Impact of the Recession on Women's Enterprise

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Key Messages

1. Women are not currently being disproportionately affected by the economic downturn compared to their male counterparts.
   Even when analysed by sector, women are losing their jobs at a slower rate than men, and over time, reductions in employment are similar for men and for women. The notable exception is the one area of the labour market which always fares badly during times of recession: temporary, part-time and vulnerable employment and, in the case of the current downturn, the personal services and catering/retail sectors. If these parts of the labour market perform as predicted, then women's employment and business will suffer because they are disproportionately represented in these areas, not because they are affected disproportionately affected compared to men.

2. Women appear to have more positive attitudes towards the economic downturn compared to men.
   This is the case both from survey evidence and from case studies. Some two thirds of men say that the macroeconomic climate is a big challenge for growth at the moment compared to just over 50% of women.

3. Women entrepreneurs are saying that they do not want to be branded as victims in the current climate.
   These messages damage the hard work they are doing to grow their businesses in tough times. Female entrepreneurs are fully aware of the difficult environment that they are working in, but many of our case studies did not have high levels of debt. They also used flexible employment contracts to avoid high overhead costs which actually meant that they were seeing increases in their revenues and sales. The fact that these entrepreneurs operate in competitive sectors, such as retail and services, makes this low cost, low debt model attractive to larger companies who are looking to source from cheaper and more flexible suppliers.

4. However, women in the labour market are more likely to be in part-time or contract jobs and employed in sectors where jobs are vulnerable.
   This explains the drop out of employment and self-employment that we are seeing in the labour market at present. As always, any recession affects the poorest in our communities and as women's earnings are an increasingly vital component of total household incomes, women losing their part-time work or self-employed contractual work could lead to an increase in child poverty in particular.

5. Policy-makers should therefore promote the successes of the women entrepreneurs in the current climate, but they should also make it clear that there is a large proportion of the labour market that is vulnerable.
   This labour market segment is populated predominantly by women and has arisen out of the higher levels of labour market participation by women that we have seen since the last recession. In some senses, therefore, the reason why this is happening is a "good news" story – there are more women, therefore more women are affected and women are at the moment not being made unemployed at such a fast rate as men or, indeed, leaving self-employment any faster than men. But the consequences of the fact that women are leaving employment may be serious for the broader welfare of families and communities that have come to rely on female earnings.

Executive Summary

1. This report was commissioned by the Women's Enterprise Task Force (WETF) to shed light on the impact of the recession on women in business in the UK. The UK has experienced two successive quarters of declining growth and, as such is now in recession. Nevertheless, its full consequences and impacts will not be felt until after a time lag.

2. The report feeds into the Five Pillars identified by the WETF as priorities areas for action: gender-disaggregated data, female-friendly business support, access to finance, supplier diversity and procurement and strategic-level influencing/advocacy on behalf of women's businesses.

3. The longitudinal evidence on women in the labour market generally is from the Labour Force Survey, which provides evidence on the rates at which women and men are entering and leaving employment, entering unemployment and entering and leaving self-employment. This provides a backdrop to the analysis of available data sources on women-owned or -led businesses and women founders and suggests that women are not disproportionately more likely to be leaving employment, entering unemployment or leaving self-employment than men at the current time. Such information is important as context to the wider issues of how women's businesses are being impacted and provides important background for two WETF pillars, gender-disaggregated data and strategic influencing, as well. It is not, however, the primary focus of the report and although there must be concern that the greater role that women now play in generating total household incomes might be affected by any economic downturn, this does not fall within the WETF remit.

4. Available data from two confidence surveys and from the Delta Economics Challenges and Opportunities for Growth Study (COGS), sponsored by HSBC, suggests that women are less fazed than men about most challenges they face in their operating environment at present (including cashflow, accessing growth finance, building the right teams, the macroeconomic climate and their own credit profile). The only area where their responses are similar to men's is in the challenges around maintaining profitability.

5. As part of the COGS research and this research, Delta Economics interviewed 20 women business founders about their experiences of the recession and its impact on their business and about access to finance. 8 of these women were interviewed twice: the first as part of the original COGS study six months ago and the second to see what changes had occurred over the intervening time. The results suggest that women are not experiencing unduly negative effects of the downturn. They are managing their cashflow carefully and not taking on unnecessary staff or costs, but, like their male counterparts, are seeing this as an opportunity to review their financial management, to explore new innovative possibilities and to inject flexibility into their working practices (for example through use of associates rather than permanent employees). None of the women interviewed had experienced issues with access to finance and all were keen to stress that they did not want to be seen as "victims" of the recession as this undermined the hard work they were doing in a challenging environment.

6. There is a probability that, as conditions in the labour market tighten, more women will look towards self-employment or setting up a business as a career choice. It is important that the support structures within Business Links, professional advice networks and Job Centres are geared towards offering this as an opportunity to women, for example, through the provision of skills training, access to finance support and business planning support. Explicit links between job-centres, corporate human resource departments and Business Links would be an enabling mechanism towards ensuring that such women are able to fulfil their ambitions.

7. The research has informed the WETF Five Pillars and the debate about women-owned and -managed, women-led and women-founded businesses in that it has:

    a. Re-emphasised the weaknesses in gender-disaggregated business data when it comes to understanding established and growing women-owned, -managed, -led or -founded businesses.
    b. Made suggestions for women-friendly business support and employment policies that warrant further exploration.
    c. Suggested that there are no obvious issues around access to finance that women are experiencing disproportionately to men. This finding broadly ties in with other research by Delta Economics and WETF member Professor Sara Carter on Access to Finance, which found that there was no clear evidence of differential pricing by banks for women business-owners compared to men.
    d. Suggested as a policy recommendation that the under-representation of women in large scale procurement projects could be addressed by linking the new Aspire Fund to access to the tendering process for public sector contracts. Such a linkage would follow established models and could provide a route to addressing short term cashflow and track-record problems that restrict the growth potential of women's businesses.
    e. Provided clear evidence of the growth potential of women-founded businesses that supports the need to continually advocate on their behalf, simply on the grounds that they are capable of producing as much value as their male counterparts.

WOMEN'S ENTERPRISE TASK FORCE

Introduction

The recession and women in business: what do we know?

The Women's Enterprise Task Force: Five Pillars in the recession

When the Women's Enterprise Task Force was established in November 2006 to champion women's enterprise in the UK, no-one could have known the scale of the financial crisis and subsequent economic downturn that would hit the world over the following 18 months. Its work has taken on a new relevance, not just for women's businesses but more generally for women in the labour market. Although the UK has only experienced two successive quarters of contracting economic growth, there has been a strong interest amongst policy-makers, the media and interest groups in the extent to which women are likely to be more affected than men and, accordingly, what needs to be done to ameliorate any negative effects and accelerate the positive effects of any upturn for women once the economy starts to grow.

There has already been substantial activity by the Task Force as well as by the Government to create a platform for women-owned and led businesses to grow and develop. The Task Force has worked across Five Pillars: the need for gender-disaggregated data, to engender female-friendly business support, to improve access to finance, to widen supplier diversity and procurement and to raise awareness of women's enterprise by influencing strategy and decision-making. Among the major achievements of the past two years are the commitment of £12.5million (matched by a further £12.5m from the private sector) in growth finance specifically for women-owned or led businesses and the establishment across the country of women's business centres at a regional level.

The current economic downturn has closed off many of the routes to growth that all entrepreneurs and business-owners, whether male or female, may have relied upon to expand and presents new challenges of sustainability under market conditions that the world has not witnessed since the great Crash of the 1920s and 1930s. It is still the case that the Government and companies need adequate gender-disaggregated data to make appropriate evidence-based decisions. Issues of support, finance and procurement are especially relevant when demand in the economy has effectively dried up. This creates problems for cashflow, profitability and growth projections amongst a raft of "softer" problems like motivating people when colleagues and friends are losing their jobs.

However, the need to influence strategically and to raise awareness is a particularly weighty responsibility at the moment. There has already been a flurry of publications that suggest that women will be "more affected" than men. Yet the evidence of previous recessions suggests that they are less affected and at this very early stage, there is no evidence to suggest that the current downturn will disproportionately affect women, despite the higher number of women in employment now. Even using currently available data any commentary is limited since the recession has only just become official and any real, final effects are bound to be lagged. Data has to be treated with care to avoid commentary that suggests a trend where none exists in order to retain credibility at all times.

This report is structured, therefore, to address some of the myths that have started to emerge around the effect of the recession on women. Much of the current debate centres around their vulnerability in the labour market thus the report looks at this first. It then examines in more detail the assertions that have similarly emerged that "women business-owners are better placed than men" to hold out through the recession. Its aims are to:

1. Provide a picture of how women generally and women founders and business-owners in general are being affected at the moment by the current downturn.
2. Provide a matrix of how women in different labour market positions will be affected by the current downturn.
3. To provide preliminary thoughts on how women founders see the next three years in terms of job and turnover growth.
4. To provide some suggestions for policy which policy-makers generally and the Task Force in particular can further research and develop.

A note on data

The report is based predominantly on existing datasets. These are:

- The Labour Force Survey.
- The National Business Survey (which does gender disaggregate its data for women-owned or -managed businesses but does not report this in publications).
- The Grant Thornton Enterprise Insight Survey (again which collects data by gender but does not report the findings).
- The Challenges and Opportunities for Growth survey conducted by Delta Economics and sponsored by HSBC and some Regional Development Agencies (RDAs).

Case studies were used to assess through in-depth interviews and discussions the effects on women business-owners as they are currently being felt. Other survey-based datasets were not used (eg the Global Entrepreneurship Monitor 2007 dataset or the Household Survey datasets) as these pre-date the current economic crisis.

The issue of gender-disaggregation of data is a central pillar for the Task Force. It is not the purpose here to enter into a long discussion about data, although a summary of available data is reported in Appendix 2. However, it is worth noting that the available data falls into three categories:

1. Data that will allow quantitative studies to be conducted, for example that would be able to assess the lagged effects on women's business of the current climate. These would include Value Added Tax (VAT) registration data or Office of National Statistics (ONS) data on company registrations and de-registrations. Such data could be used to measure recessionary impact after a time lag and across the country but would exclude all women who are self-employed or whose businesses fall below the VAT threshold. Any estimations of the gender of directors by Her Majesty's Revenue and Customs (HMRC) are currently done through the names of the individual rather than through a direct question asking gender. Such data is inappropriate to assess changes as they are happening now.
2. Data that will allow sample frames for survey work to be constructed. At present such sample frames come from suppliers like Dun and Bradstreet and, hence,

indirectly from Companies House. Another example is the Inter Departmental Business Register (IDBR) which is only available for Government purposes. Again, there is no direct gender-disaggregation of this data, although estimates by name can be made. Any analysis is therefore reliant on a sufficiently large sample being taken from these databases for robust conclusions about women to be drawn.

3. Survey datasets: these include the datasets already mentioned. Surveys are constructed from sample frames that originate in general company data (such as the National Business Survey, the Annual Small Business Survey, the Big Survey or COGS) or household data (such as the Labour Force Survey, GEM and the Household Survey). Although many of these datasets are gender-disaggregated, gender differences are not reported, either because the sample frame is too small to make comparisons robust or because the results are not of interest for the intended audience. Similarly, unless a survey is specifically designed to measure the impact, say, of recession, they should not be used for that purpose.

Any attempt to build a general picture of women's experiences of the recession, either in the labour market or as business-owners, has to rely on existing data and therefore will be limited in the extent to which it can understand the present, let alone forecast the future. The recent febrile coverage in the press has done little to help promote objectively the situation in which women find themselves since they have largely been based on analysis of a few months rather than a longer term perspective and have focused predominantly on the labour market. However, the evidence from both the Labour Force Survey (employment, self-employment and unemployment) over time as well as from surveys of business-owners and case studies and surveys of women entrepreneurs tell a similar story: that women generally, and women business-owners in particular are not currently being disproportionately affected. Taken together, this presents a compelling case for the Task Force to promote the potential of women to add to the productive, wealth-creation base of the economy.[1]

[1] Estimates conducted for the South East of England Development Agency suggest that greater participation of women in the labour force would increase GVA. For example, if women's employment were at the UK average, this would mean 845,000 extra women in employment and £21.4 - £34.8bn extra in GVA. If women were as active in the labour force as men, this would mean extra annual GVA of between £40.3bn and £65.7 bn. This does not account for the social desirability of this outcome and care

Recession background

The UK recession became official at the end of December 2008 when the second quarter of contracting Gross Domestic Product (GDP) growth was announced. Between July and September 2008 GDP shrank by 0.7% and between October and December the contraction was 1.5%: an apparent acceleration in the process of downturn that the National Institute for Social and Economic Research (NIESR) recently highlighted in its estimation that GDP shrank by 1.8% between December 2008 and February 2009.

There has been a cloud on the economic horizon which began as far back as 2004 when the US Federal Reserve raised interest rates and defaults on home loans began to rise, particularly from those in the so-called "sub-prime" sector. By April 2007, New Century Financial, a US-based finance house specialising in sub-prime mortgages, had filed for Chapter 11 bankruptcy. By July, Bear Stearns had issued warning to investors that two of its hedge funds would not produce returns; and by August, the French investment bank, BNP Paribas, raised concerns about the market valuation of assets by restricting access to two of its funds by potential investors. The inter-bank interest rate, or LIBOR, rose to the highest level since 1998 restricting the levels at which banks would lend to each other. In September, the BBC's business editor, Robert Peston, uncovered the emergency financial support given to Northern Rock by the Bank of England. Panic ensued, and the resultant queues outside branches of the Northern Rock to withdraw savings provides one of the enduring images of the start of the "credit crunch" in the UK.

In essence, the effects of the US sub-prime crisis were felt outside of the US because banks elsewhere had taken out investments in other financial institutions with heavy exposure to mortgage markets where home-owners were no longer able to pay the repayments on home loans they had taken out – that is, the sub-prime market. The subsequent 12 months were dominated by a sequence of announcements about large scale banking losses due to this exposure. They seemed impervious to attempts by US and UK central banks to stem the tide of credit defaults caused by sub-prime exposure that were manifest across the whole financial system. House prices in the UK began to fall in April 2008 and the process of economic downturn brought on by the financial crisis

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should be taken in simply advocating greater women's engagement in the labour market on productivity grounds since there may be welfare losses as a result.

set in with a nearly 11% fall by August 2008. September saw the demise of Lehman, the biggest one day fall in stock prices on Wall Street, the collapse of two major Icelandic banks and the nationalisation of Bradford and Bingley Building Society. AIG, the US insurance company was rescued by the US Federal Reserve and Governments across the world announced measures to shore up their ailing financial institutions.

