

# WECOE

WOMEN'S ENTERPRISE  
CENTRE OF EXPERTISE

## Policy Briefing

**Women's Enterprise Culture in  
the West Midlands**



The regional leader for  
developing economic prosperity

# WECOE

## POLICY BRIEFING

### Women's Enterprise Culture in the West Midlands

Research conducted by Delta Economics

### Foreword by Marla Nelson, Director, WECOE

*"We can't afford to waste any business talent. Broadening participation in enterprise is vital to tackling the economic and social challenges the UK faces today. For Britain to emerge from the downturn in the strongest position, we need all of our talented people to maximise their business potential. We are committed to ensuring that those under-represented in business are given every opportunity to turn their ideas and aspirations into successful enterprises."*

**Business Secretary Lord Mandelson**

Entrepreneurship is an important driver for economic growth, competitiveness and job creation. Stimulating entrepreneurship is an important challenge for the UK as a whole.

The importance of women as a largely untapped pool of entrepreneurial talent has been widely recognised within the West Midlands region, with Advantage West Midlands, the Regional Development Agency funding the creation of four *Enterprise Centres of Expertise*, to address the fact many under-represented groups are not featured within Enterprise – namely; Women (WECOE); those from Black and Minority Ethnic groups and communities (CRÈME); Young people (YPECOE); and Social enterprise (Social Enterprise West Midlands).

Over the past two years, (Dec 07-09) WECOE have provided a range of strategic, policy driven support for the wider development of the Women's Enterprise Agenda across the region.

Our role was to build the economic case for women's enterprise, to be a "voice" for individuals and organisations helping women start and sustain their own businesses, and to influence the development of enterprise policy and practice – ensuring the development of a more effective and appropriate 'women-friendly' business support infrastructure and culture across the region.

Creating the conditions that allow women to start and grow their business, exploit their ideas and ensure they have

access to high quality support is vital, if the West Midlands region is going to bridge a widening gender gap, when it comes to entrepreneurial activity.

An escalator of support and a more holistic approach to women in business must be considered as a viable element of the “solutions mix”, if the intention is to decrease the regional output gap.

More women-led enterprises are needed to increase the stock of businesses and to contribute to economic growth and innovation. SMEs represent 99.9% of Britain’s business community with women-led SMEs representing 15%, contributing £45 billion to GVA per year. However, if women started businesses at the same rate as men there would be an extra 150,000 business created (BIS Enterprise Directorate Analytical Unit estimates).

Women’s Enterprise related policy actions must focus on the development of a “support escalator” to allow women’s business to grow and achieve their full potential. In an output declining environment – raising productivity through innovation & entrepreneurship is KEY to pulling the West Midlands region out of recession. The fact that fewer women become growth orientated entrepreneurs = waste of resources. In terms of focusing specialist targeted support to existing female owned businesses, conservative estimates carried out by WECOGE based on the work we have done during the past two years show that through targeted business support alone the region could generate an additional £2.32bn in value added profit over the next 6 year from women’s enterprise alone.

WECOGE commissioned Dr Rebecca Harding of Delta Economics to produce a series of regionally focused Women’s

Enterprise Papers, focusing on four key areas:

1. Enterprise Culture
2. Start-Up
3. Existing Businesses
4. Access to Finance

Dr Harding was also commissioned by WECOGE to produce an additional report looking at growth orientated women entrepreneurs (sectors, types of business, growth and performance, motivations and challenges) entitled “Challenges and Opportunities for Growth and Sustainability Study” (COGS).

The findings of Dr Harding’s reports lend considerable weight to the fact that we must explore further the way in which business support is delivered, and steps taken towards delivery of a more holistic approach in developing our female entrepreneurs and established business owners.

Confidence, in particular, is a critical issue in changing the mindset of potential women to establish and grow their business. WECOGE’s policy recommendations focus on further developing support in the critical areas of business support, access to finance, procurement opportunities, advocacy and data.

If we can successfully put in measures that help to bridge the regional gender gap, we will be responsible for creating tens of thousands of jobs - adding millions of pounds to the regional economy. In simple terms, this is precisely what the region must aim for.

There is an undoubted economic argument for the women’s enterprise agenda. Women are STILL half as likely as men; are less likely to think they have the skills to set up a business, and less

likely to know other people who have set up businesses.

Despite many initiatives to increase the number of women in self employment/business ownership: the gender gap remains stubbornly wide. Men are almost TWICE as likely to start businesses as women. If women started businesses at the same rate as men, there would be 150,000 EXTRA start-ups each year in the UK.

The development of women's enterprise remains a key Ministerial priority for the Government. Women are the largest under represented group in terms of participation in enterprise, and offer a wealth of untapped talent and economic opportunity.

Closing the gap between male and female entrepreneurship rates across the West Midlands region will significantly boost GDP - women are vastly untapped as an economic force. Increasing female entrepreneurial activity rates across this region, will make a direct and significant impact on regional economic development.

