

# Women's Enterprise Scotland

## Introduction

Women's Enterprise Scotland (WES) is the expert body in the UK and internationally on women's entrepreneurship. Work by WES has been:

- cited by OECD in their Inclusive Business Creation;<sup>1</sup>
- acknowledged by the FSB as the leading model for women's entrepreneurship;
- recommended as best practice at the Women in Enterprise Cross Party Group;
- cited as best practice at the All Party Parliamentary Group on Women's Enterprise at Westminster;
- presented to the Northern Ireland Women in Enterprise roundtable, led by Ulster University, to assist in forming a strategy for influencing NI enterprise policy.
- leading other EU nations in developing Female Business Angel Networks for a new south-east Europe programme<sup>2</sup>

In 2018, WES will be providing support services to the Welsh Government as they implement their strategy to grow women's entrepreneurship. In addition, WES will be delivering research for a UK business membership organisation into the economic contribution of women-led businesses and the extent to which this opportunity is being realised in practice. WES has also been invited to tender as the lead organisation in a further EU project consortium on access to finance for innovative SMEs.

## Funding

WES welcomes the opportunity to submit views on the funding of the implementation of the Women in Enterprise Framework for Scotland (the Framework). As well as presenting views below, WES has given examples of project funding received and outcomes achieved.

The Government's Programme for Scotland (2016 – 2017)<sup>3</sup> agreed to tackle the gender-gap in enterprise by investing £200,000 into actions delivered through the Women In Enterprise Action Framework<sup>4</sup>. From this allocation, Women's Enterprise Scotland (WES) received £60,000 to develop the successful WES Ambassador programme supporting 15 Ambassadors who

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<sup>1</sup> 'Inclusive Business Creation' OECD [http://www.oecd-ilibrary.org/industry-and-services/inclusive-business-creation-good-practice-compendium\\_9789264251496-en](http://www.oecd-ilibrary.org/industry-and-services/inclusive-business-creation-good-practice-compendium_9789264251496-en)

<sup>2</sup> GROWTH programme 02/06/2016 The European Community of Women Business Angels for Women Entrepreneurs, EU DG for Internal Market, Industry, Entrepreneurship and SME's. CHECK THIS REF...

<sup>3</sup> A Plan for Scotland 2016 -17. The Government's Programme for Scotland. Scottish Government (2016)

<sup>4</sup> This refers to the Women in Enterprise Framework and Action Plan (2014) and not the refreshed Women in Enterprise Framework published in 2017.

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act as role models for women in business. In June 2017, it was announced that funding for women's enterprise would be doubled to £400,000<sup>5</sup>. In October 2017, it was announced by First Minister Nicola Sturgeon that a range of projects would share £230,000 of funding to tackle the gender gap in enterprise, and help break down some of the barriers which can prevent women achieving equality in business<sup>6</sup>. Of this allocated funding, Women's Enterprise Scotland again received £60,000 and have recruited and trained an additional 25 ambassadors to act as role models, having received scores of applications.

WES cannot comment on the awards made to other organisations<sup>7</sup> in terms of strategic priorities or key targets and outcomes, however, WES is disappointed that funds have been allocated out with discussion with Framework partners. This is not in the collaborative spirit of the Framework, affording no opportunity to input on strategic priorities or measurement.

### **The WES Ambassador Programme**

Role models are a crucial theme within the Strategic Framework and Action Plan for Women's Enterprise in Scotland. Studies continue to show that role models offer a source of inspiration and insight, helping women in business to address issues and supporting business sustainability.

The Ambassador Programme (AP) has attracted much interest from the media and the business ecosystem. Media activities have ranged from discussion on the gender pay gap in enterprise on Women's Hour on Radio 4, to TV coverage of women leading diversification in agriculture and rural enterprise. WES Ambassadors regularly feature in national newspaper articles and total targeted media coverage is over 10m. Business activities include speaking in schools, at Chambers of Commerce events, at Business Gateway events, at RBS business events, at the first Amazon digital sales conference and at the Business in the Parliament event.

Scores of women applied to be a WES Ambassador this year and WES capitalised by recruiting 25 women. This is more than double the 2017/18 target of 10 and takes the total from 14 to 39 Ambassadors to be trained and supported. Yet with no increase to the £60,000 annual AP funding this year, WES is now unable to implement the AP digital strategy to reach those unable to attend events e.g. due to caring commitments or for those living in a more remote location. Boosting Ambassador reach to such areas would be hugely valuable. It would also be beneficial to recruit and train male Ambassadors and corporate champions. The total budget to deliver the AP in 2017/18 is

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<sup>5</sup> <http://www.gov.scot/Publications/2017/06/2154/4>

<sup>6</sup> <https://beta.gov.scot/news/tackling-the-gender-gap-in-business/>

<sup>7</sup> Other awards included Business Women Scotland's #BWSLiveEvents programme to receive £60,000. The Principally Women Programme, delivered by Scottish Enterprise, to receive £60,000 to encourage inclusive growth of female company leaders. The Ingenious and Enterprising Women in Scotland programme received £50,000. Led by the Universities of Glasgow and Edinburgh, the programme will support female early career researchers in industry and academia.