Nobody accurately predicted the speed at which the global economy would decline as a consequence of the financial turmoil. The fact that forecasts of the likely scale of the recession and speed of the decline itself differ suggests that none of us really know exactly what is happening and what the likely outcome is to be. However, in the words of one banker interviewed for this study, "What is clear, is that the recession is hitting everybody equally as hard; unlike previous recessions, the demand-side has shut down completely as a reaction to the credit crunch and although it will have to pick up sometime, nobody really knows when and certainly nobody knows how."

Why a focus on women?

There has been commentary about how male the crisis is. It started on Wall Street and in the City, and, according to the Fawcett Society the commentary on it has been by men and policy to ameliorate the effects has been formulated largely by men.[2] Yet its effects are felt as strongly by women as by men. Because there are more women who are active in the labour market, when compared with previous recessions, there will be proportionately more affected as the jobs market tightens. Female earnings represent more than 50% of total income in 21% of UK households[3], there has been an increase in (female) lone parent households, and women are more likely to work in part-time and vulnerable employment than men.[4]

[2] http://www.fawcettsociety.org.uk/documents/Arewomenbearingtheburdenoftherecession.pdf p4 and Ruth Sunderland, Observer, 1st February 2009: http://www.guardian.co.uk/commentisfree/2009/feb/01/davos-global-recession-gender
[3] Trade Union Congress, (3rd January 2009): "Recession report, No. 3". Trade Union Congress, London, http://www.tuc.org.uk/economy/tuc-15897-f0.cfm
[4] http://www.fawcettsociety.org.uk/documents/Arewomenbearingtheburdenoftherecession.pdf p 5

At best, the evidence is contradictory. Early reports suggested that women, particularly in the South East of England, were being made redundant at a faster rate than men,[5] but these have not been corroborated by subsequent data. The research for this report provides some regional breakdowns but it is too early to say whether or not one region is faring better or worse than another, especially in terms of its women-owned businesses. In the words of one banking economist interviewed for this study, "What is remarkable about this recession is that it seems to be affecting everybody at the moment in exactly the same way. The regional evidence is still weak and the sectoral evidence is fluctuating. Because it is now a demand-based recession, we are all affected and there doesn't appear to be one sector or region that is moving ahead at this stage to help pull us out."

Indeed, recent reports from the Office of National Statistics (ONS) based on the Labour Force Survey are beginning to indicate that "the economic downturn in 2008 has impacted less on women in employment than men."[6] The Trade Union Congress (TUC) finds that although women are leaving paid work, this is at a slower rate then men, and women's employment would be expected to recover more quickly than men's.[7] The department for Business Enterprise and Regulatory Reform (BERR) suggests that women's self-employment has declined at the same rate as men's (2%) and, when women leave self-employment, it is more likely to be to employment than is the case for men.[8]

Alongside this, surveys of women entrepreneurs taken during September and October 2008 suggest first that women entrepreneurs are less fazed by the current economic challenges[9]; second, that women business-owners are more optimistic than men;[10] and third, that women business-owners are more ambitious for growth than men and may therefore be better placed to lead us out of recession.[11]

[5] http://www.guardian.co.uk/politics/2009/feb/14/labour-employment-market-women
[6] Office for National Statistics (ONS), 6th March 2009: "Women in the Labour Market – news release."
[7] Trade Union Congress (January 2009): "Recession Report no 3". http://www.tuc.org.uk/economy/tuc-15897-f0.cfm
[8] BERR (2009): "The Impact of an Economic Downturn on the Self-Employed." Internal briefing document supplied by WETF.
[9] http://www.deltaeconomics.com/media/COGSexecsummaryfinal.pdf
[10] http://www.makeyourmark.org.uk/publications/entrepreneurs_britishbusiness_and_the_credit_crunch
[11] http://www.everywoman.com/ResourcesAdvice/Finance.?id+5253

Any report like this, then, that attempts to understand, and clarify, the impact that the downturn is likely to have on women, should be quite clear on its starting point. Much of the confusion and contradiction in current commentary is caused by three things:

1. A feeling amongst the women's press and women's support organisations that the recession has been created in the male-dominated financial sector. Had women been more represented at a senior level, runs the argument, executive decisions about risk would have been made in a different way.
2. A real concern and desire amongst the same organisations and amongst policy-makers to ensure that women are not disproportionately affected by the downturn in terms of either any reduction in overall household incomes or any potentially larger effect on women's jobs because of their higher representation in part-time, temporary and vulnerable employment.
3. A need to represent the work that women entrepreneurs who are running more established companies are doing, like their male counterparts, to survive, adapt and grow.

Each of these approaches is based on a view of the recession and its outcome through a gender lens. In itself, this is neither inappropriate nor unhelpful. Women are under-represented in many areas of the labour market and business, from senior management through self-employment to entrepreneurship. The notable exception is the one area of the labour market that fares badly during times of recession: temporary, part-time and vulnerable employment and, in the case of the current downturn, the personal services and catering/retail sectors. If these parts of the labour market perform as predicted, then women's employment and business will suffer because they are disproportionately represented in these areas, not because they are affected disproportionately compared with men.

This last point is vital and in itself warrants the neutral, rather than gender-based, approach that this report will take. The central problem is to address where women are being affected and where they are not being affected and, hence, to draw policy recommendations. This means that throughout, "like for like" comparisons with men will be made: in segments of the labour market, in responses to business surveys and in overall business confidence.

The report, then, looks at two key aspects of this central problem. First, it looks at women in the labour market since this is where much of the debate is currently centred. While this is not the focus of the WETF, it does provide important background to the influencing role that it plays, not least because it is here where many of the headline statistics have arisen. The report looks first at women's employment (full and part-time as well as temporary), women's unemployment and women's self-employment. The ambiguity around the effects of the current downturn on women in the labour market has arisen from month-to-month or quarter-to-quarter data rather than a view of the longer term. This longer term perspective would lead to a conclusion that women are not being as affected as may first appear. Although they may be more affected than in previous recessions, this is because women are more represented in the labour market than ever before.

Second, through its primary focus on women's businesses, this report looks at surveys and cases of women business-owners and women founders. This section concludes that women entrepreneurs and business-owners are actually more confident about the economy, about the impact of the recession and their ability to manage their way successfully through it than men. The case studies of women founders demonstrate that their businesses have been built on the need to respond flexibly to changes in the business environment (for example, by allowing natural wastage or by remaining lean). These, however, are traits common to all entrepreneurs and any assumptions about "caution" or "risk aversion" are not supported by the cases. It is reported that women who have set up growth-oriented businesses, like their male counterparts, have taken substantial personal risks to build up their businesses in the first instance and are therefore unwilling to take further risks that may jeopardise that personal investment.

The report concludes that any line of argument based on gender differences alone blurs the issues at stake. There is no one homogeneous group of "women" who are being more or less affected than an equally homogenous group of "men." For example, women are over-represented in some sectors (such as retail, catering, hotel and leisure) but under-represented in others (such as manufacturing and engineering) where the downturn has been just as severe. These complexities and layers to both the labour market and to the business and enterprise sector need to be understood first in order to compare men and women *within* those groups.

A final note of caution should be sounded. The UK economy is officially in recession in that it has experienced two successive quarters of negative growth. However, the full effects of the recession on sectors or specific demographic groups such as women cannot yet be fully estimated and, since the data covering the recession is only between July 2008 and December 2008, any long term trends are impossible to forecast.[12] Similarly, available survey data covers the period from August 19th 2008 - October 10th 2008 which is within the timescale of the financial crisis but before we were formally "in recession". Any statements about the effects of the recession are therefore premature since we are at the beginning of it rather than at the end.

[12] The research rests on descriptive analysis of labour force survey and available survey data. Academic, peer reviewed, literature on the subject and rigorous econometric analysis is not yet available on the specific subject of women and the recession.

Women in the Labour Market: the influencing context

The number of women in employment has increased over the past four decades. At the start of 1971, the rate of female employment was 56% but by December 2008 this had risen to 70%. Conversely, for men, employment rates have fallen from 92% to 78%.[13] In the three months to December 2008, female employment had fallen by 0.3% compared to the same period a year earlier, while for men the reduction was 1.0% year on year. The ONS attributes some of this to the increased likelihood that women will be in public sector employment where jobs rose by 0.2% between June and December 2008, compared to the private sector where jobs declined by 0.5%. Similarly, the redundancy rate for women is apparently also lower than for men at 6.6 per 1000 employees compared to 13.6 per 1,000 employees for men (three months to December 2008).

The long term unemployment trend for men and women is presented in Figure 1:

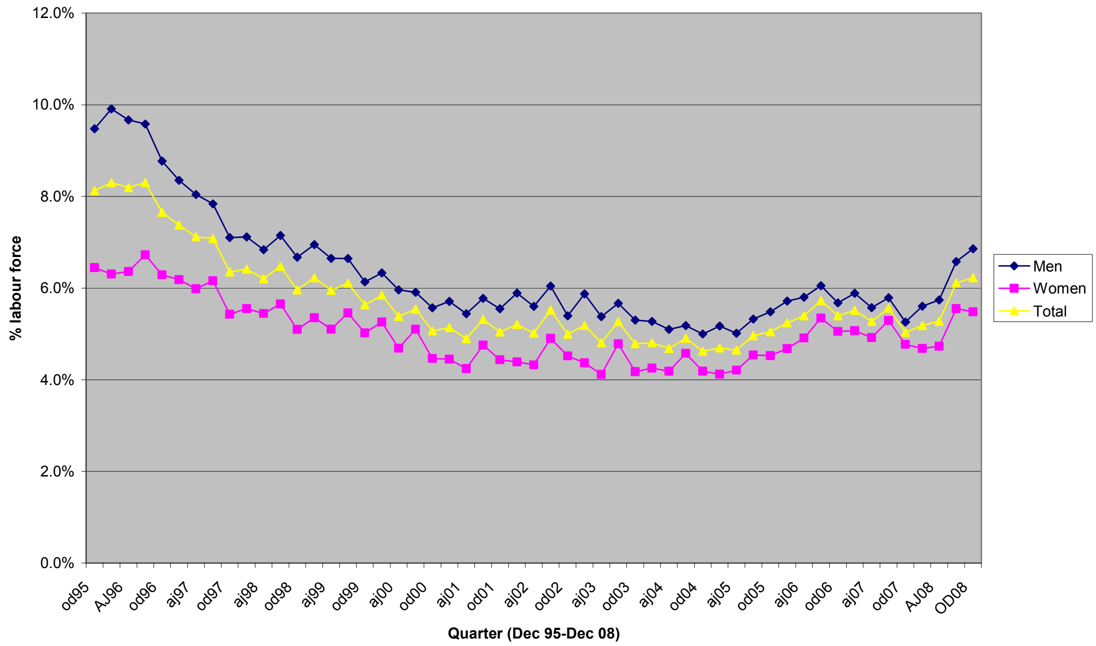

Figure 1: Trends in unemployment by gender, December 1995 – December 2008

Source: Labour Force Survey, February 2009

[13] ONS, 6th March, 2009: "Women in the Labour Market: Impact of downturn" www.statistics.gov.uk/cci/nuggetprint.asp?ID=2145

What the figure shows is that although unemployment has been rising overall since July 2007, the trend is less accentuated for women than it is for men, and suggests a slight drop in unemployment in the last quarter from 5.6% to 5.5%. Over the whole time period, women's unemployment has been more static than male unemployment going from 6.4% in December 1995 to 5.5% now. Male unemployment over the same time period has gone from 9.5% to 6.9%.

Commentators argue that women are less likely to enter into unemployment than their male counterparts. They have greater proportionate representation amongst part-time or temporary work and therefore may not have the same redundancy rights as men and, similarly, women with employed partners tend not to register as unemployed.[14]

It is interesting, therefore, to look at the nature labour market inactivity to see if there have been any changes in this by gender. Figure 2 looks this for men and women and the reasons why people enter into it.

	Student	Family	Temp sick	LR sick	Dis-couraged	Retired	Other	Does not want work	Does want work
Men									
Oct-Dec 2006	29.6	5.9	3.0	35.7	0.9	14.0	10.8	71.8	28.2
Oct-Dec 2007	30.4	5.9	3.0	35.4	0.5	13.7	11.0	72.3	27.2
Jan-Mar 2008	31.0	6.0	2.7	35.2	0.7	13.6	10.8	71.7	28.3
Apr-Jun 2008	31.0	6.1	2.7	34.8	0.7	13.5	11.2	71.0	29.0
Jul-Sept 2008	30.7	6.2	2.8	35.6	0.6	13.5	10.6	71.5	28.5
Oct-Dec 2008	32.5	6.0	2.4	34.1	1.0	13.8	10.2	71.4	28.6
Women									
Oct-Dec 2006	19.3	44.9	2.2	19.8	0.3	3.5	9.9	74.4	25.6
Oct-Dec 2007	20.9	44.5	2.0	19.2	0.4	3.5	9.7	74.1	25.9
Jan-Mar 2008	20.8	44.4	1.9	19.3	0.4	3.5	9.6	73.6	26.3

[14] Fawcett Society, March 2009: "Are Women Bearing the Burden of the Recession?"

Apr-Jun 2008	20.9	44.9	2.0	18.9	0.4	3.4	9.5	73.6	26.3
Jul-Sept 2008	21.5	43.9	1.9	19.6	0.4	3.6	9.0	73.8	26.4
Oct-Dec 2008	21.8	44.2	2.0	19.3	0.4	3.4	9.0	74.1	26.2

Figure 2: Reasons for labour market inactivity, 2006-2008, by gender
Source: Labour Force Survey

What is striking from Figure 2 is that over the time period from October-December 2006, there has been very little material change in the reasons why men and women are labour market inactive. In the case of men, there has been a reduction in the numbers who are long term sick of 1.6% and this may be because of changes in entitlement requirements that have come in recently since the change is greatest between July and December 2008. There has been a slight decrease (0.3%) in numbers of women who do not want to work over the whole period but the equivalent figure for men is 0.4%. Women are slightly more likely than men to be labour market inactive because they don't want to work (71.4% of men compared to 74.1% of women).

Similarly, there has been a slight decrease for both men and women in the numbers of people as a percentage of total employment who are in temporary employment. 4.9% of total male employment was temporary at the end of December 2008 compared to 6.1% of women. The equivalent figures for the last quarter of 2006 were 5.5% and 6.5% respectively. This represents a decrease between the two periods of 0.6% for men and 0.4% for women.

Figure 3 shows trends since the final quarter of 1995 in female unemployment by region.

