



# Women entrepreneurs: Developing collaborative ecosystems for success

April 2016





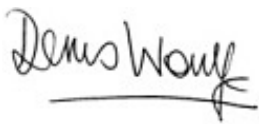
# Preface

The Women's Business Council was set up by the UK government in 2012 as an independent working group to advise on how the contribution of women to economic growth can be optimised. It is made up of senior business leaders across key sectors. They report to the Minister for Women and Equalities, Nicky Morgan, and are supported in their work by the Government of Equalities Office.

Deloitte LLP has undertaken a strategic project for the Women's Business Council, to assess the current impact of women entrepreneurs on the national economy and how to enhance it.

This summary report notes the relatively low level of involvement by women in early-stage entrepreneurial activity as compared to men, and makes recommendations for increasing the growth rate of women-owned businesses to achieve a scale where the businesses are more likely to sustain success in the longer term and make a bigger impact on the national economy. We believe that our recommendations, if implemented, will contribute to helping women entrepreneurs achieve the true potential of their businesses.

We would like to thank everyone who contributed to the report and especially to Emily Bendell, Lucinda Bruce-Gardyne and Sandra Sassow who contributed their stories included in the appendices.



**Denis Woulfe**

Vice Chairman, Deloitte LLP



**Prashant Bharadwaj**

Director, Deloitte LLP



**Baroness Ruby McGregor-Smith**

Chairperson, Women's Business Council  
CEO Mitie Group plc

# Foreword

Small businesses are the lifeblood of the UK economy and, having run my own business for nearly 20 years, I'm particularly pleased that Britain has been ranked as the best place in Europe for female entrepreneurs.

This is fantastic news but we are not complacent. We must continue to capitalise on the wealth of skill and talent that female entrepreneurs bring to the UK economy. The Women's Business Council identified that if women were setting up and running new businesses at the same rate as men, there could be one million more female entrepreneurs shaping and owning their own careers.

That's why reports like this one are so important. Through this report Deloitte LLP, sponsored by the Women's Business Council and the Government Equalities Office have set out some of the challenges still faced by female entrepreneurs who wish to start, grow or diversify their business. Having run a business in the manufacturing sector I recognise and empathise with some of the issues raised in the report.

To tackle the barriers which hold many women back the government has taken action to support female entrepreneurs. We have sponsored a number of mentoring roadshows and invested £1.9 million in the Get Mentoring project which recruited and trained over 15,000 volunteer business mentors from the small business community, 6000 of whom were trained specifically to support female entrepreneurs.

We have also delivered bespoke digital and business training to help women in an ever growing digital market compete with their male counterparts and our Start-up Loans has now made over 28,000 loans with nearly 40% of these going to women.

With more women-led businesses than ever before, generating £85 billion into the UK economy, we have made significant progress. However, there are more women with great entrepreneurial ideas that need support to help their business succeed. We will continue to support women-led businesses and will consider the recommendations of the report very carefully.

I am very grateful to Deloitte and the Women's Business Council for carrying out the strategy project.



**Caroline Dinenage**

Parliamentary Under Secretary of State for Women, Equalities and Family Justice

# Executive Summary

There has recently been a substantial increase in the number of start-up businesses in the UK. In 2015, 608,100 new businesses were registered with Companies House, becoming the fourth consecutive record-breaking year, almost 40 per cent more than the number of new businesses in 2011.

Many of the businesses created since the 2008 recession have been established by women. However, in spite of the record number of new business registrations in 2014, the proportion of working-age women engaged in early stage entrepreneurial activity fell from 6.3% in 2012 to 5.7% in 2014. By comparison, this is about half the level of early stage male entrepreneurial activity, a return to the long-run average.

It has also been observed that, historically, the longevity rates for women-led early-stage businesses have also been lower and this contributes to the proportion of women-led businesses scaling less effectively than those led by men.

This report considers the reasons for the apparent disparity between men and women-led SME businesses and proposes measures to increase the scale of women-led entrepreneurial businesses to a size from which they can grow over time into established SMEs and, in some cases, into larger and possibly international businesses.

It is well known that entrepreneurship supports economic growth, therefore addressing this imbalance is important to the UK economy. According to the data from the BIS Small Business Survey 2014, around 1 million (20%) of all SMEs in the UK were majority women-led in 2014, contributing £85 billion to the UK economy.

Drawing on our research, and on conversations with successful women entrepreneurs across the UK, we have identified some key underlying barriers to entrepreneurship, which often limit scale and success:

1. A lower level of self-belief and lower appetite for risk compared with equivalent male entrepreneurs;
2. A self-perception by women that they lack ability in key business functions;
3. Limited access to relevant role models, quality mentors and professional networks.

In our view the consequences of these key barriers, combined with the more general challenge for women in trying to find a balance between work and family life, have been a limited uptake of entrepreneurship, especially in the 18-34 age group, and a tendency by many women entrepreneurs to maintain sub-scale businesses when compared to men.

The objective should be to provide a better environment in which women-led entrepreneurial businesses will succeed at similar levels as for men, for the benefit of those businesses, their stakeholders and the national economy.

If we can potentially increase the current levels of participation to ten per cent, the same as the current proportion for men, then Deloitte estimates that women-led SMEs could potentially contribute in excess of £180bn GVA to the UK economy by 2025, over twice the 2014 level of £85bn.

Support for women entrepreneurs is already provided by many organisations in a range of different ways. However, we have found that these organisations lack co-ordination and services are variable in quality, making it difficult to connect with the best support. There are a number of government-led initiatives and other external networks for assisting women entrepreneurs, but more needs to be done in a cohesive and co-ordinated manner. In reaching our conclusions, we have compared what exists in the UK with best-in-class around the world.

