Growth programme matches British SME leaders with experienced business mentors. The private sector has not been idle. Our research identified a host of networking platforms across the UK, with more or less targeted membership criteria and approaches to recruitment. Ensuring local delivery will help maximise opportunities across the UK and avoid a London centric approach.

Despite these many and varied efforts, our work has revealed a great unmet demand for additional network and mentorship opportunities, notably in rural areas that fare badly in the “post code lottery”.

We urge public and private sector organisations to come together to:

- 1. Share best practices on networking opportunities**
- 2. Roll-out a new centralised networking platform that connects all the networks already in place**
- 3. Expand the reach of existing networks to under-served areas to create greater connection throughout the UK.**

The call for improved networking opportunities is not new – it has appeared in over 10 of the reports published in the last 10 years which we consulted for this review¹⁰⁵. We have identified two crucial obstacles to effective networks, however, namely time and scale. Many established entrepreneurs and business leaders express a strong desire to give back to the next generation of business leaders, whether through mentoring or by providing more direct sponsorship. Unfortunately, they can feel overwhelmed as individuals by the mentoring task, as the time demands appear larger than they can commit to. At the same time, aspiring and rising entrepreneurs may struggle to find and access advice from people who have faced similar issues to them and can relate both to their geography and socio-economic background.

“Mentors provide a deeply valued resource for scaling businesses. The ScaleUp Institute’s 2018 Annual Scaleup Survey showed that more than half of the country’s scaleUp leaders have a mentor, and more than 90% of those who do have a mentor value their input. A main reason why others do not have a mentor is that they do not know where or how to find one. This is a clear opportunity for local ecosystem players to use their networks to provide more mentors to our female-led local scaleups.”

Irene Graham | CEO of ScaleUp Institute

“I’m a huge fan of mentoring. It’s made all the difference in my own career, and I’ve seen the impact that it can have on so many women through the 30% Club’s cross- company mentoring scheme. Each year, the majority of mentors are men and they tell us they develop a better understanding of the issues faced by women in their own companies because their mentee can be more candid with them than if their mentor was working at the same firm. And the mentees explain that because they can be candid, the advice they receive is much more targeted and useful. It’s tremendously exciting seeing how many women feel more confident about taking that next step after well-timed and thoughtful mentoring.”

Dame Helena Morrissey DBE | Founder of the 30% Club and Head of Personal Investment at Legal & General Investment Management

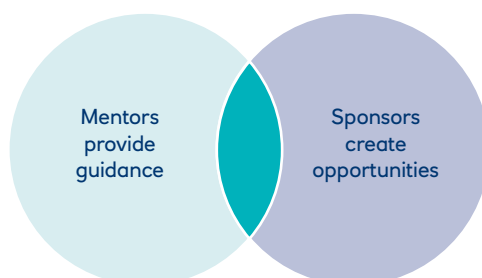
Connecting and scaling existing networks helps overcome both problems, allowing leaders to manage the time they commit and giving aspiring entrepreneurs ready access to a wider pool of potential mentors or sponsors. While both roles provide important support for aspiring entrepreneurs, and often overlap, they are distinctly different in terms of the time commitment and involvement required of a leader, as the chart below demonstrates.

Chart 30

Mentors and sponsors can both play a critical role in supporting women along their entrepreneurial journey

A mentor is...

- Experienced, not necessarily senior
- Willing to sit down with mentee – Private support
- Imparts wisdom of value
- May not advocate for mentee



A sponsor is...

- Invested in a two-way relationship
- Senior and influential
- Willing to take risks for sponsee – public support
- Creates professional opportunities that let sponsee grow
- Counsels sponsee personally
- Will advocate for sponsee

Source: Survey conducted as part of The Alison Rose Review of Female Entrepreneurship

We found that the power of networks at scale has been a recipe for success in other peer countries. In the corporate world, the GoSponsorHer campaign in Canada challenges senior leaders to publicly sponsor a high potential woman in their network, then encourage others to do the same¹⁰⁶. These sponsorship relationships are broadcast on social media, to reward participants and incentivise other leaders to join the scheme. In the US, Vicki Saunders, CEO and founder of SheEO, has created a network of entrepreneurs espousing the concept of “Practicing Radical Generosity”, designed to ‘reinvent’ networking¹⁰⁷. Participants are given the opportunity to spend 15 seconds asking for help. Experienced volunteers then sign up to contribute support. The model has been rolled out in conferences and through digital platforms, with high responses across both formats.

¹⁰⁵ See Appendix 2.

¹⁰⁶ See <http://gosponsorher.com/>

¹⁰⁷ See <https://sheeo.world/>

Initiative 7:**Accelerate development and roll-out of entrepreneurship-related courses to schools and colleges**

An increasing amount of private sector-produced material is available to help teach entrepreneurial skills in schools. Apple, Microsoft, Google, Dell, the EY Foundation and Deloitte are just some of the large companies providing support to UK schools, and many teachers are eager for any form of support to help them train their pupils in the skills of tomorrow. These separate individual efforts have led to fragmentation, however, with similar material being developed across many different companies and a lack of coordination between different providers.

We recommend a two-stage approach to maximise the impact of entrepreneurship courses on the UK economy:

- 1. As a first step, we would encourage more organisations to offer their support to schools and colleges nationwide.** These efforts should not be solely focused on school age education. It is important that the current generation of entrepreneurs has access to a range of training materials as well as the future generation, and the current average age of an entrepreneur in the UK is 47 (46 for men and 48 for women)¹⁰⁸. The courses should be targeted at students aged 15-18, with a view to eventually expand the offer to adults and younger age children.
- 2. We also call on private and public sector organisations to come together to collaborate on a common set of educational materials focused on entrepreneurship, financial literacy and self-belief, aimed at both men and women.** This umbrella group would serve as a central repository of information, share best practices and explore ways of working together.

Introducing entrepreneurship in schools increases awareness among young women and may increase their confidence to one day start a business. It can also highlight key choices, such as the value of studying STEM subjects to enter certain attractive, high productivity sectors.

“Teaching entrepreneurship would be such a powerful force for change, particularly for girls... if things had been different I would have had the confidence to start a business before I was 41!”

Mel Bound | Founder and CEO of This Mum Runs, Bristol

¹⁰⁸ The Guardian, The fabulous forties – the perfect age to start a business, September 2015.

Our review of peer countries found that many provide entrepreneurship education from a young age.

- In the Netherlands, which has one of the highest ratio of women business owners to men, entrepreneurship has been embedded in the national qualifications framework and curricula since 2011¹⁰⁹. Options include interactive courses on entrepreneurship and Certificate Entrepreneurship, which targets students on vocational courses to encourage entrepreneurial mindsets.
- In Australia, the Future Female Entrepreneurs initiative is a A\$7.2 million programme jointly funded by the Federal government and industry to build the digital literacy and business acumen of Australian girls and young women, particularly in rural and regional communities. Courses are delivered through a digital platform and in-person workshops¹¹⁰.
- In the US, a public-private partnership delivers the Women in Science STEM Camp for Girls programme. This initiative aims to encourage female high school students towards STEM subjects through hands-on experiments in engineering, chemistry, robotics and coding. It is supported by the US Department of State, NASA, the UN Foundation's Girl Up initiative, Intel and Google.

¹⁰⁹ School Education Gateway, Entrepreneurship education in the Netherlands.

¹¹⁰ Hon Josh Frydenberg MP and Hon Kelly O'Dwyer MP, New programme to boost our future female entrepreneurs.