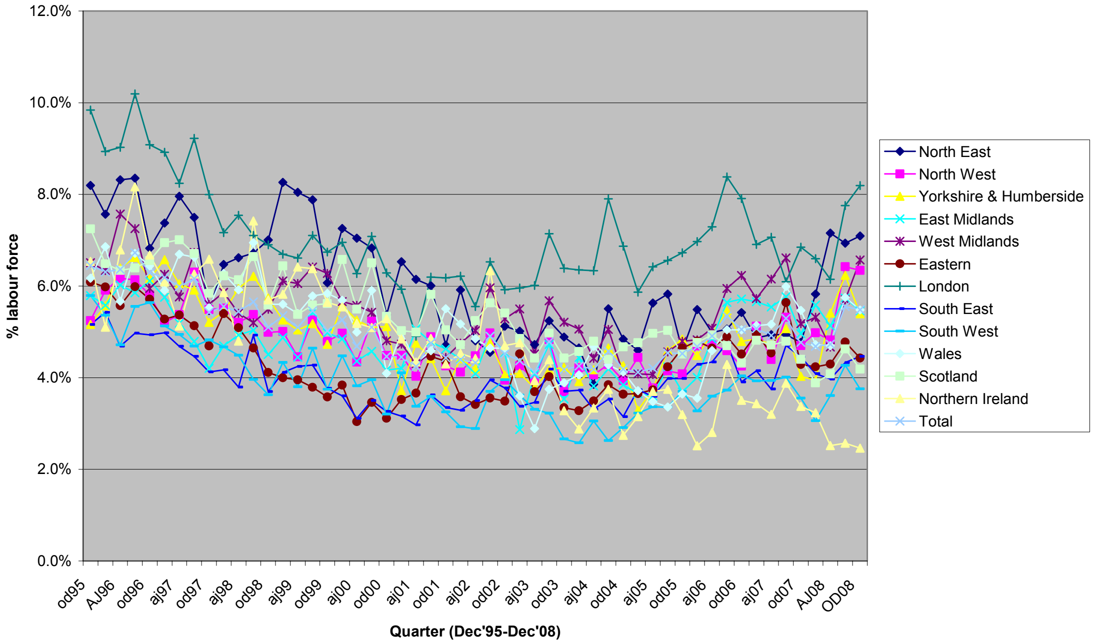

Figure 3: Female unemployment by region, final quarter 1995 – final quarter 2008
Source: Labour Force Survey

Figure 3 shows that London has had the highest level of female unemployment over the period going from 9.8% in the final quarter of 1995 to 8.2% in the final quarter of 2008. This hides a sharp increase in female unemployment in London between the second and the final quarter of 2008, however, of 1.4%. In Northern Ireland there has been a steady decrease in unemployment from 3.9 in the third quarter 2007 to 2.5% in the final quarter of 2008.

It does not appear either that self-employment is being impacted disproportionately amongst women compared to men. During 2008 male and female self-employment fell similarly by 2% and the trend over the whole period from 1995 has been almost static for women. This is illustrated in Figure 4.

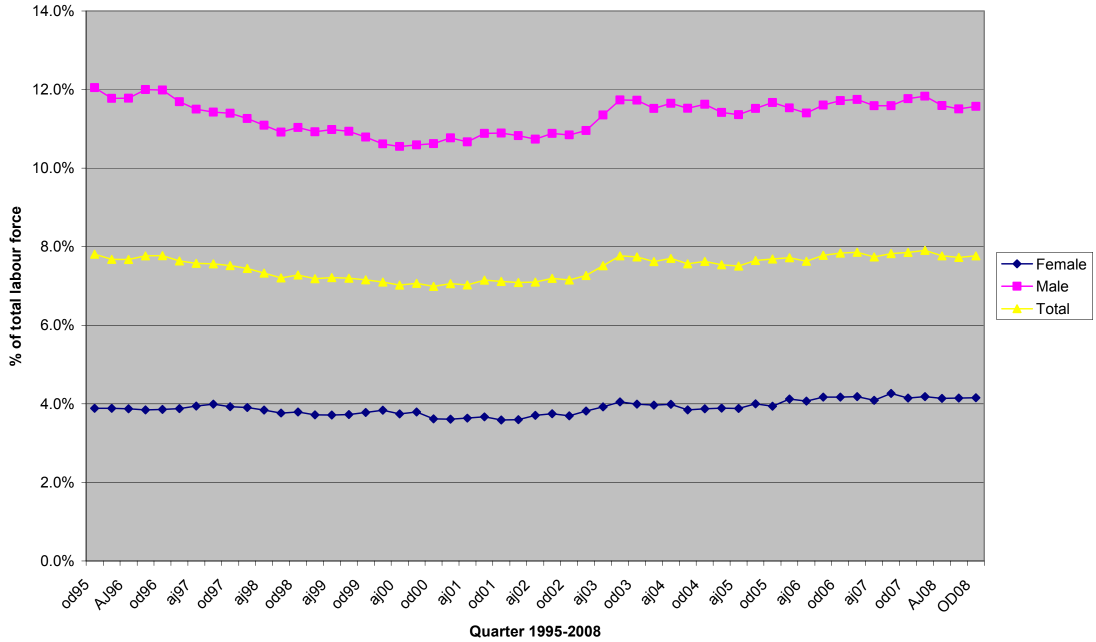

Figure 4: Self-employment, final quarter 1995 - final quarter 2008 by gender
Source: Labour Force Survey, Delta Economics analysis

Over the whole period, female self-employment has shown a slight increase from 3.9% in Oct to Dec 1995 to 4.2% in Oct to Dec 2008, although taken over the whole 13 years the rate varies much less than the comparable figures for men.

Finally for this section, since there is so much mentioned about male and female differences by sector, it is important to look at the changes in the sectors. Figure 5 looks at these by gender in the final quarter of 2008 in those sectors which appear to be most affected by the recession currently.

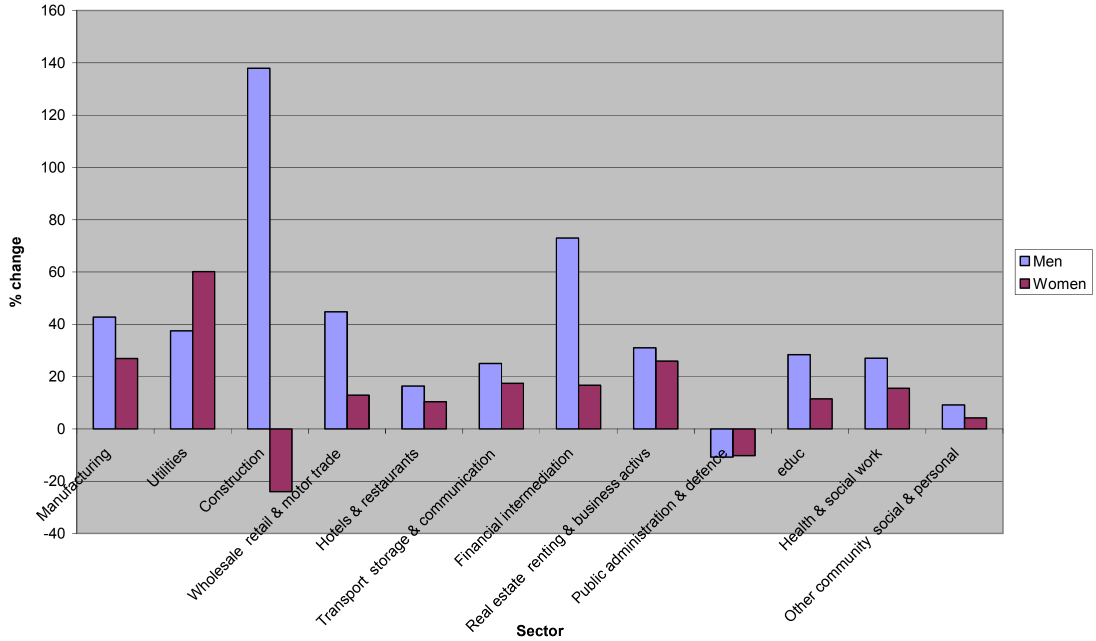

Figure 5: Changes in male and female unemployment (sector of last job), final quarter 2008

Source: Labour Force Survey 2009, Delta Economics analysis

What Figure 5 suggests is that unemployment in the final quarter of 2008 rose for men in all sectors except public administration and defence. For women, unemployment did not rise in construction and public administration and defence (in fact there was a net decrease in unemployment). Proportionately, female unemployment has risen at a slower rate in all sectors except the utilities (electricity, gas and water).

There are two important caveats when interpreting Figure 5: first, as noted above, women may be less likely to register their unemployment and second, any changes in unemployment may be from a lower employment base in the first place (as is the case in manufacturing or construction). Therefore, it does not allow us to imply that women are being disproportionately affected compared to men on a sectoral basis.

Summary

The summary of labour market data thus far provides no evidence that women are being more affected than men in the current economic downturn. If anything, it appears that at present, at least, women are either being affected in the same way or are being affected less than men.

What this analysis has shown us above everything else is the importance of understanding any changes in the labour market from a long term perspective. It does not appear that women and men exhibit different patterns of labour market engagement over the last six months compared to earlier time periods. And although there may be numerically more women entering into unemployment or exiting employment compared to previous time periods, this is from a base of higher labour market activity in the first place.

There is one speculative caveat to this. If we see the scale of job losses that are currently anticipated from large employers, then women who are being made redundant may want to see that redundancy as an opportunity to set up their own businesses, either as a way of generating substitute income or as a change of career direction. This is both something to be monitored and something for which to develop support structures – for example by making Personnel Departments in large companies as well as Job Centres more aware of Business Links services and of offering self-employment as an alternative career choice.

Women-owned or founded businesses

The picture amongst women-owned businesses and women entrepreneurs is similarly positive. In the words of one interviewee, “Women business-owners are actually tired of being regarded as victims. We are in this crisis in the same way as men are and we all have to deal with it in a way that ensures that we stay around to see the next recession!” In other words, although women have to cope with the demand side challenges of the recession, they are doing so in a way that allows them to keep costs down and risks low in order to ensure their viability beyond the current downturn. It would be tempting to see this desire to minimise the risk of failure as natural female cautiousness, but male entrepreneurs with whom we have spoken have argued similar things.

This section looks at several different surveys in order to assess the levels of confidence amongst women business-owners and managers in the first instance and women entrepreneurs subsequently.[15] Cases of female founded businesses are appended to the report.

First, the National Business Survey, conducted in November 2008 of 4,681 businesses across the UK asked, will economic conditions improve, remain stable or deteriorate over the next 12 months? A woman-owned or managed business was defined as those businesses where women had greater than 50% of the management control of the business. This equated to 12.2% of the total sample (or 571 women owner-managers). The responses are illustrated in Figure 6 and suggest that women are more positive than men about the current climate.

The figure shows that women are more likely to think that the economy will improve or remain static. The results at a regional level reflected this pattern.

[15] There are a number of business confidence surveys conducted by a range of different organisation ranging from the Confederation of British Industry to the Federation of Small Business, The Engineering Employers Federation and the British Chamber of Commerce. While these provide a good cross section of attitudes across the industrial base of the UK, from small to large firms, they are based on membership surveys and do not report on gender-disaggregated data even if that data is available to them.

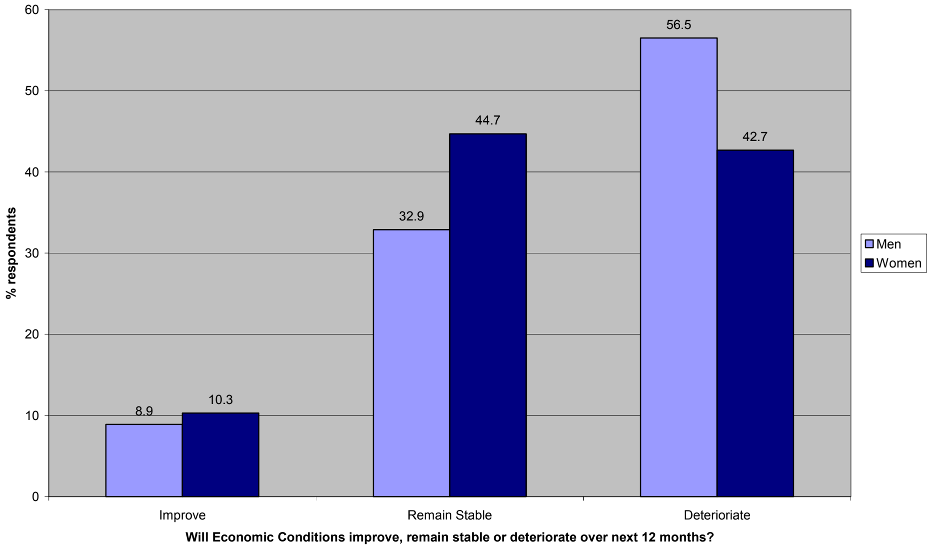

Figure 6: Male and female business-owners' attitudes towards the current economic climate (November 2008)
Source: National Business Survey, November 2008

Figure 7 illustrates the responses to a series of questions about the current economic climate that were part of the Grant Thornton Enterprise Insight survey conducted between August 10th and the end of September 2008. Responses were on a Likkert Scale of 1-5 where 1 = much worse/very negative – 5 = much better/very positive):

	1	2	3	4	5
How well is your company doing compared with how you feel it should be doing? ***					
Men	4.4	19.4	46.2	24.1	5.8
Women	12.8	17.0	46.8	14.9	6.4
How is the current economic climate affecting your business's ability to perform well? **					
Men	18.3	30.9	33.8	13.2	3.0
Women	23.4	23.4	23.4	27.2	0
How will the economic environment affect your ability to perform well over the next 6 months? **					
Men	17.5	50.6	24.2	5.5	0.7

Women	20.0	40.0	20.0	20.0	0
N=751; Men = 705, Women = 47; Grant Thornton Enterprise Insight Survey, November 2008; survey conducted, 10/08/08-27/09/0-8 * = significant at 10% level; ** = significant at 5% level; *** = significant at 1% level					

Over the next 6 months, how much harder/easier will the following become for your business? (:Likkert scale, means; value of 3 = neutral)				
	Recruitment	Cashflow	Capacity to raise finance	Ability to attract investment
Men	3.57	2.52	2.49	2.45
Women	3.44	2.56	2.40	2.16
N=751; Men = 705, Women = 47; Grant Thornton Enterprise Insight Survey, November 2008; survey conducted, 10/08/2008-27/09/2008 Results were not statistically significant				

Figure 7: Grant Thornton Entrepreneur Insight Survey results
Source: Delta Economics analysis of data

The numbers of women in the sample were very low therefore care should be taken in interpreting the table. Nevertheless, significant results are illustrated and suggest that although women are more likely to feel that their company is not performing as well, in actual fact they are more positive about the impact of the recession on their actual performance.

