



SUPPORTING  
WOMEN ENTREPRENEURS  
IN BC

# Closing the Gap

Meeting the Unique Borrowing Needs  
of BC's Women Business Owners





SUPPORTING  
WOMEN ENTREPRENEURS  
IN BC

## Holistic support for every step of a woman's small business journey

After nearly three decades of supporting women entrepreneurs, Women's Enterprise Centre is now WeBC. WeBC is a not-for-profit organization that supports women business owners across the province to start, develop, lead and grow businesses. We exist to empower women entrepreneurs to make an impact in their communities and to create opportunities in BC's economy. Our holistic approach means we connect women entrepreneurs with the right networks, capital and resources at the right time.

### Our Commitment to Diversity, Equity, and Inclusion

WeBC believes in a world that is inclusive in approach and equitable for all. We are committed to creating an environment centred on diversity, equity and inclusion for our team, our community and the entrepreneurs and business owners we serve.

### Our Impact Since 1995

Working with our regional partners, we've provided thousands of entrepreneurs with business loans and expertise, training, resources, and peer network support to help businesses grow and thrive.

**\$2.45B**

in economic activity  
created, as a result of  
our funding

**78,254**

one-on-one business  
advisory services  
provided

**53,628**

women hosted in 2,434  
training sessions



1.800.643.7014



we-bc.ca

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Pacific Economic  
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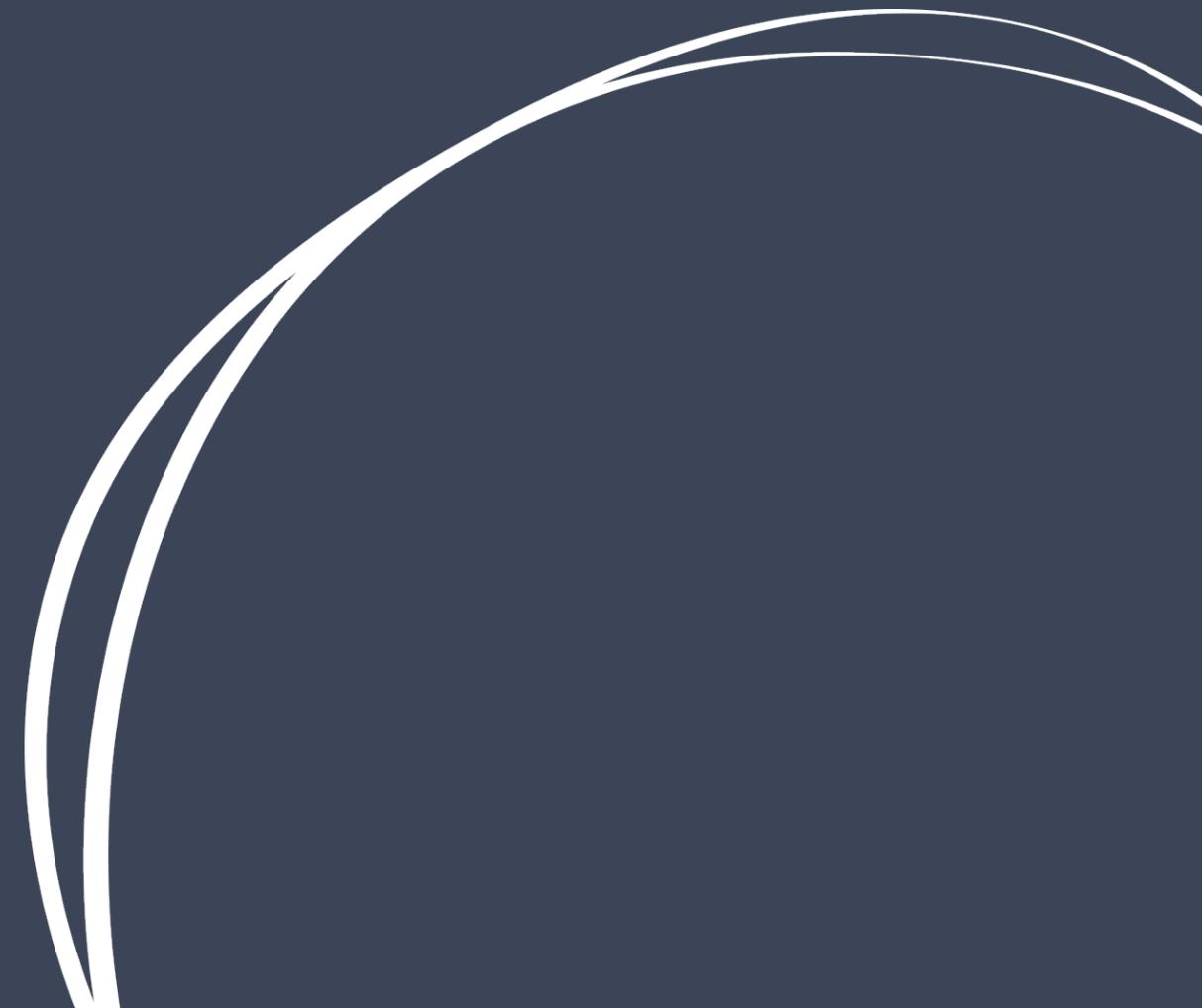
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EXECUTIVE SUMMARY

# Report Snapshot



# Closing the Gap: Report Snapshot

## INTRODUCTION

**After nearly three decades of experience working closely with women business owners, we have come to an important understanding: women who receive support fare much better in business.**

At WeBC, we offer an integrated approach to capital that includes ongoing support and resources. This has proven to be a successful approach; our loan program has a 96% loan repayment rate, 75% of WeBC loan clients are still in business after five years, and women who receive mentorship report a 143% increase in their confidence running their business.

To better understand how and why this combination is so powerful, in fall of 2021, we conducted a survey of BC women business owners. We received 291 responses from women, 48% of whom had not accessed our services in the past year.

