

TOOL 3.14

Guidance Note for Building a Women's Entrepreneurship Community

- » **GOAL:** Support companies in creating a vibrant women's entrepreneur ecosystem
- » **TARGET UNITS:** Community Engagement, Procurement

Companies that stand by their suppliers realize business benefits. They find that their suppliers are loyal, offer bigger discounts and deals, and help manage supply chain risks by proactively notifying them about supply issues. A forward-thinking approach that companies are deploying involves supporting suppliers with complementary solutions to form successful partnerships so that collectively they can win larger bids. This leads to company benefits such as lower procurement costs, innovative solutions, and supplier growth, which can strengthen the company's supply chains.

Women-owned enterprises account for a third of all businesses operating in the formal economy globally. In emerging economies, the majority of women-owned enterprises are micro or small enterprises.⁴⁹ Evidence suggests that women tend to start businesses with more emphasis on social or environmental goals.⁵⁰ Investment in building a women's entrepreneurship community can enhance local content and procurement and help to strengthen livelihood and resettlement efforts, while also building more resilient communities that fully benefit and are able to engage with infrastructure projects. It also can increase women's opportunities to access income and contribute to development and job creation. The business case for working with women entrepreneurs has been described in more detail in **TOOL SUITE 2** of this toolkit, as well as the IFC publication "Investing in Women" (2017).⁵¹

This tool details the main types of interventions that can serve to fill gaps in the women's entrepreneurship ecosystem. It is structured into five broad categories of support: (a) creating an enabling environment; (b) access to finance and capital; (c) access to coaches, mentors, and business networks; (d) business education and skill development training to foster personal agency, personal initiative, and entrepreneurial mindsets; and (e) inclusion of men.⁵² Based on the national or regional context, companies can choose which category to focus on in order to sustainably strengthen the ecosystem, determining where they can make most of a difference while also considering complementarity with existing initiatives.

⁴⁹ ILO, "[Women's Entrepreneurship Development: Encouraging women entrepreneurs for jobs and development](#)", 2016.

⁵⁰ Hechavarría, D. et al., "[Taking Care of Business: The Impact of Culture and Gender on Entrepreneurs Blended Value Creation Goals](#)", *Small Business Economics*, 2017. 48.1: 225–57.

⁵¹ IFC, [Investing in Women: New Evidence for the Business Case](#), 2017.

⁵² This chapter partly leans on the excellent analysis by gender and economics specialists Shankar, Elam, and Glinksi in their article "[Strengthening the Women's Entrepreneurship Ecosystem within the Energy Sector](#)", published in collaboration with ENERGIA and IDS Bulletin in 2020.

BOX 3G | WeConnect Virtual Matchmaking⁵³

In June 2020, WEConnect International, with the support of IFC and the Women Entrepreneurs Finance Initiative (We-Fi) and others, hosted a series of virtual business matchmaking meetings with WEConnect International's certified WSMEs in Latin America and the Caribbean. This virtual matchmaking was comprised of five meetings across different product/service categories (technology, business services, communications and marketing, agricultural and food products, and COVID-19 products and services). During each meeting, procurement teams and purchasing decisionmakers from participating corporations shared information about their acquisition processes and opportunities. This was followed by short business pitches delivered by the participating WSMEs. One month after the event, four corporate buyers had expressed interest in follow-up meetings with 18 WSMEs in various product/service categories.

Thousands of small suppliers feed midsize suppliers, which, in turn, feed large corporations. The COVID-19 pandemic is a threat to these ecosystems, and the livelihoods of the individuals employed by small suppliers, including women-owned businesses. Corporations and financial institutions that support women entrepreneurs in their value chains will deliver a win-win solution for all.

Creating an Enabling Environment

Often, social norms discourage female entrepreneurship, and systemic barriers confine them to small scale and informal business. Therefore, an enabling environment must be created. The **enabling environment** starts from within the companies, institutions, and projects that are looking to work with and/or support women entrepreneurs. Infrastructure companies should first take steps to make their own supply chain management and service provision activities more inclusive of women.

Some best practices for working with women entrepreneurs are listed here, but in-depth guidance is provided in **TOOL SUITE 2** of this toolkit (Women-Owned Businesses and the Supply Chain):

- Self-assessment for service providers to develop action plans that contribute to improving service provision and outreach to women entrepreneur clients.
- Gender awareness and diversity training for suppliers and service providers is essential in developing their capacities to serve the needs of both female and male entrepreneurs.