Our work leads us to two key recommendations which would in our view help level the playing field and assist women entrepreneurs.

First, the government could support a new digital platform giving women entrepreneurs a good-quality resource base and enabling easier access to relevant role models, support groups, business mentors and a wider network of assistance.

Secondly, a programme could be created in the form of a Women's Enterprise Academy, to provide development opportunities for the most ambitious and talented women entrepreneurs and help them to scale their businesses more effectively and achieve their true potential. This could be done by establishing a partnership of leading businesses, entrepreneurial networks, business schools and support from government.

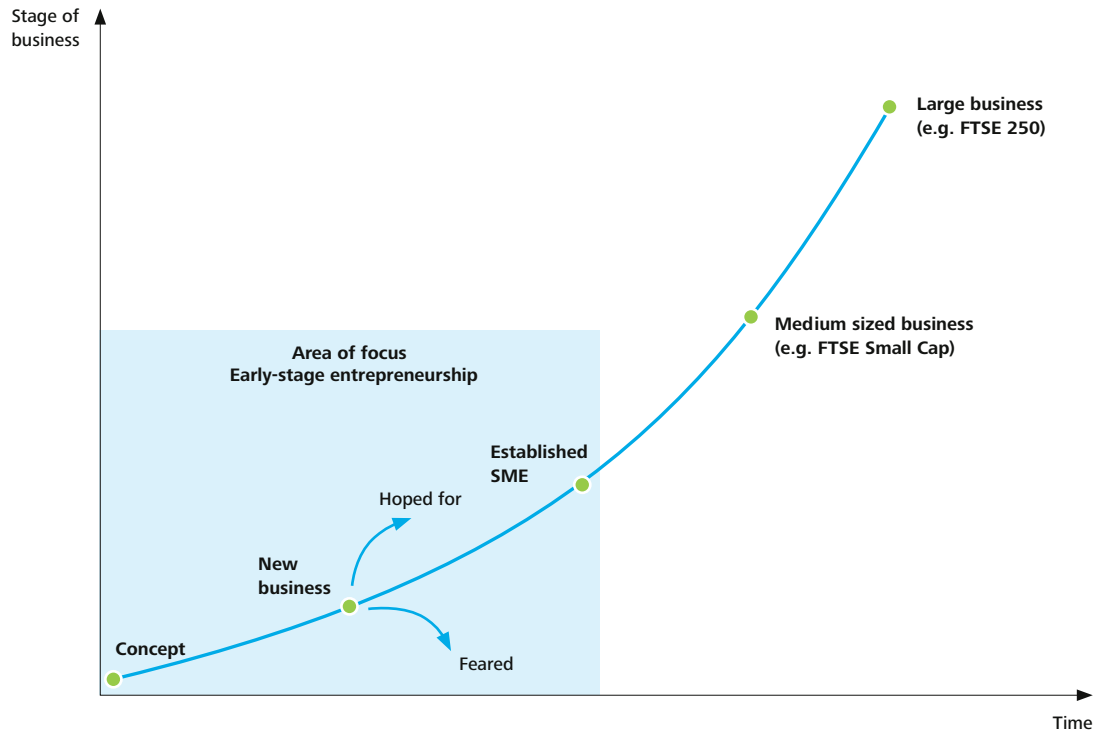
# Supporting early stage women entrepreneurs

## Progressing from early stage to established SME

According to the Global Entrepreneurship Monitor, early stage entrepreneurial activity includes individuals in the process of starting a venture to those with businesses less than 42 months old.

Early stage businesses either successfully progress between struggling start-up to more established SME business, or they fail to make the crossing and end in failure or remain sub-scale (see Figure 1).

**Figure 1. Entrepreneurial business life-cycle**



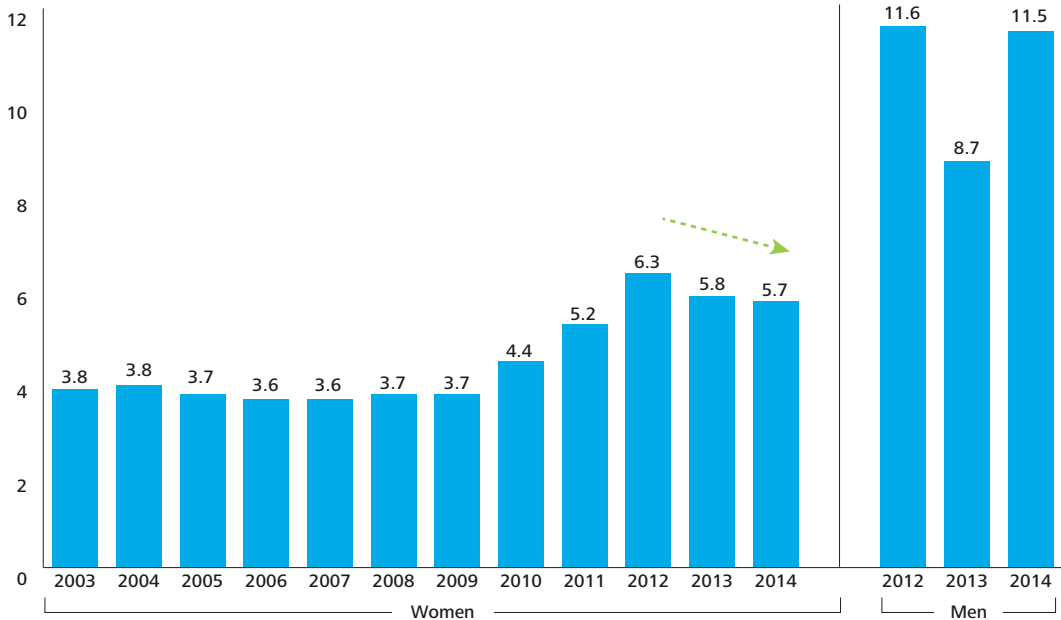
Source: Deloitte analysis

There has recently been a substantial increase in the number of start-up businesses in the UK. In 2015, 608,100 new businesses were registered with Companies House, becoming the fourth consecutive record-breaking year, almost 40 per cent more than the number of new businesses in 2011.<sup>1</sup>