Finally, we look in some detail at the results of the Challenges and Opportunities for Growth Study (COGS) results. This was a survey of 1,800 entrepreneurs who had founded companies that were between 2 and 10 years old and that had turnovers of at least £250,000. 13.6% of these entrepreneurs were women and, because of the sampling frame used, all of the entrepreneurs can be described as broadly within a "survivor" category of entrepreneurs – that is, their businesses have gone beyond the first two years (when many businesses fail) into a growth and development phase. The results for entrepreneurs in this category, therefore, differ to studies of entrepreneurs that have established companies that are less than two years old (i.e. nascent businesses).

The attitudinal picture of the women in the COGS survey again suggest that they are less fazed by current economic challenges than their male counterparts and, since the survey was conducted between the 19th August and the 10th November 2008 it does cover a period of severe financial crisis and the beginning of the downturn. Answers to the question, "What are the major challenges you face over the next 12 months" are given in Figure 7.

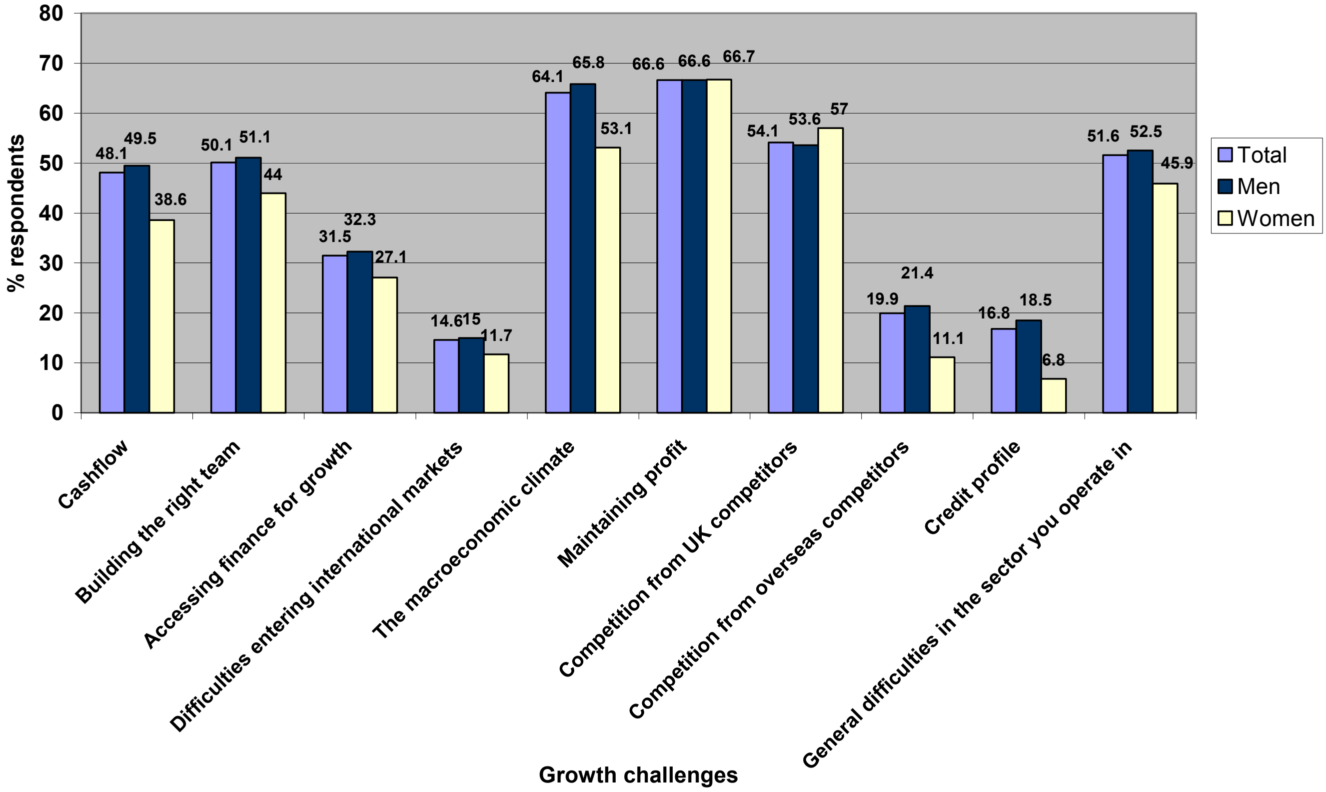

Figure 7: What are the biggest growth challenges you are currently facing?

Source: COGS, 2008 survey

All of this builds up a picture of confidence amongst women that is corroborated by the case studies we conducted. These cases suggest:

1. Women are confident that the recession will not have an unduly negative effect on their businesses. While they are aware that market conditions are demanding, they are developing coping strategies (eg. not re-appointing when people leave or using associates to provide flexible bandwidth as necessary).

2. Many of the cases are actually reporting increased demand. Some of this may be that bigger companies are now looking beyond their usual suppliers to smaller, leaner, cheaper and more flexible suppliers who do not charge overheads and therefore come in at a lower price which favours women. This will be a big advantage to women-founded and/or women-owned businesses in the long run since it will give them track record during a time of recession. (In the words of one interviewee, "if you can show that you can survive through the next few months, you'll rock afterwards!")
3. The markets they are operating in are not unduly affected at present and they are protected by their current scale: in other words, they are relatively small and the risks of a downturn are lower than for a larger business. This is consistent with the story COGS reported in November from male entrepreneurs.
4. Because they have taken a lower risk, steady approach to growth that does not rely heavily on debt or on payment of overheads, they see themselves as less vulnerable.
5. There is no evidence in any of the cases that the entrepreneurs have experienced any discrimination in terms of access to finance. However, many have either taken on very little debt in the first place and/or have used personal finances to shore up their business in the very early stages.

Summary

There does not appear to be any disproportionate cause for concern amongst the women's business community about the current economic climate compared to men. Indeed, there is evidence to suggest that women are less fazed about the general business growth climate than men. This does not mean, however, that women are not concerned about the impact of the recession on their livelihoods and businesses. Rather, it does suggest that they want similar support to that which their male counterparts receive.

A scenario matrix of women's business and labour market activity

The research summarised above suggests that there is a matrix of effects for different categories of women depending on how they engage with the labour market.

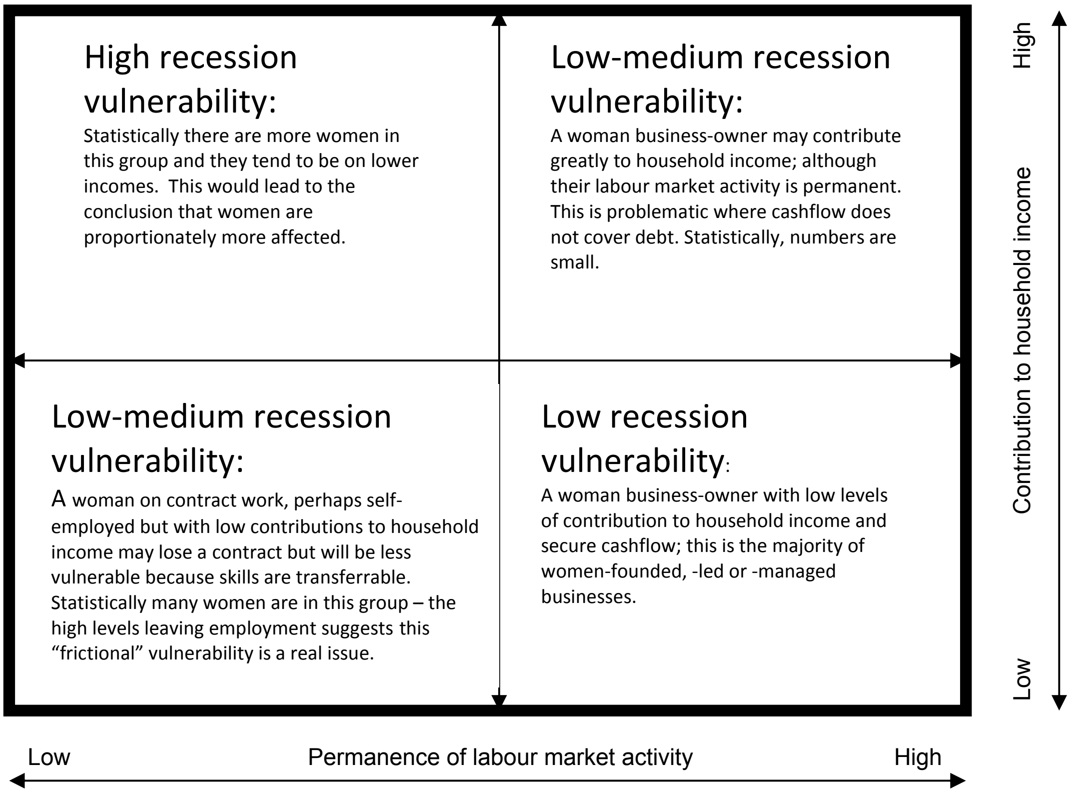

Figure 8: A scenario matrix illustrating how women may be affected by the recession

The matrix is constructed to show the relationship between contributions to household income and permanence of labour market activity since these are the two areas which make women potentially more vulnerable to the impact of the recession. For a woman whose labour market activity is permanent and who contributes substantially to the household income, for example, there is a higher potential effect should she lose her job than for her counterpart whose job is permanent and who contributes less to the total household budget.

What is important here is that women will be affected in different ways depending on their labour market and/or business activities and their contribution to the total income of their household. This is similar to men but, although there may be a greater proportion of women in the category that has the greatest vulnerability to recession, there is no evidence as yet from the data covered that these women are being disproportionately affected.

How will women-owned businesses fare over the next three years?

There is insufficient data to allow any rigorous forecasting to be undertaken that would allow us to predict how women in different sectors and types of business will fare as the economy picks up. However, COGS did ask respondents about their predictions for employment and turnover growth over the next three years. The reason why this is important is because it gives us an estimation of growth expectations against other studies that describe moderate and high growth:

- High employment growth expectations (Autio 1997): where an entrepreneur expects to create more than 25 jobs over the next five years.
- High turnover growth (OECD): where year-on-year growth is greater than 20% a year. This equates to three year growth of greater than 100%.

There is evidence that the growth and value creation potential of women-owned businesses does not differ significantly to men's. Recent COGS research[16] suggests that women-founders of high growth-oriented businesses invest as much in their start-ups as their male counterparts and create as much value in terms of return on that initial investment and turnover per employee compared to their male founders. This in itself suggests that differential impacts of the recession on male and female founded businesses would be minimal, if, indeed, they existed at all.

The results, comparing men and women's employment creation predictions are given in Figure 9.

[16] Delta Economics, 2009: "Steady as she Grows" Report to the National Policy Centre for Women's Enterprise, March 2009

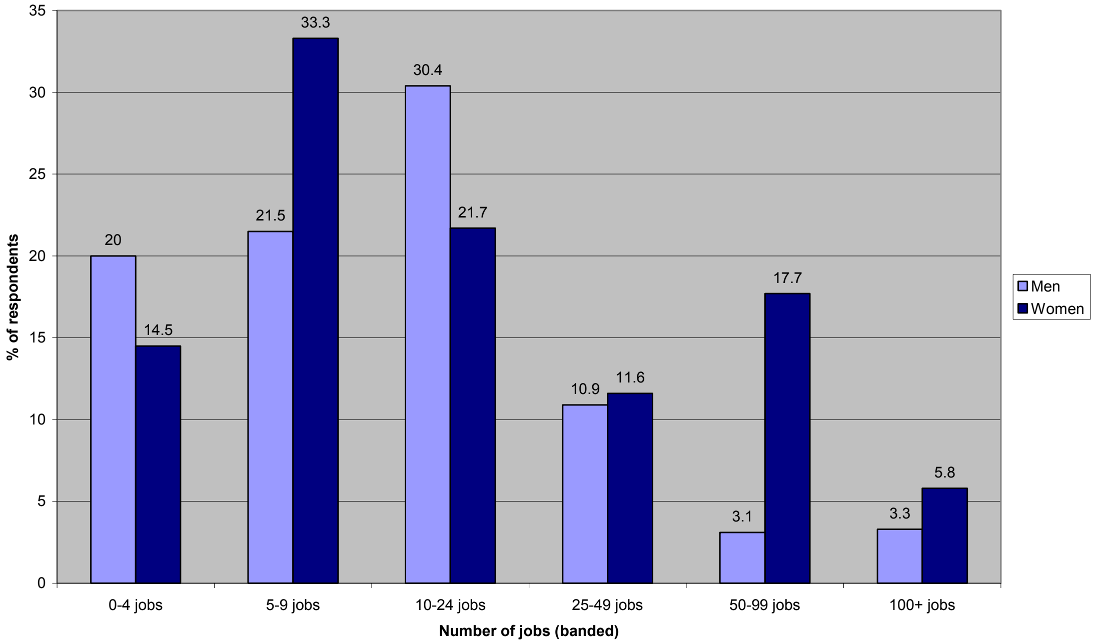

Figure 9: How many jobs do you expect to create over the next three years (men and women compared)

Source: COGS 2008

Figure 9 demonstrates two interesting points:

1. Although there were more women who responded that they expected to create between 5 and 9 jobs compared to men, there were more men expecting to create between 0-4 jobs. When all categories that are "low" job creation expectations (i.e. less than 25 jobs) are taken together, men are slightly more likely than women to fall into this low expectations category (71.9% compared to 69.5% of women).
2. There are proportionately more women who have high job creation expectations over the next three years.