⁵³ This was copied from IFC, [COVID-19 and Gender Equality: Six Actions for the Private Sector](#), 2020.

- It is also crucial to carry out **gender-sensitive value chain analysis** to understand how to better integrate women entrepreneurs into different parts of the value chain, both horizontally (integration with other entrepreneurs at the same level of the chain, such as networking and exchange) and vertically (building an understanding of all links and dynamics within the value chain and one's own role and agency within the hierarchy).

Next, companies can enhance an enabling environment “out there” in the contexts and communities with which they seek to interact:

- Draft and implement action plans for better value chain integration of women entrepreneurs.
- Recognize and celebrate women entrepreneurs, for example through “Month of the Woman Entrepreneur” campaigns to promote women entrepreneurs’ contributions to the economy and society.
- Work with media outlets (TV, radio, newspaper) to highlight stories of female entrepreneurs building companies that inspire.
- Build—and/or connect local women with—women-focused networking events as well as online forums and groups targeted at women. This can allow them to learn from other’s mistakes, share knowledge, make connections, learn new business skills, and keep abreast of business trends.
- Sometimes, it may be necessary to enhance, rehabilitate, or build the needed infrastructure for women entrepreneurs to thrive, such as providing markets, warehouses, workshops, or office spaces.

BOX 3H | UNOPS New Market Means Increased Economic Opportunities for One Somali Town⁵⁴

During the construction of Bossaso’s new local market in northern Somalia, the United Nations Office for Project Services (UNOPS) emphasized gender mainstreaming through community engagement and skill-building training. The market represents the central economic area for the community and in particular for women traders that include minorities such as Yemeni refugees. During the project, UNOPS engaged and consulted with nearly 2,000 female and male entrepreneurs to inform the design and construction of the market to ensure it met the needs of the end users and to increase the sense of ownership over the final product. In addition, over 200 traders, 90 percent of whom were women, received business skills training and business startup kits. The newly constructed market, combined with the new skills acquired, helps local traders generate higher income to support their families and contributes to economic development and stability in the region.

⁵⁴ UNOPS, “[New market means increased economic opportunities for one Somali town](#)”, 2017.

Access to Finance and Capital, Including Time Capital

Challenges for women when accessing financial capital (both money assets and financial services) can include lack of ownership of land or assets (leading to lack of collateral for loans), low bankability of women, or discriminatory banking practices. To counteract this, infrastructure companies can look into programs and partnerships that provide startup capital. This can be done through **micro-loans, micro-consignment, supplier credit, or equity investment.**

At the same time, women entrepreneurs need financial literacy to increase their capacity to manage their finances and enable them to select the best suited financial products for their needs. Just like any new skill, fundraising and investing requires training and education. It is important to know which documents are imperative for proper due diligence, how to value a small enterprise that has no true assets, etc. Therefore, **financial support should be connected to training activities.**

The availability of time to put into business-related activities can also be considered a type of capital. As women carry the main responsibility for household tasks in most contexts, this limits their ability to engage in entrepreneurship. To save women time, companies can look into **programs and partnerships to enhance energy access, especially in the form of electricity, which women can use for wide range of domestic and productive uses as well as entrepreneurial activities.** Similarly, any entrepreneurship programs mentioned in this guidance should take into account women's time needs, for example by **scheduling meetings and events at times that correspond to school timetables, that offer childcare, or offer online participation.**

BOX 31 | Supporting Women in Growing Their Businesses: ScaleX⁵⁵

ScaleX is an IFC-led initiative launched in partnership with We-Fi to help close the gender financing gap. Women entrepreneurs in emerging markets face a daunting gender finance gap when it comes to growing their startups, with only 11% of enterprises that actually attain seed funding being women-led. Research developed by IFC and the World Bank Group Gender Innovation Lab in partnership with Village Capital shows that despite women leading half the startups that participate in accelerators, they continue to face greatly unequal access to capital. To close this gap, the ScaleX program incentivizes accelerators supporting women entrepreneurs with bonus payments of \$25,000 for every women-led business that it helps raise at least \$1 million from investors. These bonuses provide an avenue for venture capital funds to commit to investing in women entrepreneurs in emerging markets and will catalyze a total of \$40 million into women-led startups in its pilot phase.

⁵⁵ Learn more about ScaleX on the [IFC website](#).