Historically, participation by women in early stage entrepreneurial activity has been low at about 3.7 per cent of working age women between 2003 and 2009. Though there was an increase in the number of business registrations by women up to 6.3 per cent in 2012, this is likely to have been a reaction to the financial crisis and the proportion has since fallen to 5.7 per cent in 2014. In comparison, the proportion for men is more than twice the level of women at 11.5 per cent in 2014 (see Figure 2), marking a return to the long-run average.<sup>2</sup>

**Figure 2. Reduction in women participation levels**

**% of UK labour engaged in early stage entrepreneurial activity**



Source: Global Entrepreneurship Monitor, Adult Population Survey, 2015



It has also been observed that historically the longevity rates for women-led early-stage businesses have been lower than those for men.<sup>3</sup>

It is important that there should be more early stage businesses achieving longer-term survival and scale, as this will lead to more businesses becoming established SMEs to contribute more to the nation's economic growth. These businesses could also serve as potential role models for other aspiring entrepreneurs contributing to a larger proportion of successful women entrepreneurs.

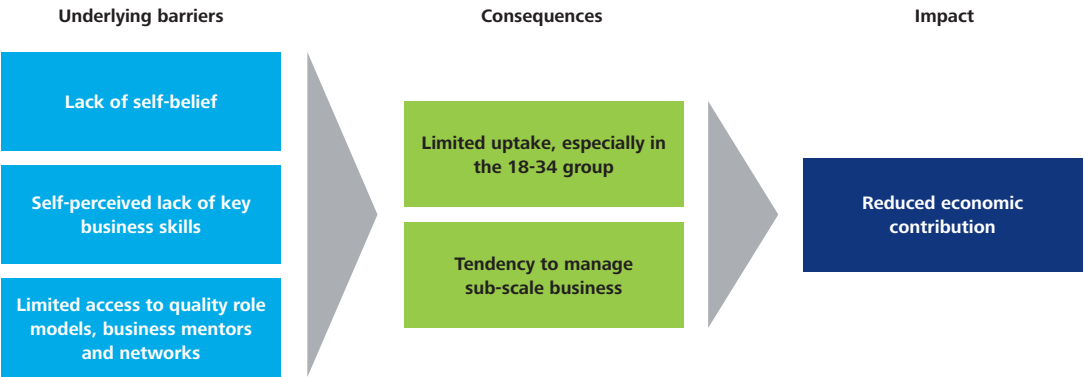
It may be asked why in this report we are recommending more support specifically for women, since similar entrepreneurial challenges arise regardless of gender.

The rationale is that although the numbers of women engaged in entrepreneurial activity have increased since the previous decade, participation by women is still relatively low and approximately half the level of men. Since there are substantially fewer women entrepreneurs than men, it seems likely that the potential of women in this area is not being harnessed as well as among men, and therefore requires further support. A larger representation of women among business entrepreneurs would also increase the diversity of businesses, stimulating innovation and changes in processes and market practices.

**Barriers to scale and success: why do the problems exist?**

Through research and interviews, we have identified three significant underlying barriers that constrain the ability of women to maximise their economic potential as entrepreneurs (see Figure 3). These barriers act as a restraint on the ability of women to develop their entrepreneurial skills.

**Figure 3. Barriers to Entrepreneurial scale and success**



**Lack of self-belief.** Research by the Global Entrepreneurship Monitor (GEM) in 2012 found that among a sample of entrepreneurs, only 33 per cent of women had a belief in their own capability and 45 per cent feared personal failure. The corresponding figures for men were 50 per cent and 35 per cent respectively.<sup>5</sup> We believe this contributes to why women are less willing than men to become entrepreneurs.

**Self-perceived lack of key business skills.** Research by GEM, a survey by Barclays and our interviews all show that a large number of women believe that they lack key business functional skills to build a strong foundation for their businesses.<sup>6</sup> These include skills, for example, in financial management and market development which are crucial to scaling a business successfully.

**Limited access to quality role models, business mentors and networks.** Research by Deloitte and a report by Barclays has found that, relative to men, women entrepreneurs lack strong role models and mentors to help develop and inspire them. The risk of isolation is particularly critical for those who are looking to scale up their business. The women in our interviews acknowledged that opportunities for building and operating professional networks were limited, and they needed help to get the best out of business networks. We found that although women are often great social networkers, this does not automatically transfer into professional networks. Having access to a strong network of business partners can increase the chances of entrepreneurial success.

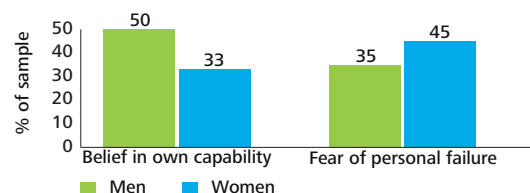
## Consequences of the underlying barriers

**Limited uptake especially in the 18 – 34 age group.** Research by GEM in 2013 found that although participation in early-stage entrepreneurial activity is lower among women than men across all age ranges, the difference is much greater among the younger adult age range of 18 – 34. The need to manage multiple priorities, with the challenge for many women of supporting their family and children, becomes more pronounced at the upper end of this age group. The objective should therefore be to find ways of encouraging more young women entrepreneurs, and providing them with greater support and access to relevant role models. For women with families to look after, building collaborative networks can help them to identify creative ways of combining affordable and quality care for children and other dependents with the demands of managing a growing business.

