

Scottish Framework and Action Plan for Women in Enterprise




August 2017

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“Demonstrating equality shouldn’t be something that gets in the way of doing business. It should simply be a natural state of affairs.”

A handwritten signature in black ink that reads "Nicola Sturgeon". The signature is fluid and cursive.

Nicola Sturgeon MSP
First Minister of Scotland

FOREWORD FROM THE FIRST MINISTER

In March 2014 a “framework and action plan to increase the impact of women’s enterprise to the Scottish economy” was released. The framework was the first of its kind anywhere in the EU and demonstrated Scotland’s determination, through the commitments of partners from across all sectors, to tackle the gender gap in enterprise.

In the intervening three years much work has been progressed. The ‘Women’s Enterprise Ambassadors’ have showcased successful women business leaders as role-models across all sectors and has gained international attention. ‘Investing Women’ have held events across the nation and offered advice and support to over 1000 business women aspiring to further growth. More broadly, we ensure that partners involved in this endeavour have input into the heart of the Scotland CAN DO movement. This places the considerations of ‘Women In Enterprise’ into the very foundations of our work on themes as diverse as enterprising education in our schools through to supporting companies involved in scaling. A point emphasised by featuring the Women in Enterprise work as an exemplar in phase two of the Enterprise and Skills review.

This refreshed framework builds upon the success of what has come before. However, it acknowledges that there is still a great deal of work ahead of us all. The statistics show that less than one quarter of new businesses in Scotland are being established by women.

That represents a huge waste of women’s potential and a huge loss to Scotland’s economy and society. That is why Government, business and business leaders together must accelerate our shared efforts to deliver change.

The actions of this framework have been designed to fundamentally shift business culture. They contain simple but effective steps that, as adopted, will make a real difference. By implementing them, we can encourage new generations of business women in Scotland. And we can make significant progress towards achieving gender equality through social, political and economic change.

WHY CLOSING THE GENDER GAP IS IMPORTANT:

The economic rationale and impact

Professor Sara Carter OBE
University of Strathclyde

Over the past few years, women have made considerable economic progress in Scotland. Despite this, women are still under-represented in self-employment and business ownership. The 'global gender gap' debate underpins much of the policy interest in women's enterprise as it identifies a clear economic rationale for the encouragement of women to become independent business owners. Research shows that if women started businesses at the same rate as men, the number of entrepreneurs in the UK would increase dramatically. While the under-representation of women in entrepreneurship is an international concern, relative to other high income countries, Scotland's rates of female business ownership are persistently low. But considerable gains can be made by encouraging and supporting women to start in business. Work undertaken by the Enterprise Research Centre shows that the main issues facing women-owned businesses can be summarised as the 'three Ms' - money, markets and management.

Money: Access to finance is regarded as the major obstacle preventing women from starting and growing a successful enterprise. Women-led businesses start with lower levels of overall capitalization, use lower ratios of debt finance – about a third of that used by male-led businesses - and are much less likely to use private equity or venture capital. Initial under-capitalisation has a long term effect constraining business growth prospects. In short, women perceive higher financial barriers and are more likely to be discouraged borrowers. Removing these (mis)perceptions to ensure that new businesses are adequately capitalised at the outset requires a concerted effort both by banks and business support agencies.

Markets: Access to markets for women-led businesses is often constrained by the typically smaller size of women-led businesses. Focusing on broadening procurement opportunities is a major challenge that will ultimately support all SMEs, not just those led by women. International efforts to support women's access to markets both through corporate supplier diversity programmes and public sector 'setasides' suggest that this challenge can be successfully achieved.

Management: The performance of women-owned enterprises has been a focal point for policy development and academic debate as studies have consistently demonstrated that women-owned firms tend to be smaller, over-represented within service sectors, more likely to be part-time and to operate from a home-base. Importantly, research demonstrates that business performance is a matter of resources rather than skills - given the same starting resources women-owned businesses perform equally well as male-owned businesses.

Among women-owned businesses in Scotland, there is considerable ambition and growth aspiration - Women's Enterprise Scotland found that 91% were planning growth and over 30% wanted to grow rapidly. This Framework outlines the actions needed to allow a new generation of Scotland's entrepreneurs to flourish.

SUPPORT FOR WOMEN IN ENTERPRISE

Jackie Brierton MBE,
Vice Chair & Founder of Women's Enterprise Scotland

There are a number of organisations and initiatives in Scotland which provide enterprise support to new and growing businesses, and many women starting and growing businesses (including social enterprises) have benefited from their services. The enterprise 'ecosystem' is arguably more developed here than in any other part of the UK.

Nonetheless, research shows that a gender gap exists in enterprise in Scotland and organisations across the ecosystem are committed to taking action to address this gap. There is also a growing body of evidence which highlights the benefit of providing a gender-focused approach to business advice and support for women.

Examples of gender-focused approaches currently available in Scotland include the Women into Business programmes and networking events which are available in some Business Gateway areas. In addition, the long established Royal Bank of Scotland (RBS) Women in Business programme provides Specialist 'Women in Business' Relationship Managers who are trained to provide gender-sensitive business support. This highly successful programme has attracted over 100,000 women in business to bank with the banking group since its inception in 2007. And the GrowBiz Women's Enterprise Network in Perthshire is an example of support for women in a rural area.

There are also a number of other business network organisations for women across Scotland, including affiliate members of the Association of Scottish Businesswomen, Scottish Women in Business (SWIB) and the growing Business Woman Scotland Magazine range of events and networking initiatives. While we recognise that some women view the prospect of women-focused business support mechanisms with reservation, studies repeatedly show that female business owners value relational over transactional support, and that they often come to business with a different perspective, skill-base and motivations compared to male entrepreneurs. The increasing interest in gender-focused initiatives across Scotland is a reflection of the appetite and appreciation for such service provision. Acknowledging this extra demand and delivering appropriate support will assist progress towards reducing the gender gap in enterprise.