Initiative 8:**Create an entrepreneur digital first-stop shop**

Entrepreneurs have access to a wealth of information through government websites, member networks, growth hubs and local enterprise partnerships amongst others. While many successful entrepreneurs have successfully navigated the different resources available, our interviews suggest that many are discouraged by the sheer number and lack of centralisation of these many different resources. Searching is time-consuming as there are both gaps and overlaps in the information, and entrepreneurs may still not find the best advice for them.

We would like to encourage private sector actors – working in partnership with public bodies – to come together to create the UK’s first comprehensive digital first-stop information shop for entrepreneurs.

The problem of fragmented information is not a new one. In her 2016 self-employment review, Julie Deane called on government to “review how well information on its official website “GOV.UK” signposts the resources already available”¹¹¹. In its 2016 report, Deloitte recommended the development of “an easy-to-use digital platform [...] to provide a two-way portal for women to access SME resources, such as role models, mentors and best practices”¹¹². We would like to reiterate those calls made three years ago and encourage all parties to come together to make this new digital platform a reality.

The aim should be to create a straightforward and comprehensive first-stop shop for entrepreneurs. It should not seek to supplement existing platforms (such as those developed by LEP growth hubs, the recently developed Everywoman platform or others) but simply aim first of all to aggregate the large array of information relevant to entrepreneurs generally, and female entrepreneurs in particular. As a next step, the platform should tailor its content to each visitor to offer personalised recommendations on services and resources. These would be based on factors such as the user’s age, location, stage of the entrepreneurial journey and goals.

Our review of entrepreneurship platforms reveals that only 13 out of the 36 OECD member countries have entrepreneurship portals, with varying degrees of centralised content, personalisation, ease of searching and direction application to funding. Of these, the efforts made by Canada and Australia stand out.

“I know that there are online memberships that you can pay for, where you can gain access to information to help grow your business, and which are often specifically female-led. What I feel is really missing is a place where you can find all relevant information – on networking, training programmes and funding – at the local level. Knowing what resources are available and relevant to you, in your local area, would be really handy.”

Ailish Lucas | Founder of The Glow Getter, London

¹¹¹ Julie Deane OBE, Self-Employment Review: An Independent Report, report, February 2016.

¹¹² Women Entrepreneurs: Developing Collaborative Ecosystems for Success, report, April 2016.

The Australian business portal offers a comprehensive online “Business Guide” that leads users through the steps of setting up a business

Portal Overview	
<p>Online portal for government services to support business set-up and growth, users can search for personal funding, expert advice and event information or browse topics through a “Business Guide” that organises information through the chronological steps of setting up a business:</p> <ul style="list-style-type: none"> • Business registrations • Business planning and operations (people, finance, marketing) • Risk Management • Change and growth • Products and services 	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Comprehensive guide to setting up and running a business with detailed information for every step and topic, e.g. setting up a social media budget, monitoring social media usage • Organises topics in a chronological order of setting up a new business • Has some personalisation through the grants, advice and events search functions which allow users to input some basic information about their businesses, e.g. post code, type of business, goal of funding etc. • Provides interactive online tools for users, e.g. GST calculator and offers templates for download, e.g. Balance sheet • Directs users to contact information for relevant departments or to e-forms that can be filled in and submitted online 	<ul style="list-style-type: none"> • The “Business Guide” has many many sub-categories which make navigation between categories complicated and difficult to trace back to past articles • The personalisation search functions are separate for grants, advice and events, which means that users must fill in the interactive form multiple times and search on different tools to reach results from different topics • Application forms and help guides are not centralised in one website, search results in the portal direct users to different websites, e.g. regional government website, etc.

The innovative Canadian portal generates a tailored list of government services and resources for business

Portal Overview	
<p>Online portal for business innovation support, users can input their business information (e.g., type of support needed, industry, number of employees) through an interactive form to generate personalised results on:</p> <ul style="list-style-type: none"> • Funding • Loans and capital investment • Tax credits • Wage subsidies and interns • Expert advice • Partnerships 	
Strengths	Weaknesses
<ul style="list-style-type: none"> • Tailors content based on business type and needs – such as business goals, whether or not the business is incorporated • Generates a tailored ‘business story’ that makes users feel valued and individualised • Provides business information specific to minority businesses, e.g. indigenous-owned, women-owned • Easy-to-navigate interface that adapts with user input so that the user is not overwhelmed by all the possible options at once • Directs users to contact information for relevant departments or to e-forms that can be filled in and submitted online 	<ul style="list-style-type: none"> • Difficult to find portal on the government website because there is no direct link to the page, users must be directed by searching for relevant information, e.g. “innovation” or “funding” • Application forms and help guides are not centralised in one website, search results in the portal direct users to different websites, e.g. provincial government website, etc. • Portal is only focused on Innovation or Funding, more basic entrepreneurship resources, e.g. business licences and guides to setting up a new business, are located in the more general business pages which are not accessible through the portal

Conclusion

We believe these initial eight recommendations will together improve the access to funding, advice and opportunity for female entrepreneurs in practical tangible ways. They also provide a starting platform for the further significant and sustained action that we believe is required to ensure that every woman with entrepreneurial spirit can achieve her full potential.

We recognise that policy change takes time and that other factors may limit capacity to commit to new interventions at present. We hope the government will nonetheless consider seriously in its forthcoming Gender Equality and Economic Empowerment Strategy the issues identified by this review and the advances made by global peer countries working to a common framework and goals. There is great energy and support for the recommendations proposed here, and for other initiatives already in place or planned. Only through concerted and coordinated action can the UK tap the full unrealised economic potential of women as entrepreneurs.

Section 9

Appendices

1. **Appendix 1:** Contributors to the Rose Review
2. **Appendix 2:** Overview of research conducted as part of the Rose Review
 - Surveys
 - Interviews, workshops and roundtables
 - Existing reports
 - Global case-studies
3. **Appendix 3:** Methodology of value at stake calculations
4. **Appendix 4:** Full list of references

Appendices

Appendix 1: Contributors to the Rose Review

This report is the result of a combined effort of many thoughtful contributors. We would like to thank everyone who has contributed, not all of whom are captured below, but we would like to thank the following people, who generously contributed their time and shared their perspectives and expertise to produce this report.

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Angela Hicks, North Somerset Enterprise Agency

Dr. Angie Ma, ASI Data Science

Ann Harrison, SSB Solicitors

Ann Nkune, Bloomsbury Beginnings

Anna Flach, Qadre

Anna Humphrey, Taylor Wessing

Anna Jones, AllBright

Anna Slater, North West Linen Services

Annabel Karmel MBE, Annabel Karmel Foods Ltd

Ann-Maree Morrison, British Association of Women Entrepreneurs

Anya Navidski, Voulez Capital

Dr. Asha Patel, Innovating Minds CIC

Dr. Asma Khan, Darjeeling Express

Barbara Collins, Government Equalities Office

Benedict Dellot, RSA

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Bryony Farmer, Precious Star Pads