As we emerge from the recession and prior economic crisis, we must jointly elevate our actions towards gender equality in enterprise, as an economic imperative.

**“What women want out of business is very different to men and it’s not necessarily business growth.”**

West Midlands business adviser

## **The case for Women’s Enterprise**

The policy debate about women’s start-up businesses is confused. On the one hand, it has become a public policy mantra: more women’s businesses mean more economic activity, higher productivity and greater wealth for the economy. If we had levels of business start-up activity amongst women as there is in the US, it is argued, we would have 750,000 more businesses a year creating jobs and giving women opportunities to fulfil their dreams.<sup>1</sup> On the other hand, women are treated as

an “under-represented group”: in the interests of creating opportunities for all, policy needs to provide special support to women as a group that are excluded from enterprise because of their gender.<sup>2</sup> The first statement speaks to the importance of increasing the number of growth-oriented women’s businesses, the second to working with women to build their human and social capital through skills acquisition, networking, education, training and coaching or mentoring.

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## **Summary**

This policy briefing looks at the need to address women’s enterprise culture in the interests of creating a pipeline of businesses with growth and value-creating potential for the region. It finds that:

***There is a need for women’s enterprise support.***

However, opinion was divided about whether enterprise support should or should not be tailored specifically to a female market. Some argued that women, because their work and enterprise culture is substantially different do need a more integrated, or “holistic” approach to business support that incorporates the management of

their work-life balance. Others felt that the separation of the diversity agenda into sub-groups for women, youth enterprise, ethnic minority enterprise and social enterprise had fragmented the agenda and was unnecessary.

***The challenge for the region is to take women in particular from a position where their businesses or self-employment activities are vulnerable to one where they have created sustainable enterprise or self employment.***

The support structures currently are aimed at specific and almost mutually exclusive groups with little interaction between them thereby limiting the extent to which women can progress up the enterprise escalator to create the value that they can undoubtedly contribute to the region.<sup>3</sup>

***The “poor me” approach to women’s enterprise perpetuates a culture of exclusion.***

Women’s enterprise has been seen as the poor relation of men’s, yet women entrepreneurs running high growth enterprises have similar growth expectations and performance to male founded businesses. Policy, in that it articulates the fact that women are under-represented and therefore develops specific policies for women’s enterprise is reinforcing the perception that women’s business should be supported on grounds of fairness and equality of opportunity rather than on the grounds that they can contribute as much to the regional economy as men.

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#### **A note on method**

The policy briefings are based on 30 in-depth telephone interviews with entrepreneurs and business advisers across the region between September and the middle of November 2009. Alongside this ten case studies were also put together with female entrepreneurs in the region. The interviews and cases were supplemented by a regional focus group and stakeholder meetings. All qualitative interviews and a literature and documentary search were triangulated with secondary data mining (Labour Force Survey, GEM and Barclays data) and primary data analysis (COGS).

## Context

“Culture,” or “the values, ceremonies and ways of life of a given group,”<sup>4</sup> is the most difficult of all policy areas to try and influence, especially in a business context. The ways in which people interact, the ways in which their ideas and thoughts develop and the attitudes that are intrinsic to a particular group in society evolve over time and are generally immune to the inevitably shorter term goals of the policy-making community. In the words of one entrepreneurship academic, “You can’t change culture until you have changed dinner-table conversations. That takes a generation.” Culture is as much a function of educational background, ethnicity, religion and socio-economic grouping as it is of gender, thus any attempts to change it have to be seen as a long term project.

However, there are proxies for an enterprise culture, such as use of networks, awareness of enterprise or self-employment as a career choice, attitudes towards work-life balance or indeed careers and fear of failure that can, arguably, be influenced through education and training or legislation.<sup>5</sup> These represent initiatives to influence the social and human capital of a

population which, as research demonstrates, are vital drivers of enterprise performance.<sup>6</sup>

It has become almost a cliché that women generally and in the West Midlands in particular are more likely to let fear of failure prevent them from starting a business, less likely to think that they have the entrepreneurial skills to start a business, less likely to see good business opportunities and less likely to know an entrepreneur than their male counterparts.<sup>7</sup> These are known to be positively associated with higher levels of entrepreneurial activity but do they actually help to explain the fact that women are half as likely to set up businesses as their male counterparts?

The short answer to this question is yes. Based on the worldwide Global Entrepreneurship Monitor dataset, Minniti and Nargone argue that the “cultural” and perceptual factors are more important than narrower socio-economic ones.<sup>8</sup> Hart and Martiarena (2009) apply this specifically to the West Midlands and argue that “gender matters”: women are significantly less likely to start-up businesses than men and that neither their educational or age

background has a significant effect on entrepreneurial activity.<sup>9</sup>

In other words, irrespective of age, education or ethnicity women are less likely to set up a business in the West Midlands than their male counterparts with a similar social-economic or ethnic background. Unsurprisingly, when the significantly more negative attitudes of women compared to men in the West Midlands are taken account, this helps to explain why women are less likely to start up a business than men.

