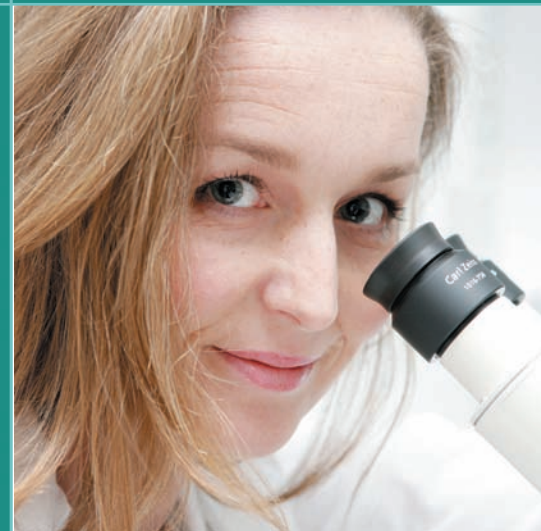




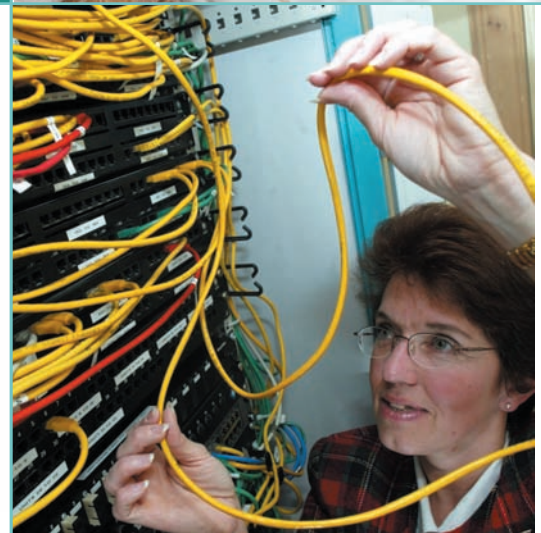
Women-Friendly INCUBATORS AND MANAGED WORKSPACES



For Science,
Engineering and
Technology (SET)
Businesses



uk resource
centre for women
in science, engineering
& technology



Prowess is a network of organisations and individuals who support the growth of women's business ownership. Our work encompasses raising awareness, sharing of best practice, advocacy and information.

Prowess has over 250 members who support 100,000 women each year to start 10,000 new businesses which contribute an additional £1.5 billion to the economy.

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Women-Friendly incubators and managed workspaces for science, engineering and technology (SET) businesses.

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Women–Friendly Incubators and Managed Workspaces

PROMOTING WOMEN'S ENTERPRISE SUPPORT



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Foreword

from **Annette Williams**

Director, UK Resource Centre for Women in Science, Engineering and Technology (UKRC)

At the UK Resource Centre for Women in Science, Engineering and Technology (UKRC) we are passionate about enabling women to enter, return and progress in SET careers. We maintain that there would be tremendous economic, social and environmental benefits to increasing the number of women participating in these sectors.

Research suggests that there is not a level playing field for women entering either enterprise or a SET career; the attempt to combine both may present a double barrier, and the figures in this report indicate that this is the case.

Through the JIVE (Joining policy and Joining practice) partnership we are working with Prowess to explore ways of encouraging greater female entrepreneurship in SET. I am delighted to introduce this new report considering the business incubation needs of women starting and growing businesses in these sectors. This is a critical area of business support infrastructure and one with close ties to the UK's universities, science parks and businesses.

Currently over 70% of women with SET qualifications are not working in these fields. The UK economy is estimated to be losing millions because women with SET degrees don't enter or don't return to the sector or work below the level at which they are qualified. Utilising the talent of qualified scientists is clearly to the benefit of the overall economy as well as to women themselves.

Self-employment presents one method by which to engage these women and tackle this waste of talent. The flexibility and independence that enterprise can offer makes it an appealing option. It is vital that enterprise opportunities are promoted more widely to women with SET qualifications and others, as a means of pursuing a fulfilling career at a level which matches their skills and experience.

If more women are to be encouraged to start businesses in these fields, then the infrastructure needs to be in place to support this. This report, the first of its kind to consider this critical area of business support in relation to women in SET, marks a very important step.

This is an area that anyone serious about tackling the UK's skills, innovation and productivity gap can not afford to ignore.

I. Executive Summary

Research has consistently shown that female entrepreneurs are more innovative than their male counterparts; they are more likely to be providing a product new to the market, more likely to be using technology in their products or services and more likely to be offering a product or service that has been developed in the last year ¹.