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£60,000, equating to a cost of c£1,500 per highly trained, active, media-aware, inspirational, visible, Ambassador.

### Funding the Framework for Women's Enterprise

As the Framework has now been refreshed, we would welcome a more strategic approach to the funding of activity on women's enterprise than the fragmented approach to date.

Women's inequality in the labour market is a drag on economic growth and WES would urge government to act and identify women as a key sector of strategic priority, including economic development spend, in order to deliver on Scotland's Economic Strategy which highlights, '*..maximising economic opportunities for women to participate fully in the economy*'. There is no discernible improvement to the gender pay gap in enterprise, which latest data puts at 33%<sup>8</sup>, almost double the employment pay gap of 18%.

Individual projects are funded but there remains no collective summary of project targets and outcomes achieved. To leverage return on investment and achieve change, a full strategic approach is needed with targets, timescales and outcomes aligned with the Framework.

Pending the implementation of a full strategic approach, initial gains could be made by aligning existing projects. For example –

- Funding for 'Investing Women' has been doubled to £120,000 and the targets and outcomes should be aligned with work on the theme of Growth & Finance within the Framework;
- Funding for WES remains static at £60,000 and targets and outcomes align with the Framework theme of Role Models;
- Funding for the Business Women Scotland #BWS Live Events of £60,000 aligns with the Framework theme of Mentoring and Networking and targets and outcomes should be aligned accordingly;
- Funding for 'Ingenious Women' (IGW) of £50,000 comes from the Women in Enterprise budget. While this is welcomed, it is unclear as to the fit of this programme with the Framework themes. However, WES are currently in discussion with IGW and will be working collaboratively with IGW to include the gender expertise of WES within the IGW programme delivery;
- Funding for the Scottish Enterprise 'Principally Women' programme of £60,000 has also come from the Women in Enterprise budget but it is unclear where this programme links to the Framework, or what gendered techniques are embedded in the programme. Given scarce resources, it is disappointing that funds from an already stretched women's enterprise budget are allocated to one of the major economic development and growth agencies in Scotland when European best

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<sup>8</sup> Pensions Policy Institute 2017

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practice<sup>9</sup> recommends mainstream programmes of work should be supporting women in business.

The above projects represent total funding of £350,000 and it is not clear where the remaining £50,000 of the £400,000 2017/18 budget announced will be spent. Consideration could be given to supporting greater roll-out of successful pilot programmes such as leadership for growth or business creation (see following section), boosting the existing Ambassador Role Model Programme, progressing the measurement dashboard or allocated to new initiatives such as growth support for over-50s women entrepreneurs (see following section).

### **Inclusions in Forthcoming Budget**

Challenges for women led businesses in Scotland include gender blindness in policy development, discrimination, achieving credibility for the business and balancing work and family commitments. In a survey conducted by WES for the recent Enterprise and Skills Review, 78% of respondents said advice services should be more aware of the differences in support needs between women and men in business.

WES recommends that any strategic approach includes funding a National Women's Business Centre as a centre of excellence in business start-up and growth support, with satellites throughout Scotland and across urban and rural areas. This would serve to complement existing service provision and ensure that women – as a key sector in the Scottish economy – would have access to critical areas of support, from business creation through to growth, scale-up and beyond.

A national centre of expertise would champion and co-ordinate delivery of needs-based programmes, such as the pilot women's leadership programme in Fife and the women's business creation course at Glencorse. In addition to providing training for business advisors and support for new market segments such as the over-50's where latest research is indicating significantly higher than average business sustainability rates. Input would be co-ordinated to new initiatives such as the Scottish National Investment Bank, where a gendered approach to risk management would support efficient capital allocation and return on investment.

Establishing a National Women's Business Centre would provide a mechanism to unlock the £7.6bn economic opportunity from more women realising their business potential and offer mitigation for the £8bn adverse economic impact of Brexit<sup>10</sup>. The model of women's business centres has already been successfully established in other nations and recently opened in London.

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<sup>9</sup> Economic Benefits of Gender Equality, European Institute of Gender Equality (EIGE) 2017

<sup>10</sup> Long term Economic Implications of Brexit in Scotland' Fraser of Allander Institute (2016)

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Funding for a National Women's Business Centre should be commensurate with the business opportunity. For example, £5m funding would represent an investment of less than 0.07% of the £7.6bn business opportunity; £10m would represent less than 0.15%. In context, funding of £10m is less than 5% of the Scottish Enterprise annual budget.