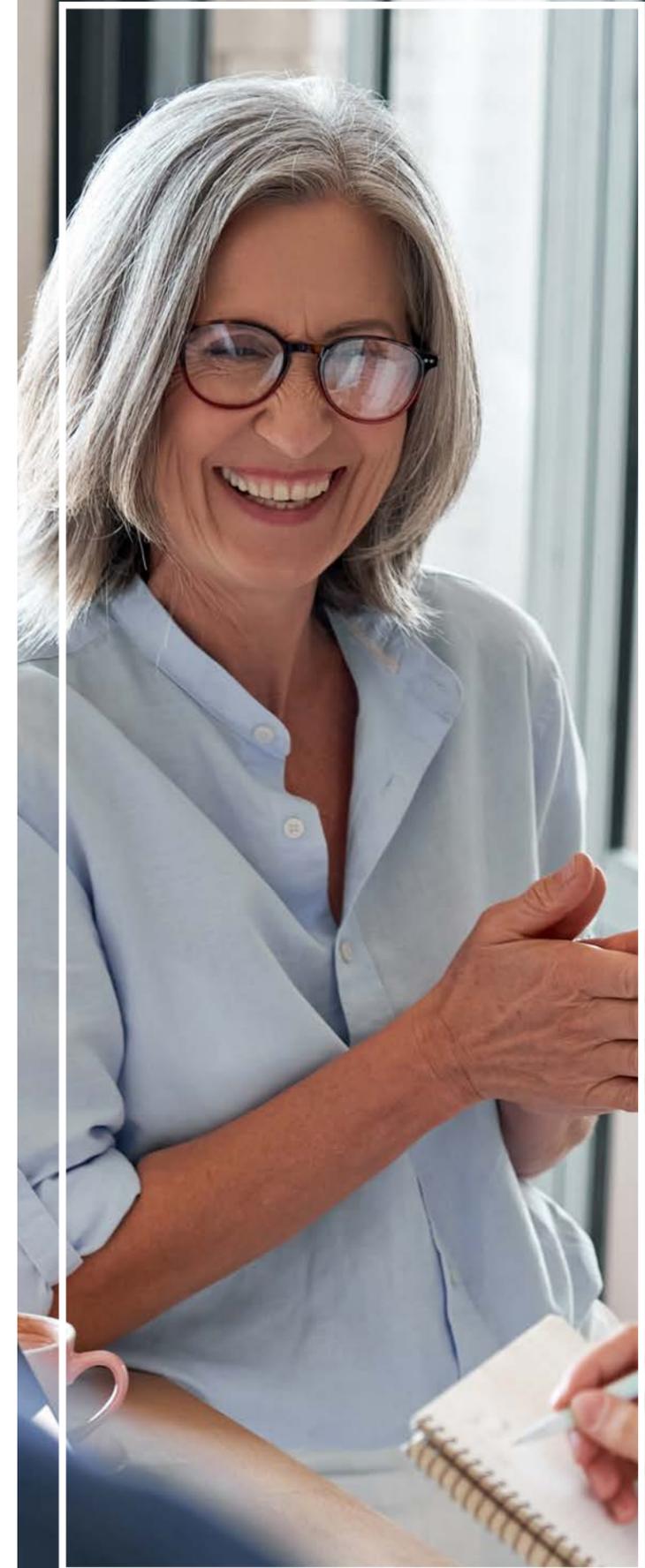
This report is a follow-up to our November 2020 survey and report, [\*The Path Forward: Advancing the Funding Journeys of BC Women Business Owners\*](#), which offers recommendations to funders on how to develop varied funding pathways for women business owners.

**Now, we take a deeper dive into the opportunities for funders and support organizations to work together to transform women's experiences with the lending ecosystem.**

## WHAT WE LEARNED

The data has validated past research conducted by WeBC and our partners:

- \* The impact of women entrepreneurs is increasing, with government identifying them as a key growth sector;
- \* Women have growth aspirations, yet many do not have strong relationships with traditional lenders to fund their plans;
- \* Women entrepreneurs have unique needs and approaches to growing their business; and
- \* Women identify support services as essential for their future success.





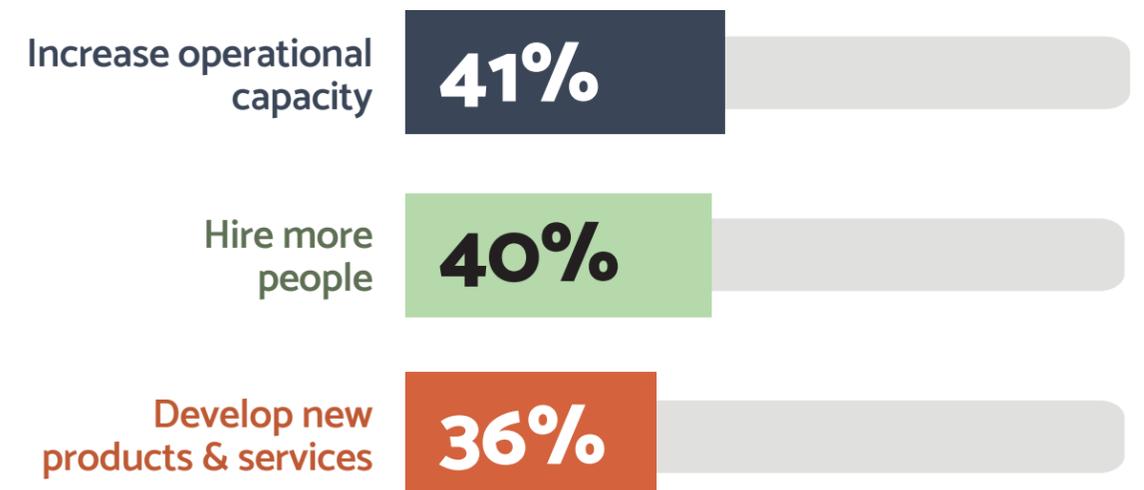
# Report Snapshot: Key Findings

## WHAT WOMEN BUSINESS OWNERS SAY ABOUT BUSINESS FINANCING

### Women need financing to support future growth plans

The highest priority for women business owners is to grow their businesses in 2022 and beyond. In the coming year, **70% indicate they will need to access funding to support their growth**; of those, **48% of women have yet to decide where they will apply.**

### How Women Plan to Use Funding



### Women don't feel traditional funders meet their needs

While women business owners are most familiar with banks as a source of business financing, banks are one of the least popular options for women. Of the women who applied for funding in 2021, only 17% applied through a bank. **Only 6% felt very satisfied that their bank recognized their distinct business goals, wants and needs as a woman business owner.**



## Key Findings (continued)

### Securing funding is the biggest obstacle for young businesses

Sixty-five percent of women with young businesses, less than two years old, did not apply for funding last year. They anticipate that accessing funding will be their biggest obstacle in the coming year.

#### Top Reasons Young Businesses Did Not Apply for Funding in 2021

**39%** I didn't know what options were available

**37%** I self-funded

**31%** I thought I would be turned down

### Women are growth oriented and risk astute

While women are growth oriented in business, they tend to prefer gradual and intentional growth strategies. When asked about growth plans, **88% of women business owners are projecting growth in the next year** with 89% projecting growth in the long-term (5+ years). Their growth targets are gradually increasing from up to 20% in the next year to over 50% after five years.

### More women are self-funded, which can hinder future growth

Our recent survey shows a significant shift in the percentage of women choosing to self-fund their business: from 19% in 2020 to 34% in 2021.

