

# It's who you know

Women entrepreneurs and  
the impact of networks

Inside: Global Women in Business  
Advisory Council members on  
networking – and more!

The EY logo consists of the letters 'EY' in a bold, sans-serif font. The 'E' and 'Y' are connected at the top. The background of the entire page is a close-up photograph of a smiling woman with dark hair, wearing a light blue and white striped shirt. A bright yellow diagonal shape cuts across the lower right portion of the image. In the bottom left corner, there is a graphic of vertical lines of varying heights that tapers to a point, which is connected to the yellow shape.

Building a better  
working world

## Friends at the top

Dear friends,

The world's women entrepreneurs have a new resource to help them succeed: the Global Women in Business Advisory Council. This resource is designed to harness the insights and experiences of top women in business in an effort to help more of them "go big" in business today.

A global, interconnected world provides increased opportunities for entrepreneurs – and this means the world's women as well. Women own about a third of all businesses in the world, nearly half of which are in the developing markets. In a recent survey of the world's most dynamic entrepreneurs – the EY World Entrepreneur Of The Year™ winners – women rated as more optimistic than their male counterparts in their home countries, and expect to hire more than the men in 2013 (73% to 69%).

This is great news – and the Global Women in Business Advisory Council wants to make sure the support is there. What sets this group apart is that every woman has shown the ability and confidence to take the next step.

We will be bringing you insights from these leaders on an ongoing basis.

Kind regards,



Maria Pinelli

**"This is a big, bold initiative – we will do big, bold things."**

Maria Pinelli, Global Vice Chair, Strategic Growth Markets, EY



### Global Women in Business Advisory Council members

Mylene Abiva, FELTA Multi-Media Inc.

Yasmina Azhari, Mira Trading LLC

Monique Brummans,  
Dieman & Van Gestel

Amy Buckner Chowdhry, AnswerLab

Charmaine Crooks, NGU Consultants

Carolyn Cross, Ondine Biomedical

Michelle Essome, AVCA

Reese Fernandez, Geospirit

Diane Foreman, Emerald Group

Lili Hall, KNOCK Inc.

Seema Khan, Government

Francesca Lusini, Peuterey Group

Rebecca MacDonald, Just Energy

Emmanuelle Morice, SVP CANOPY

Carla Newell, TVC

Andrea Pfeifer, AC Immune

Amy Rosen, NFTE

Pattie Sellers, Fortune

Sandra Wu, Japan Asia Group

Aysen Zamanpur, Silk and Cashmere

### EY supporters

Beth Brooke

Borbala Czako

Alison Kay

Nicky Major

Pip McCrostie

Colleen McMorrow

Maria Pinelli

Antonette Tionko

### The Global Women in Business Advisory Council members share insights on two important topics.

#### Members speak on funding and networking

**"Networks were integral to me.**

Without the connections I made in pharma, biotech and the medical devices community, it would have been very difficult for me to open the doors and get the external funding I needed." **Carolyn Cross, Chairman of the Board and CEO, Ondine Biomedical**

**"Industry contacts and strategic alliances matter and credentialize you.** It is very different for women to raise capital (versus men) in Japan, perhaps all of Asia. Men can be very aggressive in marketing themselves – women cannot take the same approach. The Bank of Japan has set up a development bank, with women officers, to help more women start their own business. **We need to help prepare more women** for this different environment." **Sandra Wu, President and CEO, Japan Asia Group**

**"Be authentic, be a woman, be you.** I self-funded KNOCK. I wasn't even aware of the options available to me at the time. **If I had known, I could have grown my business faster.**" **Lili Hall, Founder, KNOCK Inc.**

**"Work on the business, not in the business.** I came from the tech world, and my network was with very large organizations. It was a very strong network, but since there are so few women CEOs in this world, **I felt I was missing out on a women's network for the past ten years.** I would like to see us instill a more systematic approach to networking, especially for young women." **Emmanuelle Morice, SVP CANOPY**