**Sub-scale businesses.** An SME Women Survey by the Department for Business, Innovation & Skills (BIS) in 2010 found that in comparison with entrepreneurial ventures led by men, those by women were smaller, generating much less revenue.<sup>9</sup> It would appear that women are less likely than men to take the steps, and the risks, that will enable their businesses to grow more. In our view this is a critically important issue, and one that must be addressed if we are to see a meaningful increase in the numbers of successful women entrepreneurs leading businesses of scale.

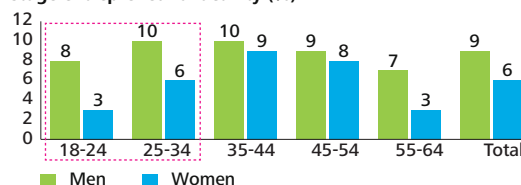
**Figure 4. Analysis of key barriers and consequences**

### Self belief



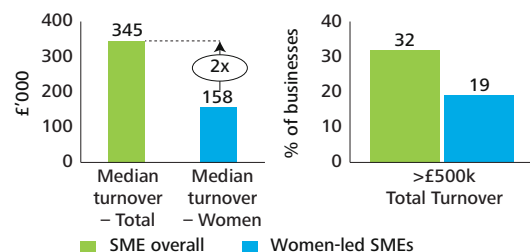
Source: GEM, Women's Report, 2012

### Limited uptake by 18-34 age group – involvement in early stage entrepreneurial activity (%)



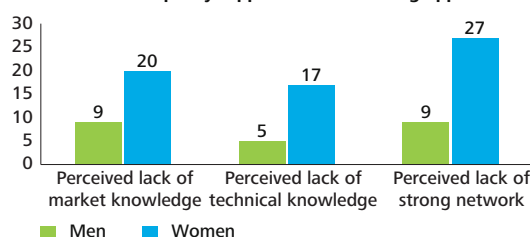
Source: GEM UK APS, 2014; Deloitte analysis

### Sub-scale ventures



Source: BIS, Small Business Survey 2010

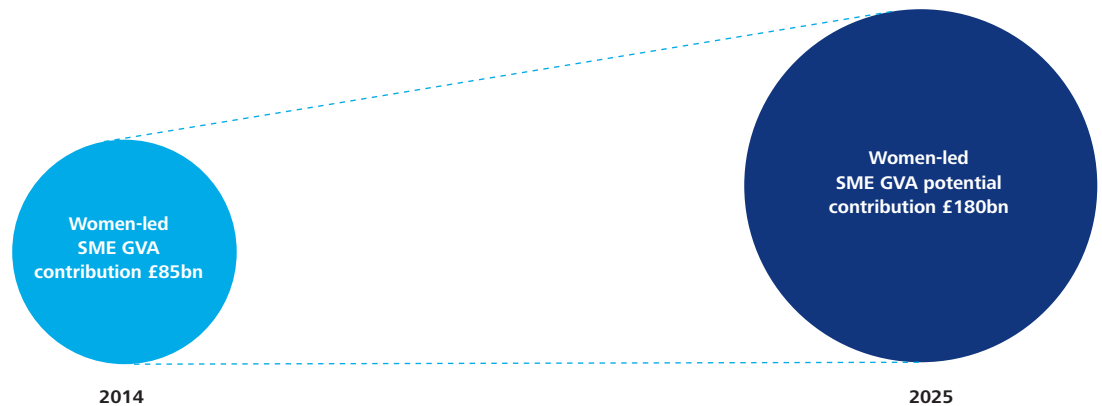
### Limited access to quality support and networking opportunities



Source: Centre for Entrepreneurs and Barclays, Shattering Stereotypes, 2015

A report by the Women's Business Council made reference to an estimate that women-led SMEs contributed £85 billion in Gross Value Added (GVA) to the UK economy in 2014. If we were able to increase the current levels of participation in entrepreneurship to ten per cent of working-age women, the same level as for men between 2010 and 2014, Deloitte estimates that the women-led SMEs could potentially contribute in excess of £180bn GVA to the UK economy by 2025. (See Figure 5.)

**Figure 5. Potential contribution of women-led entrepreneurial businesses to the economy**



Source: Deloitte analysis. See Methodology of economic model p23

Meeting the needs of women entrepreneurs

We have identified several options which would meet the needs of women entrepreneurs, each with a different level of involvement by individuals (see Figure 6). Each approach has benefits and limitations.

Figure 6. Range of support options

	Annual summit	Online training	Support group hosted events	Business school	One-to-one mentoring
Description	Annual event for women entrepreneurs	Online platforms for skills training	Events hosted by support groups for women and family	Training through a business school	Access to high-quality coaching and mentoring
Benefits	Significant networking opportunity	Content training for a wide audience; more suited to digital-savvy entrepreneurs	Networking opportunity and mentoring support	Leverage existing delivery channels. Access to business school alumni network	Personalised and tailored
Limitations	Limited mentoring and follow-on support	Limited networking or mentoring opportunities	May not be tailored for specific needs. Lack of follow-on support	Can be expensive. More suited for university educated entrepreneurs	Can be expensive. Limited networking opportunity

A number of organisations already deliver these methods of support to women-led businesses; however this support lacks cohesion and, based on our interviews, varies in quality. The development of self-supporting networks of entrepreneurs is particularly important to meet the needs of women entrepreneurs.

