



SHAPING THE FUTURE OF THE CANADIAN BUSINESS LANDSCAPE

Women Entrepreneurs survey

SUMMARY
REPORT

AUGUST 2020



AN INITIATIVE LED BY:

WITH THE SUPPORT OF:



INTRODUCTION

- Before the current crisis, the Government of Canada had recognized that women entrepreneurs face greater challenges than men entrepreneurs to start up businesses, scale up, and access new markets, and had made meaningful investments to help women entrepreneurs succeed. Progress was being felt. But then COVID arrived and exacerbated the needs of women entrepreneurs.

Our survey results are clear, and not surprising:

- The Number 1 challenge for women entrepreneurs in the COVID era is to attract clients. Adapting service offerings, finding new ways to connect with potential buyers and identifying customer leads are the primary areas of focus for almost 80% of women entrepreneurs, followed by the need to expand distribution channels for just over 55% of women entrepreneurs.
- Women entrepreneurs are also focused on enhancing technology (50%) and securing financing (49%).
- Between July 20 and August 3, 2020, a survey led by the Réseau des Femmes d'affaires du Québec (RFAQ) and EY was circulated within the women entrepreneurs networks in Canada, in partnership with women entrepreneurs support organizations from across the country. The objective of the survey was to gain insight on their needs around surviving the crisis and to support their continued contribution to the economic recovery. We received responses from 484 women entrepreneurs across Canada.
- The organizations that supported this survey recognize the potential and the needs of women entrepreneurs, and are committed to continuing to join forces to strengthen the Canadian ecosystem to effectively address those needs. With 16% of businesses owned by women, women entrepreneurs clearly have a role to play to connect with researchers (women entrepreneurs knowledge hub), large buyers (supplier diversity programs), BDC, and other financial services providers to drive an inclusive, digital and sustainable recovery for our country—and women entrepreneurs are committed to doing so.
- With the support of the women entrepreneurs networks working together with governments and the private sector, women entrepreneurs will play a key role to help our country build back better.

WOMEN ENTREPRENEURS PRIORITIES

For the women surveyed, access to market is the most important strategy for the development of their business. Indeed, 78.8% of respondents stated that developing their customer base is a near critical factor in ensuring their business's success. Similarly, 55.6% identified the expansion of their distribution channels as a very important factor for their development.

When asked, 44.8% of the women surveyed shared other strategies that they consider important in the development of their business. Unsurprisingly, the responses tell a story that emphasizes their need for support in reaching the markets: they share their need for marketing and public relations (13.82%), access to mentors, coaches and consultants (11.98%), and access to networks and partners (7.83%).

In Canada, many important government initiatives are centred on access to capital and promoting women in leadership, both of which are important considerations. However, women entrepreneurs are telling us their greatest challenge at the moment is to win new clients and transform the way they connect with existing and potential clients. It was challenging for them to gain access to larger buyers before the crisis: safety measures and working from home makes it even harder. Joining forces to support initiatives for access to market for women entrepreneurs could be key to a great number of success stories, inspire others and have positive impact on access to capital.

#1 most
important
strategy for
78.8%

Developing
their customer
base

(e.g., meetings with potential buyers, identifying customer leads)

#2 Expanding distribution channels
(e.g., pivoting to online commerce, moving into new markets)

55.6%

#3 Enhancing technology
(e.g., enhancing digital capacity, acquiring ICT equipment, upgrading computer system)

50.0%

#4 Securing financing
(e.g., additional finance, assistance applying for a loan)

49.0%

ACCESS TO MARKET



For women entrepreneurs, it all starts with access to market and client base development

- By supporting access to market and client base development programs, governments and corporations will have a positive impact on most women entrepreneurs' needs. Indeed, the impact of increasing their reach can be seen in their financing outreaches and in their growing networks. It helps them hone the business skills they need to become success stories, and consequently inspire other women.
- While digital transformation and financing support are important in the survival of their businesses, women entrepreneurs need clients above all.