**"Use other women to help you move forward.** I had excellent connections all over Syria with importers of food stuffs and household appliances that I was selling in my malls and supermarkets. My personal reputation also made it easier to get necessary bank loans. Even now, while I am staying in the United Arab Emirates, I still benefit from my connections and continue to refresh my network." **Yasmina Azhari, Founder, Mira Trading LLC.**

**"Keep your connections and contacts alive – work at it!** I transferred my company's financial portfolio from a large commercial bank to one that specializes in entrepreneurs and helping them grow. I was able to maximize our collateral and save on interest. **I met the bank's ambassador through my EY network. We were both co-awardees at EY Philippines Entrepreneur Of The Year!"** **Mylene Abiva, President and CEO, FELTA Multi-Media, Inc.**

**"Trailblazers fight for other women.** Banks see women as a risk – not as an opportunity. Getting seed capital is always the hardest, unless it comes from angel investors. Our role is to help women succeed at this critical early stage – since we have the relationships and have seen the good, the bad and the ugly. It is time for us to lobby governments to improve access to funding and at the same time increase our representation in finance, business and politics." **Rebecca MacDonald, Executive Chairman of the Board, Just Energy**

#### Members speak on personal branding

**"Know who will endorse you and connect with them!** I'm around men all the time. I would advise young female entrepreneurs to seek out more women. Everyone's journey and style will be different – **but I would think about who you ask to endorse you – as well as who you endorse. You need people who will tell you the truth.**" **Charmaine Crooks, President and Founder, NGU Consultants**

**"Be visible – have a clear elevator pitch.** We all have complicated stories and complicated asks. Clarify this. Get a pitch. **Let people know who you are and what you do.** They'll make quick judgments as to whether you are interesting and competent and if they want to invest in you." **Amy Rosen, President and CEO, NFTE**

**"Be bold – sell yourself, not just the business. Sometimes it feels safer talking about the business brand rather than your own personal brand.** This is an important distinction. Women are so inclined to do something for somebody else instead of just themselves." **Pip McCrostie, Global Transaction Advisory Services Leader, EY**

Women entrepreneurs face different challenges from those of their male counterparts when it comes to growing and scaling up of their businesses. The EY G20 Entrepreneurship Barometer 2013 survey, insights from the Global Women in Business Advisory Council and the results of the EY Entrepreneurial Winning Women™ Program offer new insights into the importance of networking to support operations in the global marketplace.

New businesses are a prime mover of economic growth, and there is an increasing number of women in the driver's seat. Women now own or operate around 30% of all private businesses. Scaling their business has often been a challenge – access to capital is one of the key barriers.

Alongside capital, networks have emerged as the most important driver for women's entrepreneurial success. The question of how to use networks to optimize access to capital is therefore critical to growing female entrepreneurship. The Barometer survey results show new evidence of funding challenges for female entrepreneurs and

the importance of networking, mentors, corporate engagement and informal relationships to access to capital and business growth.

### Proven: networks work

Is there evidence that networks really do help women entrepreneurs? Yes. The Barometer survey reveals differences in business outcomes for female entrepreneurs who are actively engaged in external networks compared with those who are not. For instance, female respondents who indicated they were active in entrepreneurial workshops or support meetings reported greater improvement in access to growth and

expansion capital than those who did not report such involvement. For those female entrepreneurs surveyed who participate in teaming/mentoring programs, 27% reported "easy" access to funding, compared to 19% of female entrepreneurs overall. Similarly, 25% of female respondents who reported they were engaged with their Chamber of Commerce also said access to funding was "easy."

This also proved true in the outcomes of the EY Entrepreneurial Winning Women Program, which was founded to provide high-potential female entrepreneurs access to networks, resources and knowledge. Program participants

reported revenue growth of 50% per year on average, with job creation rates averaging more than 25% annually, according to an independent survey of program participants by Babson College.