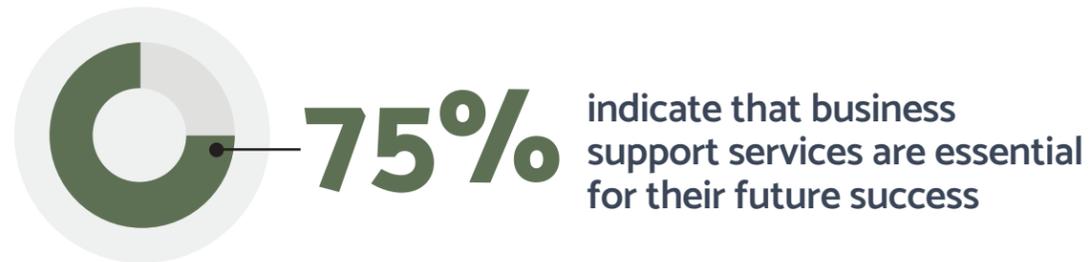
**Self-funding and not leveraging equity can limit women's ability to scale their businesses.** Without establishing relationships with funders, they may also be challenged to access larger funding amounts in the future.

# Key Findings (continued)

## WHAT WOMEN BUSINESS OWNERS SAY ABOUT BUSINESS SUPPORT SERVICES

**There is high demand for business support services, especially for women who access financing.**

Our survey found that **55% of women business owners wanted to access at least one business support service in the last year, such as training, mentorship or advisory support.**



**Some of the ways an integrated approach to financing can ensure continued success:**

### **Prepares women business owners for external market challenges**

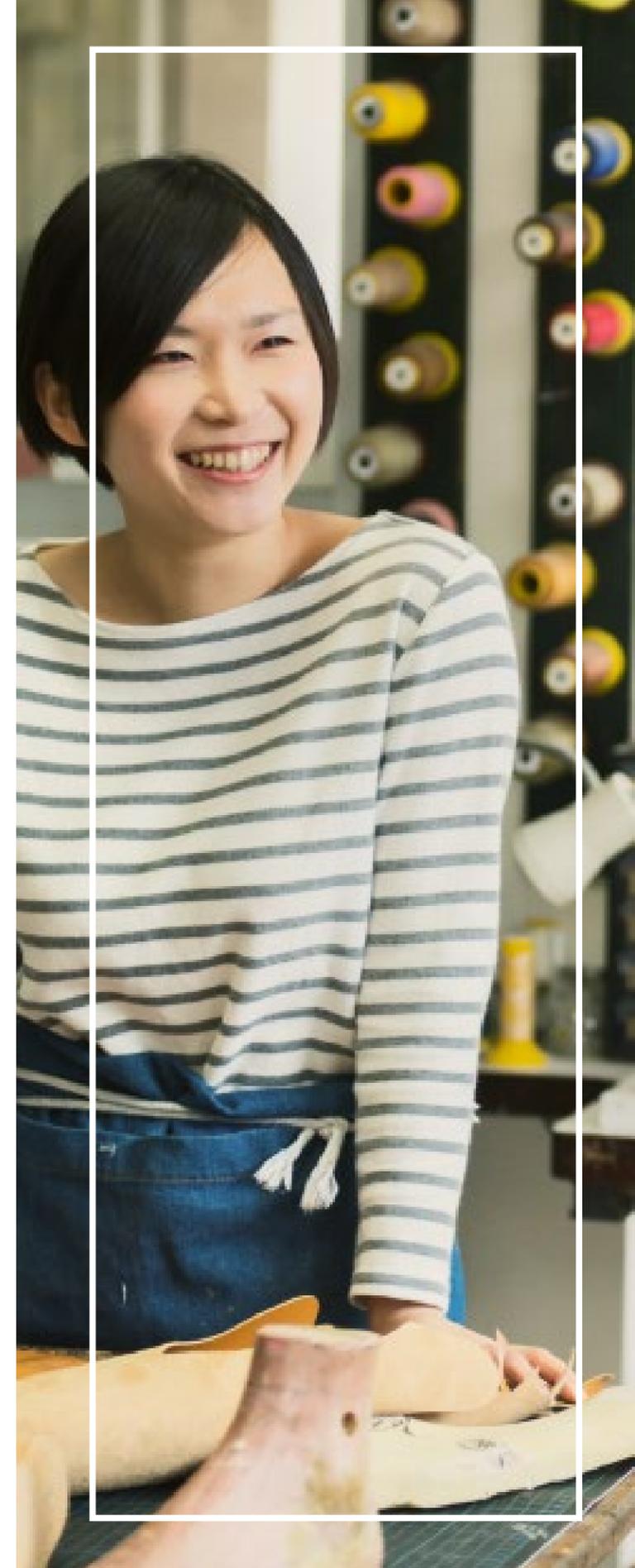
The market turmoil endured over the past two years; the pandemic, natural disasters, supply chain disruptions and staffing shortages have taken their toll. **Women expect external market challenges to be their biggest obstacle in 2022.** Support services help women prepare for external impacts and to deal effectively with situations beyond their control.

### **Improves confidence and grows networks**

Education, training or mentorship helps increase women business owners' confidence. We found that **55% were more confident in their business skills when they were able to access support services.** WeBC has seen the same result through mentorship. Mentees entering the mentorship program rate their confidence in their business skills at only 39%. Upon completion of the program, that rating increases to 95%.

### **Develops skills and increases growth potential**

Support services help women business owners to develop and strengthen their entrepreneurial mindset, hard business skills, and improve their access to financing. We saw that **46% of respondents indicate that developing new skills helped them assess the growth potential of their business** and 37% felt it helped them sense opportunities for their business.



OUR APPROACH

# About the Research





# Background: Why Supporting Women Business Owners is Essential

## Women entrepreneurs are leading the way

Women make up 38% of all business owners in BC, and our province has the second-highest rate of women-led businesses in Canada (BC Stats, 2021). Self-employment among women is growing faster than among men. While there was a 5.1% drop in self-employment among men in 2020, women stayed the course and saw a decrease of only 0.1% (BC Stats, 2021).

Prior to the pandemic, it was projected that advancing women's economic empowerment in Canada could add \$150B in incremental GDP by 2026 (McKinsey Global Institute, 2017). In recognition of this opportunity, the federal government developed Canada's first Women Entrepreneurship Strategy, which aims to double the number of women-owned businesses by 2025 (Government of Canada, 2021).

### EXPORTING

Women-owned businesses are increasingly entering international markets. The **share of women-owned businesses that export doubled** between 2011 (5%) and 2017 (11.1%) (Government of Canada, 2020).

### SOCIAL IMPACT

**Women invest up to 90% of their money in their families' health, education and wellbeing** (UN Women, 2012). Sixty-nine percent of BC women integrate social impact and 63% integrate sustainability into their businesses (BC Chamber, 2020).

### E-COMMERCE

**Women are launching online businesses in record numbers.** Seventy-three percent of women entrepreneurs selling online highlight e-commerce as a factor for sustained growth and success (PayPal, 2018).

### GROWTH

Startups founded and co-founded by women are significantly **better financial investments and perform better over time** compared to their male counterparts, generating 10% more in cumulative revenue over a five-year period (Statistics Canada, 2019).