Dr. Carmen Zechner, Deutsche Bank

Professor Carol Jarvis, Bristol Business School

Caroline Odogwu, She is You

Caroline Plumb OBE, Fluidly

Caroline Thompson, Be The Spark

Carolyn Currie, Women's Enterprise Scotland

Carolyn Pearson, Maiden Voyage

Catherine Lewis La Torre, British Patient Capital

Catherine Smith, Equal Talent

Catherine Wines, WorldRemit

Catrin Pascoe, Western Mail

Charlotte Crosswell, Innovate Finance

Charlotte Ransom, Netwealth Investments

Charlotte Valeur, The Institute of Directors

Charlotte Wilton, b our bridge

Cheryl Gourlay, NatWest

Chloe Franses, Chloe Franses & Co

Chris Maguire, NatWest

Chris Mansi, Institute of Optimal Nutrition

Chrissie Rucker OBE, The White Company

Christine Atkinson, University of South Wales

Dame Cilla Snowball DBE, Women's Business Council

Claire Enders, Enders Analysis	Francesca Warner, Diversity VC
Claire Welch, Dobson Welch	Gael Drummond, Firstport
Clare Harris, The British Library	Gaëlle de Vriendt, Girls on Travel
Clare Hopkins, Balance Me Beauty	Gemma Francis, Taylor Wessing
Colin Bell, North East Local Enterprise Partnership	Gemma-Louise Craggs, The Prince's Trust
Coral Horn, Pink Link Ladies	Georgia Lourandos, McKinsey & Company
Dale Sidebottom, NatWest	Gill Pawley, Writing Workshops
Dana Denis-Smith, Obelisk Support	Gordon Merrylees, NatWest
Danielle Genas, Genas Enterprise Consultants	Graeme Fisher, British Business Bank
Danielle McCormack, Radiant & Brighter Community Interest Group	Hannah Knowler, Taylor Wessing
Darren Pirie, NatWest	Harriet Hastings, Biscuiteers Baking Company
David Shoesmith, ScaleUp Institute	Harriet Rhodes, Holly & Co
Debbie Woskrow OBE, AllBright	Heather Waters, NatWest
Delphine Bazagalette-Poschmann, JP Morgan	Helen Puddefoot, Be the Business
Denise McQuaid, Everywoman	Helen Roberts, CPG Executive Consulting
Elaine Courtney, Courtney Recruitment	Helen Walbey, The Federation of Small Businesses and Welsh Government Advisory Board for Women's Entrepreneurship Framework
Elaine Cromwell, Thomson Cooper Accountants	Helena Eccles, McKinsey & Company
Dr. Eleanor O'Keefe, Cognition X	Dame Helena Morrissey DBE, 30% Club and Legal & General Investment Management
Dr. Emily Nott, Innovate UK	Helene Martin Gee, Pink Shoe Club and Economic Blueprint for Women
Emma Danks, Taylor Wessing	Helene Panzarino, Rainmaking Colab
Emma Degg, North West Business Leadership Team	Henry Rigg, Leeds City Region Enterprise Partnership
Emma Flaherty, The MoneyGirl	Hollie Williams, Smart Stays Cleaning
Emma Purchase, Sweet Pea & Little Wolf	Holly Tucker MBE, notonthehighstreet.com and Holly & Co
Emma Sinclair MBE, Enterprise Alumni	Inez Murray, Global Banking Alliance for Women
Emma Worley, The Philosophy Foundation	Irene Graham, ScaleUp Institute
Evelyn McDonald, Scottish EDGE	Isabel Oswell, The British Library
Fae Brennan, ScaleUp Institute	Iva Figueiredo, Greater London Authority
Farah Hussain Baig, Inner Voice PC	
Felicia Meyerowitz Singh, Akoni Hub	
Fi Bendall, The Female Social Network	

Janaki Hadida, SheEO	Karen Gill MBE, everywoman
Jayne Thistlewood, RandR Safety Systems	Karen Halperin, Sharegain
Jennifer Bailey, Calla Ltd	Karen Leigh, Greater London Authority
Jennifer Hamley, Jennifer Hamley England	Karen Tracey, Dunelm Business Consultants
Dr. Jennifer Newton, Express Micro Science	Karen Walker, Bronze Leaf
Jenny Griffiths MBE, Snap Tech	Kat Paterson, Soto
Jenny Tooth OBE, UK Business Angels Association	Kate Farrow, everywoman
Jeremy Goro, Google	Katharine Finn, PwC and West of England Combined Authority LEP
Jill Pay, Economic Blueprint for Women	Katherine Swift, OMG Matcha Tea and The Healthy Life Foundation
Jill Sneddon, Aberdeen Asset Management	Kathryn Parsons MBE, Decoded
JJ Bowles, Bridgepoint Growth	Kathy Slack OBE, Enterprise M3
Jo Laing, DayOld Eats	Keely Deininger, Angels Face
Jo Lappin, Cumbria Local Enterprise Partnership	Kei Yamaguchi, McKinsey & Company
Jo Maxwell, The Jo Maxwell Show	Keith Morgan, British Business Bank
Jo-Anne Chidley, Beauty Kitchen UK	Kerry Morgan, Morgan Brown and Company Solicitors
Joanne Smith, Transforming Culture and Conduct (TTC)	Laila Page, NatWest
Jonny Adams, ScaleUp Institute	Laura Coffey, Onfido
John Evans, Hawthorn	Laura McGee, Diversio
Josh Robson, ScaleUp Institute	Laura Mimoun, Kaleido Salad Rolls
Joshua Townson, Innovate Finance	Laura Siguine, Coutts
Julia Craig, NatWest	Lauren O'Neill, The Food Connection
Julia Elliott Brown, Enter the Arena	Lauryn McKinney, Taylor Wessing
Julia Vearncombe, Skin Genius	Lina Wenner, firstminute Capital
Julianne Miles, Women Returners	Linda Bennett OBE, L.K. Bennett
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June Geyer, Women in Agriculture Scotland	Lou Sanders, Komedia Brighton
Justine Roberts CBE, Mumsnet and Gransnet	Louis Chambers, McKinsey & Company
Justine Rouch, Matthew Williamson & Alexandalex.com	

Dr. Louise Beaumont, techUK
Louise Felstead, Mallards Wood Group
Louise Webster, Beyond the School Run
Lu Li, Blooming Founders
Lucy Hall, SocialDayUK and Avviso Media
Lucy Lomas, Luma Marketing
Lynette Gilbert, Business Literacy
Lynne Kennedy MBE, Business Women Scotland
Madeleine Griffiths, In Your Dreams
Maggie Berry, WEConnect International
Maggie O'Carroll, The Women's Organisation
Margaret Kennedy, Royal Bank of Scotland
Maria Diaz-Palomares, Greater London Authority
Marianne Strange, Protect My Pet
Marianrose Ngosi, Radiant & Brighter
Mark Basnett, Liverpool Enterprise Partnership
Marta Krupinska, Google
Martyna Dworski, Facebook
Mary Lynch, Onist Food
Maxine Benson, everywoman
Megan Caywood, Barclays
Megan Peat, RBS Social and Community Capital
Megha Kansal, McKinsey & Company
Mel Bound, This Mum Runs
Melanie Goldsmith, Smith & Sinclair
Melina Jcovou, Propel London
Michelle Williamson, Taylor Wessing
Mike Conroy, UK Finance
Nadia Sood, CreditEnable
Naomi de Haan, Edge o' Beyond
Natalia Talkowska, Natalka Design and Doodleledo
Naomi Kingsley, London Rebuilding Society

Natalie Moores, Mac & Moore
Neeta Patel, New Entrepreneurs Foundation and The Centre for Entrepreneurs
Nick Howe, NatWest
Nick Hungerford, Nutmeg
Nick Shuttleworth, British Business Bank
Dr. Nighat Awan OBE, Shere Khan Group
Niharika Hariharan Joshi, McKinsey & Company
Nina Lovelace, Kandu and 10 Digital Ladies
Oliver Illing, Google
Patricia Greer, West of England Combined Authority and Local Enterprise Partnership
Paul Jenkins, McKinsey & Company
Paula Rogers, Admiral Group
Peter Allish, Royal Bank of Scotland
BlueSky Video Marketing and The Future of Marketing
Peter Cunnane, Innovate Finance
Philip Shepherd, Taylor Wessing
Philippa Brent, Enterprise Enfield
Pierre-Matthieu Gompertz, McKinsey
Rachael Crook, McKinsey & Company
Rachael Woolston, Girls Run the World
Randa Bennett, VeeLoop
Rebecca Hill, HaslerHill Consulting
Rebecca Jane, The Lady Detective Agency
Rebecca Ruf, Global Banking Alliance for Women
Ren Kapur MBE, X-Forces Enterprise
Richard Jeffery, The Growth Company
Richard Topliss, NatWest Corporate Banking
Richard Tribe, Greater London Authority
Riham Satti, MeVitae