Despite this the number of female owned companies in Science, Engineering and Technology (SET) is staggeringly small. It is well documented that women are underrepresented in enterprise in general; being half as likely as men to start a business. However in the SET industries there is an even larger gender gap with over ten times as many male-owned companies². In many sectors the number of female owned companies/women in self-employment is too small to be statistically reliable, hence there are:

13,139 male owned mechanical engineering companies but no data available for women

4,334 male owned/self-employed IT Technicians but no data available for women

The figures are alarming because sectoral segregation is a significant factor in the growth discrepancy between male and female owned firms. Furthermore 76% of women with SET qualifications are not working in SET industries, this compares with 51% of men with SET qualifications.³ SET careers are perceived to be inflexible and not conducive to part-time working or career breaks. SET enterprise may enable more women to pursue a career in their chosen field, at a level that matches their skills and experience on a more flexible basis. Utilising the talent of qualified scientists is clearly to the benefit of the overall economy as well as to women themselves. The SET sector provides some of the highest levels of gross value added per job created. With over 70% of women with SET qualifications not working in these sectors it would seem that the option of self-employment needs far greater focus by policy makers and business support providers.

If more women are to be encouraged to start and grow businesses in the SET industries the infrastructure needs to be in place to support this.

One key area of this support is business incubation and managed workspaces. Eighty to eighty-five per cent of businesses that have been part of an incubator are still surviving after three years compared with the national average of less than 50 per cent.⁴

Incubators and managed workspaces do not just provide physical space but also often provide critical business support. The benefits of the services and co-location positively affect business survival and growth through; a mix of learning, interaction with other businesses and access to appropriate advice, support and networks.

There are also increasing numbers of virtual incubators which do not involve physical space and pre-incubators and workspaces where clients can access space if and when they need it.

The main goal of most incubators or managed workspaces is that of supporting the creation and development of successful businesses. They may also be actively involved in regeneration, retaining businesses to an area, providing locations for complimentary businesses and linking in with university spin-off companies.

Some general business premises and incubation support in the UK is primarily focussed on women's enterprises and others have specifically taken women's needs into account in their design and development. For SET women business-owners, and in SET-focused incubators and managed workspaces, however, there seems to be little understanding of women's needs or how to address them.

There is clear evidence that there is a demand from business owners for female-friendly business incubation environments. A survey by Aurora, the international organisation working for the economic advancement of women found, that 94% of female business owners would welcome a 'women-owned business incubator and related support services'. The women in their survey felt support through a business incubator could increase their combined buying power from suppliers and their combined bidding power for tenders. They also felt a tailored incubator would

¹ Stairways to growth: Supporting the ascent of women's enterprise in the UK, Global Entrepreneurship Monitor/Prowess 2006 and Achieving the Vision, Female Entrepreneurship, British Chambers of Commerce, 2004

² Office for National Statistics, Labour Force Survey, Quarter 4 2006

³ Labour Force Survey 2004

⁴ See the Small Business Service and the UKBI websites for a range of information about incubators and best practice: www.sbs.gov.uk and www.ukbi.co.uk.

'harness a productive community, provide a one-stop shop for accelerating and supporting growth and that the practical environment of energy and support would be tremendously useful'⁵.

It is not enough for incubation environments to assume they are meeting diverse needs by being 'non-discriminatory', it is critical to constantly assess the needs of current tenants and potential tenants. Under the Public Gender Duty introduced in April 2007, all public bodies are now required to ensure their services adequately meet the different needs of men and women, Hence all directly or indirectly publicly funded incubators will need to ensure the promotion and accessibility of their services does not indirectly discriminate against either sex.

The Women's Business Development Agency (WBDA) argues that "science parks are still very 'male focused' in terms of their marketing and their services and that they must adapt their practice if they are to both exploit the full market potential for their services and to connect more effectively with the socio-economic eco-system within which they operate". Their research suggests that fewer than 5% of businesses in science parks in the UK are female owned.⁶

The aim of this report is to look at ways in which business incubators and managed workspaces can meet the diverse needs of women (and men in many instances) and puts the discussion in the context of SET businesses, where women are so vastly under-represented.

Clearly, many of these issues can also affect men and therefore a discussion about women-friendly premises will benefit both men and women in the choice and availability of future incubation environments and workspaces.

Recommendations:

For business incubators and managed workspaces:

Routinely measure, monitor and adapt services to the benefit of all existing and potential clients.