Our research and interviews have highlighted the need to avoid a ‘one-size-fits-all’ type of support for women entrepreneurs. Segmentation of early-stage women entrepreneurs by life stage or industry/sector of their businesses is a preliminary step towards tailoring support to address their different needs. We have articulated one such segmentation in the Appendix A.

### **Making things better**

We have emphasised that maximising the success of early stage businesses allows them to develop first to a size where they are more resilient, and then into established SMEs. In order to maintain the higher participation levels of women in entrepreneurial business that we have seen in recent years, and to stimulate growth in these businesses, we need a more focussed and connected programme of initiatives, involving a systematic approach to supporting women entrepreneurs to scale their businesses.

In 2012 the government launched a Start Up Loans campaign to provide advice, funding and mentoring to start-up businesses owned by entrepreneurs aged 18+. The available funding was increased in 2013 to £110 million over three years.<sup>11</sup> Start Up Loans approved 37 per cent of loan applications by women entrepreneurs in 2014 which compares to the national average of just 18 per cent.<sup>12</sup> We see a potential danger that this valuable initiative could lose momentum unless follow-on support is provided to those early-stage women entrepreneurs who have made some progress through the campaign. We need to strengthen the impact provided through existing women support groups by creating a greater degree of connectedness and ease of access.

Supporting women entrepreneurs is not just about increasing the number of women-owned businesses: it is also about raising their performance and growth potential.

As we have noted earlier in the report, the need to manage multiple priorities (such as home, child care and work) is usually more pronounced among women as compared to men. The challenge is to aid the development of self-supporting entrepreneurial networks where women can tap into a broad network of people for support and guidance, so that they feel comfortable in 'taking the plunge' without feeling guilt of sacrificing other priorities.

In making our recommendations we are mindful that the need to support women entrepreneurs is a nationwide challenge. It is not restricted to particular groups or individuals. The same problems are faced by women from different ethnicities, different parts of the country and different educational backgrounds.

### Deloitte recommendations

Our research leads us to make two key recommendations. We believe that implementing them together will reduce the three barriers restricting greater participation by women in sustained and successful entrepreneurial activity and assist women entrepreneurs in building collaborative networks.

Recommendations		
Action	Description	To address underlying barriers
1. <b>Digital platform</b>	Develop an easy-to-use digital platform that follows the 'best practice' model of the US Small Business Administration. The UK government could support the development of a digital platform, which would provide a two-way portal for women to access SME resources, such as role models, mentors and other best practices. This would also include access to an online community across relevant support groups, to foster greater connectivity and collaboration and to ensure greater consistency in the quality of support delivered to women entrepreneurs.	<ul style="list-style-type: none"><li>• Self-perceived lack of key business skills</li><li>• Limited access to quality role models, business mentors and networks</li></ul>
2. <b>Women's Enterprise Academy (WEA)</b>	Establish a three-year programme to assess and help ambitious, early-stage women entrepreneurs to more successfully scale their businesses. This programme for a select cadre of women entrepreneurs could provide tailored training, access to relevant mentors, and opportunities for women entrepreneurs to showcase their businesses.	<ul style="list-style-type: none"><li>• Lack of self-belief</li><li>• Self-perceived lack of key business skills</li><li>• Limited access to quality role models, business mentors and networks</li></ul>

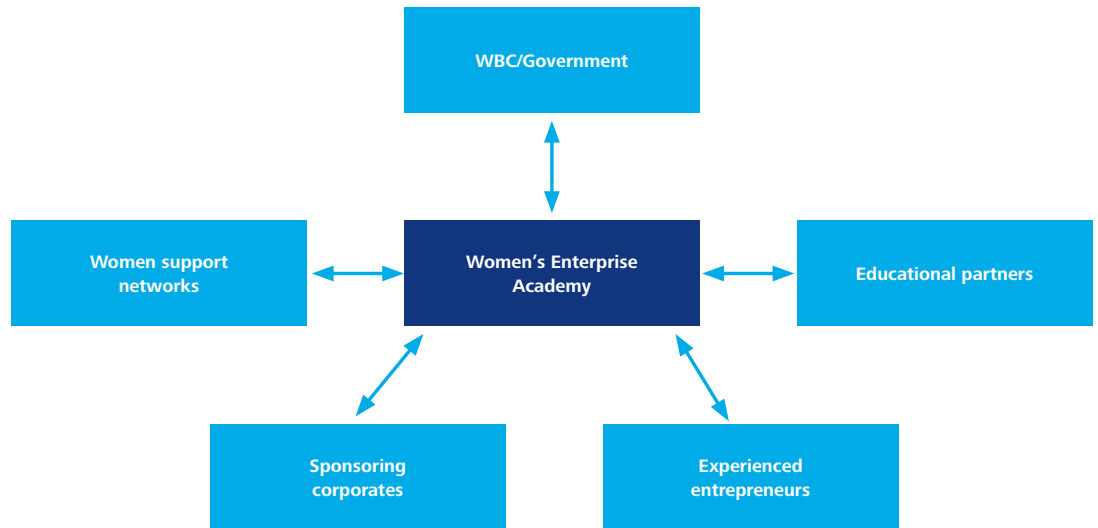
### Women's Enterprise Academy

Responsibility for the first recommendation lies with the Department for Business Innovation & Skills, Department for Education and Government Equalities Office.