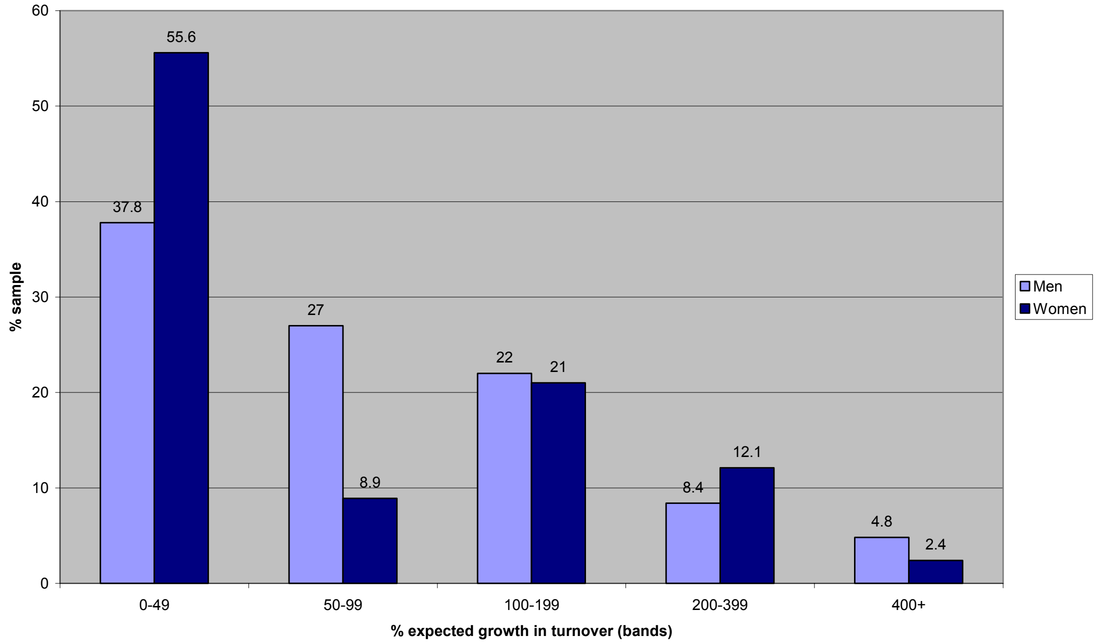

Figure 10: Expected % growth in turnover over next 3 years (men and women compared)
COGS 2008

Similarly, women appear to be more likely than men to predict that their turnover will grow between 0-49% and men appear to be more likely to predict that their businesses will grow by 50-99%. Some 64.8% of men and 64.7% of women fell into the two lowest turnover growth prediction categories. Indeed, the distribution of men and women in the highest turnover expectations category (>100%) is similar, at 35.5% of all women entrepreneurs and 35.2% of all male entrepreneurs.

Once again it should be stressed that this is not a survey of start-up businesses but rather of entrepreneurs who run established enterprises – the survivors. This in itself explains any differences in turnover and employment growth expectations compared to other studies. However, it is nevertheless important to note that where women do fall into this "survivor" category, they are as growth oriented as their male counterparts.

What this tells us is that, even when recession was first starting to be a real possibility, respondents were expecting modest if not stellar employment and turnover growth. And as women were as likely to exhibit high growth expectations, it follows that they should be able to ride the economic storm and grow equally as well as their male counterparts when the economy picks up.

Policy Recommendations

Much of the success of women-owned business in pulling through the recession, however, will rely on effective policy now to ensure that any negative effects of the downturn are ameliorated. The Government has done much to support small business, especially in terms of access to finance and advice, and it is vital that these measures are as accessible to women as they are to men. Similarly, there are challenges around childcare, procurement, access to finance at the start up stage when women tend to be more modest in their expectations, and welfare. These are beyond the scope of this report, but are important components of the policy mix that is currently emerging.[17]

The following, then, are policy areas for women's businesses and potential women entrepreneurs which the Women's Enterprise Task Force could discuss further with policy-makers. These represent starting points for discussion and are based on the material contained in this research.

1. **Spreading the right message – influencing and advocacy:** Women business-founders, -owners and -managers are keen not to be seen as victims, and policy should be championing the work that they are doing on every available platform. The messages around the lean and flexible working methods that women have developed to cope with the recession should be stressed in particular by policy-makers and advocates of women's enterprise generally.

2. **Female-friendly support for vulnerable women:** Women in the most vulnerable group are those on temporary or part-time contracts and who are not self-employed. Because of increased labour market participation since the last recession, this group of women is likely to be affected proportionately more than they have been in the past. Policy should focus on providing additional support through the welfare system for these people. There is already a provision under the renewed "New Deal" to increase awareness of self-employment as a career option for women who become unemployed. However, take-up is still low and

[17] This statement refers to the five policy briefings and the wider report on women's growth-oriented businesses to be published by the National Policy Centre for women's enterprise. The key results of these are summarised in Appendix 3 and have informed the policy conclusions here.

this represents lost opportunities for women who might be able to work effectively in a self-employed context. Skills training and awareness-raising in Job Centres, as well as additional start-up training through existing Regional Development Agency schemes, would be a critical part of ensuring that access to these programmes is genuinely open.

3. **Female-friendly support for women entering unemployment:** As jobs are lost, and by virtue of the fact that there are now more women in the labour market than ever before, there will be more women who enter unemployment. The key challenge is to make women aware of the opportunities that self-employment and enterprise offer them as real career alternatives at the point of exiting from a permanent paid job. Human Resource managers in companies as well as staff in Job Centres should be aware of the services offered by Business Links and the Regional Development Agencies – perhaps through training courses or leaflets – and this could encourage more women to take up enterprise.

4. **Linking two pillars: finance and procurement:** Women entrepreneurs themselves do not claim that there is any discrimination in terms of access to finance.[18] They do comment on how hard it is to get sufficiently large to avoid servicing the immediate concerns of cashflow: they may require flexible forms of finance to get them through this challenge during the recession. They find it hard to build up track record through procurement contracts and hence are seen as under-represented in these groups. This could be linked to the Aspire women's co-investment fund, although this may take some time to build. More immediately, any loan finance through the BERR programmes to help small businesses could be linked to programmes to increase access to procurement contracts. This would a) increase women's awareness of what is needed to tender for contracts, and b) plug short-term cash-flow gaps while the business is growing. Gaining access to mentors with all public sector loan finance would ensure that entrepreneurs gained the maximum from this process, which in itself would incentivise women to take up more external finance.

[18] This will also be explored in the report on finance as well – although there may be some sense in integrating the two reports.

Appendix 1: FULL CASE REPORTS

DEBBIE HARLOW

OWNER

GARIBALDI PUBLIC HOUSE

For Debbie and her partner, the motivation to run a public house rather than be tenants was to be independent, get a fairer reward for the hard work and be responsible for their own decisions. They set out to know everything about the market and sorted out those personal things that they wanted and didn't want from the business. With more than 20 years of experience between them, they thought it was the right business at the right time.

They had a clear strategy to watch the customers for the first 3 months before deciding what direction to take. They got to know what the regulars wanted and where expansion could take place. The plan was spot on. The name was changed back to its original, a strong local customer base was attracted in and then the strategy of developing the food side of the business was started. Own recipes of traditional home cooked food were used, sourced locally or from trusted suppliers from the last 15 years. So far, it has been a successful strategy.

The main challenges faced have not been the ones to do with the usual pub management but to be suddenly responsible for VAT, PAYE, Employees National Insurance, dividends, getting the right gas and electricity suppliers was daunting. They had to learn very quickly by themselves and have made mistakes. For example, getting sucked into a computer deal which was wrong for their situation and for which they are still paying too much. They didn't know and didn't know where to get the advice that was wanted.

The current economic problems are an issue as customers are being affected but the business provides a haven and their business is sticking to providing quality food, plus are doing more and more in the community to broaden the customer base. Specific issues such as cheap supermarket drink and the smoking ban have not helped, but have made them focus on what we do and why. These issues are all challenges to be met not problems to depress you.

The actual mechanics of the business delivery are what people concentrate on, but for them it has been all the other things which have been the headaches. Having training and access to facts and advice on these additional business issues would have been so useful.

A relative was used as a mentor for advice who luckily was great, but that has its limits. You need someone who is available when you want them and with no obligations attached. They found out about Business Link and see them as being exactly the sort of organisation which should be providing that sort of advice. They didn't use them at the time, but would recommend them. They now read all the trade press and use a Government gateway to make sure they are not missing anything.

JANE DAVIES
HEAD OF MANCHESTER SCIENCE PARK

Jane is the Head of Manchester Science Park, and as such has a clear overview of the issues which are affecting female entrepreneurs and in particular, those that are Science and Technology oriented. She notes that there are only 1% of the businesses based at Manchester Science Park which are owned and run by women, although some are joint owned and some have women as directors, but of those which are definitely women-owned and run – only 1%.

She thinks that one of the key reasons for the low number of women-owned and run Science and Technology businesses is the sheer numbers argument. If there aren't the number of women-owned businesses out there then they can't go to the Science Park. From her view, they cannot be created out of thin air. Put simply, there aren't the numbers of women-owned businesses.

This leads Jane to two observations which need addressing; There is a problem with engaging women right from school onwards; There are many initiatives starting in schools and at colleges and universities. But the problem is, that they are initiatives and almost by definition they are short term. The case as to whether these initiatives actually produce more women in business is as yet unproven. But Jane returns to her key point, that she knows there are still very few female entrepreneurs in general and even fewer in Science based businesses.

Although there is obviously a waste of talent with such low numbers of women in Science Engineering and Technology (SET), Jane notes we have to remember that in the end, it is a choice. Encouraging more women into SET is all very well, but that choice is not for policy-makers, it is for the individual to make. You cannot force people.

Going back to Jane's earlier point about engaging women, she notes entrepreneurship is often centred around the business idea, how to run it and so on, but for many women, that is only a part of it. They often think about a whole range of other things that surround setting up a business. These are often not seen as a primary focus and don't appear on the course outlines or as part of a school initiative. For many women, family is nearly always an issue at some point. Women don't push on to senior levels in companies when they have had kids.

Expanding on this issue, Jane outlines examples she can remember where women who have deliberately decided to work for a large company instead of setting up a SET business themselves, because in a large company, Glaxo Smith Kline, for example, they know they will get generous terms, find it easier to get child support and be able to fit back into the job at a similar level knowing that childcare issues will be more or less sorted.

Leading on from this, she thinks that women are not setting up businesses in SET as it is just so family unfriendly. They go for Retail and Services, but not SET nor even IT in general. But one solution, to have positive discrimination, is not what Jane thinks should happen. She is absolutely against positive discrimination for women in setting up a business as well as a whole range of issues.

Looking at how the current recession has affected things, Jane thinks that it has not had much of an impact at the moment, although she can see probable effects on the horizon. The reason why Jane is relatively optimistic for the companies in Manchester Science Park, is that they are mostly small and are very flexible. Many are also in the Technology sector and these tend to be very resilient. They are also mostly entrepreneurs and are really determined to succeed. In contrast, larger companies are being hit and hit severely. Those which will be looking for second round VC funding, for example may well find themselves without that funding. Other specific points Jane notes, is that It is really difficult to value acquisitions at the moment, which slows down deal flow and contracts are taking much longer to land, with cash flow consequences.

To summarize, Jane sees the current situation as an opportunity for rethinking the business model. This is especially true for smaller SET companies, who are already talking about coping with the expected *increase* in interest rates, who are clearing out 'deadwood' and restructuring the whole business so they can ensure their survival and be in the best possible position for when we come out of the recession.

JULIE EYRE
FOUNDER AND DIRECTOR
BRONTE BUSINESS NETWORKS

Julie's company provides IT support for businesses and specialises in reacting very quickly to problems to solve them. She has considerable on the job experience, although she notes that she has had a minimal amount of the IT training. There are very few women in IT which is very male dominated. Julie notes one issue with men and women in IT - she thinks that men do tend to put barriers in the way if you are female and that this is less so in bigger companies.

Julie has a clear and very positive set of opinions about school SET initiatives. She says that 'as a woman you get the experience of Science when you are young and can then make an informed choice as to what careers are open to you. It is all about having the experiences which can then lead into opportunities. This is best away from formal education settings. Sometimes women, or girls, get put off by the 'cloak and dagger' way that men often do things. That can be a real barrier for women. This is more true in SET than other areas of work. But if the interest is there or has been developed, then it will happen. In the end it's a choice that you make. So, just throwing money at women in SET can be a waste of time. It is good to show the routes that are possible, but if the interest is there, they'll do it anyway.'

Julie notes that if you are running any business, the family issues become really important sooner or later. Then if your business is a reactive one like hers, where they are on 'call' and have to respond immediately, then you have to do a balancing act with your family.

Looking at the availability of grants, she thinks there are plenty of pots of money out there for all sorts of qualifications and training, but not for a sector specific qualification at a higher level. The 'softer' skills are really well catered for, like management issues but not the 'harder' skills, like industry standard training, and it is these which really add value to a business. Although as noted, the lack of money for professional IT training is a big issue, as a business and accessing finance, Julie thinks there have not been any issues with either her being female nor the business being in IT.

Looking at the recession, she thinks it has had no effect yet, and actually thinks that her company will capitalise on it, as all their client companies are assessing their costs and are finding that outsourcing their IT is a lot cheaper. The recession will therefore mean more business for them.

AILEEN WILLIAMSON
DREAMSDAY SPA

Aileen Williamson set up DreamsDay Spa at Christmas 2005 to allow time and space for clients, beyond beauty treatment. "It's the kind of treatment you have in a luxury hotel or destination hotel, without having to pay luxury prices" Aileen says. Her own 22 year background in the Health and Beauty Industry had left her convinced that women want more than just a quick makeover. Her clients often feel drained from everyday life and really need somewhere to relax properly beyond the beauty treatment. “Many Health and Beauty outfits start up,” she says,” but many fail because they don’t get something fundamentally right- the understanding of their market is so important. It is also hard work and not the glamorous occupation that you would expect”.

It is a fact that the industry has a rapid turnover of staff. Aileen makes sure that her therapists feel valued and secure, by providing a continual monthly training programme with Pevonia, her Spa product house. Aileen also pays her therapists very well.. “My therapists work very hard to exceptional standards, but they get financially rewarded for their efforts”. Being sensitive and listening to your staff is also very important. “We have weekly meetings and the girls are not frightened to challenge me over issues. Any issues are sorted out between us, so we all feel like we are winning; however there are occasions when a decision must be made and my word is final.” Aileen says. Staff satisfaction is reflected in the time Aileen keeps her therapists, “The average for the industry is a few months up to a year, here it is 6 and 7 years, in the end it is based on trust and loyalty”.

Setting up the Spa nearly 3 years ago was very hard work. She invested substantial amounts of her own money and a small business loan to make it happen. She has a good relationship with her bank manager and she says. “I would advise people to always have a direct line with your bank manager, they may try to hide because they are very busy, but don’t let them”.

The conversion of a derelict small hotel to house the Spa was the greatest challenge of all and rapidly consumed her budget. “I’d just had our son and I found myself site managing up to 19 men at one time. Carlisle had been flooded and tradesmen wanted premium money. They were very difficult - as an example I used 7 joiners and 4 different plasterers. I had to sack a group of plasterers when they were fighting on site and one ended up with a broken arm. The decorators walked out 2 weeks before the opening day because they wanted more money. The whole project cost around £600,000 but has been well worth the effort”.

Aileen has received a huge amount of support from her family, friends and staff. On occasions she has had valuable legal advice from Business Link, especially in relation to employment law. She has also required the support of her spa insurance company Salon Secure who offer a legal helpline. “You must ensure that you have full legal cover to work in the Beauty Industry. We are often an easy target”.