### Strength in relationships

The Barometer survey indicated that 55% of female respondents said they currently use entrepreneurial workshops/support meetings, which compared with 44% of male respondents. Female involvement in other networks is also higher than for men. Among other coordinated activities supporting entrepreneurs, G20 women entrepreneurs gave top rankings to business incubators, teaming/mentoring and entrepreneur clubs and associations.

Networks are a compelling platform for encouraging entrepreneurship as an activity that is self-reinforcing and repetitive: you are more likely to become an entrepreneur when you know other entrepreneurs. Access to capital, for which networks are the crucial conduit, is a large part of this virtuous cycle.

There is a strong correlation between knowledge of another entrepreneur and an individual's involvement in starting a new business. The influence of role models and access to highly specific advice from mentors are critical.

Formal networks are particularly important for female entrepreneurs since, as a group, they are less likely than their male counterparts to personally know other entrepreneurs. This is partly a function of their relative youth. Studies show that the majority of business support and membership organizations do not have specific arrangements for women or policies designed to raise the level of awareness of entrepreneurship among women.

As companies grow and scale, networks are just as important for female entrepreneurs, though their functions transform through successive phases of the business. In particular, networks enable an entrepreneur to consolidate her credibility and trustworthiness with existing investors and to build relationships with more diverse, and more substantial, providers of capital.

At the same time, networks allow an entrepreneur to test her ideas with a critical audience and receive feedback, and to access other business resources. Entrepreneurs who can leverage diverse contacts to strengthen their ideas, competencies and access to resources have a distinct competitive advantage.

### The yin and yang of collaboration and competition

In addition to funding, there are powerful, intangible resources available in networks that can support an entrepreneur in optimizing the use of her company's capital. Networks allow entrepreneurs to leverage others' specializations while honing skills and talents of their own. There is opportunity for both collaboration and competition. On the collaborative side, networking opens doors to industry-specific mentoring, technical training and matchmaking with other entrepreneurs and firms with complementary skills. Contracting opportunities with large customers can be another bonus. In

## The big ask

### 12 ways to prepare for the pitch

Successful entrepreneurs know that the big idea is not enough. Gaining access to that all important capital is contingent on a solid business case. "The investment community is demanding; you need a strategy," notes Kerrie MacPherson, EY's Entrepreneurial Winning Women Leader.

- Obtain quality referrals and endorsements
- Form strategic alliances that make sense
- Establish a board of advisors and ensure they support you
- Create an effective risk management strategy
- Think positive: remove negative individuals from your circle and those who don't support your business
- Develop a strong reputation and profile
- Know your customers and suppliers
- Make sure you are asking for the right level of capital at the right time
- Know your numbers forward, backward and inside out
- Know your audience
- Be sure to sell not only your business, but yourself
- Practice, practice, practice your pitch!

## Yours for the taking

### What can women do to take advantage of networks?

"Women have the opportunity to be involved and engaged in a more meaningful way than 20 years ago," says Yoko Kuda, EY Japan Entrepreneurial Winning Women Leader.

- Join a formal networking group of women you respect and trust
- Lobby professional business groups to put female entrepreneurship on their agendas
- Seek out funding advice from successful women entrepreneurs
- Consider participation in a strong business incubator program
- Encourage the growth of formal organizations and support structures for women entrepreneurs
- Don't exclude the men. Think about ways to make connections to men work for you – and those around you – as you develop a diverse, accomplished network

terms of competition, it has been noted that innovations and ideas from other entrepreneurs, investors, incubators and manufacturers all serve as catalysts for an entrepreneur. This helps her leverage new strategies, test new markets and tap new funding sources. By participating in strong networks, entrepreneurs can tap skilled managerial and technical talent to scale their businesses. And women are aiming to do just that: the 2013 EY Global Job Creation Survey revealed that 40% of female respondents plan to hire offshore in 2013, compared with only 20% of men, so that they can tap new resource talent.