Consider the following factors from a gender perspective in the delivery and design of incubation and business support services:

- The need for flexibility of access and services
- Responding to longer incubation periods for women-owned businesses
- Location and accessibility
- Image and environment
- Outreach
- Security

⁵ Women-owned Business Focus Groups Consultation Report for the UK DTIs Small Business Service, 2004

⁶ High Growth, High Inclusion: supporting women into enterprise, paper presented to the XXII IASP World Conference Proceedings by the Women's Business Development Agency.

- Styles of interaction and networking
- Linking in with the wider community
- Learning needs and confidence/methods of business support delivery
- Childcare and child-friendly premises
- Additional services that save time
- The nature of the other businesses/clustering
- Sustainability/Leading by example

For policy makers:

SET careers are perceived to be inflexible and not conducive to part-time working or career breaks. SET enterprise may enable more women to pursue a career in their chosen field, at a level that matches their skills and experience on a more flexible basis. Utilising the talent of qualified scientists is clearly to the benefit of the overall economy as well as to women themselves.

The SET sector provides some of the highest levels of gross value added per job created. With over 70% of women with SET qualifications not working in these sectors it would seem that the option of self-employment and the necessary infrastructure needs far greater focus by policy makers.

For UK Business Incubation and UK Science Park Association

Routinely collect and publish data on the gender and ethnicity of business owners located in incubators and managed workspaces

Promote and encourage women-friendly practices (including the tick list in Appendix I of this report) as a means to provide excellence in service to all clients.

II. Methodology

In 2005 Prowess produced a report in partnership with UK Business Incubation entitled 'Women-Friendly Incubation Environments and managed workspaces'. It provided an overview of good practice and considered the ways in which business incubators could better meet the needs of their female clients or *potential* female clients.

The UK Resource Centre (UKRC) for Women in SET commissioned Prowess to produce this current report as an update and with a specific focus on women business owners in SET. The massive under-representation of women business owners in SET and the paucity of research in this field indicated the need for such a report.

This report updates the 2005 research and has been supplemented with new interviews and research focussing on female entrepreneurship within the SET industries. Interviews were conducted with owners of incubators, women business owners working in SET and business advisers.

III. What are incubators and managed workspaces?

A **managed workspace** is a property development which provides serviced premises from which small businesses can trade. The minimum core shared services that they are likely to provide include: office management, central reception, supply of equipment and security. They may or may not offer business support or advice. There is usually no limit to the length of time that tenant businesses may remain within the workspace. These workspaces may be commercially provided or set up by business support agencies or local authorities. Spaces and services are provided at or, in some cases below, market rates.

Some managed workspaces are public sector funded, and have similar goals to business incubators in terms of assisting the creation or growth of businesses or help regenerate deprived areas. The Local Government Association (LGA), for example, reported 145 local authority-funded, managed workspaces in the UK in 2000, but notes that this figure is incomplete.⁷ Managed workspaces are also run as purely commercial ventures and may share some of the features of publicly-funded workspaces: a set of basic shared services; opportunities to work alongside other business people rather than in isolation; or the increased profile and platform that being in one location with other businesses provides. In the commercial sector, the term 'managed workspace' is used almost interchangeably with the terms 'business centre' and 'serviced offices'. If you include these categories together, you end up with a figure of over 2,000 centres in the UK.⁸

Business incubators, like managed workspaces, are generally physically-based property developments with related services or virtual support with no premises. They tend to be focused on start-up businesses, and may have a remit to assist particular groups such as high-tech growth businesses. They have specific entry criteria which reflect these objectives, they usually offer rented premises at below market rate (at least for an initial period), and they limit the length of time that businesses can remain with them.

Business incubators provide business and/or technical support to their clients which can include mentoring, training, financial and funding assistance. In other words, they focus on the 'process' of incubation and see themselves as more than the sum of their parts. The combination of support, selection criteria, and bringing businesses together under one roof should develop a creative environment in which start-up enterprises can flourish and take off, through networking opportunities, inter-trading and opportunities to learn from their peers, along with more formal support mechanisms.

The majority of incubators are on science parks or have a technology focus. UK Business Incubation (UKBI), which champions the interests of the business incubation industry, spreads good practice and sets standards for incubation, now has over 300 incubator projects as members.⁹ The UK Science Park Association (UKSPA) recognises about 200 science parks.¹⁰ Over 60 per cent of incubators have public funding, and sustainability (in other words, the ability to be self-financing over the longer-term) is an issue for many projects.¹¹

⁷ Quoted from an LGA report (2000) *Managed Workspace and Business Incubators A Good Practice Guide for Local Authorities*.

⁸ The Tavistock Directory lists over 2,000 business centres www.tavistockdirectory.com.