However, a **Women's Enterprise Academy (WEA)** could place itself at the centre of an ecosystem of support for women entrepreneurs (see Figure 7), similar to the position Tech City UK has with digital businesses. The objective of the WEA could be to support a select number of high-potential women entrepreneurs who have already set up in business, and help them to grow and develop their early stage ventures into successful businesses.

A WEA would need strong government support, and also a substantial contribution from the business private sector and business schools, which have the expertise and experience on which entrepreneurs can draw. We therefore believe that the WEA would be established most effectively through a public-private collaboration.

**Figure 7. The WEA ecosystem**



We define the WEA 'ecosystem', with support from the government and WBC, as an environment in which women-led entrepreneurial businesses can develop successfully, assisting ambitious women entrepreneurs across all socio-economic backgrounds throughout the UK. It would be composed of trusted and independent partners. Its programme of support would include mentoring and advice, business skills training, the creation of business networks for women, one-to-one mentoring, and the participation (and creation) of role models for women entrepreneurs. It could also organise opportunities for participants to shadow more experienced entrepreneurs. The WEA would enable women entrepreneurs to tap into a broad range of resources and support so that women entrepreneurs feel comfortable in taking the plunge to the next stage of development.

A WEA will take some time to build, but it would have the potential to provide an impetus for women from all backgrounds and in all parts of the UK, so that more larger-scale, women-led successful entrepreneurial businesses will emerge, helping to drive forward economic growth in the UK.



# Appendix A: Entrepreneurial types and their needs

## Entrepreneurial types and their needs

In order to identify ways of encouraging and increasing participation by women in entrepreneurship, it is useful to recognise different types of entrepreneur. Support to overcome constraints must be flexible and be tailored to the needs of different segments of early stage women entrepreneurs. This segmentation could be on the stage of life or level of prior business experience when they start the business and or the industry/sector in which the business is operating.

We carried out detailed interviews with 20 women entrepreneurs across the UK who are currently running businesses with annual turnover in the range £100,000 to £50 million. We asked questions relating to ambition, challenges to business growth and dealing with them, and what they perceive as the potential benefits of a Women’s Enterprise Academy.

Based on our interviews and analysis, we have identified three key female ‘entrepreneur archetypes’ or segments, which we call ‘emergent’, ‘re-invent’ and ‘prime’. The women in each segment differ mainly according to the stage in life and business experience they have started the venture and consequently the nature of support required.

The features of each type of entrepreneur are summarised in Figure 8.

Figure 8. Three types of women entrepreneur

Stage of life	Women Entrepreneur Archetype	Motivation	Typical characteristics	Critical needs
	“Emergent”	Discovery	<ul style="list-style-type: none"><li>• Limited business experience, usually starts venture straight out of school / University</li><li>• Digital native, leverage social networks</li><li>• Less risk aware</li><li>• Major on ideas and concepts rather than functional skill sets</li><li>• Relatively more flexible</li></ul>	<ul style="list-style-type: none"><li>• Basic business know-how</li><li>• Access to quality business advisors</li><li>• Shadow seasoned entrepreneurs</li></ul>
	“Re-invent”	Change	<ul style="list-style-type: none"><li>• Looking to accelerate the pace of career or seeking to re-invent after starting a family</li><li>• More risk aware and resilient than emergent</li><li>• Seeks to leverage existing functional skill sets</li><li>• Familiar with basic business practices</li><li>• Relatively longer term view when compared to emergent</li></ul>	<ul style="list-style-type: none"><li>• Access to quality business advisors</li><li>• Family support networks</li><li>• Access to relevant role models and entrepreneurial networks</li></ul>
	“Prime”	Legacy	<ul style="list-style-type: none"><li>• Substantial experience in corporate or entrepreneurial ventures</li><li>• Legacy mindset</li><li>• Limited exposure to digital technologies</li><li>• Seeks to actively collaborate with other entrepreneurs especially the emergent ones</li></ul>	<ul style="list-style-type: none"><li>• Digital technology skills</li><li>• Access to younger entrepreneurs for potential partnership</li><li>• Access to quality business advisors</li></ul>

# Appendix B: Case Studies



We have selected three case studies from our interview sample, which highlight the challenges the entrepreneurs overcame in succeeding to build their businesses.

## Case Study 1: Emily Bendell

**Company name:** Bluebella

**Year of launch:** 2005

**HQ location:** London

**Website:** [www.bluebella.com](http://www.bluebella.com)

### About Bluebella

Bluebella is a multi-award winning brand specialising in luxurious lingerie and nightwear that is also affordable and accessible. Designed in-house at our London HQ, our collections have a unique and exciting signature look that reflects the strength and femininity of the Bluebella woman.

#### a) Why did you decide to set up in business?

I wanted to build and create something myself rather than work for someone else. My parents are entrepreneurs themselves, and that was further motivation. I also felt strongly that I had spotted a gap in the market, so I had to give it a go and I launched the business only three years after graduating from Oxford University.

#### b) What were the main problems you faced as an early stage entrepreneur?

The biggest challenges were finding good people when I had a limited budget, and procuring funding. I started young, which meant a lot of energy but very little business experience; so I had to really convince people to join me and back me. Furthermore, the angel investors community appeared male-dominated; and they tended to focus on businesses they understood, and they simply didn't understand my venture.

#### c) How did you deal with these problems and successfully scale your business?

Tenacity coupled with an innovative approach. When I couldn't find investors via the usual routes, I set up my own networking event for High Net Worth women. Through this, I met an all-female investor group who understood the business and supported me, which was critical to achieving scale. Finding the right people to join me was tough, but I incentivised strong people I couldn't afford with share options. I leveraged social networks (e.g. LinkedIn) as an alternative to expensive headhunters.