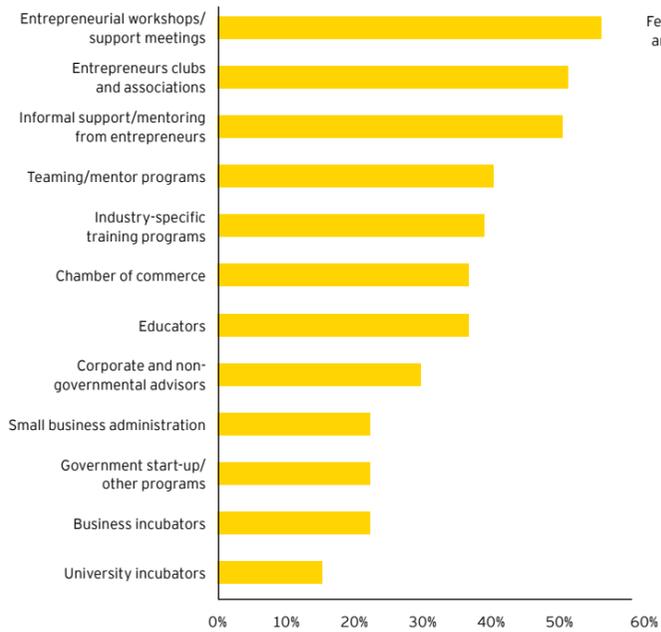
Fostering trust and gaining "insider" status are important for all entrepreneurs. Here again, networks are invaluable for nurturing the necessary social smarts and credibility critical to scaling a business and establishing a reputation. For an entrepreneur, these achievements facilitate access to funding and engagement with potential customers and vendors.

## Conclusion

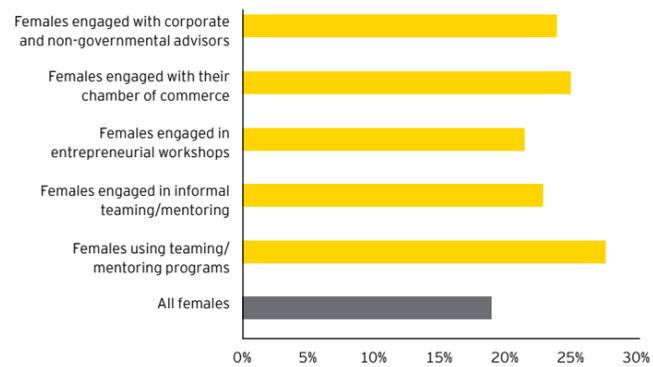
Networks create opportunity for a fast transfer of expertise. They help female entrepreneurs build their reputations and tap funding. At the same time, for those women-owned businesses taking the next step on their growth path, networks are a conduit for access to new markets, new forms of capital and specialized skills. Networks will be a crucial accelerator in closing the gender gap for entrepreneurial activity in the coming years. More than just boosting the success chances of the individual entrepreneur, they will be a powerful lever for job creation, economic growth and transformation for us all.

### Networks women entrepreneurs use

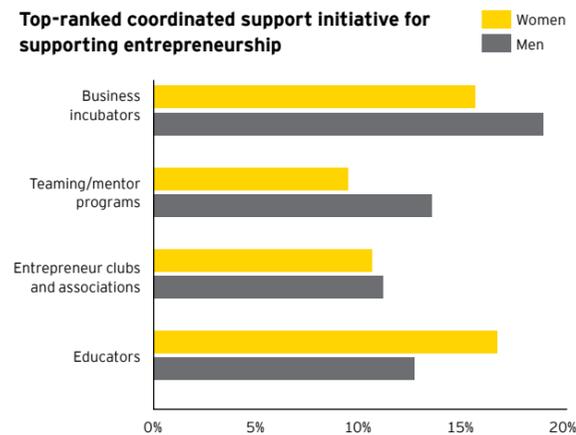
Coordinated support currently using or have used



### % of Barometer survey respondents reporting easy access to funding



### Top-ranked coordinated support initiative for supporting entrepreneurship



Networks allow an entrepreneur to test her ideas with a critical audience and receive feedback, and to access business resources.



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