The current economic climate that we are entering has not hit the business too hard because it has been set up in a secure way, but sales are down 5-10%. “The number of treatments we are doing is the same as last year but people are not spending quite as much on products”. Aileen is not looking to expand her business any further at the present time. But, she says, “We do have plans to expand our community involvement. That is were our focus has been and will stay. Expanding would mean inevitably losing the personal touch which is the essence of our success”.

FIONA CRUICKSHANK
SCM PHARMA

Fiona has a degree in Pharmacology and developed her own company selling medicines whose licenses had run out. She now runs another company which runs clinical trials. The sale of the first business has bankrolled the current one. She will soon have some interesting choices to make: Which type of additional finance to go for to pay for the next phase of the business, an investor partner of maybe Venture Capital?

Fiona thinks that getting more and better business education for women will lead into more women who are actually *in* business afterwards. This is the sheer numbers game. Put simply, the more women there are who are educated in business, the more there will be who end up running a business.

But she notes there is a wider cultural issue with a premium placed on being a celebrity and trading on your looks. This, of course, is fuelled by the media. So women need more role models who really connect with those who we are trying to attract. Unfortunately, there are not the numbers of role models and stories to tell. This situation seems to compound itself.

Experiences need to be in more than one setting, for example, in schools is not enough as it is competing with so many other more powerful issues. Fiona gives her own experience as an example, where she had her ideas shaped at an early age during GCSE equivalents when two factors combined. She was told she needed to be financially independent and then also found out that Pharmacologists had a 99.9% post-graduating employment rate. So she combined the two.

Fiona thinks that domestic issues are a major problem with almost all women at some point in their careers and also that this is largely still not tackled. The legislation is there, but it doesn't always tackle the issues as and when they are needed. But when asked if there would therefore be a case for any sort of positive discrimination, she answers that she does not believe in positive discrimination as 'women, like everyone else, have a choice. I think that all opportunities should be shown, that experiences should be available, and then once women are doing what they choose to do, then they should be kept in, allowed to grow and thrive. Those are infrastructural and support issues.' When pressed on being a woman and any issues to do with access to finance, Fiona is equally as adamant that she has never suffered from any discrimination, nor was she aware of any discrimination from any female peers. She says 'It really does not seem to be an issue.'

CAROLINE SMITH
OAKLEY MEDIA

Oakley Media was founded in 2008 and has not had a full financial year as yet. It provides graphic design support in the general business sector. It has no employees (but two partners) and in its first year of trading is forecast to generate a turnover of £50,000 which is slightly above target. The goal is to build the business beyond graphic design into e-commerce and publishing, potentially with a view to sale in the future.

Caroline has 26 years' experience in graphic design and publication and for the last 20 years was Director of Publications for the Institute of Chemical Engineers giving her experience largely of the not-for-profit sector. She is now Managing Director and works across the whole gamut of activities. Ultimately her husband will also join the business once budgets allow. She was motivated to set up the business by a desire to "do what she loves": she had been continually promoted within her employed roles but found that the higher she went, the more time she spent on administrative, management, strategic and budgetary matters and less on the practical side of design.

Caroline thinks that women do tend to have different working patterns which can make it difficult to fit in with most companies and this is made even more obvious when they have children. She expands upon this point by noting that it is so much easier in larger companies for child care, to travel to meetings, have extended leave and then return to the job. These are so hard when you are outside of a large company and have to do all of it yourself. All of which stops a lot of women setting up and running their own company. Having said that, Caroline then notes that it is sometimes easier to run your own company, but it depends what it is and states that it has to match in with your family needs.

Turning to women accessing finance and any issues which may have arisen, she says that she has experienced no discrimination at all and thinks the key issue is more to do with what your business plan says, and at a personal level when interacting with the bank, how confident you are. She warms to the question of personal development and confidence and states 'Now that is an issue for which women do need help. Until more bank managers are women, I suppose !'

Assessing the recession, Caroline thinks there are more opportunities at the moment for female entrepreneurs. She notes there are a lot of financial initiatives and grants specifically for women, so in comparison with men, women are in a better position. She has also found that the women who are part-time work much harder than those who are full time. She notes that they seem to be really grateful for the effort the company puts in to let them go part-time and they work really hard, although in common with most businesses, they will also have to look very carefully about their staffing.

SUSAN NOORI

MEDIA ART

Media Art operates in the general creative and new creative media (film and video) sectors. It was founded in 2005 and has a turnover of less than £100,000 per year. It employs two full time members of staff and one part-time. There has been no growth since founding the firm in employees and turnover has stayed stable. The goal is to build the brand of the film company so that it is known in the digital media sector for high quality and professional filming built on a passion for addressing complex social issues.

Susan believes too many women think that setting up a business is 'hard' both to do and as an image. This feeds into peer pressure to conform and go for 'softer' careers. These are linked to your developing personality. 'Softer' careers are more acceptable as a self image and the group mentality is very strong at a younger more impressionable age. Additionally, not conforming sends out a message to your peers about you and how you fit in with them, which almost forces girls away from the 'hard' careers. Susan says 'many girls do the science at school, even at university, but then do not follow it through. It is as if it was an interest, but then real life takes over.' She also says that 'there are a lack of role models for girls and women in science, design and technology , although they need to be more than token women.' On the plus side, she recognizes that the Government has made it much easier for women to at least find out about Science and business and is, in general, she says, very supportive of women at all ages to study Science subjects and to set up a business.

But, Susan notes, the issue of family as a woman still puts barriers in the way, or rather, society puts barriers in the way. She complains that time flexibility shouldn't be something to fight for and that having good pre-school care should be universal and available on the family's terms. She states that looking at it the other way places the onus and the blame onto women, which is wrong. In the end the whole country suffers for lack of female engagement.

As far as the impact of the recession is concerned, Susan says that it is not really affecting them at the moment. They are building their own work around a new segment of the media market and while this is taking time and cashflow is an issue, it is difficult to say that they are directly affected by the recession, as yet.

SAMINA GORDON
FOUNDER
FATE GROUP

Samina set up and ran a very successful company which provided an IT package for centralising management of SMEs as they grow. She was in IT consulting and saw an opportunity to assess how and when those companies grow. She noted that they seemed to be doing it smoothly, but when you analysed them closely, they were chaotic. The potential gains for them of being efficient during this stage were huge and long lasting. But although it gave her a great financial reward and also the kudos of winning competitions and awards was terrific, she felt that her family had to come first whilst they were still so young. So now she runs a company which allows her to work part-time and has no travelling attached, no day to day stresses and is really relaxed. At this stage in her life, it is just what she needed. Her family have come first. She thinks that the experiences that she has had will still be relevant in the future and she is sure that her current business will still be there and be ready for her to put even more energy and experience into it when she is ready.

When probed about the impact of the recession on her and on her business, Samina is clear. If anything, the recession has been good for them. They run a self employed sales team which allows them to work when they want for as long as they want. They find that they get enquiries to join the team from all walks of life and from many very different backgrounds. Some have been made redundant and need reassuring that they will be there in the background to help them set up, others are just fed up with working for others and want the independence. Some have been made redundant more than once and feel vulnerable and others like the time flexibility that current economic circumstances have created. The new company is growing and the business model means it is low cost, so the recession will actually mean they will probably grow faster because of it.

When replying to questions relating to being female and aspects of business, Samina is equally as clear in her responses. She sees nothing that has been negative and is adamant that what is more important is that you have track record, are confident and know what you are doing. She initially was self financed, and had a series of grants and prize money. At one stage, her previous business thought about raising some venture capital, but she is sure that the issue would have been the business, not her. She had a really impressive recent track record, and so was the prime asset. She argues that these issues are nothing to do with being female.

KATE KINGDON
NORFOLK COMMUNITY FOUNDATION

The Norfolk Community Foundation awards grants to local groups and projects in need of funding that will make a real difference to the community and people they serve. They also provide a service to individuals, families, businesses and organisations who wish their charitable giving to have a lasting benefit to their local community and fund causes of special interest to them.

It is part of a national network and as such can call on a tried and tested method of delivering. They apply for grants and oversee philanthropic donations from and for people and organisations in the community. The businesses who give gain certain tax advantages, but the Director, Kate Kingdon, finds that the primary reason for a business to give is to engage with the community where they are based. It is a broader reason than just as a part of a CSR policy. It helps root the organisations into the communities from where their staff are drawn and with whom they often rely on for custom. Kate thinks it stems from a genuine concern which these companies have for their community.

So the foundation acts as a brokerage to community and voluntary sector projects. Examples of projects which help people and groups within the community are: Old people's lunch time clubs, Kickstart Norfolk, Scooter hire for young people to get to work and school, Autism Pre-School playgroup, Befriending service for the elderly and Community based sports projects. Kate stresses that these initiatives are enabling the community to take charge of what really matters to them, and control how the projects are run.

All the projects are volunteer led. Volunteers tend to be good at delivering these types of project as the need has come from the community and allowing them to be in charge of the solutions. Kate says this develops a sense of self-help and going forward together. As she points out “a critical part of our success is being able to facilitate the speedy identification of real needs and to then provide a mechanism for people in the community to then tackle those issues.”

The grants given out are usually in the hundreds to 5 thousand pounds, although recent grants for innovative mental health projects have been for up to 25 thousand pounds. Kate feels that a lot of the Foundation’s time is spent on explaining to people why parts of the community need help and what are the social issues. Having these needs met by a foundation rather than various Government departments means that the community takes control and has a say in tackling the issues on their terms. The response rates are quicker and problems are managed by personal interaction rather than by bureaucratic processes. People who say it is about the Government saving money are missing the point.

For Kate, the future direction is to focus more on the strategic role rather than being reactive to needs. This change of emphasis will allow for longer term planning and should give the foundation more stability and sustainability. To this end, they have recently secured £1.1 million funding to then raise a further £1.6 million in endowments for the foundation. This has allowed staff numbers to rise from 4 to 6.5 FTE. She is already planning for 2011.

Sustainability is the key to the next stage and to that end one initiative shows how the business model has evolved. The Foundation has set itself a target of attracting 100 philanthropists who will pledge to give £1,000 per year for three years. Of the money raised, half will go to grants immediately, half towards the endowment to sustain the availability of future funds and the gift aid tax rebate is allocated to cover the core costs. 98 people have already signed up.

At a personal level, Kate feels that the key to doing her job is to be able to talk with, listen and understand the needs of a whole range of people. Her own background of working with a lot of determined men in Property Developing and Construction developed her capacity to talk to and negotiate with the wide range of people and organisations that the Foundation deals with. She says these experiences have helped her stand up for herself and also be focused on what matters for the Foundation and therefore for the community she serves. She would advise other women to develop that inner determination to succeed and in common with many others, it is how you deal with the inevitable negatives which set you apart as a successful female entrepreneur.

DEB LEARY
FOUNDER
FORENSIC PATHWAYS

Deb is been building up a company with a focus on supplying scientific equipment for forensic analysis for use in, for example, crime scenes. Her own education was not pure Science, but English, and this as she points out, has trained her to identify the relevant facts in a story, which is a similar skillset needed to assess a crime scene. She thinks that being able to think like the person who will use her products has allowed her to produce exactly what is wanted. The success of Forensic Pathways seems to bear this out.

Her education trained her to look for clues, to use pieces of information as intelligence, to then apply them to expand a story and complete the whole picture. She applied this thinking and realised there was a market for analysing data. So she developed a set of advanced analytics for datasets. This expanded into due diligence, training and consulting. But it was that applied thinking which set it up initially.

Delving into the reasons why Deb developed in the way that she did, she explains the way she thinks and learns. She says that she knows that she remembers stories rather than facts which help her to explain to me why she needs to know things. Relating this to women in an education setting, Deb argues that placing Science in a context where it tells women or girls *why* and *how* rather than just *what* will encourage more women into

SET. She says that is based in education and revolves around the teachers being allowed to digress a little away from the curriculum in order to place things in context, to make Science relevant as well as interesting.

Deb thinks Industry weeks and other initiatives are critical in getting this message across. Role models, other initiatives, the options available, a breadth of experiences and showing the choices available are all needed all the time, not just as initiatives. If they are so good, why are they not permanent in the curriculum? She thinks there are so many competing things for younger women. That they are bombarded by celebrity focus, which is totally unrealistic. She is scathing about such messages which she says 'are dangerous to broadcast as even a remote chance as a possible career option as it doesn't actually exist. It has a knock on effect too. Instead of slowly building up skills, it encourages no effort and a 'lottery' mentality, where some time soon you will get everything on a plate.'

Deb's response to the issue of women and any differences in accessing finance provokes a robust response. She says 'there are no issues here. It doesn't wash. It's nonsense. I've been in rooms where this is discussed and it is as if women are expecting there to be a whole load of evidence that women are discriminated against. They are not. Those who have been turned down need to go back to their bank managers and ask why they were turned down. It will be because you haven't researched your business case, you haven't ticked all their boxes, your financial figures don't add up, you are unrealistic in your business planning and so on. Banks are focused on the return on their investment. That's it. End of story. Women need a change of language here. They need to move away from making excuses.'

Interestingly, the recession is not having an impact on Deb's company. They are the busiest they have ever been. They do a lot of Research and Development, and are launching a thousand new products into the marketplace, so they are very busy. For them it is more to do with their pricing structure. They are importing a thousand product lines from the US and are now tied to certain exchange rates which is not in their favour. That will hit profits, but this could have happened at any time in an economic cycle. For those others they deal with, the recession is not biting at the moment.

Deb feels that ‘this recession is the biggest media driven event ever. There is definitely a crisis of confidence, but this is completely as a result of the media frenzy.’ She advises companies not to reduce their marketing budget and to keep hold of their skilled staff, ‘If you are suffering,’ she says, ‘they will get you out of it.’

KATRINA COOK
SC SERVICES

5C Services provide IT support and services for companies and for home users. Katarina jointly set up 5C in 2004 and is now responsible for the administrative side of the business. It was prompted by a re-location where she noticed there was a market gap for the provision of these IT services, so 5C have filled it.

The start-up phase was very hard, says Katarina, with very long hours as “our unique selling point was that we would provide cover on demand for 24 hours. People don’t see you working at one in the morning and don’t realise that I’ve had to know and understand all the relevant legislation, compliance rules, the Health and Safety and Data protection, just so their computer will switch on!”

They had some valuable advice from family in the areas of the law and data protection, and she used BusinessLink, but as Katrina noted, not as the primary source but to make sure she hadn’t missed anything ! Katrina is from Croatia and did feel that there were both language problems and a hint of a gender issue with IT users where she is currently located in comparison to being in London.

Because of the nature of the business, it needed very little in terms of start-up capital, with some initial purchases put on a credit card. That helped with cash flow as the first contracts provided immediate income. Katarina also thinks that he current conditions are working in their favour as more companies are looking for support for equipment rather than to purchase new IT equipment. So 5C are getting a lot more work for their support and repair sides even though they get a bit less on the equipment supply side.