More than this, as businesses grow, there are fewer women running them. Successive GEM UK reports point to the attrition between the earliest stages of setting up a business and the later stages of running and established businesses. Gender becomes more important not less, while younger female entrepreneurs and those from ethnic minority communities are less likely to be running an established business than men from the same age or ethnic group.<sup>10</sup> Similarly, the COGS survey suggests that just 13.7% of the growth-oriented founder population in the West Midlands is female compared to 16.6% in the rest of the UK.

Some of this may come from industrial and social/demographic development in

the West Midlands which both militate against an enterprise culture more generally and which affect women's enterprise in particular.

1. Heavy reliance on large employers, in particular in the manufacturing sector.
2. A substantial agricultural sector which, because of the downturn in the rural economy between 2007 and 2008 in particular required women to take a proactive role in supplementing household incomes. In the words of one rural entrepreneur, "The agricultural side of our business breaks even and just about survives. Our real value comes from the fact that we have diversified into other sectors."
3. Strong ethnic minority communities who, although providing a vibrancy to the region, tend to run smaller and more community-based businesses. The dominance of some ethnic groups (particularly the Indian and Bangladeshi communities) exacerbates the problem of women's under-representation since, statistically, these groups have lower levels of female entrepreneurship (GEM 2007).
4. Regions such as the Black Country which are heavily deprived and are, in the words of the Black Country Consortium, "at the top of all the wrong

league tables.” The levels of opportunity entrepreneurship are statistically lower amongst men and women in these groups and, although women are more likely than men to be entrepreneurial, much of this takes the form of necessity entrepreneurship and household income replacement – often in the informal or the not-for-profit sectors. The challenge is to provide

these women with support that will make their activities sustainable.

This does not mean that women’s self-employment is any more vulnerable than men’s, as illustrated in Figure 1.

<b>What self employed women were doing 12 months ago</b>		
	<b>West Midlands Women</b>	<b>UK Women</b>
<b>Self Employed</b>	<b>73.4</b>	<b>70.8</b>
<b>Other</b>	<b>17.6</b>	<b>15.6</b>
<b>Caring for family/homemaker</b>	<b>5.2</b>	<b>3.4</b>
<b>Employee</b>	<b>3.8</b>	<b>7.4</b>
<b>What women who were self-employed 12 months ago are doing now</b>		
	<b>West Midlands Women</b>	<b>UK Women</b>
<b>Self employed</b>	<b>86.0</b>	<b>88.7</b>
<b>Other</b>	<b>4.4</b>	<b>1.9</b>
<b>Retired</b>	<b>2.8</b>	<b>1.3</b>
<b>Employee</b>	<b>6.8</b>	<b>5.7</b>

**Figure 1**

**Flows out of and into self employment in the UK and West Midlands**

Source: Labour Force Survey, September 2009<sup>11</sup>

73% of women in the West Midlands who are self employed now were also self employed 12 months ago. This figure is slightly higher than for the UK as a whole. Similarly, 86% of women who were self-employed 12 months ago are still self employed now. This is slightly lower than the UK figure of 88.7%.

What this contextual analysis tells us is that women who are self employed in the region are predominantly staying self employed. One interviewee noted “Once you are self employed and in charge of what you do, when you do it, then you aren’t going to go back to being an ordinary employee.” However, when a woman is setting up a formal

business, she is less likely to grow it into an entity that is sustainable or even growth-oriented.

There are two issues for policy, therefore. First, should policy work with the women who are self employed and help them build their activities into fully-fledged businesses? In the words of one business adviser, “We are dragging

reluctant people in – there is no growth appetite amongst the majority of our women and yet they continue to create work and generate income for themselves and for their families.” And second, how does policy find those women who may want to grow their activities into sustainable and growth-oriented enterprises?

### **Women’s Enterprise Culture and Motivations in the West Midlands**

From the in-depth interviews and cases conducted for this series of policy briefings, it was clear that not all women want to grow their businesses beyond something that provides them with an income. It was argued by business advisers that women are noticeably more cautious than men and require a degree of certainty that the outcome will be successful before embarking on a particular course of action. One quote from an interviewee was typical of several: “I started up the company because there was an obvious case for it. I had contracts there. I didn’t need to go fishing for them.” Additionally, they rely heavily on support networks and benefit from the peer-to-peer support that this provides. In the words of one woman, “Women aren’t afraid to ask for help and do find it useful.”

This is illustrated in Figure 2 which shows how women in the region use business support at start-up and as the business grows, and their assessment of its usefulness.

Several things are noticeable about the data in Figure 2:

- Women in the West Midlands predominantly find the support offered by the majority of advisers and business support services either “useful” or “extremely useful”.
- The only exception to this is the use of advice from potential investors where only 25% found it “useful” or “extremely useful”.