Rija Javed, Market Invoice
Rob Illidge, Social Republic
Roni Savage, Jomas Associates
Rosaleen Blair CBE, Alexander Mann Solutions
Roseann Kelly, Women in Business
Northern Ireland
Rosie Richardson, Taylor Wessing
Roxana Mohammadian-Molina, Blend Network
Dame Ruby McGregor-Smith CBE, Women's
Business Council
Sahar Hashemi OBE, Coffee Republic
Sara Guiel, Mumpreneurs Networking Club
Sarah McVittie, Dressipi
Sarah Vawda, Vawda Associates
Sasha Astafyeva, Felix Capital
Seema Khinda Johnson, Nuggets
Sharniya Ferdinand, NatWest
Sharon Gwendolyne Robinson, Smart
Stays Cleaning
Sharon Prosser, NatWest
Shavata Singh, Shavata Brow Studio
Sherry Coutu CBE, ScaleUp Institute
Dr. Shikha Pitalia, SSP Health
Dr. Shima Barakat, Impact Women's Network
Shirin Dehghan, Frog Capital Limited
Simi Dubb, Centrica
Simone Roche, Northern Power Women
Sonia Brown MBE, National Black Women's
Network
Steph Leese, The Pink Plasterer
Stephanie Peritore, Mindful Bites
Stephen Welton, British Growth Fund
Sundiata Dixon-Fyle, McKinsey & Company

Tabitha Goldstaub, Cognition X
Tara Reeves, LocalGlobe
Theresa Moore MBE, The Citizens Trust
Thishani Nadesan, Cleo AI
Tony Danker, Be the Business
Tracy Nowski, McKinsey & Company
Tracy Thomson, RBS Social and Community
Capital
Tunde Olanrewaju, McKinsey & Company
Vicki Saunders, SheEO
Victoria Jonson, British Business Bank
Victoria Roberts, Innovate Finance
Warren Ralls, The LEP Network
Dr. Wendy Cukier, Diversity Institute
at Ryerson University
Wincie Wong, NatWest
Yasmine Chinwala, New Financial LLP
Yuliana Topazly, My Outspace
Yvonne Greeves, Royal Bank of Scotland
Dr. Zara Nanu, GapSquared

Views from the contributors on the Rose Review

“There has long been an awareness of the difficulties female entrepreneurs face in accessing capital but not enough has been done to solve this issue. I am encouraged that Alison Rose is taking such an active role in trying to solve the barriers her report has highlighted. Investors will need to play a central role in changing the landscape for future generations of women and unleash the potential of a vast section of the UK economy.”

Alexandra Daly, CEO of AA Advisors

“The British Business Bank exists to lower the financial barriers that hold entrepreneurs back from achieving their ambitions. We need new approaches to addressing these issues and for the industry to drive change.”

Alice Hu Wagner, Managing Director of the British Business Bank

“Neural science tells us that the more familiar we are with something the more we like it. Reports like this one therefore serve a very important function – they help us to become more aware of the opportunities that we all miss. In building our understanding of challenges facing female founder and of opportunities we might be missing, we gradually change our behaviour. And that helps to drive cultural change. One decision, one transaction at a time.”

Anya Navidski, CEO of Voulez Capital

“This review will really resonate with so many women and men in the UK who have been struggling to understand why we do not have more female entrepreneurs, but more importantly it sets out practical recommendations for how to improve the situation, adding significant value to the UK economy.”

Brenda Trenowden CBE, Global Chair of 30% Club and Board Trustee EY Foundation

“It is clear the issues of diversity and inclusion have been moving up the agenda, therefore, we welcome the Rose Review shining a spotlight on this important issue. As a leading LP in the UK venture and growth market we look forward to working with our General Partners, to help drive positive change.”

Catherine Lewis La Torre, CEO of British Patient Capital

“The findings of the Alison Rose review offer both reassuring signs of change and evidence of the work that remains to be done. The number of all-female founding teams has risen to 39% from 7% in 2007. And whilst investment in all-female teams is increasing, proportionally to overall investment, the percentage is decreasing. The tangible impact that AllBright has made in its first year confirms my conviction that empowering networks that supports and champions women is the only way we can enact meaningful change across the business landscape.”

Debbie Woskrow OBE, Co-Founder of AllBright

“We have achieved much in the last 10 years, but we still have much more to do to deliver the tailored support that women entrepreneurs need. It is unacceptable that disparities between men and women still exist to such an extent in a country like ours. We need to continue harnessing the passion and drive of individuals and organisations to drive change for the benefit of the entire country.”

Helen Walbey, Diversity Chair of The Federation of Small Businesses

“I believe that money gives men the power to run things, so if we want true gender equality we need income and wealth equality too. Female Entrepreneurs is such a timely review of the barriers and solutions to a significant aspect of the overall problem; that a relatively low number of businesses are founded and built by women. The standout data point for me is that 92% of venture capitalists are men. That statistic shows how hard it is to break the cycle - but the report offers useful ideas. I'm particularly keen on the emphasis on mentoring, and would love to see a network develop throughout the U.K. for those women with great ideas but who may be unsure how to put them into practice.”

Dame Helena Morrissey DBE, Founder of the 30% Club and Head of Personal Investment at Legal & General Investment Management

“

This Report is essential reading to enable us to fully realise the potential of the nation's female entrepreneurs and unlock the £250bn this would add to GDP. I'm glad to have participated in the Report, which provides a broad insight into advancing female entrepreneurship in the UK and offers a range of practical, achievable interventions. As the Report identifies, it is vital to focus on finance and I especially welcome the recommendations to increase funding directed at women and demystify the enterprise ecosystem. Pink Shoe provides networking and role models for female entrepreneurs and is working to increase female angel investment. We look forward to collaborating with RBS and others to help implement the Report's proposals and accelerate the value female enterprise brings to the UK economy.”

Helene Martin Gee, Founder of Pink Shoe Club and The Economic Blueprint for Women

“

The Rose Report I believe to be one of the most significant pieces of work in recent years to highlight and champion the chronic lack of female-led startups in the UK. One of the poignant facts that will stay with me until we're able to bring this number down is the difference of 150,000 businesses not started by women compared to our male counterparts each year and the incredible £250 billion this would contribute to our economy.

In such a time of uncertainty, surely the time has now come where we do not ignore the power of women collectively in business. I for one will be supporting Alison Rose and everything that she has not only reported but has committed to lead, in changing the landscape for all women and future generations of girls who quite possibly we might all come to rely on one day. I am very excited with how real, pragmatic and actionable this report is, and I will be singing from the rooftops about how we should all do what we can to support our fellow female entrepreneurs.”

Holly Tucker MBE, Founder notonthehighstreet.com and CEO of Holly & Co

“

Diversity is very important to us. We are aiming for 40 per cent female representation right across the business by 2020. Alison Rose's commitment to gender and ethnic diversity, both in and outside of the corporate workplace has been exemplary throughout her career. RBS is fully committed to supporting the recommendations in this report and will continue taking an active role in advancing female entrepreneurship in the UK in years to come.”

