

The Effect of Aspirations Upon The Business Achievements of Women Entrepreneurs

by Rena Blatt

L'auteure explique comment les motivations qui poussent les femmes à fonder leur propre entreprise ont un lien direct avec leur réussite. Elle examine, entre autres, les techniques que les entrepreneuses chevronnées utilisent afin de réussir en affaires.

Women need to learn how to make their businesses grow. It is important from the outset to believe that the business will grow and therefore to develop a business structure that will allow that to happen.

Women's businesses seem not to grow as well as those owned by men. The reason for this may be because women don't aspire to have large businesses or because they start their businesses with non-financial motivations. In the fall of 1992, the Ontario Ministry of Economic Development and Trade conducted a survey of 800 businesses that had started since 1989 in order to examine, among other things, people's motives for starting a business. The survey was done as part of a series of studies on business that began in 1984. The purpose of this series was to provide information to the government about businesses, about their concerns, and about how they would react to changes in government policy. In this particular study, which dealt with the early years of these businesses, questions related to the business startup process formed the core of the survey.

Our findings suggest that the three major reasons people have for starting their own firms are: to make money, to be their own boss, and to run their own business. This is consistent with other research findings which show that successful business people whose businesses have been running for more than five years talk about such things as self-actualization and being able to adapt their own work styles (Blais *et. al.*).

In the survey, we asked whether it was the owners' intent when the business was started to build a large business or simply to provide an income for themselves. Fifty per cent of the respondents said that they were hoping that their business would grow. When asked what level of annual sales they would have to achieve to consider their business a success, almost 40 per cent of the men but fewer than 20 per cent of the women indicated amounts over one million dollars. More than 50 per cent of the women chose values under half a million dollars.

Interestingly, these percentages mirror reported rev-

enues by business owners in 1991. While more than half of the men reported revenues over \$200,000, just over 25 per cent of the women reported similar figures. It would seem that the gender of the owner does in fact affect the growth of the business.

These findings are also supported by a study completed by H el ene Lee-Gosselin for the Women Inventors Project. Her survey compiled information on 120,000 Canadian companies that were in existence between 1985 and 1989 and for which the gender of the owner could be identified.

I would like to suggest that the motivations for starting up the business affect the achievements of women entrepreneurs. A much higher proportion of men than women indicate that the reason for starting their own business is "to make money." Women's primary response is "always wanted to run my own business." This may be why investment in women-owned businesses is almost 15 per cent lower than investment in men-owned businesses. Women also invest a smaller proportion of their own money in their businesses.

If a business owner sets her sights at having a micro-business, that is what she is likely to have. While there is nothing wrong with having a micro-business, anyone considering one should be aware of their problems. Among these tends to be difficulty in borrowing capital, attracting skilled staff, and perhaps most important, achieving permanence. The latter is difficult because the business tends to be dependent upon the owner personally.

Starting a business and running a business on a non-financial basis is fine as long as the woman has other means of support. There are considerations beyond "earning enough for now," however, that every business owner should be taking into account. Among these are planning for the time when the owner is no longer willing or able to work. In a micro-enterprise that just gets by, the likelihood is high that there is no possibility of saving for retirement. Furthermore, when the time for retirement comes, if the business is a one-person service operation, there may be few or no assets to sell.

I believe women should dream larger dreams. They should have bigger visions and create larger, more viable businesses. One way to do this is to take the big vision and cut it into smaller, more immediately achievable modules, keeping in mind that each module is a part of the whole.

Women also need to learn how to make their businesses grow. It is important from the outset to believe that the business will grow and therefore to develop a business structure that will allow that to happen. While incorporating a company is no guarantee of growth, it does send a signal that there are expectations the business will grow substantially.

There is some similarity in the techniques used by successful entrepreneurs to help their business grow. The first technique is planning. Successful entrepreneurs may not be able to pull a shiny, bound document out of their desk and say: "Here is my business plan!" but they have either on paper or in their minds a map they are following. Not every bend in the road is necessarily on the map, but they have a good idea of whether they are trying to reach a market in Canada or one in Europe, for example.

Part of the planning process involves setting goals. These must be realistic, or it is a set-up for failure. Don't plan on becoming the price leader—this is virtually impossible for a small business. Also, don't plan on cornering a market. Do plan on getting two or five, or as many as possible, new clients. Or plan on increasing sales by ten per cent. But don't make the goal so easy that it is a piece of cake.

Set time limits on these goals. Again, make these limits reasonable. If a new market is the goal, it will not happen tomorrow. Contacts must be made and people found with whom to work. Perhaps six months or a year from tomorrow would be more realistic.

Celebrate successes when they happen. Mark the event in an appropriate manner.

Another strategy used by successful entrepreneurs is to hone their ability to recognize opportunity, and then to ensure that the organization can capitalize on what they have recognized. How is the ability to recognize opportu-

nity honed? Maintaining a positive attitude is one way. Keeping an open mind is another. Remaining open to new ideas is a third. Take in a lot of ideas and learn how to sift them. To some extent opportunity recognition is a numbers game. The more ideas considered the greater the likelihood that one will click.

Where do these ideas come from? Read! Read success stories, read about failures, read business magazines, read general magazines. Schedule a certain amount of reading time into each day. It is not necessary to read all of every publication. Browse, scan, thumb through them and see what they have to offer.

Talk to people! Talk to customers, talk to staff, talk to suppliers. Network groups should be used for business development as well as for meeting people.

Marketing is a valuable strategy. The best idea goes nowhere unless it is marketed. The world will not beat a path to your door if they don't know what's behind it.

Keeping existing customers is yet another way to grow. It is always more expensive to get a new customer than to keep an existing one. To keep customers, give them more than they are expecting. This is known as the WOW principle; making them feel, "wow! this is great!" It keeps customers coming back again and again.

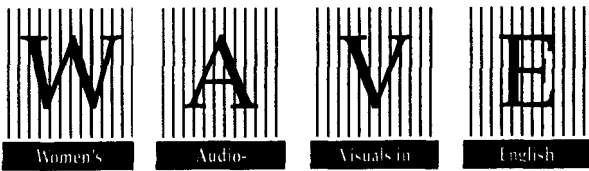
Many successful business people also say that their staff plays a very significant role in their success. There are many different leadership styles that can be used for growth. No matter which style is used, it is important to remember how valuable the staff is to the business.

The underlying element in all of this advice is that in order to build a successful business, a certain degree of self-esteem is required. Believing that growth is possible and really wanting it will make it happen.

Rena Blatt is currently Senior Research Advisor to the Ontario Ministry of Economic Development and Trade. She is also responsible for programs relating to women in business, including "Step Up," a business expansion program. She has published a series of scholarly papers on Canadian entrepreneurs in addition to papers on technological entrepreneurship, family enterprise, and fast growth companies.

References

- Blais, Roger, Rena Blatt, John Kyle, and Andrew Szonyi. "A Cross-Cultural Perspective on Entrepreneurship in Canada: What Motivates People to Start Their Own Business," presented to the Eighth Annual Babson College Conference on Entrepreneurship Research, University of Calgary, 1988.
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- Ontario Ministry of Economic Development and Trade. "Young Companies Study, 1989-92: Small Business Advocacy Report Number 46." Research carried out by Decision Marketing Research Limited, 1992.



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- A listing of 800 audiovisual titles produced between 1985-1990; annotated; indexed by subject and title; ordering information.
- Cost is \$2 (check payable to University of Wisconsin-Madison) from: Women's Studies Librarian, 430 Memorial Library, 728 State St., Madison, WI 53706.

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