

FT Inner City 100

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FEMALE ENTREPRENEURS

Winning the recognition women deserve

Having less access to finance, advice and networks affects women's confidence levels, writes Harriet Arnold

At first, the figures don't look too lopsided: 35 of the IC 100 businesses were founded or co-founded by women. But the number founded by women only is just five, and those currently with female chief executives number only nine – three of whom were not founders.

The figures bear out recent studies indicating that women are less likely to set up companies that are going to grow quickly.

For some, this is more or less how they want it, but for others it is a matter of lack of access, finance and advice.

Women setting up in business tend to have greater financial hurdles, less managerial experience and different types of networks available to them.

Yet the average five-year growth rate of the IC 100 businesses set up by women is 813 per cent compared to 575 per cent for the whole index. The implication is that there is a hidden level of ambition among those who both want and can go for growth.

An overwhelming proportion of the businesses are in the service sector.

Much of women's hesitancy in setting up a business "is to do with confidence", either in their own skills or that opportunities exist, says Andrea Westall, deputy director of the New Economics Foundation (NEF) think-tank.

Women's businesses are generally recognised as under capitalised. Among those in the IC 100, around half started with less than £10,000, although a sprinkling set up with £50,000 or more.

Because women are likely to earn less in the workplace than men and have a more fragmentary work history,



Lisa Barry: 'Advisers wanted to put us on the head'

they accrue less capital, less access to business networks and less managerial experience than men.

However, some of the women who founded businesses did eventually widen their sources of funds from savings, family and friends, to include bank loans, government initiatives, non-bank commercial lending, and in one case the Prince's Trust.

Many told IC 100 that although potentially interested in venture capital, they did not relish the necessary surrender of control over their business.

"It is clear that there is a demand from women for patient growth capital, but there may well be a need to consider either women-only finance providers, as has been successfully tried in the US, or more innovative quasi-equity models which are more appropriate to women's business needs," says Ms Westall.

A report, *Who Benefits?*, last month urged policymakers to make the benefits system more flexible to help women move off benefit to set up in business.

It was published jointly by the NEF, which administers the IC 100, and Prowess, a trade association that promotes women's enterprise support.

Morna Barry and her daughter Lisa founded Stairlifts Scotland, a supplier and installer of equipment for disabled people, in 1996.

Being an older woman was beneficial, says Morna Barry: she had experienced plenty of ups and downs and had brought up a family.

"And now it was my turn. It was liberating," she says.

The business was started with savings and £12,500 borrowed through the Small Firms' Loan Guarantee scheme.

Morna Barry started the



Morna Barry: 'For women it's difficult to do social business'

the head," says Lisa.

And while one bank had just approved a start-up loan to a woman because she was a good knitter, says Morna, "I was going into an engineering area".

The bank they are with now is quite different in its approach, confirms Lisa.

Suppliers too made plain they were not used to dealing with women handling engineers and surveyors, but, says Morna, that was overcome by the amount of business they got from Stairlifts Scotland.

'After the ups and downs and bringing up a family, now it was my turn. It was liberating'

business because she was fed up after 16 years of being passed over for promotion in favour of men at a company in the same disability equipment sector as Stairlifts Scotland now operates in.

"I didn't get the rewards and recognition I deserved," she said. Men were brought into senior positions above me. I was doing so much that one client thought I owned the business. I thought enough was enough."

Initially they found that professional advisers "seemed to want to put us on

Most of the IC 100 businesses founded by women are in the service sector and Lisa suggests that women are better at putting themselves in their customers' shoes.

In the case of Stairlifts Scotland, customers are occupational therapists.

"We very much operate from a sense of making them look good with their clients," she says.

"Also, we build a personal relationship, a bit like a nice auntie."

Although the company has seen fast growth, that rela-

tionship is what is most important.

"We're credible and ethical and our reputation is sacrosanct."

Both agree that women entrepreneurs do not network well.

"For women it's difficult to do social business – men seem to do a lot of informal business on the golf course and in the pub," says Morna. But both she and her daughter are doubtful such networks could be instituted artificially for women.

They count themselves among the female entrepreneurs who are in business for the excitement, the rewards and sense of achievement.

Lisa says some women do not realise how enjoyable and exciting "the buzz" of a growth business can be.

Her mother agrees, but says: "Unfortunately, when you're in a growing business it's going to be difficult. Finding time for family life didn't come into it," says Morna. I said to my children: "This is your new baby brother or sister – look after it."

Morna recalls her first proper break after starting the business.

"I went to Paris, where I bought a Prada handbag. I hadn't had a two-week holiday for 10 years."



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