⁹ www.ukbi.co.uk

¹⁰ The UK Science Park Association (www.ukspa.org.uk) says that: A Science Park is a business support and technology transfer initiative that:

- encourages and supports the start up and incubation of innovation led, high growth, knowledge based businesses.
- provides an environment where larger and international businesses can develop specific and close interactions with a particular centre of knowledge creation for their mutual benefit.
- has formal and operational links with centres of knowledge creation such as universities, higher education institutes and research organisations.

¹¹ British Council, briefing sheet 18, December 2002

Table 1: Key differences between business incubators and managed workspaces:

Managed workspace	Business incubator
1. Provide premises for small businesses	1. Provide premises for small businesses
2. Offer shared office services and equipment	2. Offer shared office services and equipment
3. No limit to life of tenancy	3. Length of stay has an upper limit
4. Minimal entry requirements	4. Entry criteria, based on meeting incubator's objectives and on strength of potential tenant's business/business plan
5. Rents are usually at commercial rates	5. Rents at below market rates
6. Sometimes offer business support	6. Business support and advice is key component of the incubator project
7. Networking and inter-trading likely between tenants but focus is on easy-in/easy out terms although many businesses find the terms of some commercial providers very inflexible	7. Creation of an entrepreneurial environment, through creating the right mix of businesses and support is central to the project's philosophy
8. Created either as a commercial venture or may be funded for example by a local authority with the intent of helping to regenerate a deprived area by encouraging business	8. The majority are publicly funded but some can become self-sustaining over time

Virtual incubators provide support through networking and services and do not require people to be based in physical premises. They provide a useful alternative for people not needing physical space, or not being able to afford it or not being able to access it because of timing or transport difficulties.

Virtual incubators or ongoing forms of virtual support are ideal for certain kinds of business. In one example, piloted for businesses which are predominantly SET, relatively more women

appeared to be attracted to this option rather than attending the physical premises of one of the participating members; Aston Science Park. On the other hand many business owners may prefer, or benefit from, co-location with other similar or complementary businesses to, for example, increase motivation, better enable peer business support and networking, or create the potential for new collaborations, joint tenders and new business opportunities.

The **Virtual Incubator Programme** is a regional initiative in the West Midlands which is aiming to create virtual support for incubator companies. It is currently being piloted and is delivered through the already successful Business Innovation Centre Network. The Virtual Incubator supports, advises and gives practical assistance to SMEs who may not be physically located within an existing science park or incubation centre.

It has two specific online applications: a virtual office for employers / employees offering telephone, postal, email and ordering systems. Staff are able to answer the phone, provide a postal address for a business, mail and relay messages to SMEs in any number of formats: telephone, email, SMS text, fax or pager. Each participating Business Innovation Centre in the partnership will also develop a specific specialism, for example, location independent working (especially those who would otherwise expand and move out of the region), access to finance, strategic business planning, technology transfer and business networking.¹²

www.virtualincubator.org.uk

The focus of policy and development has often stopped at incubators, and has not adequately considered the availability and accessibility of workspaces overall, particularly for growing and mature businesses. One interviewee noted that "My experience is that there is not much space on offer for businesses in the Phase 2 stage of their development, who may need a larger space but still require business support, shared services and the easy in/easy out terms that most managed workspaces can offer."

Businesses have different growth and development trajectories. Peter Harman, Deputy Chief Executive of UKBI noted, for example, that incubators are not just relevant for start-ups. Businesses may reach a crisis point or business-owners may wish to substantially change the growth pattern of their business and require the support of an incubation environment for that developmental phase.

¹² Business Innovation Centres (BICs) give support to innovative businesses and entrepreneurs. They aim to help young companies survive and grow during start-up. The European Community runs a scheme to certify BICs. 160 are part of the European Business Network (EBN).

IV. Women-owned businesses in Science, Engineering and Technology (SET)

Women in the UK are half as likely to start a business as men. Well documented factors that account for this discrepancy include; lack of confidence; greater responsibility for child and elder care; lack of access to finance, fewer role models, difficulty in penetrating traditional business networks, perceived or actual lack of experience and greater risk adversity.

There has been very little research carried out on women business owners specifically in the SET industries. To begin to address the lack of data Prowess commissioned the Labour Force Survey to produce a report. It demonstrates that across all SET industries there are over ten times as many male as female owned companies. Table 2 indicates the gender discrepancy in business ownership in a cross section of SET industries:

Table 2

Business sector	Male owned companies	Female owned companies
Software	25,774	3,686
Architecture	17,564	1971
Electricians	59,020	1319
Chemists	1,569	1,456
Bio scientists	2,865	1003
Mechanical engineers	13,139	—

Source: Office for National Statistics, Labour Force Survey, Quarter 4 2006

It is clearly relevant to the gender gap in business ownership that women are less likely to pursue SET qualifications at university level (with the exception of the life sciences). Although there is some evidence to suggest the gender gap is narrowing in certain subjects. Table 3 shows the percentage of all undergraduates in each subject who were female in '95/96 and '03/04.