Access to Coaches, Mentors, and Business Networks

Female entrepreneurs, especially in emerging economies, need access to mentors and expanded networks through which they can access or mobilize resources needed for business creation and growth. One way to foster this is to engage women through groups that offer mutual support and help pool funds such as cooperatives or savings and loans groups. These structures can also support women in gaining a voice within their communities and to change social norms. In order to build a thriving women's entrepreneur ecosystem, it is essential that companies think of ways to offer coaching and mentoring to individual entrepreneurs. In more remote settings, this can also be achieved by using digital communication.

BOX 3J | Strengthening Women Retailers in Turkey⁵⁶

To address the gap between men and women in its supply chain, Boyner Group, which is Turkey's largest retail corporation, partnered with IFC to launch the Supply Chain Women Entrepreneurs' Empowerment Program in 2014. The program, commonly known as the "Good for Business Program," aimed to train the company's women-owned suppliers—enhancing their ability to obtain financing and improve business performance. The program trained women entrepreneurs and developed women's market and network and finance opportunities. Training workshops combined classroom instruction and coaching clinics with certified business and management trainers. Benefits included the establishment of a peer network among the participants, improved business planning and motivation, and enhanced business networks as well as relationships with banks and other companies.

Business Education and Skills Development

Training for women entrepreneurs must focus not only on expertise, education, and training credentials, but also **foster personal agency, personal initiative, and entrepreneurial mindsets**. Research suggests that women entrepreneurs are much more prone to low confidence and strong reluctance to take risks in the face of a decidedly clear bias against women business owners.⁵⁷ This means that training should go beyond the "business as usual" training typically included in entrepreneurship training programs, which tend to focus on accounting, financial planning, pricing and costing, marketing, and inventory management (even though this is still highly relevant and can be adapted to all levels and sizes of businesses—for example, the ILO has developed a module for semi-literate entrepreneurs called "GET Ahead").⁵⁸

⁵⁶ IFC, Case Study: [Boyner Group's Supply Chain Strengthens Women In Business](#).

⁵⁷ Shankar, Elam, and Glinksi in their article "[Strengthening the Women's Entrepreneurship Ecosystem within the Energy Sector](#)," published in collaboration with ENERGIA and IDS Bulletin in 2020.

⁵⁸ Susanne Bauer, Gerry Finnegan, and Nelien Haspels, "[Gender and Entrepreneurship Together: GET Ahead for Women in Enterprise: Training Package and Resource Kit](#)," Bangkok, Berlin, and Geneva: International Labour Office, 2004.

Entrepreneurial training that builds on psychological mechanisms that enhance personal initiative for the self-employed has been shown to yield better results in terms of increasing both sales and profits. This was proven by a study that sampled 1,500 microenterprises in Lomé, Togo, and compared the outcome of traditional business training and personal initiative-enhancing training. The latter type of training yielded better results (personal initiative training increased firm profits by 30 percent, compared with a statistically insignificant 11 percent for traditional training).⁵⁹ While this outcome was similar for male and female owned businesses, women need the “entrepreneurial mindset” training more urgently than men due to the cultural constraints they face from a young age that associate “entrepreneur” with “male.”

Infrastructure companies can decide to take the essential step of **creating accelerators**, entities designed to train and support the development of startups to become investment ready. However, in many developing contexts where women run micro-enterprises, accelerators need to start “from scratch” and act as training schools at the same time, because some entrepreneurs may lack basic business and related skills. The scope of what the accelerator delivers depends on the level of competence and potential of the companies it aims to benefit. Participation in such initiatives will help **women entrepreneurs learn how to define and express key performance indicators, understand value chains and markets, and polish their investor presentation.** This is also where women entrepreneurs can learn more about fundraising and how to reach out to investors and secure investments.

Inclusion of Men

Since men are more likely to start a business and since entrepreneurship is widely seen as a male pursuit, women face major penalties of credibility and status as entrepreneurs starting and growing companies. Growing evidence indicates that the involvement of men in programs aimed at women’s economic empowerment will substantially boost the effect of these programs on women and their families. Efficient strategies for this purpose include the provision of capacity-building programs that enable men to pursue more constructive and gender-equitable masculinities, the promotion of the benefits gained by men from women’s economic empowerment, the promotion of men’s positions in care work, the involvement of men in women’s training, and the identification and promotion of gender champions.⁶⁰

⁵⁹ Francisco Campos et al., “Teaching personal initiative beats traditional training in boosting small business in West Africa”, 2017, in *Science* Vol. 357, Issue 6357, pp. 1287-1290.

⁶⁰ ILO, [Engaging Men in Women’s Economic Empowerment and Entrepreneurship Development Interventions](#).