## Our Research Approach

### Download our Previous Report at [go.we-bc.ca/ThePathForward](https://go.we-bc.ca/ThePathForward)

This report is a follow-up to *The Path Forward: Advancing the Funding Journeys of BC Women Business Owners*, which we released in March 2021. *The Path Forward* offers recommendations to funders on how to develop varied funding pathways for women business owners.



In October and November of 2021, we conducted a survey of BC women business owners and received responses from 291 business owners.

The aim of this survey was to learn more about the types of financing women are accessing, which supports they feel are essential to their success as business owners, while also tracking shifts in their attitudes and experiences as they plan for future business development.

It should be noted that the survey occurred between peaks in the COVID-19 pandemic, which may have positively influenced some responses.

### RESPONDENT PROFILE

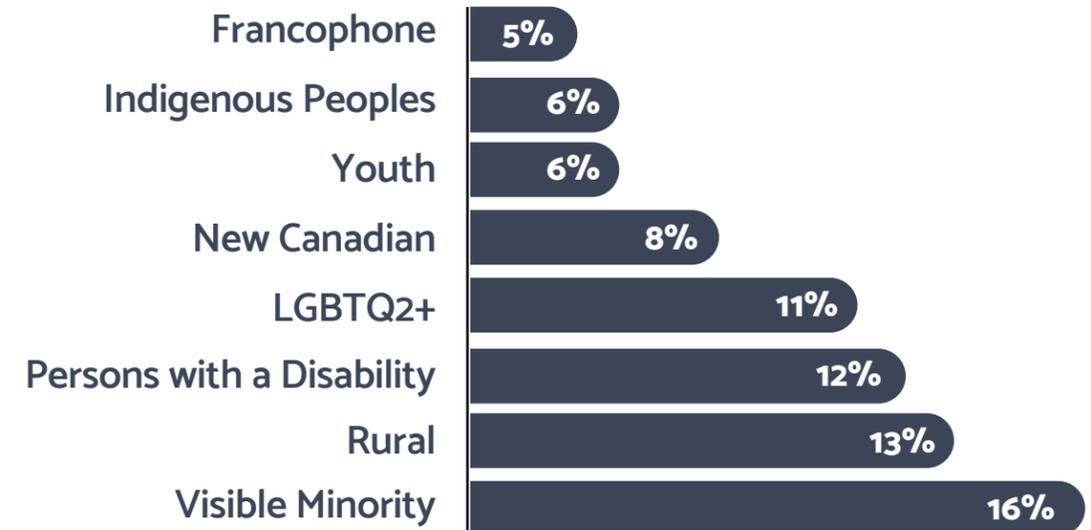
Fifty-one percent are running their first business, while 49% are serial entrepreneurs.

The top three industries represented are Retail Trade (34%), Professional, Science and Technical Services (19%) and Health Care and Social Assistance (13%).

Forty-eight percent of respondents had not accessed any of WeBC's services in the past year. More statistics are shared on the following page.

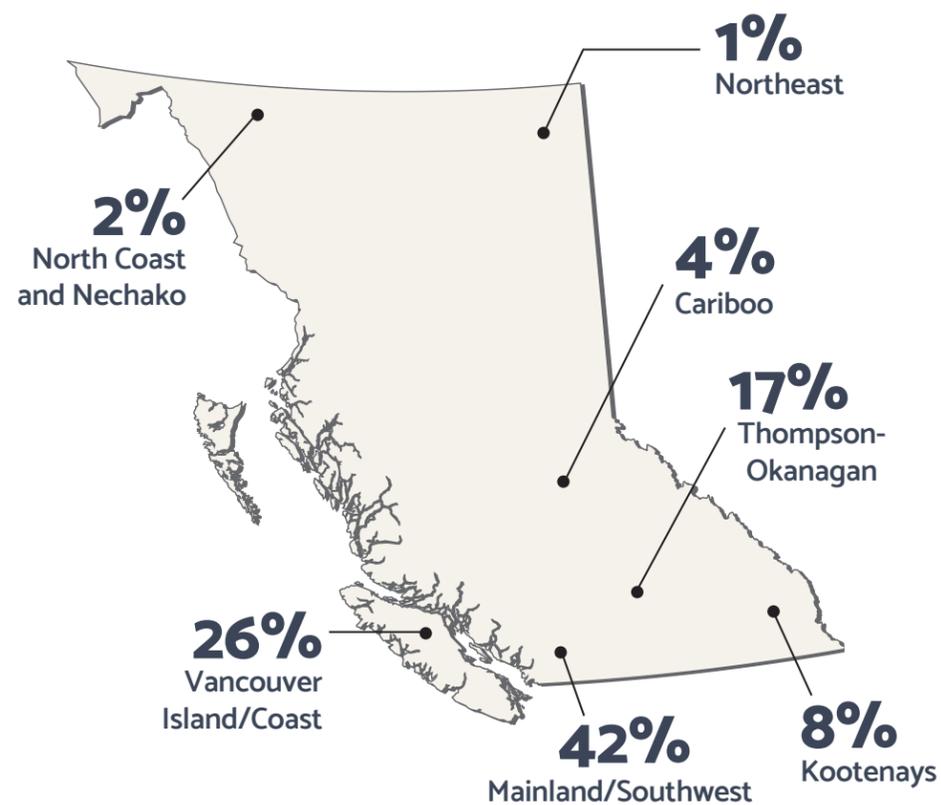
### Diversity of Respondents

58% identify as belonging to one or more under-represented groups.