**d) Where do you see your business over the next 3-5 years?**

I want Bluebella to be the first name that comes to mind when a woman thinks of treating herself to some beautiful lingerie at an affordable price. We are growing rapidly in the UK with lots of exciting new product launches. We also have various international markets in our sights to grow the brand over the next few years.

**e) What advice would you give to other women who are looking to scale their businesses?**

There is generally a way around any obstacle if you try hard enough and think creatively enough. If something is not working or going your way, think about the problem differently. Networks are invaluable for accessing advice and support, and don't be afraid to reach out to women you admire who have been there and done it. I have nearly always found very senior women to be incredibly generous with their time.

**f) What are your views about establishing an Enterprise Academy to support ambitious early-stage women entrepreneurs?**

I personally have found mentoring and peer-to-peer networking incredibly beneficial, but there is a lack of visible female business leaders to provide mentoring and support. Starting and running a business can be a very lonely experience, and having the support of a mentor can be invaluable, both personally and professionally. So any concerted effort to help women entrepreneurs meet the challenges of growing their business has to be welcome.



## Case study 2: Lucinda Bruce-Gardyne

**Company name:** Genius Foods

**Year of launch:** 2009

**HQ location:** Edinburgh

**Website:** [www.geniusglutenfree.com](http://www.geniusglutenfree.com)

### About Genius Foods

Genius Gluten Free is Britain's leading bakery brand within the 'free-from' category. The brand is well established in all major UK supermarkets and has secured its position successfully on a global scale. Genius products are now sold in over 20,000 distribution points across the globe – including France, The Netherlands, Australia, the United Arab Emirates and North America.

#### a) Why did you decide to set up in business?

I began my career as a professionally-trained chef, with a desire to create a business of my own that changed the world for the better in some way. My opportunity to become an entrepreneur arose when my son was diagnosed with severe gluten intolerance, and I discovered there was a wide gap in the market for a soft, fresh and tasty gluten-free bread that my son, and other people with gluten intolerance and coeliac disease, could enjoy eating. After failing to find a suitable alternative on supermarket shelves, I realised that I had to create something myself.

#### b) What were the main problems you faced as an early stage entrepreneur?

Developing a delicious white and brown fresh-tasting gluten-free bread recipe took three years and in the process I baked thousands of loaves and broke two ovens.

I had a world-class product at the end of this process, but I did not have the commercial experience or the money to turn my product into a strong business at pace.

Finally, there was the challenge of time and energy. I was working around the clock, either with the commercial team or in the bakery preparing the bread for launch, so child care and my energy levels were stretched.

**c) How did you deal with these problems and successfully scale your business?**

I recognised I needed funding, expert advice and a strong team to get my venture off the ground. By chance, I met Sir Bill Gammell, then the CEO and founder of Cairn Energy, who is also a coeliac. He could see that I had developed a ground-breaking bread that would make his life more normal and could see how it would help others too. He offered to invest in my idea and introduced me to a team of people that could build a brand around my bread and negotiate with supermarkets. On my own I would not have been able to launch the product across the UK and develop such a clear first-mover advantage.

At the same time, without a supportive husband to hold the fort at home, I am not sure the business would have got off the ground.

**d) Where do you see your business over the next 3-5 years?**

Since its launch in 2009 this kitchen-born business has experienced phenomenal growth, achieving a turnover of more than £50m in 2014, with over 600 employees. Going forward, we will provide increased choice and develop tasty, gluten-free products in line with mainstream bakery. We are also continuing to expand into international markets and hope to build on our current 20,000 global distribution points over the next few years.

**e) What advice would you give to other women who are looking to scale their businesses?**

The most important thing to remember is to always believe in yourself, your vision and what you are trying to achieve. A lack of self-belief can often be a problem for women, but if you believe in your idea, go out and try it – you may surprise yourself! It's also important to make sure you have a great support network: recognise that you can't do everything, and surround yourself with a strong, talented team who will help to make your business a success.

**f) What are your views about establishing an Enterprise Academy to support ambitious early-stage women entrepreneurs?**

A Women's Enterprise Academy, as a national umbrella organisation for supporting women entrepreneurs, will be a hugely valuable resource for women to develop a supportive network with kindred spirits, mentors and role models, to air ideas and learn from the experiences of others. The services provided by an Academy would transform the experience of women entrepreneurs in the challenging start-up phase of their business, giving them a greater chance of success of growth and long-term success. I wholeheartedly support this proposal, and look forward to contributing to the Women's Enterprise Academy in the future.



### Case study 3: Sandra Sassow

**Company name:** SEaB Energy

**Year of launch:** 2009

**HQ location:** Southampton

**Website:** [www.seabenergy.com](http://www.seabenergy.com)

#### About SEaB Energy

SEaB Energy Limited is a UK company, designing and commercialising breakthrough product innovations which create clean energy and water from onsite organic waste. The company is headquartered at University of Southampton Science Park, operates a prototyping/lab facility in Romsey and has a London office at Canary Wharf. The company has won numerous awards for innovation, entrepreneurship and investment readiness, and has gained government-sponsored grants from DECC, Innovate UK and Future Solent.

#### a) Why did you decide to set up in business?

Entrepreneurship has been in my blood; my father was an inventor and I was involved from an early age in my family's business, which grew to be a NYSE-listed environmental and chemical manufacturing business. Straight out of university, my first job was with a large corporate where I quickly realised that I wanted to work with 'bleeding edge' faster-paced smaller companies and one day to run my own business. After 12 years in industry, I began my entrepreneurial journey. The flexibility and challenge of pursuing my own dreams enticed me to take the risks and pursue my own business interests.