How to support women entrepreneurs access to market?

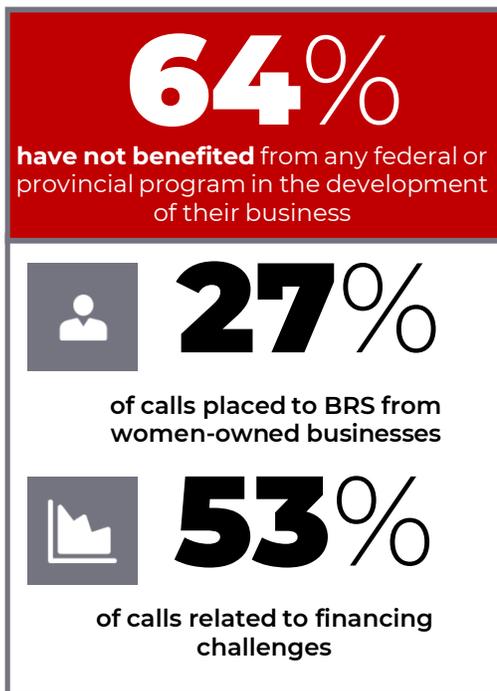
- Governments should lead by example and embrace supplier diversity programs
- Support concrete initiatives for women entrepreneurs to build the bridge with large buyers and develop stronger networks
- Support organizations helping women entrepreneurs in their digital transformation
- Women entrepreneurs need to support women entrepreneurs, through doing business together

Examples of high impact programs supporting women entrepreneurs access to market

- BDC, the only crown corporation with a supplier diversity (SD) program
- Toronto, the only city with a SD program
- IDFAM, a Réseau des femmes d'affaires du Québec (RFAQ) project supporting women entrepreneurs to reach large enterprise supply chains, while encouraging local businesses
- RFAQ +, a platform equipped with artificial intelligence offering privileged access to women entrepreneurs and supply chains of large companies in order to award contracts
- WEConnect International, helps women entrepreneurs in 120+ countries connect to buyers with over \$1 trillion in annual purchasing power through a powerful online global platform, WE Certification, and training for buyers and sellers
- Other organizations that certify minority businesses:
 - Canadian Aboriginal and Minority Suppliers Council
 - Canadian Gay and Lesbian Chamber of Commerce
 - WBE Canada