### **Gendering economic development spend**

The focus in the Scottish Government Economic Strategy, which presents equality and competitiveness as twin pillars is welcomed by WES - putting equality at the centre of economic policy. Unlocking the £7.6bn economic opportunity represented by women and tackling the gender pay gap in enterprise, can be achieved through tools such as equality impact assessment and gender budget analysis. Gendering economic development spend is critical to making progress.

For example, City Region Deals offer the potential for new collaborative regional partnerships, focused on long-term strategic approaches to improving regional economies. Women's enterprise forms a key part of local and regional economies and equality impact assessment (for all protected characteristics) is an essential part of the process. It is crucial that women's enterprise is included as part of City Region deals in order to support a long-term focus on the priorities required to deliver Scotland's Economic Strategy – including the implementation of the Women's Enterprise Framework. Gender disaggregated data on all City Region Deal investments, targets and outcomes should be supplied to measure delivery here.

The Framework includes a section on data which is welcomed by WES as it is difficult to secure regular, accurate data on women in entrepreneurship and related support and investment. Even OECD<sup>11</sup> claim that the lack of 'solid, reliable data' is a challenge when trying to boost women's entrepreneurship, and they call for more 'gender specific data in this area'. The OECD also recommends increasing the quality and quantity of data by gender; improving evaluation of public policy; and applying a gender responsive approach throughout the public financial management cycle, as well as conducting more gender impact assessment. WES supports those recommendations and calls for urgent action to provide gender disaggregated data on all economic development spend, targets and outcomes.

### **Outcomes of other WES project delivery**

Following research-led insights and best practice in market, WES has piloted several programmes:

**Business Advisor Gender Balance** is a quality standard for business advisors which includes a two-day training course and continuing professional development. Local Business Gateway areas including Fife, Edinburgh and Midlothian have funded business advisors to complete the course and achieve

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<sup>11</sup> 'Closing the Gender Gap'. OECD, (2012)

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certification. Positive feedback has been received from staff and clients and case studies are being compiled.

**Start-up With WES** is a business creation course for the spouses and partners of military personnel funded by the MoD Covenant Fund. At the start of the course 57% were not confident about starting a business but by the end of the course 100% were confident and 76% had started up a business. The second course is about to complete with similar results.

**Lead With WES** is a leadership for growth course funded by Fife Business Gateway. Twelve places were offered and booked out in days, resulting in a further twelve places being made available which again booked out in days. The course concludes in January 2018 and already participants are pointing to business growth and enhanced business leadership skills. Examples include collaborations to build sales, taking on new premises and launching new websites. A second course has already been commissioned for 2018 by Fife Business Gateway.

Funding to enable these pilot programmes and associated economic benefits to be more widely accessible and available would be welcomed.

### **Pro bono work of WES**

WES has undertaken pro-bono work during 2017 to establish a baseline for the state of women's enterprise. Measurement is a critical theme of the Framework, yet currently there is no view of total economic development spend by gender. A measurement dashboard urgently requires to be established to provide gender disaggregated spend and outcome data across each of the Investment, Innovation, Internationalisation and Inclusive Growth economic strategy pillars. It would be helpful if this current work could be funded, so further input could be progressed from economists and academics and a collaborative measurement dashboard established.

Other pro-bono work delivered includes support and input to the Enterprise and Skills Review, input to the Gender Pay Gap Inquiry, one-to-one support for women-led businesses and signposting to support for women-led businesses. Also working with the Scottish Government team on the development of the Gender Index for Scotland with a key role in the development of indicators for economic development – and providing support to the Women in Enterprise Cross Party Group.

### **In conclusion**

WES seeks to ensure that 'Women in Enterprise' is fully understood as a crucial area of economic priority, engaging all relevant Scottish and UK government departments to promote an improved policy and legislative framework for women's enterprise.

Actions aligned with the refreshed Framework and monitoring effectiveness of economic development policy and investment– including equality impact assessment - is essential to collect systematic evidence on business advice

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and support methods. WES recommends that any strategic approach includes funding a National Women's Business Centre as a centre of excellence in business start-up and growth support. This would serve to complement existing service provision and ensure that women – as a key sector in the Scottish economy – would have access to critical areas of support, from business creation through to growth, scale-up and beyond. In addition to providing a targeted focus on unlocking the £7.6bn economic opportunity from closing the gender gap in enterprise activity and participation.

WES also advocates for gender budget analysis to form part of the Scottish budget process as this would highlight the impact of different spending allocations on both women and men while the budget was being developed.

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