My career choice has also been a lifestyle choice and as such has allowed me to have children, move countries, all with my husband growing his own career as well. This balance was important to me and the various businesses phases of my career path reflect phases of my overall life needs.

#### b) What were the main problems you faced as an early stage entrepreneur

We launched the business as a husband-and-wife team, with co-leadership responsibilities. Early on we had to make a leadership choice. This can be tricky when your personal relationship is also involved.

From an operational standpoint, the supply chain is the number one issue for us, due to the fact that the product we've brought to market is a completely different form-factor to anything that exists. This means that standard components don't always fit our requirements, and we have had to spend a great deal of time sourcing and designing custom components.

**c) How did you deal with these problems and successfully scale your business?**

Establishing the boundaries of the organisational structure was key to making my move to be CEO successful at work and at home.

We successfully managed our supply chain by working closely with our existing suppliers to make smaller components, as well as reaching out to new suppliers from other industry sectors to find what we needed. We've also built a network of world-class assembly partners that bring even greater procurement efficiencies.

**d) Where do you see your business over the next 3-5 years?**

The focus is on selling products, but if more cash was available then we would also be entering new geographies where our units are needed. We will have a strong advisory board and board of directors, which will reflect the diverse geographies we operate in.

**e) What advice would you give to other women who are looking to scale their businesses?**

Focus on what you can control and try not to get distracted by people and things that you cannot. Be passionate and unique. Make use of all the networks out there. Some of the women's networks give you privileged access to major accounts, which can only help build your business faster. Make sure your business choices will fit with your life choices, and keep it fun for everyone.

**f) What are your views about establishing an Enterprise Academy to support ambitious early-stage women entrepreneurs?**

I benefited hugely from the Goldman Sachs 10,000 small business initiative, which I was lucky enough to be a part of. It was like a mini-MBA which taught a lot of fundamental business techniques. It also offered great networking opportunities and allowed us to hear views from different CEOs facing similar problems. I think a Women's Academy along the same lines would be of great value to women entrepreneurs in the UK.

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# Methodology for economic model

The below outlines the assumptions and methodology used to project the GVA contribution generated by women-led SMEs in the UK by 2025.

Based on the observed growth rate between 2010 and 2014, women's Total Early Stage Entrepreneurial Activity (TEA) grew on average 5.3% per annum; applying this growth rate to women's TEA in 2015 and projecting it forward, the TEA will be 10% by 2025. This number is a close approximation of the men's average TEA between 2010 and 2014.

Projections were applied to the following key factors:

- Women working age population (age 16-64) – the growth rate assumption is consistent with ONS's labour force statistics projections<sup>13</sup>
- Women's total early stage participation rate<sup>14</sup> – the projection is based on the observed historical growth rate between 2010 and 2014
- Average GVA per typical women-led SME<sup>15</sup> – the estimate takes into account the sector-specific GVA growth rate<sup>16</sup> and the sector distribution of women-led business,<sup>17</sup> because women-led businesses tend to concentrate more in particular sectors compared to SMEs in general, and GVA growth may vary across sectors.

One of the main assumptions is that women's participation rate in early stage entrepreneurial activities will reach ten per cent by 2025. The ten per cent participation rate is a target and calculations do not consider whether it is achievable through any intervention or whether the historical growth rate in women's participation rate can be sustained through interventions.

# Endnotes

- 1 StartUp Britain, Daily Tracker, 2011-15
- 2 Global Entrepreneurship Monitor (GEM), Adult Population Survey, 2015
- 3 GEM, Adult Population Survey, 2015; Deloitte research
- 4 Edward Edgar Publishing, Growth Oriented Women Entrepreneurs and their Businesses, 2006
- 5 GEM, Women's Report, 2012
- 6 GEM, Women's Report, 2014; Centre for Entrepreneurs and Barclays, Shattering Stereotypes, 2015; Deloitte research
- 7 Centre for Entrepreneurs and Barclays, Shattering Stereotypes, 2015
- 8 GEM UK APS, 2013; Deloitte analysis
- 9 BIS, Small Business Survey Women-led businesses boost, 2010
- 10 Deloitte analysis: (See Methodology for economic model p23)
- 11 Start Up Loans website ([www.startuploans.co.uk](http://www.startuploans.co.uk))
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- 14 GEM, Adult Population Survey, 2015
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- 16 ONS estimate on GVA growth at sector level (<http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q1-2015/stb-gdp-preliminary-estimate--q1-2015.html#tab-Growth-and-contributions-to-growth---output-components>)
- 17 ONS estimate of GVA growth at sector level (<http://www.ons.gov.uk/ons/rel/gva/gross-domestic-product--preliminary-estimate/q1-2015/stb-gdp-preliminary-estimate--q1-2015.html#tab-Growth-and-contributions-to-growth---output-components>); BIS, Small Business Survey, 2014

# Contacts

**David Sproul**

Chief Executive, Deloitte LLP

+44 20 7303 6641

[dsproul@deloitte.co.uk](mailto:dsproul@deloitte.co.uk)

**Denis Woulfe**

Vice Chairman, Deloitte LLP

+44 117 984 2752

[dwoulfe@deloitte.co.uk](mailto:dwoulfe@deloitte.co.uk)

**Emma Codd**

Managing Partner for Talent, Deloitte LLP

+44 20 7303 2172

[ecodd@deloitte.co.uk](mailto:ecodd@deloitte.co.uk)

**Prashant Bharadwaj**

Director, Deloitte LLP

+44 20 7007 3903

[prbharadwaj@deloitte.co.uk](mailto:prbharadwaj@deloitte.co.uk)

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