

# FACING THE ENTREPRENEURIAL GAP



Minutes

<b>Date</b>	Monday 16 <sup>th</sup> May 2022
<b>Time</b>	15:45 – 18:30
<b>Venue</b>	Virtual meeting conducted via Zoom
<b>Chair</b>	<b>Flick Drummond MP</b>
<b>Speakers</b>	<b>Emma Clayton,</b> Business Scaling Consultant & Gender Pay Gap Expert  <b>Alison Cork,</b> Founder of Make It Your Business  <b>Sandi Rhys Jones OBE,</b> Vice President at Chartered Institute of Building
<b>Theme Background information</b>	In this session, we will explore the barriers that female entrepreneurs face, including accessing funding, imposter syndrome and a lack of female mentorship. We will discuss policy options to unlock this untapped female potential in our workforce.

## MINUTES

**Flick Drummond MP** started the meeting thanking everyone for joining and welcoming all attendees. Flick then thanked the APPG sponsors: Montessori Group, Barratt Developments, Vodafone, American Express, Association of British Insurers, Assystem, for supporting the APPG. (Sponsors: Montessori Group, Barratt Developments, Vodafone, American Express, Association of British Insurers, Assystem).

Flick introduced **Alison Cork**, Founder of Make It Your Business.

Alison started by recounting her own professional experience, the entirety of which she has spent running and owning her own business. She explained that recently she has been interested in why there are so few female entrepreneurs, and found that some of the reasons were lack of confidence, lack of networking, and in particular lack of female role models. These are obstacles that are not insurmountable, and so Alison decided to create a network, Make It Your Business, running events to support and encourage women to just start their own business.

Alison said that some of the reasons they have found for low female entrepreneurship through Make It Your Business are financial, technical. But often what's really interesting is that the way

to build a businesses to start'. Lack of confidence and role models are a fairly fundamental barrier to 'just starting'.

She added that statistically, women are more likely to succeed when they start a business than men, they just lack the confidence to begin it. She said she thinks that those intangible reasons, the confidence, the networking, the female mentors, I think these are all really important but quite solvable issues.

She went on to speak about other challenges women may face, and one of them is that often they just do not know where to start, so the question is about how women can access that information and advice.

One of the solutions, Alison proposed, can be found in the example of the IP and business centre. The centre is free, and gives IP and marketing and business advice, right up to one-on-one mentorship. She said she has now become an ambassador for this program, and that the aim is to open a business and IP centre in every library in the United Kingdom. There are 3000 libraries in England, and the Library Network is an outstanding way in which we could improve access to information. It is a good solution in part because it is an existing infrastructure, and is cost effective as well. She also highlighted that businesses use the business and IP centre of advice network are four times more likely to succeed and those that don't. They also have a stellar record and with women 66% of the people they help are women, which obviously is far greater percentage than the national average. Alison then pointed out that the effect of this success if the network were expanded would be fantastic for the country as a whole.

Alison then talked about how important micro businesses are for both the individuals running them, and their communities, and the economic benefits of female entrepreneurship from a levelling up lens.

**Flick Drummond** thanked Alison for her contribution and tied in her mention of micro businesses with examples of international development micro-financing. Flick then introduced **Sandi Rhys Jones OBE**.

**Sandi Rhys Jones OBE** spoke about her experience working in a predominantly male sector. She said one of the issues faced by women in construction is a lack of visibility, because there have been many women in construction over time, but they are not as well-known. She said that one of the solutions needs to be to encourage people to be more visible, which she tied back to what Alison Cork had said in her own speech.

She went on to speak about the benefits of having women in a more prominent role in industries such as construction, which play such a vital role in communities and in our lives as a whole. The industry is in need of people who are creative and independent and imaginative, so there is of course a net benefit.