Table 3

Subject	% of female undergraduates 1995/96	% of female undergraduates 2003/04
Physical sciences	35.8	41.1
Biological sciences	60.0	62.5
Engineering and Technology	14.1	15.1
Mathematical sciences	38.0	38.3
Computer science	19.3	18.3

Source: Higher Education Statistics Agency

Not only are women less likely to pursue a SET qualification, those who do have SET training are less likely to pursue a career in SET; 76% of women with SET qualifications are not working in SET industries, compared with 51% of men with SET qualifications¹³.

There is also a glass ceiling preventing women from attaining management roles due in part to the nature of SET careers, which are perceived to be inflexible. Women tend not to return to SET after having had children.¹⁴

In 'Women in Science Enterprise' Chell notes that the early stages of a SET career can put women off

¹³ Labour Force Survey 2004

¹⁴ Hollowell C, Mellors N and Silver J (2005) *Gender and Technology Enterprise: Improving Women's Participation in SET Enterprise*, University of Salford.

because of the masculine culture and rigid career paths. She pointed to the need for more management training and specific activities such as screening women's scientific ideas for their business potential¹⁵

A study by UKRC found strong gender differences in PhD student's attitudes to starting a business and their awareness of enterprise. There appeared to be a relatively greater lack of information and awareness of enterprise amongst female students with little encouragement and increased worry about financial security and risk. They concluded that universities need to target their events and information on enterprise to female PhD students, make use of role models and ensure that post-graduate curricula include enterprise options.¹⁶

Prowess's own research in 'Under the Microscope: Female Entrepreneurs in SECT' found that 46% of women business owners in SET had left a previous employer to start a business offering a similar service. We can speculate that this is a 'push' factor, i.e. women going into enterprise because they do not feel their skills are being rewarded by their employer or they are obstructed by a glass ceiling.

SET enterprise may enable more women to pursue a career in their chosen field, at a level that matches their skills and experiences on a more flexible basis. Utilising the talent of qualified scientists is clearly to the benefit of the overall economy as well as to women themselves. The SET sector provides some of the highest levels of gross value added per job created. With over 70% of women with SET qualifications not working in these sectors it would seem that the option of self-employment needs far greater focus by policy makers and business support providers.

The Prowess research revealed that 70% of female SECT entrepreneurs do not feel there is

enough business support specifically aimed at people looking to start businesses in these sectors. The report concluded that there was a need for:

- **More sector specific business support**
- **More sector specific networking events**
- **More information on the range of finance options**

Business incubators and managed workspaces are key components of the infrastructure of support needed to enable more female owned companies to start and flourish in these sectors.

¹⁵Chell E (2002) Women in Science Enterprise: An exploration of the issues, some policy implications and research agenda, Paper presented at the Gender Research Forum, Women and Equality Unit, London.

¹⁶Swiszczowski L and Zalewski A (2007) *Gender and Doctorate Students' Attitudes to SET Enterprise*, UK Resource Centre for Women in SET.

V. The needs of female entrepreneurs in SET: in relation to incubators and managed workspaces

In a survey of SET entrepreneurs carried out by the University of Salford¹⁷, 60% of the female SET business owners they interviewed worked from home, compared with just 10% of male SET business owners.

Many women are more likely to work from home because they are combining business ownership with childcare, indeed for many women in the Salford survey (and for 25% of respondents in the Prowess survey) this was the *key* motivating factor behind self-employment. Nevertheless both sexes recognised that home working was not always a desirable option and that office space was necessary to present a 'professional' image to clients. Those who worked outside of the home also spoke of the benefits of being able to 'shut off' at the end of the day. A physical separation of work and home life made it easier to balance the two.

This indicates that female entrepreneurs do want to access incubation space but that it needs to be responsive to their needs. Whilst clearly this is not only of concern to female entrepreneurs, women in the UK are still responsible for 80% of caring responsibilities¹⁸.

The Salford study makes the important observation that female business owners in SET are likely to start a business longer after having left university than their male counterparts, and so are less likely to have useful contacts and less in a position to benefit from incubation environments linked to universities. Overall 15% of business incubators are based on a university site, in order to provide add-on facilities to their tenants, for example training, seminars and workshops or even corporate membership of the university health club¹⁹.