	Support used at start	Support used now	Usefulness of support
Business or entrepreneur network	7.2	14.5	80.0
Another entrepreneur	18.6	18.8	75.0
Friend	21.4	20.0	73.4
Family member	31.4	27.1	68.2
Bank	37.7	37.1	67.6
Professional adviser	53.6	72.5	67.5
Business Link or government agency	20.0	30.0	64.3
Mentor	7.2	4.3	60.0
Work colleagues	20.3	40.6	60.0
Investors	5.7	4.3	25.0

**Figure 2**

**Women’s Use of Business Support at Start-up and Now, and its Usefulness (useful or extremely useful)**

Source: Delta Economics/COGS 2009

- While numbers are small, this does corroborate comments made by business support agencies and acknowledged by some entrepreneurs as well: that women tend to approach investors for advice before they are investor ready and that this puts them off so that they often do not return and attempt to address issues raised.

- Women value the support they get from private sector support, such as banks and professional advisers and, in the case of professional advisers (lawyers and accountants) are more likely to use this source of advice as their business grows.

- Again numbers are small but the use of informal support, such as entrepreneurial networks and work

colleagues increases as the business gets older.

In the words of one adviser, “It is critical to work from where people are.” In other words, advice needs to focus on ensuring that it is appropriate for the starting point of each woman accessing it. She argued that many women find the use of successful women entrepreneurs “terrifying” for those women who were taking the first steps along an enterprise journey; not everyone wants to lose their contact with their community by growing their business and any support has to be tailored in the interests of “getting it right for the background of the individual.”

Across the region there was a clear distinction made between women who are starting businesses as a means of helping themselves or indeed their partners, engage in the labour market and those who are growing businesses. The two are quite different, it was suggested: the latter are “doing business in a man’s world” and do not necessarily need the same support and advice as those who are setting up businesses to enable their own or their partners labour market activity.

There are some specific characteristics that emerged from the discussions of this latter group, i.e. those who are engaging in self-employment on their own account, according to interviewees:

1. They are often from disadvantaged groups, either in socio-economic terms or in terms of their physical capabilities. This gives them a set of challenges which are not the same as those women who are set on an orthodox growth path from the outset.
2. There is a group of “hidden” women entrepreneurs who are supporting their partners. Some of these women are supporting partners who have been made redundant while others, without formally registering as

directors of a business, are managing the office on behalf of their self-employed partner. Neither group ever appears in the statistics for start-ups but they require support to understand book-keeping, client relations, cash-flow management and work-life balance.

3. 40% of social enterprises in the region are headed up by women suggesting that there is a need to provide very specific and dedicated support to this group of individuals. One entrepreneur commented that she had seen the number decline recently and wondered if this was because business support to this group had been constrained financially. Again, the needs of women entering social enterprises are different, argued a business adviser, because they very often set up such entities on the back of their own personal experience. This means that they share the characteristics of the clients that they are helping to support and, hence, will need help beyond formal business training.

This latter point is clearly recognisable in the data and illustrated in Figure 3 which shows the motivations of entrepreneurs setting up growth-oriented businesses in the West Midlands by gender.

Table 3 presents an interesting picture of the diversity of interests of growth-oriented entrepreneurs in the region which suggests the complexity of motivations that entrepreneurs have when they are setting up their business. In short, irrespective of gender, pursuit of money is not the sole driver of growth-oriented business.

However, there is one particular feature of Figure 3 that is particularly important. 52.2% of women, a higher proportion than men, say they want to set up their businesses in order to make a difference. Additional data within COGS suggests that of these, making a difference is the *sole* motivator for 50% of women's businesses in the region, a substantially higher figure than for men at 36%. 75% of women whose primary motivation is to make a difference say that they use any surplus to reinvest in the company, and although this is substantially lower than the 98% for men, the majority of the "make a difference" growth founders can be classified as having established a social enterprise.

All this suggests that social enterprise is a potential driver of female entrepreneurship in the region and should therefore be integrated into any

support delivery. This does suggest that a unique feature of the female business culture in the West Midlands is oriented towards social and job-creating enterprises and that this should feature strongly in business support.

Motivations for starting the business	Men	Women	Total
Follow a business idea or dream	60.6	64.3	61.1
Help others follow an idea or dream	19.3	12.9	18.4
To pursue a market opportunity	65.7	60.0	64.9
Reinvest from the sale of previous business	9.0	8.6	9.0
Do something different	53.2	57.1	53.8
Commercialise scientific research	6.0	1.4	5.4
Have autonomy over time	67.5	71.0	68.0
Make a difference socially or environmentally	47.8	52.2	48.4
Replace income lost through redundancy etc	21.3	21.4	21.4
Make money	64.8	62.9	64.5