Sandi explained that the construction industry is shaped like a triangle, with so many businesses on the bottom layer and just a few people at the top. So the way to improve the sector may be to think about smaller enterprises, to recognize the value of what they can offer. In effect, to talk about procurement. She went on to speak about how insurance is a significant issue for these smaller businesses, and how banks can help them as well. She also spoke about a program run by Women in property, which functions as a mentoring club, and picks up on exactly what Alison was talking about earlier.

Finally, Sandi spoke about the need for collaboration across the sector, between architects, planners, chartered surveyors, builders.

She concluded that mentorship, financing, and procurement are all things that the industry really needs to be improving on.

**Flick thanked Sandi** for her contribution, and introduced **Emma Clayton**.

Emma explained that her business teaches and trains and mentors clients to take their already successful six-figure businesses and create multi six and seven figure businesses while simultaneously improving their relationships, health and emotional well-being. Emma said that although speakers had mentioned micro-businesses, what is interesting is that not many businesses are able to scale and get bigger. Her campaign in particular is about supporting women emotionally and psychologically, but also in the skills and tools needed to support scaling the business.

Emma said that she had conducted research through a survey to assess the cost of being a female entrepreneur. What had become obvious is that there is more than just a financial cost, but also a human cost and a cost to relationships.

Emma said that there is also an ever-increasing number of female entrepreneurs, which has grown 69% since 2008 because there has been a big digital boom where women are no longer willing to collaborate with inflexible corporate policies. The result is that a lot of women 'work from their kitchen table', now that technology allows this. A consequence of this is loneliness, because they often work alone. Emma explained that her research shows that 90% of these businesses will never get above a certain threshold, they never branch out from that kitchen table because of childcare responsibilities, mental health and the inability to maintain a work-life balance in that context. Emma went on to say that in this context, there are often two 'types' of women: those that are very much on a career trajectory and don't let anything get in the way, and those that are sitting on the VAT threshold, fighting child-care and mental health and well-being.

Emma then went on to focus on what the financial costs for women entrepreneurs are. She said that from her experience, around 75% of women are starting a business from their savings. Others are re-mortgaging their house, or using redundancy pay or borrowing it from their family, and that to her, this is simply not good enough. Already, there is a huge gender pay gap, and this very hard-earned money is being invested by women to set up a business with no guidance, meaning often they do not know where to start. Another problem Emma identified was the proliferation of online 'coaching' that simply is not accredited.

What is interesting, Emma said, is that women are often charging 43% less than men for the same job. The issue, Emma said, is that they often do not have an understanding of how to market and price themselves, and if you don't have revenue from your business you can never invest in yourself, or a team to help you, or in marketing and automation systems. Women often shoot themselves in the foot with under-pricing. Emma explained that when you take this 43% figure, and extend it across 25 years, that equates to 375,000 pounds, a figure which eats into the possibility of buying and owning a home, accessing a mortgage and then credit to fund their business. This is all coming back to one place, Emma said, and it's causing burnout, and chronic health conditions.

She also spoke about the added benefits that derive from being employed especially in the corporate world, which women who are entrepreneurs do not have access to. Gyms, healthcare and most importantly pensions, because often there is no investment in their own financial future as they can only just keep their head above water in the conditions they find themselves in.

**Flick** agreed with Emma and emphasized the point she had made about pensions. **Alison** then added that post-covid, 1 in 7 adults is thinking of starting a business as lifestyle and expectations

change, and women over 50 are interestingly one of the fastest-growing groups of entrepreneurs, so there is a real need to get these details straightened out.

**Sandi** came in to the conversation, and added that it is no longer a necessity for women or entrepreneurs to adhere to the formalities of the office, and that the fact you can run a business from your bedroom or kitchen while your kids are also in the house is not stigmatised anymore. She also asked that given the current climate highlighted by Alison, what support are we giving people to start their own businesses as well as what they are already doing.

**Emma** added that the idea of a 'side hustle' can be harmful, as it often equates to a burnout.

**Flick** invited Julia, from the chat, to come in.

**Julia** explained that she's the self-employment coach for the jets program for London. In her job she helps people who want to become self-employed, often from being on Universal Credit or being out of work, who have never been down the self-employment route. And she said she also sees self-confidence is a significant issues in such a male dominated environment. She added that given the economic climate people are struggling particularly and this kind of help is especially important.