The appropriateness of incubation/work space does of course depend on the sector, whereas with manufacturing or biological consultancy a

laboratory may be essential, for businesses conducted predominantly on-line a physical office space is not always necessary. For such businesses virtual incubation and complimentary services such as a virtual address and occasional room hire may be more appropriate.

The 'Under the Microscope' study found 49% of SET and construction female owned businesses are run from home although there is a possibility of under-representation in the survey of women leading or owning high-tech manufacturing companies that require significant physical spaces and laboratories.²⁰

Considerations about appropriate business incubators and workspaces is not *just* about access to physical space, it is also about the 'value-added' that these premises can provide in a range of business support services that enhance survival rates and success, and which may support a business and the owner-manager through start-up and growth or indeed, for staying at the same level of turnover.

¹⁷ Hollowell C, Mellors N and Silver J (2005) *Gender and Technology Enterprise: Improving Women's Participation in SET Enterprise*, University of Salford.

¹⁸ The barriers start to fall – Barclays 2000

¹⁹ UKBI

²⁰ Under the Microscope: Female business owners in SECT, Prowess, 2007

There are several reasons why business incubators should be considered from a gender perspective:

- Women can have difficulty penetrating certain kinds of business networks and therefore the creation of more places of opportunities for interaction with other business owners is important given the impact of networking on business success.
- The high number of home-based women workers requires a particular consideration of their support needs and how access to peers and appropriate support services might be created.
- Women take longer relatively to set up in business which therefore affects the length of incubation support required or the way in which 'stepped' or subsidised rents apply to start-up businesses and increase over time.
- For some women cultural or religious reasons require the availability of female-only business support.
- Men and women often have different motivations for running their business with women tending to focus more on the flexibility that self-employment can bring.
- Women may have greater requirements than men to ensure appropriate childcare support. This needs to be recognised in enterprise infrastructure from the availability of childcare provision to the timings of support services and access.
- Women often require greater accessibility to public transport for training and for work.
- Confidence is a core challenge for many female business owners (no less the case in the SET industries) and there is plenty of evidence to suggest that women can benefit from access to peer networks, business support, mentoring and training.

VI. Good practice examples of business incubators and managed workspaces

The following profiles of existing incubators/managed workspaces, illustrate key areas to be considered in designing and delivering services to female business owners in the SET industries.

The Women's Business Development Agency worked with the University of Warwick Science Park (UWSP) looking at the needs of women in high-tech high-growth business.

WBDA project to increase high-tech high-growth businesses led or owned by women

WBDA worked with the University of Warwick Science Park (UWSP) on their existing training and business mentoring programme, 'Teamstart' for high-growth business start ups. Fewer than 10 per cent of attendees had been women. Several of the women admitted that they felt isolated in overwhelmingly male groups, were concerned about being taken seriously and were reluctant to ask questions. They also interviewed clients referred by Coventry University Enterprises who again felt, that, although the quality of the service provided was good, there was little understanding of the specific needs of women business owners.

WBDA found that the key difference and the vital issue for women lay in the method of delivery. Women wanted to network and inspire each other, support each other and be part of a guiding and listening process rather than 'controlling and lecturing'. Most seemed disillusioned by mainstream support and several had abandoned their enterprise ideas previously.

Women seemed far less likely to admit confidence problems in front of men. They also seemed to bond better in a single sex environment and their biggest single fear was making the presentation to potential investors.

The support programme WBDA piloted with UWSP involved 11 stages, beginning with confidence boosting early sessions and culminating in a 'Dragon's Den' scenario where participants pitched their idea to a panel of equity investors and bankers.

The majority of those taking part in this programme said they would not have been attracted to the standard UWSP 'Teamstart' programme as they would have found the overwhelmingly male clientele unnerving. All participants particularly valued the confidence building and 'pitch' practice sessions.

Astia – (formally women's technology cluster), is the leading business incubator in the US dedicated to women starting and growing technology-driven businesses, with large market potential. It facilitates the growth of companies within a genuinely collaborative and entrepreneurial community. Astia has identified that the key challenge for women growing businesses in the technology sector is lack of access to networks. To address this they have developed the SCAN model of incubation aimed at accelerating growth, reducing risk and facilitating access to angel and venture capital financing to women-led companies.

The ASTIA – Women's Technology Cluster

SCAN Model

Skills and resources: entrepreneurs tap into the expertise and the resources of the leading business experts.

Customized coaching: one-on-one coaching with experienced CEOs. CEO-entrepreneur matches are based on industry, organisational priorities and challenges.