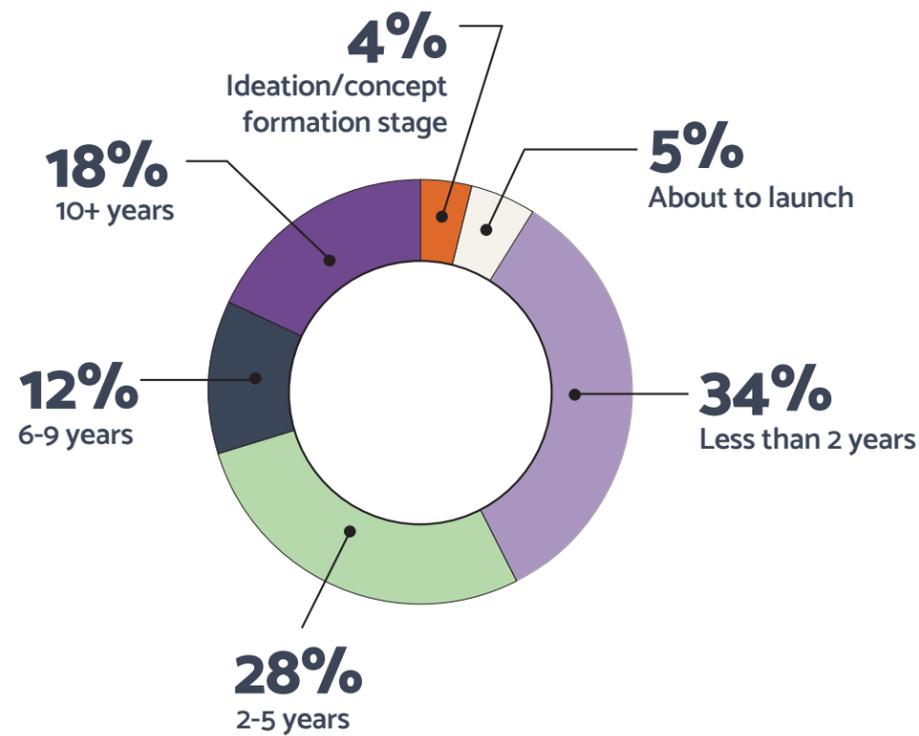


# Respondent Profile

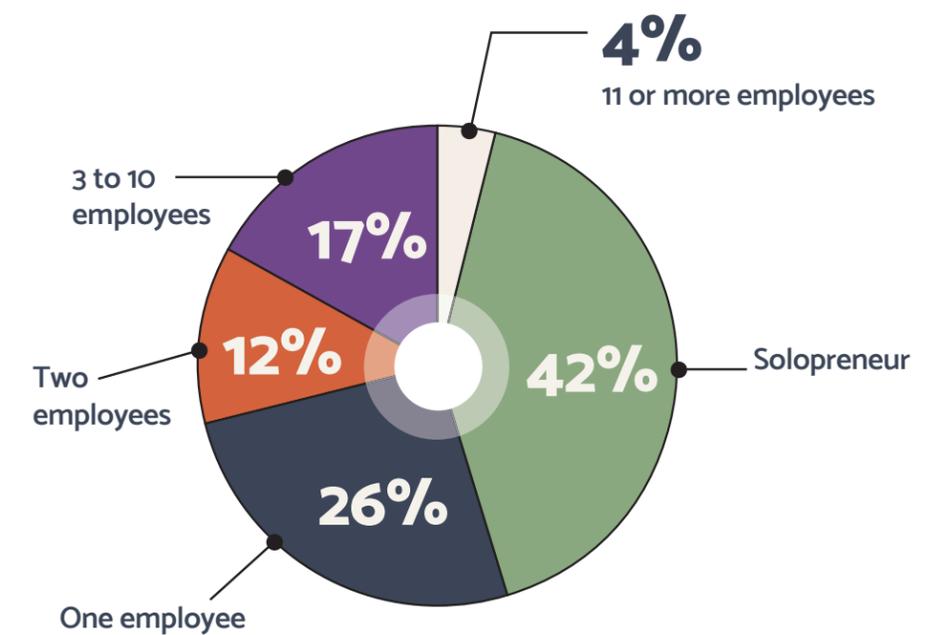
### Location



### Years in Business

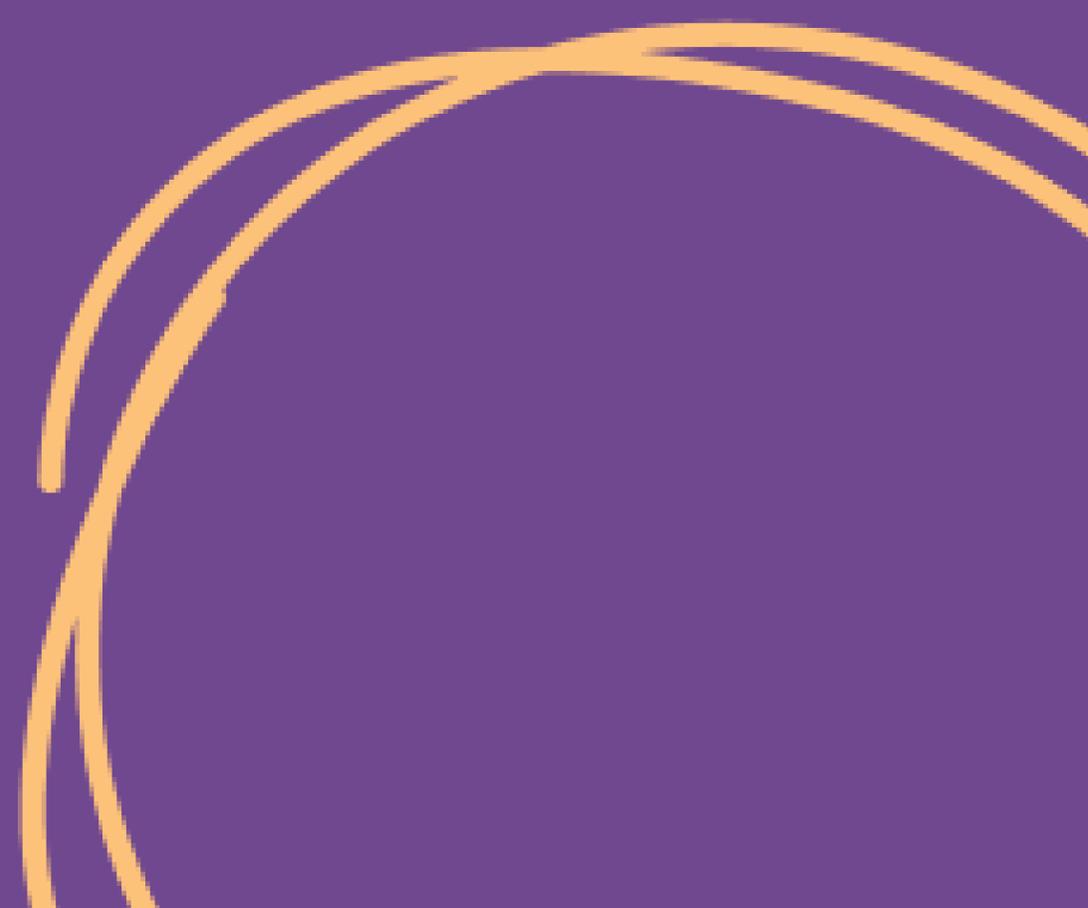


### Number of Employees



A CLOSER LOOK

# Findings





# How Women Business Owners Experience Financing

The majority of women business owners do not yet have established relationships with a funder.

Through both our study and our firsthand experience, WeBC has come to understand that women business owners don't want to *just* access financing. They want to experience financing that is geared towards their needs, helps them meet their goals, and provides necessary business support services.

While grants and government programs have fulfilled a need during the pandemic, these are not long-term, sustainable sources of financing for women business owners. **Only 10% of women indicate they will approach a bank for a loan, which means there is a large number of women entrepreneurs who do not have a long-term funding source to support their growth.**

## Types of Funders Women Plan to Approach in the Next Year

\* The TOP selected options:

**49%** Grants

**34%** WeBC

**30%** Government Programs



\* The LEAST selected options:

**8%** Venture Capital

**7%** Crowdfunding

**2%** Trade Credit



### Women business owners require financing to grow

Seventy-eight percent of women rate business growth as their highest priority for 2022 and beyond. In the coming year, **70% of women business owners anticipate the need for funding to meet their growth goals.**

By adapting to meet the needs of women business owners, there is an opportunity for funders to create a competitive advantage and attract this group of growth-oriented business owners.