Sir Howard Davies, Chairman of The Royal Bank of Scotland Group

“The Alison Rose Review provides a comprehensive view of the key drivers and obstacles of female entrepreneurship in the UK. Most importantly, it provides practical solutions based on women’s individual life journeys as well as national and global best practice. The impact of these recommendations could be substantial, yielding stronger economic growth and a more equitable UK economy while inspiring other countries to follow suit.”

Inez Murray, CEO of the Global Banking Alliance for Women

“Our ScaleUp Index highlights that 4% of the UK’s 4,420 visible scale-ups have female founders across all sectors and geographies with 40% a female director. It is vital to provide the relevant support to these growing businesses as they scale further and make these role models known at both local and national level to encourage others and foster the peer networks so valued by our scaleup leaders. We welcome the findings of the Alison Rose review and look forward to partnering on a number of initiatives in coming months.”

Irene Graham, CEO of ScaleUp Institute

“The insights gained from this report demonstrate a clear need for a step change in the way we support and finance women entrepreneurs here in the UK. I welcome the proposal to introduce a new female-focused fund, whilst we need to continue our efforts to build a much more diverse angel and VC investment community and move mindsets of the existing finance providers, in order to ensure that many more women can access the finance they need to build and grow their businesses.”

Jenny Tooth OBE, CEO of UK Business Angels Association

“The UK Economic Blueprint for Women is delighted to be involved in this important review. We totally align with the aim to advance female entrepreneurship in the UK. We commend the breadth and depth of the research which has produced valuable data for everyone working to support the growth of female entrepreneurs and their contribution to the national economy. The Economic Blueprint team (Team EB) looks forward to working with RBS to develop practical measures to achieve the key recommendations in the report and particularly the creation of a one-stop shop.”

Jill Pay, Chair of The Economic Blueprint for Women

“I welcome the publication of the Rose review and its recommendations. Ten years on from my work as an Advisor to the UK Women’s Enterprise Taskforce (2006-2009), significant challenges and barriers remain to enabling more women to set up and grow their own businesses. Critically, the report sets out the economic imperative and gain to advancing female entrepreneurship. I am particularly keen to ensure that schools, colleges and universities can play a greater role in fostering a culture of entrepreneurship to inspire the next generation.”

Julie Kapsalis, Board Member Coast 2 Capital LEP Board Member and Managing Director at Chichester College Group

“It’s really interesting to see research that draws on such a variety of sources. Even for those of us who talk about this issue regularly, the headline conclusion that there’s a potential gain (if women scaled up at the same rate as men) of £250bn GVA is a real eye-opener. What’s stopping us? Well, quite a lot as it turns out - but the report has some solid recommendations for those things too, including the importance of collecting good-quality data on this.”

Justine Roberts CBE, Founder and CEO of Mumsnet and Gransnet

“We welcome the comprehensive work that has been done to create the Alison Rose Review. It puts the spotlight on the vital need to increase female entrepreneurship in the UK and we concur with the findings and recommendations. Over the past two decades we have been immersed in the female enterprise community and our own findings have shown that access to female role models is a major source of inspiration for 74% of women, when they are looking to take the leap into business ownership. We have also witnessed that having access to a likeminded network and relevant mentors has a direct impact on business growth.”

Karen Gill MBE, Co-founder of everywoman

“There is massive economic potential in removing barriers to women’s entrepreneurship. In Canada, the government and private sector are working together to unlock capital, improve access to networks, support childcare, and coach women on how to scale-up. It is encouraging to see the U.K. Review recommend similar initiatives.”

Laura McGee, CEO of Diversio

“Encouraging more women to build and scale businesses has been a lifelong personal passion of mine. This is the first research study that not only quantifies the ‘lost’ economic value that women entrepreneurs could add to the UK but one that also makes well reasoned recommendations on what we could and should do to fix the problem. These recommendations will need all sectors of the UK – from schools to banks – to engage and work together. I hope that, as a Nation, we can connect the dots to unlock this incredible potential.”

Neeta Patel, CEO of New Entrepreneurs Foundation

“I am delighted to confirm our support and willingness to partner in the relevant initiatives, and see this as 100% aligned with our existing public commitment to the Women in Finance Charter.”

Patricio Remon, President Europe of Equifax

“There are £250 billion worth of reasons why The Rose Review should be read and acted upon in order to encourage more female entrepreneurs to start and scale their businesses at the same rate as men. This is an opportunity that is not just good for women but good for business and good for the British economy. But this is no walk in the park. There are challenges to overcome and barriers to break down. This report is an important step in detailing the commitments needed to unlock the immense potential of female-led firms. That’s going to require commitment, time and support from successful women who have been there and done it.”

Rosaleen Blair CBE, CEO of Alexander Mann Solutions

“Here at RBS and NatWest, we’ve been leading the way on gender inclusivity in banking for a number of years, from increasing the number of women in leadership positions to how we support female customers. We recognise its importance and we’ve been proactive in our approach – we need to keep focused on breaking down the barriers so we’ll continue to work hard to make sure we play our full part for the benefit of the UK economy.”

Ross McEwan, CEO of The Royal Bank of Scotland Group

“I cannot stress enough the importance of ‘demystifying entrepreneurship for women’, as identified in this report. There are huge myths out there about entrepreneurship. The view is that it is a ‘special chromosome’ or ‘magic dust’ that some have, and others do not. This is not the case. Entrepreneurship is about behaviour. When an “entrepreneur” gets an idea, they do not talk about it or dream about it. They just go for it. It is a great pity that we, as a society, do not recognise that many of the qualities that entrepreneurs use throughout their journey are in fact innate qualities that women have in spades. We need to shout this from the rooftops, and I hope this report goes a long way into doing that.”

Sahar Hashemi OBE, CEO of Coffee Republic

“It’s great to see The Rose Review’s focus on boosting female entrepreneurship. Evidence consistently shows the economic prize if we manage to boost the number of women starting and growing successful businesses. The Review is right to recognise the importance of management, leadership and increasing access to support as key areas for improvement if we’re to maximise on this opportunity.”

Tony Danker, CEO of Be the Business

“The recommendations laid out in the report are in-line with what we’ve seen in other jurisdictions around the world and represent a significant opportunity for strengthening the economy in the UK.”

Vicki Saunders, Founder of SheEO

“One of the key missions for LEPs is to support both men and women in local communities as they launch ventures and seek to achieve the ambitions they have set for themselves. The findings of this report will be key as we develop new strategies that are effective in supporting female entrepreneurs. We will continue working with public and private sector partners to further the impact of our future initiatives.”

Warren Ralls, Director of The LEP Network

Appendix 2: Overview of research conducted as part of the Rose Review

1. Surveys

As part of our research for the review, we conducted two surveys to explore the attitudes of UK men and women across the entrepreneurial journey. In total, we collected responses from over 5,000 respondents across the UK.