Assessment and roadmaps: using a customised software assessment tool, each company establishes goals and monitors trends and progress at regular intervals.

Networks and funding: Astia has developed a series of networking programmes to bring investors and entrepreneurs together.

Key to Astia's success is the powerful community they have built of men and women who support the organisation either as advisory board members or as mentors to the companies. The community of over 150 supporters enables in-depth support as well as introductions to key investors and customers.

Astia offers 3 distinct programmes of incubation depending on what stage the company is at:

JumpStart™: Pre-incubation service designed to get a business funding ready

Leap Forward™: Comprehensive incubation services, designed to grow the company either through investment or sales

Next Level™: Alumni and Series A+ companies, designed to provide ongoing access to networks

Astia is a non-profit organisation and is funded by a collaboration of public and private sector 'allies' committed to the success of women entrepreneurs.

Their sponsors include; Bank of America, Microsoft, Silicon Valley Bank, Nokia and UBS.

As yet there is no equivalent of ASTIA in the UK; an incubation environment for women focussed specifically on technology driven businesses. However the importance of sector specific incubators and the clustering of complimentary businesses is being increasingly recognised. Digitalinc™ is the first UK business incubator focussed on the digital industries.

Digitalinc – the business incubator of The International Centre for Digital Content (ICDC)

Digitalinc is home to start-up companies that will become commercially sustainable in the digital content arena. It is part of The International Centre for Digital Content (ICDC). ICDC is a centre of excellence for the research and commercial exploitation of digital content. It is also a part of Liverpool John Moores University. Digitalinc aims to spin out as well as spin in technology transfer through this link with ICDC.

Digitalinc offers incubator companies sector-specific business support, advice and guidance and provides state of the art office accommodation.

The female owner of a Wi-Fi company based at Digitalinc explains the benefits of having her business located in the incubator "There is a concentration of digital companies, we are the first wi-fi company to be based here. The businesses complement each other, meaning companies can join forces as a successful consortia, under the auspices of the University and gain larger contracts".

Many of our interviewees raised the important issue of outreach and marketing in order to ensure that women appropriately access available services. Some initiatives have also gone a stage further. For example,

YTKO set out to use 'pre-incubation' as well as virtual incubation to encourage more women to consider setting up and developing business ideas based on their work.

Bioscience Yorkshire Enterprise Fellowships: pre and virtual incubation of new high growth science businesses

Designed for post-doctoral researchers to create a bioscience business based on their research, Yorkshire Forward's Bioscience Yorkshire Enterprise Fellowship 'pre-incubation' scheme was launched in 2004. The Enterprise Fellowship's objective was to increase entrepreneurial and commercial activity in Yorkshire and Humber universities' bioscience departments and to accelerate and support the formation of new bioscience businesses in Yorkshire. Nearly half of the new businesses created so far have been established by women.

Now, at the end of this pilot scheme, ten new high growth companies are already up and running, with over £4 million of additional funding secured or in negotiation, 25 times the original target. Managed from YTKO's Leeds office, a full-time expert team has delivered practical and pragmatic incubation support to commercialise and progress the Fellows' ideas and research findings. In addition, YTKO delivered a robust Workshop Programme of 30 training days, providing some 2,500 hours of business training.

As part of the holistic pre-incubation model developed by YTKO, there was a strong emphasis on the personal development of the Fellows. The women scientists who formed 30 per cent of the total Fellows responded particularly well to this support. Mentoring was also seen as a key success factor in the progress of the projects.

The Women's Business Center (WBC) Houston, Texas founded in 1989, was the first incubator in the US to facilitate entrepreneurship to women according to a 'development methodology' designed specifically for women. WBC believes that a key factor in fostering an entrepreneurial spirit and community within a high growth incubator is for the centre to practice what it preaches and operate as a self-sufficient business, the centre accepts nor seeks public funds, grants, contributions or donations.

The Women's Business Center (WBC), Houston, Texas

According to the Director of Research at the WBC 'charity is the bane of entrepreneurship' and a business incubator should operate as a sustainable business itself. Their principles for ensuring self-sufficiency include:

- Not every woman who comes to our doors has the attributes, aptitude and resources to be a successful business owner. Screening is necessary.
- Sell everything associated with the incubator operation, such as: a) Development Programs to clients; b) Advisory Board seats to established business owners, bankers, accountants, attorneys, etc, seeking emerging business owners as clients; c) Information, guides, consulting and "how to" manuals to other organisations wishing to be self sufficient.

The centers' incubation methodology is based around three core interrelated services:

Advisory boards: This board serves to provide counsel and direction to the participant businesses, and accelerate their growth.