**Figure 3**  
**Motivations of growth-oriented entrepreneurs in the West Midlands by gender**

Source: Delta Economics/COGS 2009

## Policy Summary and Recommendations

The enterprise culture amongst women in the region, according both to survey data and in-depth interviews, is biased towards smaller entities or self employment. This does not preclude growth-oriented women's businesses but it does mean that fewer women are being carried up the enterprise escalator to the growth stages. Opinion is divided across the region about whether or not dedicated support for women is necessary but, from the interviews, it does seem that the perception of women as the "poor relation" of men when it comes to setting up and growing a business, has been perpetuated by policy that focuses on under-representation and cultural differences rather than building self esteem, skills and an entrepreneurial mind-set at an individual level. Further, the fact that so many of the region's growth-oriented founders classify formally as having set up "social enterprises" in that they are motivated primarily by social or environmental goals and reinvest their surpluses, means that social enterprise and social responsibility is an important feature of the enterprise culture in the region. If the culture and policy are currently inter-playing to reinforce a negative image of women's business,

then the key is for policy to focus on helping women up the enterprise escalator. This involves a mix of policies that take the individual entrepreneur, develop her human and social capital through training, education and networking and lead her up to the point where she can create jobs and add value to the region in economic as well as social terms. Interviews and the data presented above suggest that the following areas of policy should be considered:

***Women should be offered a specialist adviser or mentor who will work with them at the outset to formulate an individual learning programme as well as a business development path:***

Not all women want specialist delivery or finance and in fact, some of the entrepreneurs we spoke to said that they would stay away from programmes specifically for women. This was not universally true, however, and even the highest growth entrepreneurs said that continuity in advice was important. The adviser would be aware of sources of additional advice, networks, training and finance and hence be a "signpost" to other agencies in the public and private sector which would simplify access.

***There should be a champion of women's enterprise at a strategic level in the region to ensure that the cultural base of women entrepreneurs in the region is not marginalised:*** There was a view that the cultural issues that bias women's businesses towards the smaller end of the scale in the region are symptomatic of a general lack of awareness about enterprise. Role models are not always appropriate and unless one coordinator provides a focal point for policy, the women's agenda will suffer as budgets become squeezed. Women do not want to be represented as under-performing or disadvantaged and they need a representative who will be their advocate at a strategic level.

***Additional research should provide insight into market failures and gaps as well as inform evaluation of any women's enterprise support programmes:*** Social enterprise appears to be an important feature of entrepreneurship in the region and yet there is relatively little data or research on social return on investment or, indeed the social economy in the region yet these might be more appropriate evaluation criteria for 50% of female

businesses. Additional research should monitor the client experiences through the enterprise escalator in the interests of ensuring that feedback loops are appropriate and market failures identified as they arise.

## References

<sup>1</sup> Gordon Brown (2005): Speech at the Advancing Enterprise conference, London.

<sup>2</sup> Department for Business Innovation and Skills (2008): "Enterprise: Unlocking the UK's Talent." <http://www.berr.gov.uk/files/file44992.pdf>;

<sup>3</sup> Other WECOE policy briefings and the COGS Women 2009 report suggest that women's growth businesses have as much to contribute in terms of job and wealth creation as their male counterparts.

<sup>4</sup> Giddens, A. (2001): Sociology 4<sup>th</sup> Edition; Polity Press, Cambridge p 686

<sup>5</sup> For example, some of the regulatory changes towards bankruptcy introduced in the 2006 Companies Act represented an attempt to remove the stigma from insolvency such that people would not fear it to the same extent.

<sup>6</sup> There is a whole body of literature arguing that endogenous growth, i.e. the capacity of a country or region to create jobs, economic growth and economic development through its own inherent process of enterprise creation and specifically, innovation, competitiveness, investment, skills and entrepreneurship. See for example, Audretsch, D., Keilbach, M. and Lehmann, E. (2006): "Entrepreneurship and Economic Growth" Oxford University Press, Oxford; Casson, M., Yeung, B., Basu, A., and Wadeson, N. (2006): "The Oxford Handbook of Entrepreneurship." Oxford University Press, Oxford; Metcalfe, S. (2006): "Entrepreneurship: an evolutionary perspective." Pp 59-90 in Casson, M., Yeung, B., Basu, A., and Wadeson, N. (2006): "The Oxford Handbook of Entrepreneurship." Oxford University Press, Oxford.

<sup>7</sup> Harding, R. (2004): "Achieving the Vision – A year on from the Strategy for Women's Enterprise." British Chambers of Commerce. Harding, R. (2006): "Stairways to Growth" Prowess; Harding, R. (2007): "The State of Women's Enterprise in the UK." Prowess. Other reports that corroborate the story include the annual Global Entrepreneurship Monitor reports for the UK between 2002 and 2007.

<sup>8</sup> Minniti, M and Nardone, C. (2007): "Being in Someone Else's Shoes: the role of gender in nascent entrepreneurship." Small Business Economics (2007); 28; pp223-238, Elsevier

<sup>9</sup> Hart, M. and Martiarena, A (2009): "Women and Entrepreneurial Activity in the West Midlands: Evidence from GEM UK 2002-2008." Paper prepared for WECOE.

