

Women Entrepreneurs Are Essential for Private Sector Development in Emerging Markets

WHY AN IFC CLIENT SOLUTION FOR WOMEN BUSINESS OWNERS?

Investing in women’s entrepreneurship is good for business and essential for economic growth. Small to medium-sized enterprises (SMEs) are a key driver of economic growth, and women-owned enterprises account for approximately 30-37 percent (8–10 million) of all SMEs in emerging markets.¹ As such, women are the fastest-growing market segment, they start businesses at a higher rate than men, and it is expected that they will create approximately 50 percent of new small business jobs by 2018.² In developing economies, SMEs are increasingly important, as they contribute to nearly half of the labor force.³

IFC estimates that as many as 70 percent of women-owned SMEs in the formal sector in developing countries are unserved or under-served by financial institutions. This amounts to a financing gap—and a missed business opportunity—of approximately \$260 – \$320 billion per year.

IFC’s [Banking on Women](#) (BOW) program is playing a catalyzing role for partners, corporations, and financial institutions in unleashing the full economic potential of women-owned businesses. Since 2010, BOW has invested more than \$1 billion in private-sector banks and has provided advisory services to 33 banks in 23 countries that want to better serve the women’s market.

Thanks to this impressive track record, **IFC clients—both financial institutions and real sector corporates—have expressed interest in expanding their services to reach women entrepreneurs.** Banks that have targeted offerings for women-owned SMEs and corporates that equally include male- and female-led firms in their supply chains have the potential to capture new market-share growth, increase profitability, and differentiate themselves in competitive markets.



“When countries value girls and women as much as boys and men...when they give women greater opportunities to participate in the economy, manage incomes, own and run businesses – the benefits extend to their children and families, to their communities, to societies and economies at large. –Jim Yong Kim, President, World Bank Group

Nonetheless, several barriers can hinder women’s prospects of becoming successful entrepreneurs, including limited or no access to the following:

- **Business-management skills** – Compared with men, women entrepreneurs have less experience in leading businesses and are more likely to operate their enterprises from their homes.
- **Confidence** – Globally, women have lower confidence levels in their abilities as entrepreneurs than their male counterparts.
- **Networks** – Women entrepreneurs operate in smaller, less-diverse networks than men and are less likely to seek the support of or use their social networks for business growth.
- **Finance and markets** – Less than 5 percent of loans to SMEs, and less than 1 percent of the money spent on vendors by large corporations and governments, goes to women-owned enterprises.⁴
- **Technology** – Women have less access to technology to help them run companies. Nearly 25 percent fewer women than men have access to the Internet,⁵ and a woman is 25 percent less likely to own a mobile phone.⁶

¹ [Strengthening Access to Finance for Women-Owned SMEs in Developing Countries](#). IFC, GPMI, 2011.

² [Small Business Monitoring Report](#). American Express, 2011.

³ [World Bank, Gender Innovation Lab, 2014](#)

⁴ [WeConnect International, 2014](#).

⁵ [Women and the Web](#). Intel, Dalberg, 2013

⁶ [Women & Mobile: A Global Opportunity](#). GSMA Development Fund, Cherie Blair Foundation for Women, 2013

As a result of these barriers, women entrepreneurs usually run smaller enterprises, earn less than their male peers, and are more likely to fail. To better address women’s needs, IFC is supporting clients with a non-financial services (NFS) offering to help women entrepreneurs optimize their high-potential enterprises.

Evaluations of existing training and leadership programs⁷ that target women entrepreneurs have shown that limited impact results due to programs lacking or demonstrating a limited use of: i) formal modules that enhance women’s confidence, leadership and presentation skills; ii) formal coaching and mentoring opportunities built into program frameworks; iii) successful entrepreneurs as roles models, trainers, and coaches; iv) blended-learning platforms; and v) post-training support mechanisms. Furthermore, there is often a missing linkage between training and financial products; and little access to corporate supply chains

An impact study, the [Roadmap to Women’s Economic Empowerment](#), by the UN Foundation and Exxon Mobile, and IFC’s own practical experience—both illustrate the need for more flexible and affordable training programs. To be successful, such programs must be designed around women’s time constraints (their dual responsibilities in the marketplace and as caregivers), new technology opportunities, and the limited financial resources of women-owned enterprises.

Based on the market gap and evidence of how effective business training methods can be when implemented in an engendered manner, IFC has developed an NFS product designed for our banking clients. We also implement it in other companies that want to include more women in their supply chains.

OUR SOLUTION: IFC’S WOMEN’S ENTREPRENEURSHIP AND LEADERSHIP TRAINING PROGRAM

By building on IFC’s Business Edge™ training product and other successful training programs, IFC has developed a new master-content program that can be customized to the needs of IFC clients, women entrepreneurs, and conditions in the local business climate. Industry practitioners deliver the program in short modules via in-class, online, and peer-to-peer learning approaches.

Key Elements of the Training Program

Training Content	Coaching & Mentoring	Blended Learning Techniques	Post-training
<ul style="list-style-type: none"> • Traditional “hard skills” (e.g., financial decision-making) + client-specific add-ons • Women-specific content, such as self-confidence building, presentation and effective leadership skills • Emphasis on people management and delegating effectively • Gender-sensitive training-of-trainers + family coordination 	<ul style="list-style-type: none"> • Peer-peer learning built into the program structure • Coaching and mentoring wrap-around services • Deployment of successful entrepreneurs as trainers, coaches and guest speakers • Facilitation of financing and new market contacts 	<ul style="list-style-type: none"> • Blended-learning techniques (content to be turned into e-learning modules, online & peer-to-peer learning activities) • Use of existing web and e-learning resources • Digital supplemental resources (curated articles, videos, and presentations) 	<ul style="list-style-type: none"> • General post-training support and follow-up • Alumni events and networking opportunities

⁷ [High-Potential Women Entrepreneurship Training, Overview of Existing Programs, World Bank 2014](#); IFC analysis of 50 programs, 2015

ACHIEVING RESULTS - PILOTS IN PALESTINE AND TURKEY



Bank of Palestine

The goal of the pilot is to enhance women's management skills and business performance and to increase Bank of Palestine's (BOP) client acquisition and uptake of financial products, particularly lending products. The pilot solution, a five-month training program for women-owned and led SME in the West Bank and Gaza was launched in October 2015 as the *Felestineya* ("I am a Palestinian Woman") *Mini-MBA*. The program will be delivered via blended-learning techniques, -in-class instruction, BoP's online platform for SMEs, and Facebook. The long-term goal is to continue the program on a yearly basis to introduce women-run SMEs to BoP's product program and additional financial products (for example, lending products, savings and business checking accounts, and the like). More information can be found [here](#).



Boyer Group

In partnership with Boyner Group, Turkey's largest non-food retail operator, IFC conducted a three-month training program to strengthen women-owned businesses in performance retention and to increase sourcing from women-led SMEs. The pilot program called the *Boyer Supplier Academy for Women Entrepreneurs* identified women-led suppliers and incorporated them into the supplier base. In addition to classroom and technical training for women-led SME participants, the program offers access to banks, buyers and retailer networks. The successful pilot has increased the business networks of participants including access to banks and client companies. More information can be found in the case study: [Boyer Group's Supply Chain Strengthens Women in Business](#)

For more information on IFC's Women's Entrepreneurship and Leadership Training program, please contact:

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