#### Top 4: What Women Plan to Do With Funding

-  **41%** - Increase operational capacity
-  **40%** - Hire more people
-  **36%** - Develop a new product/service
-  **31%** - Access new markets

### Access to capital is only one piece of the puzzle

*The State of Women’s Entrepreneurship in Canada* report, released in 2021 by the Women Entrepreneurship Knowledge Hub, recommends that funders recognize the need for women-centred design and delivery of programs; meeting women where they are across the ecosystem and providing women-friendly wraparound services and support.

# Support Services Really Matter

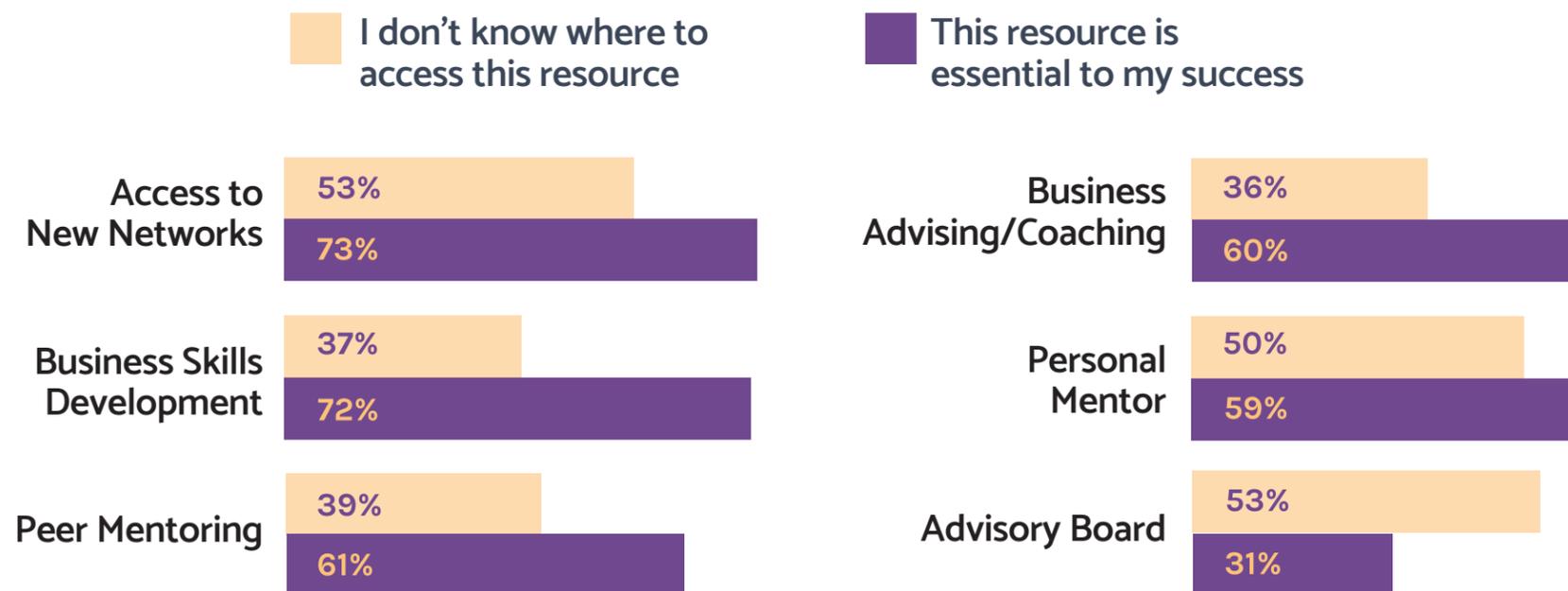
Women entrepreneurs are seeking out more than just financing to achieve their business growth, but there is a gap between funders and service providers.

Our survey shows that 55% of women business owners wished to access at least one type of business support service in the past year.

Although WeBC sees a great deal of demand for business support services, our survey highlights a gap between the needs of women business owners and their ability to access those resources. **Quite simply, women don't know where to find the support they need, or even if it exists at all.**

This is an opportunity for service providers in the ecosystem to meet that demand in order to connect with women business owners and to provide them with the support they need and want.

## Essential Resources for Success





## Women need connections to grow their businesses.

**Demand for “access to new networks” has skyrocketed from 49% to 73% in the past year.** Women have always seen the value in networking and learning from others, and now demand for those connections has grown exponentially.

## Women report measurable results from wrap-around services.

Over **75% of women entrepreneurs see business support services as essential for their future success.** This is consistent with the surge of participation in WeBC support services during the pandemic. From April 2020 to December 2021, during the peak of the pandemic, WeBC experienced an 88% increase in demand for our business advisory services, and a 41% increase in business skills training participants, compared to the previous period.

### How Support Services Have Helped Women Business Owners in the Past Year

-  **55%** - Feel confident in my abilities as a business owner
-  **46%** - Assess the growth potential of my business
-  **37%** - Sense opportunities in the environment
-  **37%** - Set a strategic direction for my business
-  **36%** - Access funding for my business
-  **29%** - Manage my finances
-  **28%** - Foresee events that will affect my business



**Satisfaction was measured by agreement with the following statements:**

- They recognize my distinct business goals, wants, and needs as a woman business owner.
- They respond to my needs as a woman business owner.
- They have marketing activities that are specifically directed to me as a woman business owner.
- The business support organizations profile women business owners as role models.
- Their services are delivered in a way that accommodates my needs (timing, format, location, etc.).
- Overall I am satisfied with the service I've received.

# Opportunities to Close the Gap

**There is an opportunity for traditional lenders to improve their satisfaction rating among women entrepreneurs.**

While women business owners report an overall increase in satisfaction with business services over the last year, traditional lenders still rate quite low compared to WeBC and other business organizations. **Only 39% who accessed financing are satisfied with how banks respond to their needs as a woman business owner**, whereas 94% are satisfied with WeBC.