<sup>10</sup> Hart and Martiarena (2009) op cit

<sup>11</sup> Numbers in the West Midlands were too small to assess flows into or out of self employment to unemployment

## **Background to the Women's Enterprise Centre of Expertise**

Advantage West Midlands recognised the importance of women's enterprise as being a key economic driver however, in order to ensure that appropriate policies were developed they commissioned the Women's Enterprise Centre of Expertise (WECOE) project along with four other Centres of Expertise (COE's) focusing on minority ethnic young people and social enterprise.

WECOE, funded by Advantage West Midlands (AWM) the West Midlands Regional Development Agency, had a fixed-term, two-year timescale (Dec 2007 – 2009), with a series of specific objectives to embed within mainstream support over that period and provided a range of strategic, policy driven support for the wider development of the Women's Enterprise Agenda across the region. Our role was to:

- Develop Market Intelligence
- Stakeholder Engagement
- Act as a critical friend to AWM/Business Link and other key stakeholders
- Pilot new activities in order to develop learning from action
- Provide capacity building support

WECOE offered a dedicated source of information and expertise on women's enterprise issues, supporting the existing infrastructure of economic development and regeneration across the region. This included, for example, AWM, Business Link West Midlands, regional partnerships, business-women's networks, local networks, consortia, voluntary and community groups and the private sector.

WECOE's aim was to reinforce ***the economic case*** for women's enterprise support throughout the region; building on, informing and strengthening the existing infrastructure, and embedding good practice. It also sought to understand areas of market failure and to work with partners and organisations to address this.

Finally, WECOE sought to raise the profile of women's enterprise across the region, by influencing regional and national policy and by supporting a greater range of strategic partners in embedding women's enterprise into the core of their work.

### The Centre:

- Provided a range of services which embedded quality policies, practices and procedures within organisations such as West Midlands Business Link, thus both capacity building and supporting more women into enterprise.
- Enabled policy makers and support organisations to assist a diverse range of women in business in a more strategic and appropriate way than had previously been seen across the region.
- Worked to raise the ambitions of economic development and business support organisations in their expectations and perceptions of women's enterprise and its contribution to the regional economy.

- Engaged regional policy makers, and a strong body of women entrepreneurs, in national dialogue with Government departments (including the Department for Business Innovation & Skills) to enable regional needs to be both identified and incorporated in the national enterprise strategy.
- WECOE worked to influence the development of regional policy and related research, through active involvement and attendance at all Sub-Groups of AWM's Enterprise Board.
- WECOE also influenced national activity, through the Ethnic Minority and Women's Enterprise Task Forces.

WECOE did not provide direct service delivery for business support and economic development itself; instead it provided ideas, methodologies and good practice models through which organisations could increase the participation of women in enterprise activity across the region.

It acted as an independent referent and 'critical friend' to organisations such as Business Link West Midlands providing both expert assistance and robust analysis to improve services to clients, building on local, regional, national and international good practice in the field, whilst also exploring market failure and addressing how best to tackle such issues in a sensitive and appropriate way.

WECOE worked in parallel with the other three other Centres of Expertise (COE's) commissioned by AWM (for minority ethnic enterprise, social enterprise and young people's enterprise).

The COEs worked closely together to ensure a complementary approach to potential 'cross cutting' themes (e.g. ME women's enterprise issues, women in social enterprise and young women/girls) whilst ensuring that the specific issues of region-wide women's enterprise were addressed.

Women are not a homogeneous group, and as such have differing needs and requirements for economic activity and enterprise. Therefore WECOE focused upon ensuring that the needs of women who are under-represented, even within specialist women's enterprise support, (e.g. ME women, refugees and new migrants) were adequately addressed across the region.

Marla Nelson  
Director  
Women's Enterprise Centre of Expertise

# Women's Enterprise Centre of Expertise (WECOE) Policy Recommendations

## WECOE Background & Context

WECOE was established by Advantage West Midlands (AWM) in Feb 2008 with the key aim of providing strategic support for the development of women's enterprise across the region. WECOE is a two year project funded by AWM and is also the first such 'arms length' policy innovation to have been undertaken by a Regional Development Agency (RDA).

WECOE's key areas of work have been<sup>11</sup>:

- Providing strategic support for the development, growth and sustainability of women's enterprise across the West Midlands
- Influencing policy development and economic corporate planning
- Capacity building specialist business support providers

WECOE works in parallel with the other three other Centres of Expertise (COEs) which AWM has subsequently commissioned (approximately nine months – one year post WECOE). These three COEs; MEECOE, SECOE and YPECOE are concerned with minority ethnic enterprise, social enterprise and young people's enterprise respectively.

The COEs work together to ensure that there is a complementary approach to potential 'cross cutting' themes (e.g. minority ethnic women's enterprise issues, women in social enterprise and young women's enterprise) whilst ensuring that the specific issues of region-wide women's enterprise are addressed.