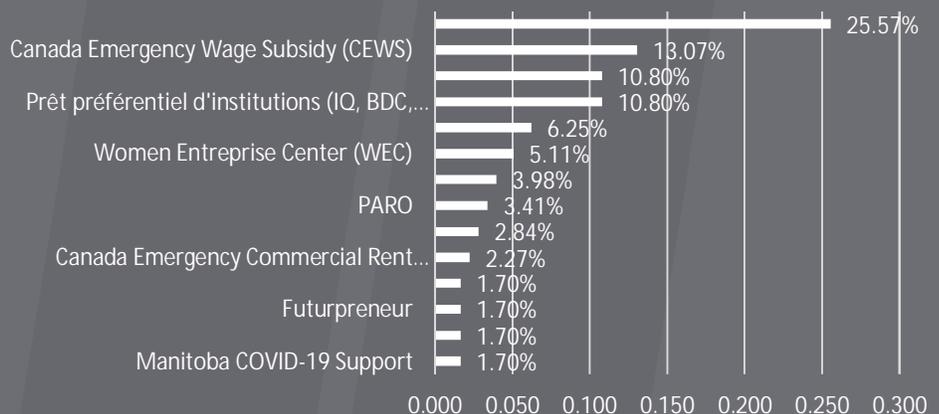
ACCESS TO FINANCING



- No surprise, only 36% of respondents benefited from a federal or provincial government benefit program. Women entrepreneurs highlight the challenges associated around the uncertainty about their eligibility (numerous programs, evolving eligibility criteria) and challenges to navigate the application processes.
- Access to capital was more challenging for women entrepreneurs before the crisis, and is an even greater challenge during the crisis. They were less likely to open a business operating account at a participating financial institution or to seek commercial lending before the crisis. This resulted in a higher proportion of women entrepreneurs not eligible for the Canadian Emergency Business Account (CEBA) program.
- Women entrepreneurs are seeking government support. While they make up only 16% of businesses in Canada, 27% of calls placed to the Business Resilience Service (BRS) were placed by women entrepreneurs. You will find more details on the profile of calls received at the BRS in the Appendix.
- The table below describes which programs women entrepreneurs respondents benefited from.



Women entrepreneurs access to federal or provincial programs



SANITARY MEASURES OPERATIONALIZATION

Endeavoring to resume their business operations swiftly, women entrepreneurs turn towards the federal and provincial governments for guidance on the sanitary measures to be implemented.

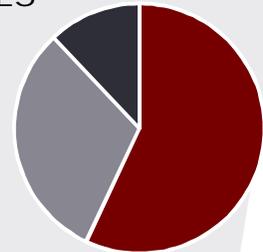
While over 50% are satisfied with the information provided (in quantity, quality and timeliness), 78% feel that they do not or do not know if they have access to screening and testing resources to keep themselves, their employees and their clients safe. Many have difficulties sourcing reliable PPE suppliers, while others struggle with the increased cost of doing business.

Women entrepreneurs need tangible and timely help in obtaining the protection material they so need for their businesses to survive, and the resources available to them must be communicated in a way that is actionable.

Women entrepreneurs' top priority relates to developing their customer base and better access to market. However, their best plans won't come to life if they, or their clients, are not confident in the ability to provide a safe working environment.

Satisfied with the information provided?

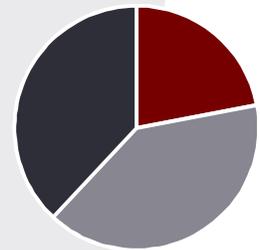
 57% YES



■ Yes ■ No ■ I don't know

Access to screening and testing resources?

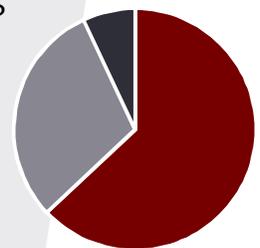
 78% NO / I DON'T KNOW



■ Yes ■ No ■ I don't know

Expecting updates from governments?

 63% YES



■ Yes ■ No ■ I don't know

GOVERNMENT ACTION

While women entrepreneurs surveyed agree that access to market is the most important strategy to ensure their business's development (and survival), they do not expect governments to help them with access to market.

Governments have supported some programs to help women entrepreneurs gain access to market, but women entrepreneurs do not see it clearly and do not expect much impact from those investments based on past experience.

When surveyed, their expectations towards governments are:

- Financial support
- Childcare support
- Access to market information and resources
- Access to PPE equipment, at affordable costs
- Clarity of sanitary measures and timely updates

The survey results highlight the need to do more to:

- Address the Number 1 challenge of women entrepreneurs, access to market, starting with more government departments, more municipalities and more large businesses committing to supplier diversity programs.
- Help smaller businesses navigate the multiple government programs available to them by:
 - Continued support to organizations playing key roles to better coordinate efforts like WEOC, WEKH, BDC, RFAQ and WEConnect International.
 - Leveraging on the BRS experience to better understand the needs of smaller businesses and of women entrepreneurs support organizations to quickly guide them to the most relevant programs and provide coaching.