## Satisfaction with Business Support Services

	2017	2021
WeBC	81%	94%
Other Support Organizations	51%	85%
General Business Support	40%	78%
Government Funded Lender	23%	56%
Credit Unions	26%	52%
Banks	26%	39%

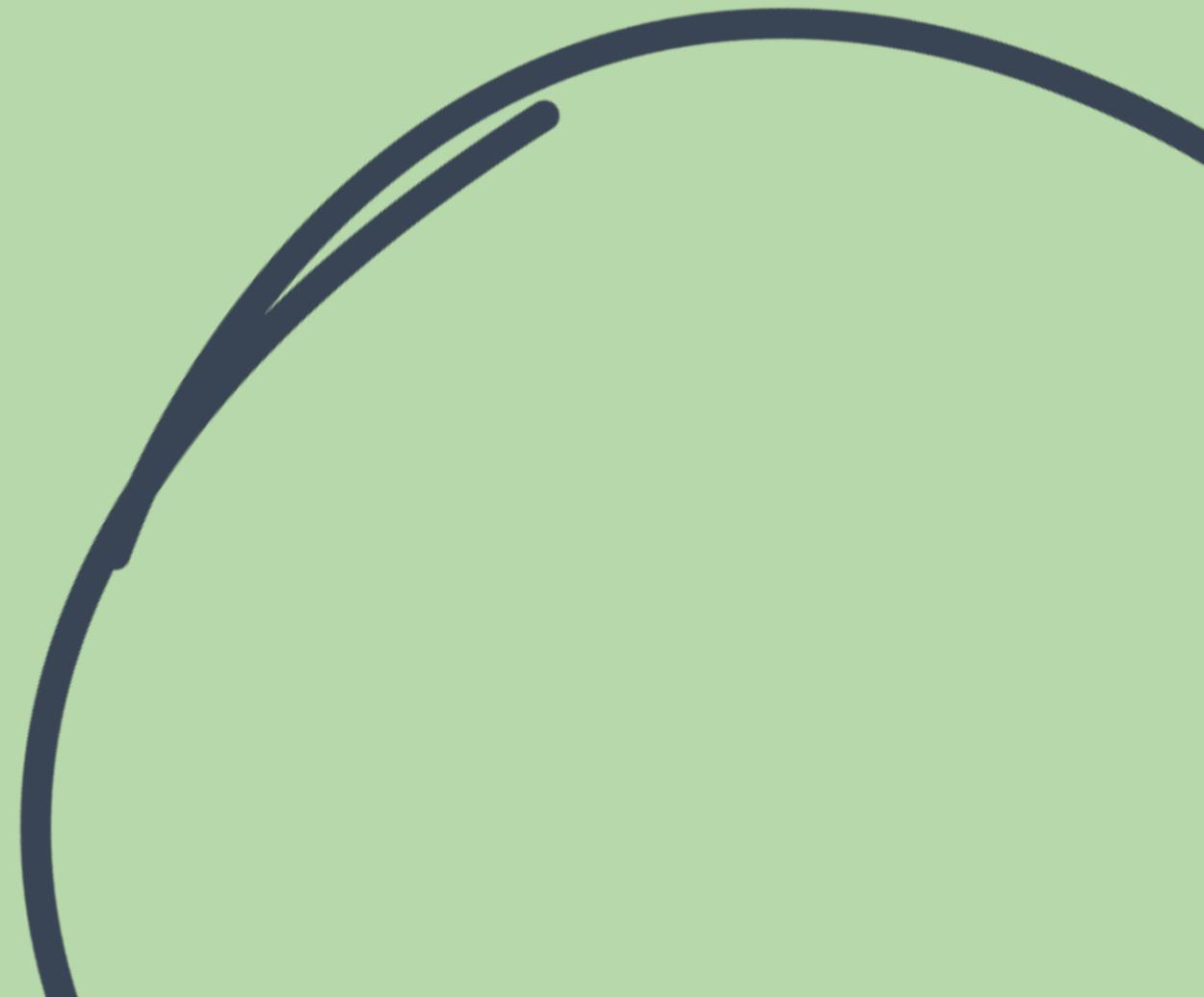
### Providing financing with support is a powerful strategy.

When support services are offered alongside financing, it connects women business owners to valuable resources, providing them with exactly what they want and need to grow their businesses.

In WeBC's report, *The Path Forward: Advancing the Funding Journeys of BC Women Business Owners* we discovered that, in 2020, 60% of respondents who accessed business support services reached out to not-for-profit organizations. **There's an opportunity for funders to partner with trusted non-profits to increase women loan clients' satisfaction with business support services.**

REAL-LIFE IMPACT

# Case Studies



# Case Study: How Holistic Lending Builds Positive Lending Relationships

## BETTERWITH ICE CREAM, LORI JOYCE

Lori Joyce is likely best known for her association with the famed bakery, Cupcakes. In 2002, Lori and childhood best friend, Heather White contacted WeBC to launch the world's first-ever cupcake-only bakery. The duo grew the business into a highly successful Canadian franchise and even starred in an award-winning reality TV series, Cupcake Girls.

In 2016, when Lori decided to launch a new company, Betterwith Ice Cream, offering ice cream products with significantly less sugar, no gums and no preservatives, she connected with WeBC right away.

Working with a business advisor, Lori accessed a WeBC loan to launch Betterwith Ice Cream. At the outset of the pandemic she was uncertain of the future of her business and requested a three-month payment deferral on her loan.

*“I wouldn't have gotten where I am today without my tribe of trusted advisors,” says Lori. “I'm grateful that you remain there for me during this time of uncertainty and unpredictability of COVID-19.”*

With determination, passion and support, Lori capitalized on the comfort food surge during the pandemic, increasing her sales 27% year-over-year since 2019. In June 2020, she accessed an additional loan from WeBC to create new products and to increase her marketing efforts. Considered a high-risk client, Lori likely would not have qualified for this growth financing with a traditional lender, but WeBC was able to offer the loan, in part because of the long history of working together. Betterwith is selling 12,000 pints per month in over 200 locations in Western Canada.

Lori is now crowdfunding with FrontFundr, to raise \$250,000 to increase awareness of Betterwith in the marketplace and to grow their store placement. The small loan Lori received at the outset of her business, combined with her positive relationship with the funding ecosystem allowed her to grow and evolve to access different types of funding, often not considered by women business owners. With this funding, Betterwith will expand into Ontario and are projecting to surpass \$1M in revenue in 2022.



**“ I have had a relationship with WeBC since the early days of Cupcakes. I am most thankful and it has formed into a long, trusted and very supportive business relationship. I don't know where I would be today if it wasn't for WeBC, honestly. ”**



# Case Study: Collaboration in Action

## VANCITY UNITY WOMEN ENTREPRENEURS PROGRAM

The Unity Women Entrepreneurs Program is a great example of how a financial institution can execute a holistic approach to funding. In partnership with WeBC, Vancity designed this program in 2020 to personalize financing, making it more accessible to women who need it. This shift in policy supports equitable long-term economic growth.

This holistic program recognizes the unique needs of women entrepreneurs. It includes financing from Vancity with wraparound support services from WeBC, which include complimentary online education and resources on financial management, as well as professional business

support and mentorship with a community of other women business owners throughout BC.