When WECOE was first established, the objectives set by AWM were more heavily weighted towards the capacity building activity and the related output targets than policy influence. However, given WECOE's experience and the collective learning of the COEs and AWM; all the COEs now have a series of high level objectives as follows:

1. Develop market intelligence
2. Engage with stakeholders both regionally and nationally
3. Develop policy and influence the mainstream business support providers such as BLWM
4. Pilot new activities

The following set of policy recommendations are based WECOE's two years of operation, commissioned research and four policy briefing papers:

- Challenges and Opportunities for Growth Survey: West Midlands<sup>2</sup>

- Women and Entrepreneurial Activity in the West Midlands: Evidence from GEM UK 2002-2008<sup>3</sup>
- WECOE Policy Briefing: Developing an Enterprising Culture in the West Midlands<sup>4</sup>
- WECOE Policy Briefing: Women's Start-up Enterprise Activity<sup>5</sup>
- WECOE Policy Briefing: Existing Women Owned Businesses<sup>6</sup>
- WECOE Policy Briefing: Access To Finance for Women-owned Businesses<sup>7</sup>

Central to all WECOE Policy Recommendations is the “New Industry New Jobs” (NINJ) industrial strategy which was launched by the Department for Business Innovation and Skills (BIS) in April 2009. The document seeks to support important sectors for the UK's prosperity. It also aspires to help join up the skills, business support and innovation offers to business in support of these sectors. The areas covered by the NINJ document are innovation, skills, finance and infrastructure. It has specific focus on the following sectors:

- Low Carbon
- Digital
- Life Sciences and Ageing
- Composites
- Plastic Electronics
- Advanced Manufacturing
- Financial Professional Services
- Engineering Construction

These are sectors in which many successful female owned businesses operate. However, there are other women who through targeted business support have the potential to develop and grow their businesses within these sectors (the 'Missing Middle') and many other women who have transferable skills and or have achieved high level educational achievements but may be unaware of the opportunities there are to start businesses in these sectors.

## **Young People's Enterprise<sup>8</sup>**

Developing an enterprising culture requires a concerted effort in inspiring and motivating more girls and young women to 'think enterprise'. Girls and young women across the region must be provided with adequate opportunities to develop enterprising skills and attributes which can be used to greater effect in creating both entrepreneurial and intrapreneurial mindsets for the future. This is particularly important in non-traditional areas where women tend to be under-represented, as referenced in the NINJ document.

***WECOE recommend that the Young People's Enterprise Centre of Expertise (YPECOE) continue to lead on this strand of activity, including the integration of enterprise support for young women into the new young people's enterprise web portal and influencing education enterprise providers.***

## **Visibility of Female Role Models<sup>9</sup>**

The distinct lack of visible female entrepreneur role models does not help to promote women thinking of starting or growing business across the region and take advantage of regional business support infrastructures. Too few women are therefore receiving the vital support required to establish growth orientated businesses.

***WECOE recommend that the Enterprise Culture Group a Sub-Group of the AWM Enterprise Board, identify successful female entrepreneurs from across the region and develop case-studies which can be used to promote their achievements. WECOE also recommend that the Enterprise Culture Sub-Group identify key stakeholders within the NINJ priority sectors, in order to influence and develop strategic relationships with, in order to raise the prominence and visibility of women already working within these sectors.***

## **Encouraging More Women Into Enterprise<sup>10</sup>**

There needs to be more emphasis on engaging with women during 'pre-pre start' stages using appropriately targeted outreach and awareness raising activities, including building confidence, generating ideas and identification of transferable skills. Often mainstream support structures are insufficiently coordinated to lead people through from the very earliest stages on to the enterprise journey; similarly they are too "one-size-fits all" to cater for the complexities which women experience at the pre-start stage. Advice and guidance available at pre-pre start stage is of variable quality and not universally available across the region.

***In order to address this WECOE recommend that Business Link West Midlands (BLWM) and AWM work with the Centres of Expertise in order to develop inclusive approaches to work with increased numbers of diverse women at the pre-pre-start stage. In addition to this BLWM should offer a specialist adviser or coach/mentor who will work with individuals looking to start businesses***

*to formulate an individual learning programme as well as a business development path.*

### **Support to Existing Businesses (“Missing Middle”)<sup>11</sup>**

Evidence shows that many women who start businesses or social enterprises either ‘fail’, or are unaware of the opportunities to grow. Many of these businesses have great potential but are currently disengaged from mainstream business support. One way to address this is described earlier through early pre-pre start-up support and ensuring that businesses are then tracked. However, for other existing business who have never accessed business support WECOE recommends the following: That policy makers and regional business support providers recognise the importance of existing female owned businesses and aim to target and support them through using “diversity proofed” (see Annex B) marketing and engagement tactics.