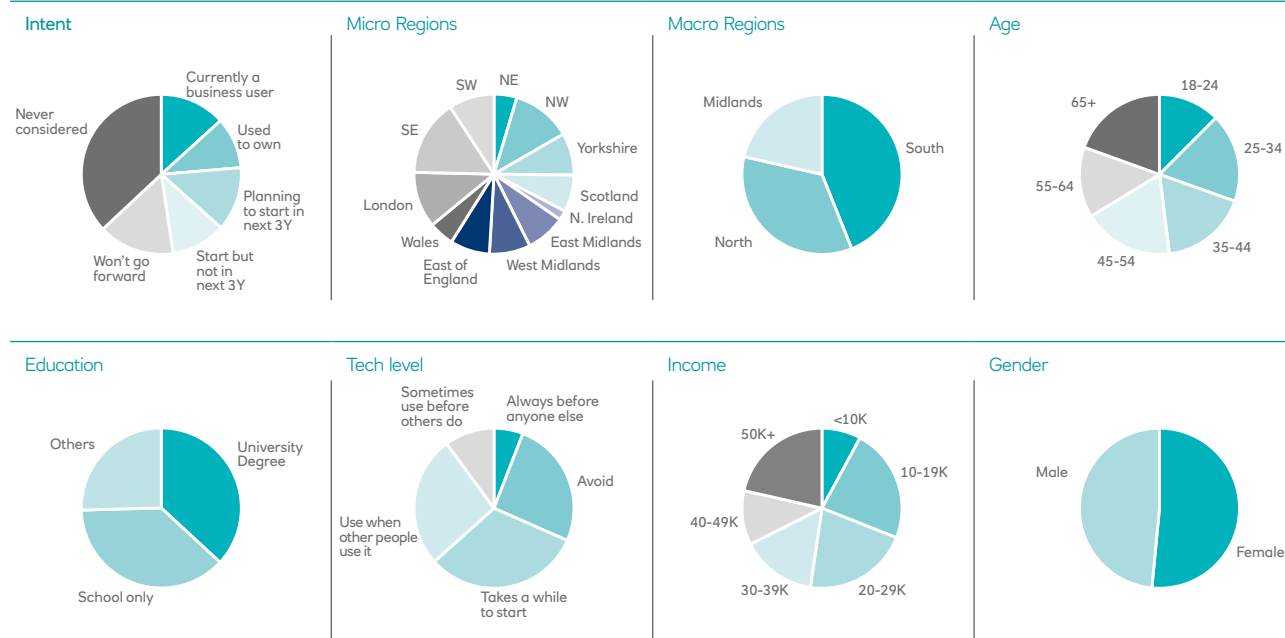
- **General Population Survey:** We surveyed a representative sample of approximately 4,000 respondents from the general population; the survey population consisted of approximately 2,000 women and 1,900 men.
- **Entrepreneur Survey:** We surveyed a representative sample of approximately 1,600 female and male entrepreneurs; the survey population consisted of approximately 1,100 women and 500 men.

Chart 31

Category splits: General Population Survey

Category splits of the UK population

Not representative of actual percentage shares

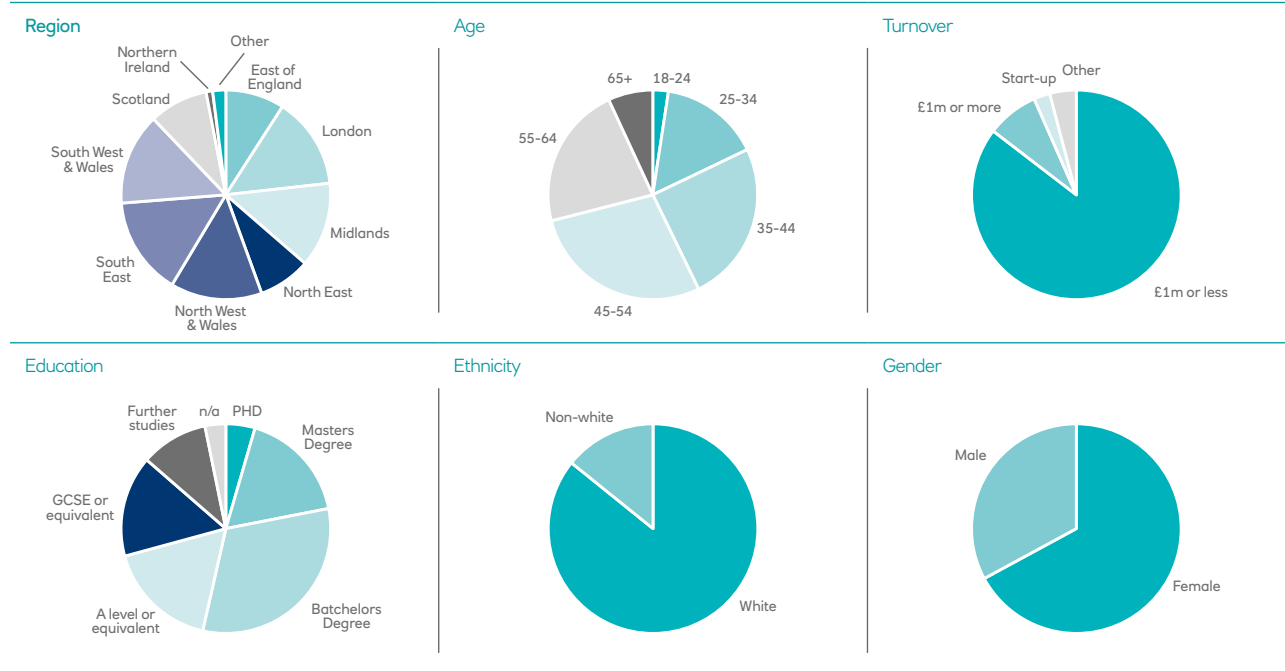


Source: Survey conducted as part of The Alison Rose Review of Female Entrepreneurship

Chart 32

Category splits: Entrepreneur Survey

Category splits of the UK entrepreneurial population
Not representative of actual percentage shares

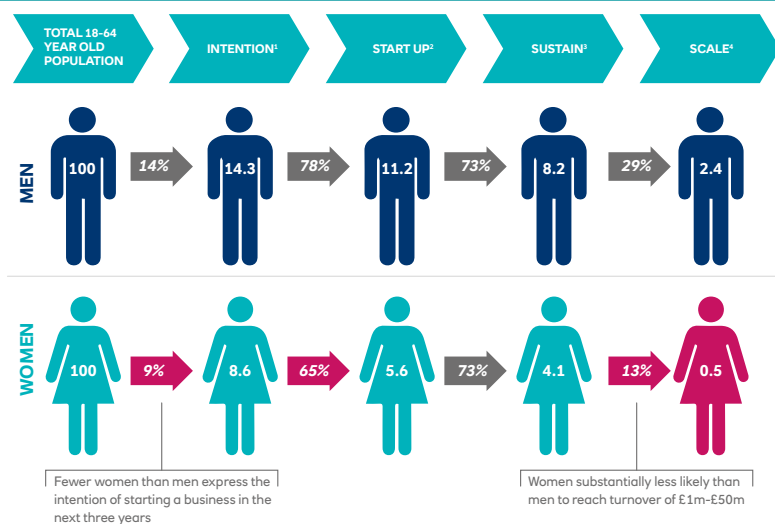


Source: Survey conducted as part of The Alison Rose Review of Female Entrepreneurship

Chart 33

Use of surveys to understand attitudes across the entrepreneurial journey

Population and conversion rate at each stage
% of total population



2. Interviews, workshops and roundtables

To gain further insights, we supplemented the findings of the surveys by consulting over 270 female and male entrepreneurs, key organisations and prominent influencers, through a range of one-to-one interviews, group workshops and roundtables. All of those who participated in interviews, workshops and roundtables are listed as contributors to the report in Appendix 1. These interviews, workshops and roundtables provided an important opportunity to test and refine our findings and recommendations throughout the research process.

3. Existing reports

In addition, we consulted the work of over 60 reports, whose insights provided an invaluable foundation for our own work. We would like to thank the authors of the following reports, for their significant contribution to an important ongoing conversation on female entrepreneurship in the UK.

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4. Global case studies

To inform our recommendations, we conducted in-depth case studies of four best-in-class peer countries, each of which excels in supporting female entrepreneurship; Canada, the United States, the Netherlands and Australia. From this analysis, we were able to identify common best practices across countries and isolate key learnings.

