

Tips + Resources: Women in Business



Money Power Freedom podcast Ep. 4 She's a Boss!

In the journey for financial freedom, many women will find themselves contemplating the #FreelanceLife. But is being your own boss all that it's cracked up to be? Hosts Cal and Santi speak to women who have carved out their own business; found ways to structure business around motherhood; and someone who worked out how to break up with their business partner and stay friends. True story.

QUICK FACTS ABOUT WOMEN + BUSINESS

Women in Business

In the last twenty years, a third of people starting businesses in Australia have been women.¹ Although the rise in female owner-operators is happening at a faster rate than men (7.6% in the last decade compared to 0.3% for men),² it isn't time to start celebrating yet.

Even when taking into consideration the current gender participation rates within the workforce, the number of women business owners make up 12% of employed women, while men who operate their own business represent around 20% of employed Australian men.³

When we get down to business, it's clear that women are still not equal in Australia. Women continue to face barriers in the business world such as **unconscious bias** and **gender stereotypes**, as well as difficulty accessing capital and professional networks which are integral to getting a business off the ground.⁴

Show us the money

The most significant barrier facing women entering business is access to capital (that is, access to loans and other forms of investment that businesses use to both start up and to grow). According to Pitchbook, a leading financial data provider that covers global venture capital, private equity and public markets, in 2018 women

received just 2.2% of \$130 billion in venture capital funding.⁵

Women are both underrepresented as business owners on the receiving end of investment and as the decision makers allocating investment funds to new businesses – only 11 of the 50 partners at the 13 largest venture capitalist funds in Australia are women.⁶ This means that start-ups who are trying to create novel solutions to issues faced by women can't attract the funding they need.

Gender stereotypes + Unconscious bias in business

New businesses seeking investment usually go through a pitch process to attract the attention of a potential funder. Unfortunately, as the pitch process usually involves public speaking and commanding the attention of a room it is a prime opportunity for unconscious bias to creep in. Did an image of a man pop into your mind while reading that last sentence? You're not alone. In fact, research in the US found that 'investors prefer pitches presented by male entrepreneurs compared with pitches made by female entrepreneurs, even when the content of the pitch is the same'.⁷ There are also personal experience, socio-economic and cultural gaps which means women can struggle to get male investors to understand the need or see the potential value of their ideas.⁸

To counteract bias and gender stereotyping, it's vital that funders, business incubators and accelerators collect good data and actively pursue inclusive and accessible processes to ensure diversity and inclusion.⁹

Just as gender stereotypes affect how we as women feel about our ability to "get" money, this extends to the business world. Fewer women self-identify as entrepreneurs and research reports that women have lower average levels of optimism and self-confidence, and a higher fear of failure.¹⁰ Just because women don't feel as if they can be good at business, it doesn't mean it's true.

But here's the good news

Women business operators have high levels of life satisfaction,¹¹ and researchers have found that 'becoming an entrepreneur appears to provide a solution to the problem of maintaining a balance between work and family responsibilities. It not

only allows women to have careers that are vital and challenging, but it also gives them the power to decide when, how, and where their work gets done.'¹²

There is also an excellent economic argument for investing in women, according to a recent report from global management consultancy BCG's Pitchbook. The report confirms what we already knew: startups founded or co-founded by women garner less in investments, but they also generate more revenue. Over a five-year period, startups with a female founder generated 78 cents per dollar invested versus 31 cents for male-founded startups.¹³

There is still work to be done but Australia is increasingly recognising the value of investing in women in business, as shown by the number of local, state and federal initiatives actively supporting women to start up businesses and access capital (scroll down to read more about business tools).

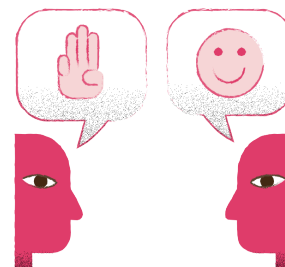
KEY TIPS FOR RUNNING A BUSINESS



Back Yourself

Running a business can be challenging but the great thing about business owners is that they are usually skillful problem solvers. Recognising a gap in the market is a form of problem solving – you see a need or an opportunity and you set about addressing that need through your business. Problem solved! Well, almost.