As global attention mobilises to address gender issues, there is a growing bank of research and best practice to inform the delivery of effective gender-focused business support. Providing a toolkit of successful initiatives and interventions for enterprise support organisations to implement across Scotland, will help to effectively tackle the gender gap in enterprise and support the growth of a sustainable and inclusive economy.

PARTNERSHIP IN ACTION

By working more effectively to align all Framework partners to develop a more cohesive and 'joined-up' women's business community, the Scottish Government will facilitate work with all partners towards delivering the actions set out in this framework. Together, we will consult across, and beyond, the Scottish entrepreneurial support ecosystem to develop a sustainable, collaborative and actionable model that will ensure progress towards tackling the gender-gap in enterprise. We will ensure that 'Women in Enterprise' is fully understood as an area of economic priority and we will engage to promote an improved policy and legislative framework for women's enterprise.

Measurement

- We will pool and share data, as able, with partners for consideration for further research.
- We will recommend that public agencies collate customer data in a manner which allows reporting by gender in line with Data Protection and Equality Legislation.
- We will support the development of accessibility and analysis of data towards influencing policy decisions.
- We will investigate, with academic partners, the feasibility for longitudinal qualitative and quantitative research studies on the experiences and issues of female business owners in Scotland. Research reports and evidence of best practice will be shared by Framework partners.

Mentoring & Networking

- We will ensure the needs of existing and aspiring female entrepreneurs are accounted for within Scotland's 'mentoring framework'.
- We will collaborate to promote emerging best practice and research on gender support from Scotland's 'mentoring framework'.
- We will pilot and measure the impact of mentoring specifically aimed at women-led businesses from the work that the Scottish Chambers of Commerce and Women's Enterprise Scotland's undertaking in this field.

- We will support Business Women Scotland to deliver more networking opportunities for women across Scotland, and seek to extend this collaboration to include other women's business networks.
- We will seek to extend the provision of networks for women to assist with building social capital, as well as combatting isolation.

Role Modelling

- We will actively support Women's Enterprise Scotland in the development and promotion of the Scotland CAN DO Women's Ambassadors programme.
- We will identify, support and promote more 'Womenable' and encourage and support more women into leadership roles. This work will support businesses taking up the Scottish Business Pledge which requires businesses to make progress on gender balance and diversity in the workforce and the boardroom.

Growth & Finance

- We will support Scotland wide workshops and events designed by Investing Women to help women entrepreneurs prepare for investment and go for growth.
- We will support Investing Women's annual ambition and growth events promoting the success stories emerging therefrom.
- We will help women led businesses to collaborate through the support of Co-operative Development Scotland.
- By working with financial institutions and initiatives, we will explore the provision of microcredit for women at early stage business creation.
- We will ensure that the Scotland CAN DO approach investigates all opportunities to support growth initiatives for women led businesses.
- We will seek to ensure greater participation of women's businesses in the innovation process, including access to innovation support and participation within innovation hubs.
- We will ensure that advice and support with exporting and internationalisation is more readily accessible to women-led businesses in order to achieve their business growth aspirations.

Gender Aware Support & Best Practice

- We will work with business support organisations to raise awareness of the needs of women led businesses and activities which encourage more women to access business support provision.
- We will share best practice and solutions that improve staff awareness of gender specific business support considerations.
- We will initiate collaborative learning to develop an understanding of gender-proofed best practice within the context of the Scottish ecosystem.
- We will seek to ensure a more cohesive signposting of the support available to women, including the development of a digital road map.
- We will ensure, by working with Scotland's Enterprising Schools, tertiary partners and framework partners, that the Women in Enterprise theme is fully reflected as a core consideration in the development of Scotland's Enterprising Schools and the development of tertiary entrepreneurial education support.

How we will deliver

An Action Group will be convened and will:

- meet every four months,
- be Chaired by a Scottish Government minister,
- be facilitated by the Scottish Government,
- monitor and question progress, producing a report each year.
- base-line the landscape, utilising the "Women in Enterprise in Scotland" report and further insight from public agencies, and
- develop a collaborative and sustainable model for the on-going delivery of the Women in Enterprise programme.

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Terminology

Below is a definition of some terms used throughout this document.

Gender-Aware approaches to practice

A gender-aware approach in a working environment, either in a policy or practice issue, considers any barriers that may be preventing the participation and / or use of a particular service by women (or men) and adapts accordingly in order that a positive outcome is achieved. In the case of business support provision, this necessitates a knowledge and understanding of the key issues for women-led businesses.

Gender blind / Gender neutral

The term 'gender neutral' is often used to describe services that are generally considered to be applicable to the needs of both sexes. However, what is regarded as gender neutral can often be 'gender blind', if the specific service needs of the end user are not met by such an approach. The United Nations (2012) describes gender blindness as an, "*inability to perceive that there are different gender roles, need, responsibilities of men, women, boys and girls, and as a result failure to realize that policies, programmes and projects can have different impact on men, women, boys and girls.*" This definition will be used for this study.

Gender-Specific

A gender-specific approach in a working environment, either in a policy or practice issue, is a targeted intervention applicable to one gender (men or women). Any such intervention being founded on insights from gender-disaggregated data, research and / or best practice insights and outcomes.

Women-led businesses

These businesses are defined, using the Scottish Government definition, as "controlled by a single woman or having a management team composed of a majority of women"

Inclusive Growth

The recently established RSA Inclusive Growth Commission defines inclusive growth as, "broad-based growth that enables the widest range of people and places to both contribute to and benefit from economic success. Its purpose is to achieve more prosperity alongside greater equity in opportunities and outcomes".



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