**Flick** thanked Julia for her contribution, and said that it is good to hear that things in the DWP and other projects the government has set up are getting some good feedback.

**Alison** intervened and said she had recently spoken to the Small Businesses Commissioner, and they had agreed on the importance of a partnership between local job centres and libraries. Using these existing resources differently could be really helpful.

**Flick** invited **Charlotte Amelia** to intervene in the conversation. **Charlotte** introduced herself as the cofounder of a company called Dazzle and Fizz, and brought up the lack of women who scale their business. She said there is a great appetite at grassroots for women getting into entrepreneurship. But the stats of those who scale to the 2 million plus turnover point is pitiful. There is such little information on how to scale a business and lead funding rounds, it can be like learning a foreign language. She said that if we want to be serious about women scaling to big business, which is the only way to have a seat at the table is if women also got a stake in big business. She brought up the issue of venture capital in particular, and said that only 2% of venture capital went to females last year, and that is with a male co-founder. For double-female founded companies, the stats do not even exist. She said often this has to do with the fact that women are more likely to be honest authentic and actually committed to what we are able to do, but the VC world is incredibly masculine and based on who you know and cracking into it can be genuinely very hard. She said that her company had raised 3 million, but it got increasingly hard as a childcare app just did not seem attractive to the VC world.

**Emma** added that when she sold her business, she had a similar problem, and said that part of the problem was that they had seen her as being very emotionally attached to it.

**Flick** invited **Mandy St John Davey** to intervene, who spoke further on the financing aspect, and pointed out that the Welsh government has some interesting schemes in place, a 10 point action plan.

**Shree Pangea** asked the panel on their views on how to train people to be better entrepreneurs.

**Alison** said that bringing entrepreneurs into schools to get them to talk about their experience is a great way of doing this. At university level, she cited Cambridge as an excellent example of business parks being created and forming partnerships with business and approaching it in a more methodical manner. She also added that its important that young people know going to university is not the only road to success especially in entrepreneurship.

**Sandi** added that there is no need to 'reinvent the wheel', there are some good programs that have been run, such as business competitions for young people.

**Helen Glasgow** came into the conversation, and introduced herself as a researcher at the University of Oxford. She highlighted the importance of having children at the time of starting a business, and the importance of maternity leave rights. There are schemes in other countries where you have the right to someone who can take over your duties for six months when you're on maternity leave to help you manage the business. And then also more broadly, things like shared parental leave, are quite important for women entrepreneurs, especially for encouraging younger women to start businesses. If you have more men involved in kind of those caregiving roles, and so it's less on you than the kind of the scariness of starting a business. And then potentially, if you want to have a family, it doesn't have to kind of be one or the other, it can kind of go together a bit more.

**Alison** agreed that maternity allowance is quite a bit less advantageous if you are self-employed.

**Carrie** intervened in the conversation, and spoke about how to achieve all of the things that had been spoken about in the meeting, in particular how to increase VC funding to woman-led businesses. She said the question should not be, how can women be appealing to VCs, but rather what the consequences are for VCs of not investing in women.

The group briefly discussed the importance of how women are conditioned in society, how people speak to young girls and highlight their appearance rather than what they are doing or learning, and how that conditions women in their confidence and relates to how much more difficult it is for women to start businesses.

**Flick** asked the group what proposals they would put forward to government on these themes.

**Sandi** said that we need to have more women in non exec positions within the public and private sector.

**Emma** said that she there needs to be a focus on pensions, and regulation of the online coaching industry.

**Alison** highlighted the importance of access to information and advice, citing the example of libraries she had previously spoken about.

Flick brought the meeting to a close, thanked everyone for contributing to such an informative and interactive session, and encouraged everyone to share their contact details with the APPG to be able to remain in touch.