Expansion has been slow and secure, which says Katarina, has been a deliberate policy to not overstretch and maybe have to retrench. She says “we grow slower but safer”. She says that current economic conditions have proved them right in their strategy.

They did go through a rapid growth phase with 10 employees but, says Katarina, they now have a system where the employees are all part-time and on call which gives both the employees and 5C the flexibility, which she thinks is the key to providing the best service and also allowing 5C to keep in business. They know the value of their staff and try really hard to keep their morale high, to motivate them and keep them involved. Katarina realises that the key to success is employee flexibility in the short term but ensuring they can call on them when conditions get better. The business has been hard work, but as Katrina says “Until you’ve done it yourself, you will never know what you can achieve.”

ANONYMOUS
FOUNDER AND DIRECTOR
SOUTH COAST SMALL PR AGENCY

The founder and Director of this PR agency had been in PR for several years and along with many other women, saw that it was largely women who were the majority of the workers and yet it was men who were the majority of the managers. She decided that she wanted more control over what she did, when she did it and craved that independence of decision-making that goes with running your own business.

Her family has influenced her, in that her father is an entrepreneur and her partner is self employed. Between them they knew that she could set up and successfully run the business. The business only needed £700 as an overdraft so issues relating to female access to finance have not arisen. Furthermore, her domestic and business banking is at the same branch and the relationship she has with the bank managers is excellent. She has found that the only biases have been that male run businesses tend to push far harder for debt based growth than female run businesses. She thinks Female owned businesses tend to go for more incremental growth and see the employee responsibility as one of the prime reasons for running the business. The male run businesses do, of course, really care for their employees, but she has found that more of them are willing to severely cut their numbers very clinically to ensure profitability. A much harder attitude and, she says, probably more profitable because of it.

Regarding current economic conditions, she is adamant that there are still many opportunities even during this recession. In fact, they have found it easier to get meetings now with clients that before were not willing to see them. That is because they are cost cutting and her company is smaller, so they think they are cheaper. Also they have found an increase in demand for reports detailing economic forecasting.

Overall, the recession has not affected things yet, but this may be because many budgets are fixed until the end of March. After March will be the time to see what has happened. She thinks most budgets will stay at the same level, which will be fine. But what they have noticed is that the number of late payments has increased and the security of tenure for contracts has shrunk from an average of six months down to three months. Overall, she expects there to be a lag in her industry because of the types of budget allocations they are paid from, so April will be a critical time to assess the effect the recession is having.

Another issue is the employees. They are very much a people industry and their company reflects that. They would be very unlikely to let people go as they need them when things pick up and she feels that one of the reasons for running a company is to share the success with your employees. Hiring and firing them like that is not what she wants to do. As it happens they have been growing incrementally and have a contingency fund to smooth out any gaps in income we might have in the near future.

DAVID ROWE
CHIEF EXECUTIVE
WARWICK SCIENCE PARK

Davis thinks there seems to be a fundamental difference in the way women and men use technology in SET businesses. Women tend to be more innovative and are better at employing the available technology to create a market niche. But they do not in general, seem to be as prevalent at actually creating the technology in the first place. Therefore, you do not have as many women involved in the creating technology side of SET but do see them in the applications side.

There is no dispute that there are more women in the Life Sciences at undergraduate and post graduate levels but then they tend to not be represented in starting up or running Life Science based businesses. For example, approximately 60% of Life Science undergraduates are women yet 90 to 95% of Life Science based businesses are headed up by men. Therefore Life Science based businesses tend to be run by men who were in the minority up to that point.

There are many reasons for this situation. One is that setting up and running such a business is not in the mainstream way of thinking. There are other things in life. There is not enough to encourage women to see starting up and running a Life Science business as a realistic choice and the benefits for women of making such a choice are rarely highlighted. Women need to have pointed out to them that the advantages include greater family oriented flexibility which can be achieved at different stages of your life.

Two other key issues which affect the numbers of women starting up and running Life Science based businesses are the encouragement and experiences, including role models, greater exposure to enterprise through female eyes, and also the infrastructure which at present does not encourage women. Further research is needed into what needs to be done to the infrastructure to change this around. The numbers are there, the underlying interest is highest for Life sciences, so it must be an issue which can be tackled and solved.

Women do need a greater amount of exposure to SET in many settings not just enterprise. Many women need to see beyond the ‘this is a business and it can make you money’ way of thinking. They always need positive role models, they need to be shown that various options are possible and are positive for their future lives not as an employee in Life Sciences but as a founder. Women often see enterprise as ‘macho’, being often Technology based and not necessarily in touch with additional aspects of their character.

There is a specific issue with women at post graduate and post doctoral levels. They need to be shown how their research ideas can be commercialised. A university setting can help with this.

There are differences between men and women in their attitudes to financial risk, but for a Life Science idea to be turned into a business will nearly always need a large financial input at the start. Many are equity funded at the beginning. Few are self funded as the amounts needed are too large. If there is not that investment at that point, the research is rarely worth following up. The founder therefore has to make the decision to make that commitment. That is the point where the support structures, the knowledge that work can be flexible, that the appropriate funding will be there and all the other positive things about starting up and running a business have to be made for women. The really hard work time commitment is usually the first 3 to 5 years, which should not be daunting for a post doctoral student who then wants to move on. These issues are definitely different for men. It is also different with, for example, an IT start up which can get going without the large initial investment and over a longer time scale.

There is a funding opportunity to target this situation by exploring non-conventional methods of funding. The market is there, so funds should experiment to see what really accords with these women. Risks need to be taken and any constraints not applied. The Sharia methods of finance may be an option worth considering and copying. Women are known to be more assiduous in repaying, they have a stronger sense of obligation yet the funding structures are still very rigid and unimaginative. The solution to this structural issue can be applied easily. The rewards could be huge.

JEANETTE THORBURN
CROWN COLD STORE AND DISTRIBUTION

Crown distribute food and medical goods at controlled temperatures across Europe using a fleet of specialised refrigerated lorries. They operate in niche markets and as the cost of converting the lorries is prohibitive, the margins are regular but very tight. This is not helped by the competition from hauliers in the EU and beyond who have advantages over UK based firms. The cost of fuel is lower in the EU, road tolls are low for EU hauliers in the UK, whereas for UK firms in the EU they are very high, and there is also the anecdotal evidence that UK lorries are more regularly inconvenienced and impounded in the EU than EU lorries are in the UK.

Jeanette took over from her father and feels that her 20 years of experience in all aspects of the transport business have been vital in still being operational. She has expert knowledge of the rules and the meticulous planning needed to make the trips pay. But, although she knows the regulations and feels the company is very adaptable, in the end she says it is not her abilities or those of the 20 staff which determine their success. She says that if they operated solely in the UK, they would be out of business. She cites a typical job from Liverpool to London a few years ago which would be done for £500, which now will only pay £250. As she points out, everyone will lose out at these rates sooner or later. The hauliers lose money at those rates and the customers will eventually lose the choice. The feeling of being an industry under siege is very strong and the tactics used by Jeanette seem desperate at times. Their lorries have deliberately been fitted with extra large fuel tanks so when they fill up with fuel in Belgium, they can get back there to re-fuel to compete on equal terms with other EU hauliers. This seems to be one area of business where the Government policies can have a huge influence over the whole sector.

The business has grown from 1 lorry in 1976 to 14 plus one hired now. The current economic climate is hard, but as Jeanette says, for their particular industry it is “more of the same. It has been like this for years now. What’s changed?” She thinks that they will still be in business in a few years time, but says it isn’t the general economic climate which needs changing it is Government help which could make a huge difference.

TRACEY JACKSON
MAGELLAN FOOD COMPANY

Tracey set up the Magellan Food company with her partner as co-Director in 2002. They originally manufactured and supplied high quality sandwich fillings and are now increasingly making the sandwiches and related foods themselves. Tracey says their main reason for setting it up was to provide a pension for themselves, so they pooled their expertise and used a mix of savings, an overdraft and equity finance to invest approximately £100,000 in the company.

Their backgrounds were complementary, with Tracey having expertise in Sales in the Food industry and her fellow director as a mechanical design engineer, so between them they divided up the operational and management sides. As she says, you cannot do everything yourself and you need someone who you can trust to work with.

They had a steep learning curve to go through in the first two years, with little relevant outside advice. But after critical advice from a consultant from within the industry, they focused on all aspects of the cost base and assessed their strategic direction. More specifically, they cut out loss leaders, looked at transport costs and whether their sales direction was the best. The rationale behind these decisions, says Tracey was that the margins in the industry are so tight. This is borne out as all their rivals in terms of size have gone out of business. The only ones left as direct competitors are at least eight times bigger. Tracey says they have to compete on quality and having excellent standards as they have no economies of scale like the bigger companies. She notes that those smaller companies which have gone out of business all competed on price and have undercut themselves out of the market. Tracey is adamant that Magellan will not compete solely on price but will build on their reputation for quality.

The food manufacturing industry is not, perhaps one which would seem to be gendered, but Tracey says that the language used in sales is often so fast, dynamic and male centred, that women feel out of place, outnumbered and often lose out to men. Magellan has tried to employ a male sales director to compete on similar terms, but it hasn't worked out.

So the strategic re-focus on quality and ensuring everything is not a cost burden has allowed Magellan to thrive. Tracey says that expansion plans are already underway with new products being made for new markets. Their existing ones in the NHS, Hilton hotels, the airlines and schools and universities are being added to by their manufacture of snack foods. Their target market is the quality end and so their energy has gone into a system to pasteurise the products which apparently is almost unique for the UK. Tracey says “Know your market and don’t undersell yourself. Remember as one door shuts another opens.”

Developing her personal theme, she says that “Although it is very competitive out there, it is an opportunity. You have got to be positive. You have no option if you are to survive. The other thing is you’ve got to keep taking your dream forward. If you lose that drive you’re snookered.” She recalls the strength of the staff when illness to a staff member made them question whether to carry on and it was, critically, the defiant attitude of the staff which gave them the strength and determination to continue.

STEPHANIE HAYMAN
WHOLE SCHOOL MEALS

Whole School Meals is a Social Enterprise which cooks and serves meals for 20 schools in Kent. The founder, Stephanie Hayman saw there was a need for the provision of better quality meals for children in schools in her area. The opportunity arose when Kent local authority decided to break up the size of the school cluster which a company could bid to provide for and instead reorganised them into smaller clusters. This allowed a start up to compete, whereas before only the larger companies could achieve the economies of scale needed to provide such large scale operations at the lowest price.

Stephanie says “as a school governor I was shocked by the quality of the food on offer to the children and I felt that it was my responsibility to do something about it.” So when the chance arose, she acted to get together parents to gauge feelings, governors and others to see if they were interested and the heads of 20 schools to see if they would support the idea. Stephanie had a background in Housing co-operatives so felt she had some management experience which could be transferrable. The initial meeting had 13 people interested, of which seven continued. The initial paperwork was, as Stephanie recalls, comprehensive, but essential if they were to outbid the larger businesses. They succeeded and initially set up a business limited by guarantee.

The key points for the business were to ensure the quality of the food improved, but also to make sure that as an initiative, it continued. Stephanie has changed the business set up so profits can be allocated back to the schools. Therefore although it is a social enterprise, it does have shareholders, so 75% of the shares are held by the schools and 25% by directors. There are £25,000 worth of shares with each school buying £1,000 worth and each of the five directors likewise, which gives them an incentive and ensures the quality of the directors is excellent. The majority of any profit goes back into the schools. Predictably, the schools are very happy about this situation. As Stephanie says "It incentivises the schools and the staff feel they are doing more than just a job. They really are working to help the children's education as well,"

The schools are the majority shareholders and decide the business strategy and profit allocation, but they do not have the responsibility of day to day running of the operational side. They therefore get the benefits but with minimal risk. The business has had to raise additional funding and the regional development agency (RDA) has given a loan of £90,000 over the last three years.

Stephanie was keen to emphasise that the staff have been taken on from their previous employers, but "we have developed their skills so now they actually cook rather than just serve. It has helped their confidence and job satisfaction. They initially served 900 meals a day and now we are up to 1,500. The average cost of the ingredients before we won the contract was 37p per meal and we spend between 60 and 70p per meal. We insist on local produce wherever possible and we also stress the freshness and quality of the ingredients. That really was the whole point of setting up Whole School Meals in the first place." They also invest in staff training and have a mobile cook to advise and help out. They get support from the local training college and all the assistants either have or are working towards the relevant level 2 NVQ.

Stephanie says that getting the parents on their side is really important, so they have taster evenings for them and children too. As the menus change every term, she thinks it is important for them all to feel that they buy into what is happening. She thinks that one of the biggest problems she has had is to persuade parents and children to change their expectations of new food. Holding events allows Whole School Meals to invite other schools in to publicise what could happen in their school cluster, for In School Service Training (INSET) and other community group events. Stephanie thinks that the

Government's agenda to develop the provision of services through the third sector offer huge opportunities, for example to deliver services through the Primary Care Trust.
Other developments are after school cooking clubs and summer schools. These additional opportunities allow the business to grow, to gain extra revenue and extend the provision of good food to more in the communities. It will also subsidise the provision of school meals.

At a personal level, Stephanie says "I was not aware of the level of work at the outset, of the cost in time and how much learning I would go through. It has been a huge learning curve. Learning how to set up a business, dealing with parents, editors and the media has been all new, but very exciting. I have also learned that I never want to work for someone else ever again. I have freedom and can already see other opportunities after this business."

LINDA WHITTAKER
SKYTRAC SOLUTIONS

Skytrac Solutions supplies and delivers food and designs innovative meal box packaging to the travel industry. They provide many of the meals in airports and on flights for many of the most well known airlines, train companies and ferries.

Linda and her partner set up the company after they saw a business opportunity to be a food service supplier concentrating on efficient delivery systems. The business has gone in two phases, as Linda explained "We were worth 20 million up to the twin towers – straight after we were worth nothing. So we started again. We knew what to do and had a different focus. We now, for example, pack everything you see on the trolley which goes down the aisle on an aeroplane as well as their packets of meals for breakfast and dinner. We have also expanded into supplying many of the companies in other parts of the travel industry."

Knowing the market and having a keen eye for the costs are a key part of keeping a profit margin. Also, as Linda says, "If you can grow without massive borrowing you then are cash rich and are in a position to take advantage of any opportunities. And there are a lot of opportunities, even in the current credit crunch." Linda notes that many of their rivals are going out of business, but is keen to state that this can be seen as an opportunity to expand and to make sure their costs are built into their service contracts. This makes Skytrac very lean.