- As stated early on, the Government of Canada had done much to support women entrepreneurs before the crisis, and strengthen the ecosystem to support women entrepreneurs.
- Working with the Women's Enterprise Organizations of Canada (WEOC), the Government of Canada works with women's enterprise support organizations to champion innovation, broaden expertise and enhance collaboration. WEOC's members support women by providing an array of services, including business skills development, access to financing, networking and export opportunities.
- Supporting the Women Entrepreneurship Knowledge Hub (WEKH), the government of Canada supports a one-stop source of knowledge, data and best practices for women support organizations to drive programs that will deliver greater outcomes for women and make it easier for them to have access to the programs they need.
- Through BDC, women entrepreneurs are provided with a guide of support organization with a summary of programs offered by each to support their needs.

CONCLUSION

- Small businesses matter. Small and mid-sized businesses (SMEs) are the backbone of the Canadian economy, accounting for 90% of all private sector jobs.
- Enabling recovery is critical. Helping SMEs recover will be critically important for the Canadian economy, and many large businesses recognize it will be more challenging for women entrepreneurs.
- Navigating programs can be challenging. Smaller businesses have the greatest challenges navigating the support programs, and women entrepreneurs make up a significant proportion of smaller businesses.
- Public-private velocity. Governments joining forces with large businesses for supplier diversity programs would create great momentum to accelerate recovery.
- Women entrepreneurs have unique needs. Businesses and governments should be more sensitive to women entrepreneurs' needs, and with support from WEOC, WEKH, BDC, RFAQ and WEConnect International could better guide women entrepreneurs to the best support programs to start up or scale up.
- Support and insights together. Governments and women entrepreneurs support organizations would benefit from greater insights on business needs and challenges similar to the program provided by BRS during the rescue phase of the COVID crisis. Leveraging this concept for recovery and growth would be powerful.







APPENDIX

Learnings from Canada's Business Resilience Service (BRS)

About BRS

BRS is a critical point of contact providing guidance to small business owners, NPOs and charities to quickly understand the financial options best suited for them, direct them to the most relevant programs, communicate the information required to quickly and efficiently submit online applications, and access critical funding allowing them to stay in business and effectively prepare for recovery.

Highlights of women entrepreneurs insights

- As of July 3, 2020, BRS had engaged in over 4,000 inbound and outbound support discussions with small business owners, NPOs, charities and industry associations across the country, including 1,041 women entrepreneurs (27% of the total number of discussions).
- BDC estimates that 16% of businesses are majority-owned by women, while we observed that women entrepreneurs accounted for 27% call volume.
- The size of the business is an important factor. SMEs need unique support as they generally have less access to professional resources than larger businesses.



APPENDIX X

Learnings from Canada's Business Resilience Service (cont'd)

Size of businesses supported by BRS

- Government programs are beneficial to most Canadian businesses, however some smaller businesses are potentially disadvantaged.
- Most SMEs are majority-owned by women.



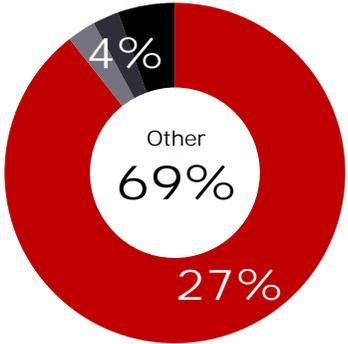
By size of business



By business ownership*

- Women-owned (27%)
- Indigenous-owned (1%)
- LGBTQ-owned (1%)
- Disability-owned (2%)

By size of business for women entrepreneurs





APPENDIX

Learnings from Canada's Business Resilience Service (cont'd)

Who is asking for support?



By sector

General

Women entrepreneurs

	General	Women entrepreneurs
● Hospitality	18%	24%
● Real Estate/Cons.	10%	7%
● Retail	10%	15%
● Health Care, Education	8%	15%
● NPO/Charity	5%	2%
● Financial Services	5%	6%
● Service (e.g., spa, salon)	4%	7%
● Technology, Telco	3%	2%
● Industrial Goods & Mfg.	2%	1%
● Fisheries, Forestry, Ag.	2%	1%
● Oil & Gas, Mining, Power	<1	1%
● Other	11%	13%
● Not available	22%	6%