Overview of successful initiatives in Canada

Intervention type	Key initiatives ¹	Actor	Launch year	Impact
1 Incentivise investment in women-led sectors and businesses	\$1.6 billion ² set aside for investment in majority women-owned businesses ³ • Business Development of Canada (BDC) increase lending to majority women-led businesses to CA\$1.4 billion • BDC Capital Women in Technology Venture Fund increased funding of women-led technology companies to CA\$200 million	• Ministry of Small Business and Export Promotion • Business Development Bank of Canada	2018	Expected impact: • X2 number of majority women owned businesses by 2025 • \$150bn in incremental GDP by 2026
	Renewing focus on supplier diversity: • Review of current state of supplier diversity in Canada • Women-owned businesses can access opportunities to supply to major corporations	• Canadian Trade Commissioner Service • The Conference Board of Canada	2017	Unknown and no public targets set, 39% of Canadian organisations currently have a supply chain diversity policy
2 Increase benefits	Employee Quebec Parental Insurance Plan (QPIP): • A 5-week “use-it-or-lose-it” unpaid parental leave that can only be taken by fathers • The 5 weeks can be taken at any time between the week before the birth and 52 weeks after the birth	• Quebec government, Canada	2006	• Increased fathers’ uptake of parental leave by 250% • 86% of fathers in Quebec take parental leave vs. 15% in the rest of Canada • 16% increase in labour force participation of mothers vs. 4% in the rest of Canada
3 Strengthen professional and personal networks	#GoSponsorHer • Challenges senior leaders to publicly sponsor a high potential woman in their network, and challenge others to do the same • Sponsorship relationships are broadcast on social media	• Deloitte Catalyst • McKinsey & Co	2017	• Men and women report increased comfort with one-on-one meetings after participating in the challenge
5 Combat unconscious bias	• Full independent accessibility review from the perspective of women entrepreneurs to identify biases and measure efficiency of outreach efforts	• Business Development Bank of Canada	2017	• Distributed more than CA\$700M in loans between 2015 to 2017
6 Invest in improving entrepreneurial skills	Entrepreneurial Winning Women Programme • Help high-potential female entrepreneurs rapidly scale their companies through programmes that included: – Help finding customers, suppliers, private capital – Masterclasses on business strategies and programmes to strengthen leadership and business skills – Ongoing support through year round regional activities	• Ernst & Young	2007	• Participants average annual growth of 20% within a year of participating in the programme

¹ A number of initiatives have been launched in Canada. The most relevant were included as examples e.g., GroYourBiz could have been included in “Invest in improving entrepreneurial skills”

² Note all \$ are Canadian dollars

³ Part of the broader Women Entrepreneur Strategy launched in 2018

⁴ Full report entitled “Independent Review into Women’s Access to Finance” unavailable to the public

Source: EY Entrepreneurial Winning Women Programme, #GoSponsorHer, YPO, BDC, web search

Overview of successful initiatives in the United States

Intervention type	Key initiatives ¹	Actor	Launch year	Impact
1 Incentivise investment in women-led sectors and businesses	WEAmericas¹: Women's Entrepreneurship in the Americas <ul style="list-style-type: none"> Reduces barriers and increases opportunities for women entrepreneurs by increasing women's access to capital¹ \$110 million available in technical assistance grants and loans 	<ul style="list-style-type: none"> US Government Inter-American Development Bank Group (IDBG) 	2012	<ul style="list-style-type: none"> 40 partnerships established with major organisations (e.g., Walmart, Goldman Sachs) 100,000 female entrepreneurs expected to be enrolled in the programme by 2019
	Women-Owned Small Businesses (WOSBs) Federal Contracting Programme <ul style="list-style-type: none"> Aim to award 5% of all federal contracting dollars to WOSBs p.a. 113 industries targeted 	<ul style="list-style-type: none"> US Government Small Business Administration 	2011 (US policy for supplier diversity dates back to 1953)	<ul style="list-style-type: none"> More than \$100 million in contract awards between 2000-12 US Army Space and Missile Defense Command awarded first women-owned business set aside worth \$48 million
	Pipeline Angels <ul style="list-style-type: none"> Creates capital for women by running educational investment boot camps and pitch events 	<ul style="list-style-type: none"> Pipeline Angels (VC) 	2011	<ul style="list-style-type: none"> 300 women graduated from the angel investing boot camp Over \$50 million invested in women-led companies
3 Strengthen professional and personal networks	ChallengeHER Strengthens female entrepreneurs' professional networks by delivering free workshops, mentoring and direct access to government buyers	<ul style="list-style-type: none"> American Express Women Impacting Public Policy (WIPP) 	2013	<ul style="list-style-type: none"> 6,000 women entrepreneurs engaged at 44 workshops across the country 2,000 meetings facilitated between women business owners and government officials (2013 – 2016)
4 Encourage women into STEM and high-growth sectors	Women in Science STEM Camp for Girls <ul style="list-style-type: none"> High school female students exposed to stem through hands-on experiments in engineering, chemistry, robotics and coding 	<ul style="list-style-type: none"> U.S. Department of State's UN Foundation's Girl Up Initiative Intel Corporation Google NASA 	2015	<ul style="list-style-type: none"> 100 girls selected and enrolled in the camp every year To early to assess impact on STEM career choices
5 Invest in improving entrepreneurial skills	Women Business Centres <ul style="list-style-type: none"> 110 educational centres nationwide that offer comprehensive online and in-person training and counselling to start and grow small businesses Mentoring and training to help develop strategic plans, conduct market studies, implement new technologies, and access capital 	<ul style="list-style-type: none"> US Government Small Business Administration 	2009	<ul style="list-style-type: none"> 11.6+ million firms in the US are owned by women, employing nearly 9 million people, and generating \$1.7 trillion in sales

¹ Access to capital is one of four initiatives within the WEAmericas programme

Source: WEAmericas, Small Business Administration, National Association of Women Business Owners, Pipeline Angels, web search

Overview of successful initiatives in the Netherlands

Intervention type	Key initiatives ¹	Actor	Launch year	Impact
1 Incentivise investment in women-led sectors and businesses	TheNextWomen Crowd Fund <ul style="list-style-type: none"> • Aim to increase the amount of female investors • 75 female business angels investing in female founded businesses • Minimum investment is €10,000 	• TheNextWomen	2014	• Invested in 26 women-led companies
2 Increase benefits	Tax <ul style="list-style-type: none"> • Start-up and SME tax deductions • €7,280 in tax deducted if self-employed and more than 1,225 hours p.a. are spent on the business • Addition €2,123 deducted if the business started less than 5 years ago • Entrepreneurs with a turnover of under €20,000 will be exempt from paying VAT1 (21%) 	• Tax and Customs Administration	2017 ¹	• n/a
	Employee <ul style="list-style-type: none"> • 10 days assistance from maternity nurse who moves into the home to offer medical and domestic support including cooking, cleaning and shopping 	• Ministry of Health	TBC	• n/a
	<ul style="list-style-type: none"> • Self-employed persons entitled to 16 weeks pregnancy and maternity benefit of 100% gross minimum wage 	• Ministry of Economic Affairs	2008	• n/a
4 Encourage women into STEM and high-growth sectors	National Expert Organisation on Girls Women and Science and Technology (VHTO) <ul style="list-style-type: none"> • Engages primary school and working age women • Runs courses for parents to help them encourage their daughters into STEM • Research centre for gender diversity in STEM 	• VHTO	1980's	<ul style="list-style-type: none"> • Impact of VHTO on female representation in STEM unknown • Still discrepancies in STEM between men and women, (46% men vs 10% women opt for technology sector)
5 Invest in improving entrepreneurial skills	<ul style="list-style-type: none"> • Entrepreneurship embedded into national qualifications framework and curricula, for instance: <ul style="list-style-type: none"> – Interactive courses on entrepreneurship – Certificate Entrepreneurship targeted students on vocational courses to develop entrepreneurial mindsets 	• Ministry of Economic Affairs • Ministry of Education	2011	• n/a
6 Put female entrepreneurship at the heart of national conversation	<ul style="list-style-type: none"> • Government website with centralised information on how to set up a business, including: <ul style="list-style-type: none"> – Checklist for starting a business – Government funding for your start-up – Changes in law and regulations 	• Ministry of Economic Affairs	2018	• n/a