### **Access to Finance<sup>12</sup>**

In addressing the issue of under-capitalised women owned businesses in the region, caused by insufficient business planning and unrealistic expectations. WECOE recommends that:

***AWM and BLWM ensure that all Access to Finance (A2F) initiatives, which run in conjunction with regional funding /investment readiness programmes, are “diversity proofed” to ensure that women are engaged with and supported.***

### **Data Disaggregation and Evaluation**

A key theme throughout all of these papers is the lack of data disaggregation. Although there has recently been a very positive dialogue between the Centres of Expertise (COE’s) and BLWM to ensure that improvements can be made, similar conversations have also occurred at both regional and national level. WECOE also recognises that BLWM is already developing its client management service to ensure that information around gender, ethnicity and age is captured. In building on this activity WECOE recommends that:

***BLWM and all regional business support providers must be required to collate disaggregated data for gender, ethnicity and age; which is tracked from ‘pre- pre start’ through to ‘growth’. However in supporting BLWM in undertaking this exercise the COE’s must provide advice, guidance and training to ensure that front line providers have the appropriate skills and confidence to do this.***

## **Improving the Ethnic Diversity of Women-Owned Businesses<sup>13</sup>**

In terms of entrepreneurial activity amongst women from ethnic minority communities in the region, those from Pakistani and Bangladeshi communities were particularly under-represented. There is insufficient regional research or evidence in this area to make any informed policy recommendations.

***WECOE recommend building upon the current work that all the COE's, in particular the Minority Ethnic Enterprise Centre of Expertise (MEECOE), have initiated in order to further develop the research baseline on ethnic diversity in women-owned businesses and further influence policy in this area.***

## **Developing Social Enterprises<sup>14</sup>**

WECOE findings over the past two years, additional commissioned research, and findings from Social Enterprise West Midlands (SEWM) has identified that established women business owners are more likely to run a social enterprise than other mainstream business models.<sup>15</sup>

***WECOE recommend the COE's and SEWM continue to consider and report any identifying evidence that demonstrates the needs of women in social enterprise, and identifies the levels of engagement and business support required to facilitate growth. WECOE also recommend the COE's and SEWM continue to represent social enterprise across the region and to lead the agenda for raising sector awareness through informing the key stakeholders who influence policy, actively engaging with commissioners across all public sectors, and advocating the needs for diversity proofing all levels of engagement which will strengthen the opportunities for all.***

## **Promoting Non-Traditional Business Areas<sup>16</sup>**

Key to everything that has been described above is the "New Industry New Jobs" strategy which states that in order to help drive regional economic growth; regions need to focus on the following sectors and industries:

- Low Carbon
- Digital and Creative Technologies
- Life Sciences and Ageing
- Composites
- Plastic Electronics
- Advanced Manufacturing
- Financial Professional Services
- Engineering Construction

WECOE have already highlighted that many women are now graduating with science engineering and technology degrees at graduate and post graduate level.

***Therefore WECOE recommends that in order to address this opportunity, there must be a more proactive marketing strategy adopted by business support providers to target these types of graduates, and to work with universities and other key stakeholders in order to ensure that women are aware of enterprise and the opportunities within the sectors highlighted in the NINJ strategy.***

## **Annex A**

**“Missing Middle”:** ‘*women business owners who own established enterprises, yet who have not grown their firms to substantial levels of revenue or employment*’, as defined in a report Mapping the Missing Middle: Determining the Desire and Dimensions of Second-Stage Women Business Owners

The report explored some of the key findings of a pilot survey conducted among a subset of members of the National Association of Women Business Owners (US), undertaken jointly by Julie. R. Weeks of Womenable and The Center for Women’s Entrepreneurship at Chatham University.

The final report published the results, exploring the desire, difficulties and dimensions of second-stage women business owners, the so-called "missing middle", which uncovered a large unmet desire and need for support and assistance among small, second-stage women business owners, often referred to as the “missing middle”.

Many programs support enterprise development in the United States, including some designed specifically for women. Yet most of the public policies, and the business development support stemming from them, are focused at the two ends of the entrepreneurial spectrum: either targeting start-up firms and those not yet in business or large corporations and fast-growth businesses.

## **Annex B**

### **Diversity Proofing and Equality impact assessments What is Diversity Proofing and Equality impact assessment<sup>17</sup>**

Diversity proofing and equality impact assessment is a systematic and evidence based process which improves the way we develop our policies and practices. That is, an assessment of the differential impact a policy option might have on minority ethnic, female, young and social entrepreneurs.

As a matter of good practice, policy options need to be ‘diversity-proofed’ or assessed for their equality impact; that is, there needs to be some consideration of the extent to which recommendations may impinge on the different strands of business. Understanding the importance of diversity in the economy, and the drivers of and barriers to the establishment, survival and growth of diverse businesses, and acting on this understanding, can make a major difference to everyone’s economic and social well-being.

## Equality impact assessment and Diversity Proofing: Indicative questions

- **Awareness and understanding:**
  - What is the particular demographic layout within the region?
  - What are the particular needs demonstrated by diverse business communities?
  - What are the barriers to mainstream business support for these groups?
  - What is the current level of communication with organisations responsible for delivering the programmes?
- **Current Business Support Structure:**

What are the current access channels to business support for diverse business communities?

- **Accessing mainstream business support:**
  - Can customers access the appropriate service from any point of entry to mainstream business support?
  - Is the route through the business support provision clear and comprehensive?

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