The Unity Women Entrepreneurs Program created a new set of lending policies, including:

- Offered two types of financial products:
  - Up to \$20K auto-approval line of credit
  - Up to \$100K term loan
- Changed the definition of ‘new business’ to six months in operation vs. 12 months
- Provided ongoing wrap-around support services

### Program Results to Date\*



**\$6,951,100** lent



**399 financing** opportunities fulfilled



**79.8% approval rate,** from completed applications



**992 training, information and advisory services** provided to Unity clients



**17 women connected** with Peer Groups and One-to-One Mentors

\*February 1, 2021 to March 31, 2022

# Client Story: Unity Women Entrepreneurs

## AWL TOGETHER LEATHER, ARISS GRUTTER AND TESS GOBEIL



Ariss Grutter and Tess Gobeil’s joint venture, Awl Together Leather is more than just a custom leatherwork and shoe repair studio. Offering a wide range of services related to leather, including alterations and repairs as well as small goods production, the pair is dedicated to building a community hub where people from all walks of life can connect and learn the art of leatherworking in a safe environment.

With 82% of the current shoe repair industry in Canada being male and aged 45+, their goal is to train more Female, Queer, Trans and/or BIPOC people with the hopes of fostering a new wave of leatherworkers so the industry can grow and flourish.

Looking to expand their space and services, Ariss and Tess worked with a WeBC business advisor to complete their business plan, then accessed a loan from Vancity via the Unity Women Entrepreneurs Program to acquire their new space.

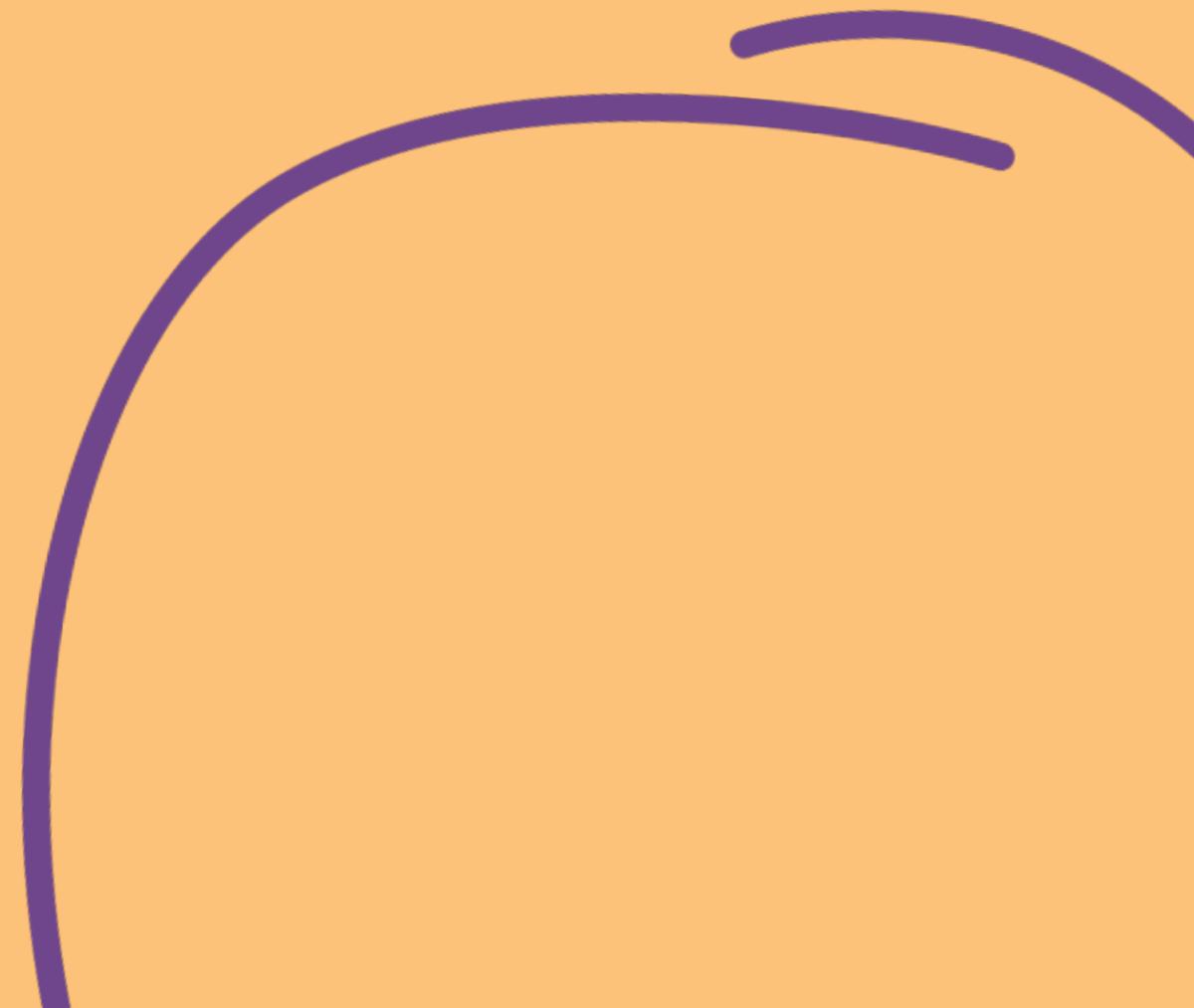
*“The biggest challenge we have faced was a lack of representation in our own industry—it was a driving force behind why we wanted to create Awl Together Leather. Both of us have worked in a variety of positions within leatherworking where women/queers are virtually non-existent. This underrepresentation left us without mentorship and undervalued for our skillset,” says Tess.*

Since accessing the Unity program, Ariss and Tess have continued to work with their WeBC Business Advisor, have connected with a Mentor and have found promotional opportunities as part of the wrap-around support provided by WeBC. Looking to the future, they see themselves expanding to another location, hiring more staff and participating in more community events.

**“ It enabled us to put our ideas to action! We knew we needed a bigger space, but without additional financing, it’s very difficult to take the leap up the ladder. It was incredibly heartwarming to see the community come out for us and made a big difference in our starting momentum. ”**

A COLLABORATIVE APPROACH

# Conclusion





# Advancing the Future of Women Business Owners

Women business owners are essential contributors to the Canadian economy—an economy that is rapidly changing. We know that women entrepreneurs think differently, assess risk differently, and scale businesses differently than men. We understand that women don't just want, but need business support services to increase their business skills, confidence and overall success.

By valuing the broader definition of entrepreneurship, recognizing different growth pathways, and re-designing systems to encompass different needs, funders have an opportunity to attract women business owners as clients while supporting the advancement of women's entrepreneurship.

In the coming year, as women business owners move away from temporary government grants, they will search for funding through their financial institutions, organizations like WeBC and alternative sources such as crowdfunding.

Now is the time for funders to look at their current lending programs and ask, **how can we work together to better meet the needs of women business owners?**

## Collaboration and innovation create new opportunities for funders

We believe that collaboration between lenders and business service providers leads to innovation in the lending ecosystem, and creates a pipeline of diverse women-owned businesses that stimulate the BC economy.

Together, we can close the gap to ensure women entrepreneurs can access the funding and support they need to grow strong businesses and thriving communities.