¹ Updated annually; this is the policy for 2017

Source: Ministry of Economic Affairs, European Commission, School Education Gateway, GEM, web search

Overview of successful initiatives in Australia

Intervention type	Key initiatives ¹	Actor	Launch year	Impact
1 Incentivise investment in women-led sectors and businesses	Investing in Women funding program • \$400,000 in funding to fourteen projects that support the economic empowerment and leadership of women.	• NSW Government	2016	• 14 projects funded including: STEM outreach and women mentorship • 30% of women started businesses
	SheStarts is a venture backed startup program helping female entrepreneurs build big tech businesses • Founders receive a package including \$25,000 pre-seed capital and >\$100,000 in software credits, accounting, financial, and legal services from program's partners MYOB, Microsoft, LinkedIn ANZ.	• SheStarts	2016	• 11 new female founders took startups from Pitch to Prototype • First group raised capital (inc. \$1M round for BronTech)
3 Strengthen professional and personal networks	Mentor scholarships for migrant women entrepreneurs • Part of government's Women's Leadership and Development Strategy • Aimed at marginalised female business owners in regional areas, including Aboriginal women, women from culturally and socio-economically diverse backgrounds.	• Office for Women in partnership with The Inspiring Rare Bird	2017	• 100 year-long mentoring scholarships for marginalised women • 70% of business owners who use Mentors will survive in business 2x as long
4 Encourage women into STEM and high-growth sectors	Women in STEM and Entrepreneurship (WISE) • \$8 million allocated (between 2016/17 to 2019/20) • Funding between \$5,000 and \$250,000 for projects to develop and deliver activities designed to increase female participation in STEM and entrepreneurship education and careers. ³	• Department of Industry, Innovation and Science	2016	• 100 year-long mentoring scholarships for marginalised women • 70% of business owners who use Mentors will survive in business 2x as long
5 Combat unconscious bias	Diversity working group in Private Equity and Venture Capital • Address gender balance of investment professionals in the private equity and venture capital industry.	• AVCAL	2015	• 60% increase in female investment professionals from 2014 to 2017
6 Invest in improving entrepreneurial skills	SBE Australia accelerator programs • Helps female founders access the tools, expertise, networks and knowledge to help them build and scale global businesses in high growth industries through various programs: – The Springboard Enterprises Accelerator program specifically supports female-founded life sciences and biotech start-ups. – E3: Empower, Evolve, Escalate program for early-stage start-ups.	• SBE Australia • Springboard enterprises • LaunchVic • Other partners: EY and Microsoft	2013	• Helped 45 alumni: – Raise \$180 million – 2 initial public offerings – 4 acquisitions – Achieve a success rate in excess of 80% for capital raising
7 Put female entrepreneurship at the heart of national conversation	Government's Women's Leadership and Development Strategy • Strategy to boost women's workforce participation and succeed as entrepreneurs	• Office for Women	2017	• n/a
	Entrepreneurs programme • Australian Governments flagship initiative for businesses offering practical support for businesses. This includes co-funded Business Growth Grants for up to \$20,000	• Government Department of Industry, Innovation and Science	2014	• Provided >7500 services to >3300 businesses • Cooperative Research Centres Programme announced four new CRCs and awarded \$63.4 million to 30 projects under CRC Projects • >15,300 entities registered for R&D Tax Incentive

¹ A number of initiatives have been launched in Australia. The most relevant were included as examples.

² Note all \$ are Australian dollars

³ For incorporated entities, publicly funded research organisation, vocational education and training providers, TAFEs, and not for profit organisations

Source: Gov.au; SmartCompany; Web search

Appendix 3: Methodology of value at stake calculations

Calculating the value at stake for the UK economy

- **Potential contribution from female entrepreneurs if parity to UK men is achieved:** We calculated that £250 billion of new value could be contributed to the UK economy if female entrepreneurs started and scaled their businesses at the same rate as men.

This calculation assumes:

- The same population conversion rate from intention to start-up as UK men (11.2%)
- The same average GVA contribution of male-led businesses (~£126,000)

- **Potential contribution from female entrepreneurs if parity to international best-in-class peers is achieved:** We calculated that £200 billion of new value could be contributed to the UK economy if female entrepreneurs started and sustained their businesses at the same rate as international best-in-class peers, and then scaled at the same rate as UK men.

This calculation assumes:

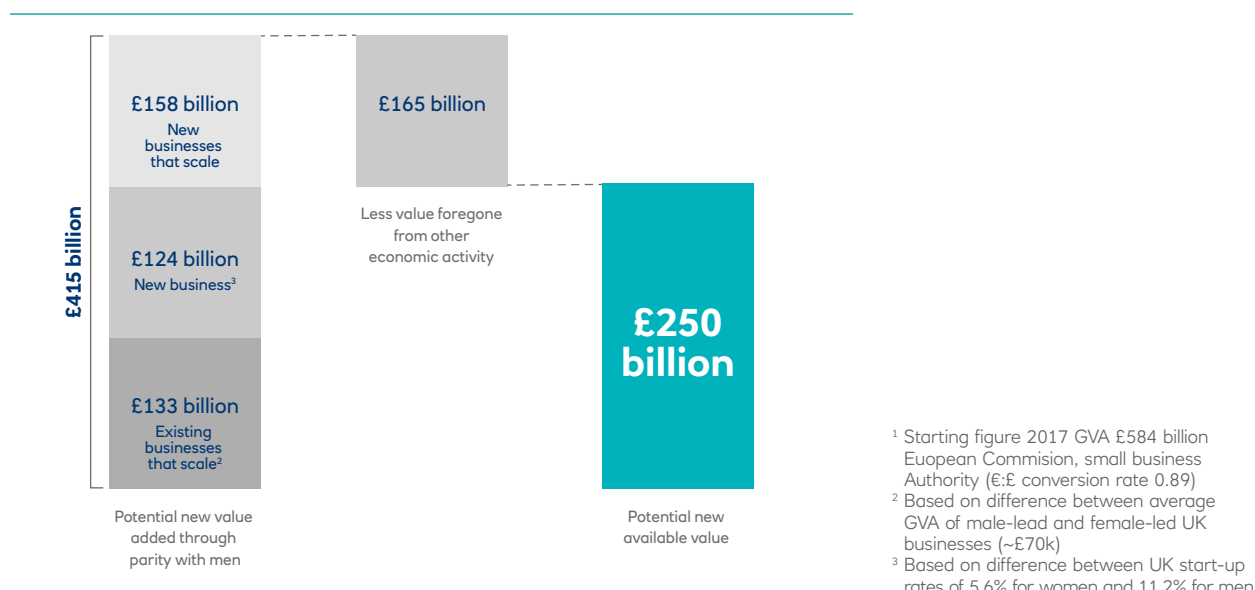
- The same average population conversion rate from intention to start-up as women from US, Canada and Australia (13.7%)
- The same average GVA contribution of male-led businesses (~£126,000)

Both calculations were based on a stock view, using 2017 figures, and were not phased over time.

The same methodology was used for both calculations:

Chart 34

Up to £250 billion could be added to the UK economy¹ if women started and scaled business at the same rate as men



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