The business did have a number of equity investors, but Linda found it difficult to work with them. The main area of conflict, she says was "They had a different culture. They came from a commercial environment and kept hauling us up before the board when we missed a few targets. I felt like I was being told off, when it was my company. It didn't feel right." Linda has since bought out all of these investors and, as she puts it "their rules were too tight and restrictive. Now I feel free and can be entrepreneurial."

The role of the banks has been significant in the development of the business. Linda says "We were with one of the high street banks and decided to switch. That was a mistake. Dealing with the new bank business managers was like talking to children. They just didn't understand the business. For example, they actually charged us to read our management reports! We switched back again."

The future will see Skytrac expand into other areas linked to the travel industry. As they already have a presence at airports, they are to do some targeted cleaning of aircraft as well. Regarding the future, Linda says "there are no ill effects at the moment, although there will be some consolidation across the whole travel industry which will affect us all. But we are actually expanding at the moment." She stresses that the company has to be very much customer service led, and that it is vital to react to customer feedback. They also try really hard to treat their staff well with a good working environment and they listen to staff suggestions. Linda recalls that many of their core employees have been with the company for many years and have grown alongside the business.

NICKY PUSEY
SIGNET RESOURCES

Signet Resources are recruitment agents but have a niche market. They bridge the gap between the Search and Select consultancies and the High Street walk in agencies.

They add value to a company's staff selection by their recruitment service with bespoke matching of employees to the company.

Nicky co-founded the company in 2003 after many years of experience in all aspects of the business. Signet Resources sits between the two main recruitment types and it is because Nicky and her co-director have that experience that they were able see the gap in the market. The set up was fortunately rent free, but then they had no salary for three months whilst the business got going. Nicky says the main problem with the sector is "that we have such a negative image. So we decided to do what we call 'Resourcing with Integrity'. We think it works because our turnover has doubled every year, 76% of our clients only use us and we have kept over 70% of our clients for the full 5 years."

One of the key areas that is very important to Nicky is staff employment. Out of 11 staff, 6 are working mothers and 4 work part-time. As Nicky says "the working mums are really focused, in general companies do not offer the sort of flexible working which the working mum wants. We do. We know it is really important to us, so we do the same to the staff. It pays us too, as they are really good workers. We value them and they us. It works both ways."

Finance wise, they still have an overdraft but are financially self-sufficient with the majority of their costs (75%) being staff salaries. Unfortunately, as Nicky says," the current situation means we are having to look at those costs, especially as sales are currently down by 50%." But Nicky thinks they will get through the recession as she says "We are in a unique setting, we are at an ideal size and have got the right people working for us." Also they are, for the first time looking at advertising

Responding to her personal motivations, Nicky said "I had to be self employed. Setting up the business was really hard work, but I wish I'd done it years ago. I make my own decisions and I have influence over what happens. " She would advise any prospective entrepreneur to think about their reasons for starting a business. " If you want quick money, then don't bother – it is the wrong motivation. If you want an income as a reward but not as a driver, then go for it. But you have to really, really believe in your business, be passionate about your business."

WOMEN'S ENTERPRISE TASK FORCE

DEBBIE CROXFORD

ALLROUND PRODUCTIONS

AllRound Productions install graphics in shops, shopping centres and for exhibitions. They know the market very well indeed, having had 20 years experience of it between the two founders. They set up as a spin out from an existing graphic production company who suggested they could act as installers for them and others. Thus they had a customer base, knew who were the potential clients and had the experience to take the business further. They have been successfully trading for 4 years.

Turnover has doubled in each of the years they have been trading and are giving serious thought to expanding in the UK, the rest of the EU and in the US. This will mean employing more installers but will be the same relationship – all freelance. The current set up is lean with 2 employees and all the work subcontracted to freelancers. Expansion will follow this business model. It works and they see no reason to change it.

At the moment they do 40 % exhibition work and 60% retail outlets and have identified an area for expansion. This is clinical trials in the exhibition sector where they think they can do a lot of additional work.

The wider economy is fine for us at the moment. Retail is OK. There are new shops opening at the moment.

As all of their work is from recommendations, so their client relationship is vital. That is their best selling point. Current work gives them their next piece of work. That means placing a high focus on loyalty, efficiency and meeting all of their clients' needs. Terms are strictly 28 days. These have not changed and are unlikely to. They have high upfront costs per job and expect the honesty to be on both sides. The reputation the company has built up is the key to their continued success.

WOMEN'S ENTERPRISE TASK FORCE

TRISH TRAYNOR-WATSON

LIQUID SPACE

Liquid Space, a young design and build company, was founded in 2003 by Trish Traynor-Watson and Mark Costanzo. Trish, takes particular pride in being the industry's only female Managing Director and in bringing "the woman's touch" to the client experience of her business. "We take care," she says, "to make sure that when the client moves in to their new office space, they are ready to start on achieving their dreams straight away. For example, we unpack their crockery and put everything in the kitchen washed and shining."

The focus on building a long term relationship with the client is vital to the success of the business. Since it started, it has grown from a turnover of £1.6m in the first year, and 9 staff, to a turnover in 2007 of £7.4m and 18 staff. This rapid growth, Trish believes, has been driven by two things: first, the company places an emphasis on cultivating long-term and repeat business. This is unusual for the sector – often refurbishment decisions are made on a one-off basis and therefore the Design and Build industry also sees the relationship as a one-off one. However, she argues, "If you are transparent throughout the contract about delivery and any problems as they arise, if you are up-front about costs and if you make sure that you, as a Director are there vacuuming the floor to make it immaculate when they move in, then people come back for more." 15% of Liquid Space's turnover growth has been repeat business and a large percentage of our business has been through personal recommendation.

The other area that is a critical part of the success story is the focus on people management, team building and succession planning. Employees are encouraged to be up-front about needing "duvet days". "Funnily enough," says Trish, "We don't get that many sick and duvet days! I just ask people to send me a text if they're not coming in until late. We run a 'caring company'." People really matter because they are the interface with the client. Site managers who are not always in the office can get a bit isolated so effective dialogue with the designers is managed through regular "Town Hall Meetings." An Executive Management Board of some of the younger employees ensures that they are being trained in solving business issues, preparing board papers and understanding where mistakes are made so that as the business grows, the senior management team are already trained up to take more responsibility.

There are challenges ahead and managing the fallout of collapse in City property market has meant that the Design and Build market has become extremely competitive. City businesses are looking to build their client base in the West End so pricing and service need to be thought through a lot more carefully. The last few months have created a general nervousness in the sector which have combined with a couple of people leaving the business to create new challenges around motivating staff, reassuring people that their jobs are secure and keeping the commitment to the health and social side of work: good holidays, training, and keeping the office environment relaxed and friendly. "you have to come in every day with a smile on your face; even if you don't feel like it."

The key lesson from all of this is to ensure that the business is built up for growth from the outset. For example, the company hasn't needed to be audited until recently because its turnover was too small, but the cost of auditing was incurred from the outset to make clients feel assured of the sustainability, and growth potential, of the business. The focus on training and succession means that not only are the staff acquiring skills, they also develop a loyalty to the business. "I had one guy say that he wanted to be with us in 20 years' time," says Trish. After just five years, that is quite a testimonial.

Appendix 2

Data Summary

Organisation	Vehicle	Focus	Method	Frequency	Gender/ethnicity breakdown	Capacity to analyse economic or social impact
INTERNATIONAL SOURCES						
World Bank	Enterprise survey	Developing and emerging economies	Private contractors surveying local random stratified samples based on national registrations	Annual	Gender only	Yes, but not gender-disaggregated data
International Finance Corporation	Enterpriser survey (as World Bank) and country-based cases	Access to finance	Private contractors	Ad hoc in line with national programmes	Yes – cases all of women and their access to finance through Gender Entrepreneurship Markets Programme	No
OECD	LEED programme local based qualitative surveys plus women's programme	Understanding local social cohesion	Desk research and visits	Evolving since 2003; no reporting on gender programme yet	No gender or ethnicity outside of social cohesion work. That programme does not appear to have reported[19]	No except qualitatively

[19] Email has been sent to programme director to ensure this is the case but at time of writing, no response was forthcoming.

Organisation	Vehicle	Focus	Method	Frequency	Gender/ethnicity breakdown	Capacity to analyse economic or social impact
OECD	Structural and Demographic Business Statistics	Developing coherent, internationally comparable entrepreneurship data	Collation of national datasets from statistical offices	Varies depending on frequency of national data collection; comparability acknowledged to be limited; most recent full dataset 2002	No gender or ethnic disaggregation	Yes but not by gender (productivity and growth potential)
European Union/DG Enterprise	Flash Eurobarometer	Establishing attitudes towards self-employment	Telephone-based opinion poll: 1000 in participating nation states	Annual (last report, 2007)	Employment preferences and reasons by gender	No
Eurostat	Structured business statistics	Statistical survey of business registrations or administrative sources	Requests to national statistics offices; business level statistics from company accounts held with Companies House equivalents	Annual data requested but subject to same constraints as OECD	None	Potentially – OECD have done this.

Organisation	Vehicle	Focus	Method	Frequency	Gender/ethnicity breakdown	Capacity to analyse economic or social impact
INTERNATIONAL, COUNTRY SPECIFIC DATA						
FORA/EBST Denmark[20]	Business Statistics	Understanding gender differences in prevalence and scale within SME population	National agency registration data	First report in 2008	Disaggregates for gender	Potentially – as data is collected by FORA for whole business population on innovation but not disaggregated as yet
US Census Bureau	Survey of business-owners + consolidation with boosted data for women-owned and minority ethnic groups	Type of customer, capital requirements, location, size of establishment, legal status, finance required, turnover	Postal survey of 72.6% of US business stock	Five yearly (latest available is 2002 with 2007 results expected in 2010)	Both gender and ethnicity by geography in the US	Yes in terms of revenues and employees but not in terms of GVA or RoI
UK SPECIFIC DATA SOURCES (BERR/ONS datasets)						
BERR Enterprise Directorate	Annual Small Business Survey	Monitors characteristics, perceptions, growth barriers and intentions of SMEs	Telephone survey; last survey conducted November 2006-Feb 2007; 9905 SMEs of 0-250 employees (stratified random sample)	Annual since 2003. To be biennial	Yes, although specific reporting limited	No capacity to calculate firm level productivity or RoI

[20] Email correspondence with Anders Hoffman and Dorte Høeg-Koch from FORA/EBST suggested that Sweden and Norway also collect national business data by gender.

Organisation	Vehicle	Focus	Method	Frequency	Gender/ethnicity breakdown	Capacity to analyse economic or social impact
ONS SME statistics	Drawn from the Inter-Departmental Business Register	Size and scale; can be used as sample frame	Estimates for turnover taken from triangulation with VAT registrations. Estimates made for non-VAT registered firms	Annually updated	No reporting although possible	No
VAT registrations and self-assessment data	HMRC	Can indicate start up and closure as well as turnovers	Compiled from HMRC data for VAT registrations	Quarterly	No and problematic as VAT registration forms do not require data on owner/director	No (although ONS estimates turnover by triangulation with IDBR)
Registration data	Companies House	Start up and closure for all businesses older than 18 months	Annual company returns	Annual	No but names are recorded and Roper argues that the majority of female owned businesses could be captured using the names	Publicly available – would be possible for secondary analysis to be conducted
Annual Business Inquiry	ONS	Indicates GVA	Annual data on employment and financial performance covering 2/3rds of UK economy	Annual but data released after 2 years	Not gender-disaggregated	Yes
LFS	Telephone survey	Levels of employment/self-employment	Initial face to face then telephone follow up survey of adult population	Quarterly	Yes: gender and ethnicity included	No: only measures prevalence

Organisation	Vehicle	Focus	Method	Frequency	Gender/ethnicity breakdown	Capacity to analyse economic or social impact
PRIVATE SECTOR OR ACADEMIC SOURCES USED BY GOVERNMENT						
Global Entrepreneurship Monitor	Telephone survey (or face-to-face in countries where this is not possible)	Prevalence of "TEA" (early stage entrepreneurial activity up to 42 months)	Household survey/poll; minimum sample size 2000 but regional boosts in UK allow more detailed analysis	Annual	Gender included in all countries; ethnicity only in UK and sample size small; entrepreneurs only – not their businesses	Only in terms of job creation and job creation potential
Centre for Business Research, University of Cambridge	UK SME finance Survey	To test for market failure in SME credit market	Telephone and online survey; 2514 SMEs (0-250) in 2007 (owners or FDs)	Three yearly (last 2004); ethnic boost 2005[21]	Gender and ethnic disaggregation	Not in terms of productivity but access to finance and high growth identified
Barclays Bank	Gender-disaggregation of new business bank accounts	For information but no analytical commitment	Bank account forms and survey	Quarterly	No detailed gender or ethnic disaggregation	Unknown
REGIONAL OBSERVATORIES[22]						
East of England	No obvious gender-disaggregated data available on website; have used GEM for gender and ethnic data; have VAT stock data to local level at start of year.					
East Midlands	Data collection focuses on evidence needed for RES evaluation; VAT data and use GEM for gender-disaggregation; reporting on ethnic minority survey.					
London	Women in London annual report but not just about economic role and is not about business; London does not have an "Observatory" but does boost the Household Survey to understand demand side.					

[21] Fraser, S. (2008), using data from this boost, finds that ethnic minority groups, particularly Black and Bangladeshi groups experience poor credit outcomes even though there is no evidence of systemic ethnic discrimination. They get poorer deals in terms of interest rates and have more credit denials because of worse repayment track records which in themselves should be seen as "non-ethnic risk factors" rather than direct discrimination.

[22] This table is based on a desk-based search of websites and therefore does not include data analysis or collection where this is not publicly available through websites

Organisation	Vehicle	Focus	Method	Frequency	Gender/ethnicity breakdown	Capacity to analyse economic or social impact
North East	Use GEM for gender indicators (TEA); regional/sub-regional VAT data; business registration and deregistration by head of population.					
North West	Evidence for Regional Economic Strategy evaluation.					
South East	Business stock; firm size and number of enterprises, survival rates and VAT registrations; no recent reporting on female businesses apparent (report dated 1970); "Female-owned business in the South East" published in 2008 by the Office of National Statistics in the South East is an analysis of Labour Force Survey data and differentiates between business-ownership and self-employment.					
South West	VAT registration and de-registration statistics, ONS for labour market data					
West Midlands	GEM, LFS and VAT registrations. GEM and LFS used for gender-disaggregation.					
Yorkshire and Humberside	GEM, VAT registrations, Business registrations and de-registrations.					
National Business Survey	Opinion poll IPSOS/MORI	To establish business confidence levels regionally and across UK	Postal survey and online	First wave, August 2008; sample, 5235 builds on Survey of Regional Economy started in 2003 with 9 waves	Yes, but not reported	No