It's normal to face challenges in building your business and in fact, overcoming obstacles can take your business to the next level. As Laura Youngson says "If you are really passionate about a problem you are trying to solve, that just means you just have to find a solution."

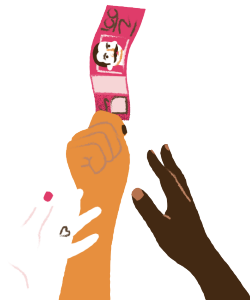


Communication is key

A lot of businesses rely on close working relationships. Whether you are running a business with family members, your partner or a friend, communication is paramount. You need to share a vision for the business, talk honestly about your aspirations and be prepared to have hard conversations about money.

From the beginning, it's important to be on the same page about what steps you and your business partner/s will take if anything goes wrong.

Excellent communication with your clients can also be what sets you apart from your competitors. Being able to communicate about client needs, business processes and outcomes can lead to a better experience for your customers, more repeat business and good word of mouth which means more dollars in your pocket.



Value Your Work

One of the initial challenges many women report when running a business is knowing how to value their work. This can be particularly challenging in creative industries where value can be harder to define. Breeana Dunbar is a lifestyle and portrait photographer who has been running her own business for many years now and has had to work out how to charge for her services in a way that was fair for both herself and the client. After recognising a need to streamline this process she worked backwards to set an hourly rate. After that she felt more confident knowing that her work has value and that there are people out there who will recognise that and pay what she asks.

Support Women

All the women we talked to in this episode emphasised how important it was for them to learn from other business owners about how they made it work. For many of us though, the idea of networking can be intimidating and conjures up anxiety-inducing images of cold canvassing over canapes and handing out business cards to strangers.



But networking doesn't need to be so intimidating – just take a leaf out of Sheree Rubenstein's book. Sheree prefers to lean on her networks of 'stealth mentors' who are women she admires that she meets up with for coffee. She also regularly gets together with other founders to discuss their business goals, and in the process learn from each other and help each other to grow their business. Breeana used her social media networks to let people know that she was starting a photography business and has also shared how she works out her hourly rate to encourage other creatives to value their work.

You could start a group of your own or join an existing women's business group in your local area. The bigger and more diverse your network, the more likely you are to find someone who has the knowledge you need or wants what you are offering.

Learn more:

oneroofwomen.com/about

businesschicks.com/events-tickets/

womensagenda.com.au/events-for-women/

TOOLS

There are plenty of tools and resources out there to help you in developing your business. This is not an exhaustive list but an excellent starting point to help you on your way.

Getting Started

ASIC Money Smarts First Business App:
moneysmart.gov.au/self-employment/first-business-app

Australian Government's Starting a Business Guide:
business.gov.au/guide/starting

Planning a Business General Information:
business.gov.au/Planning

Growing your Business

She Starts – an accelerator program for women:
shestarts.com/

Melbourne Accelerator Program: themap.co/

Victorian Accelerators and Incubator programs:
launchvic.org/programs/accelerators-and-incubators

Funding to help Australian start-ups scale into international markets: business.gov.au/Grants-and-Programs/Incubator-Support-New-and-Existing-Incubators

In addition to these, get in touch with your local council. Many councils have economic development plans that encourage local business and may run or know of local initiatives and grants that support or foster business.

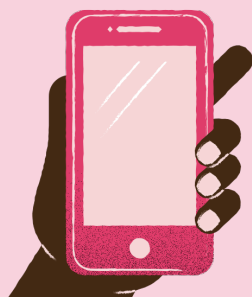
CONVERSATION STARTERS

1. Have you ever wanted to start your own business? What has held you back?
2. Do you know anyone who has started a business? What was that experience like?
3. What has made you support a women-led business in the past? What attracted you to that business?
4. What support do you have around you that could help you get a business off the ground?
5. What strengths and weaknesses would you bring to a business? Can you talk honestly about money?



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