Mentors: Each organisation is assigned a mentor who assists with the practical 'how to' aspects in business growth. The mentor also sits on the participant's advisory board.

Professional development coach: To provide an external sounding board to coach and guide.

The Women's Business Center provides incubation offices spaces which are accessible 24 hours a day, in recognition that flexibility is particularly critical for women when growing businesses. The offices are based in a safe neighbourhood, provide convenient parking and all business amenities on one site.

The Women's Business Development Agency identifies the importance of science parks engaging with their local community and becoming part of an ecosystem which encourages girls and women to consider business ownership within the SET industries. They cite some preconditions for this approach.²¹

²¹ Adapted from *Funnels of Preconditions*, Project Tsunami, National Women's Business Council. 2004, Fostering High-growth Women's Entrepreneurship: lessons from Silicon Valley

Preconditions for the Success of Girls and Women

- Healthy ecosystem for girls (sports, leadership opportunities, develop self-confidence, women's visibility)
- Keep women interested in technology and engineering disciplines (at the university and post-graduate levels)
- Understanding of explicit and implicit rules of 'the game'-that is, the prevailing enterprise culture.
- Network of male mentors who understand women's enterprise issues
- Keeping girls interested in mathematics and science from 14-18 years
- Access to capital
- Healthy ecosystem overall (economy, technology transfer, corporate capital)
- Hope and options (e.g. support mechanisms such as stronger childcare, role models, partners/fathers)

These good practice examples indicate a number of measures which have proved to be particularly effective in providing incubation and parallel business support services to women in the SET industries:

- **Method of business support delivery:** emphasising guiding and listening, a culture of support and cooperation (with complimentary not competing businesses). A culture of women-friendly business support should be the minimum standard for all incubators and workspaces, it is critical that this is imbedded across the organisation. A women-friendly approach should not be seen as a bolt-on but rather as an integral part of an accessible service for all. The Prowess Flagship Award for Best Practice in Women's Enterprise Development and the newly developed 'Commitment to Flagship' are quality standard tools that can be used as methods of internal culture change, enabling organisations to measure, monitor and improve their services for all clients.

- **Outreach and personal development support:** recognising that lack of confidence can be as big a barrier to start-up and growth for women in SET industries as in more traditional sectors. Programmes which include an element of personal development and coaching have proved to be particularly effective. Personal development can also be a critical part of a pre-incubation model.
- **Networking:** fostering an entrepreneurial community in which business owners are regularly in contact with other entrepreneurs and potential investors. Women with SET qualifications often choose to start businesses later after having finished university than their male counterparts, hence more support in establishing key contacts is critical. Traditional women's business networks are not always perceived as relevant to female business owners working in very male dominated industries. Incubators have a role to play in providing sector specific networking opportunities for women in SET.
- **Clustering:** enabling female owned firms in complimentary businesses to increase their combined buying power from suppliers and combined bidding power for tenders.
- **Being part of a wider community:** fostering links with schools, colleges, universities and businesses to encourage girls and women into or back into SET careers.
- **Leading by example:** Creating a self-sufficient, high growth entrepreneurial environment in which participants are clients and your training is your product.

VI. Guidelines for delivering women-friendly business incubators and workspaces

As we have seen women entrepreneurs have some particular requirements from business incubators and workspaces which are different, or have a different priority, to those of men. We spoke to mixed incubators and workspaces around the UK and, in general, they responded that they did not feel that women entrepreneurs' needs were any different from men's.

However, research with women-only or women-focused incubators or mixed incubators that had addressed gender issues, felt that there were aspects of both the physical space and services provided which *did* need to be taken into account. For example, Amazon Initiatives, a women-focused enterprise support agency, surveyed 100 women to find out what their needs were in terms of being able to start a business. Seventy per cent said that they had a need for appropriate available business premises, 60 per cent of the women had confidence issues and around 30 per cent of those surveyed were from minority faith backgrounds. For Muslim women in particular, a gender-specific space can be an essential requirement to being able to start a business.

Most incubators without a specific remit to target women entrepreneurs, had relatively few women-owned businesses as tenants, ranging from two to 10 per cent, although this number would be expected to be lower if an incubator focused on purely high-tech enterprises where women are even further under-represented. Given that 15 per cent of owner-manager businesses (in other words, incorporated companies) are women-owned, and about 27 per cent of the self-employed are women, there appears to be some clear unmet need, even allowing for the fact that some businesswomen may find it preferable to work predominantly from home.

Our research together with further work undertaken by the London Development Agency (LDA)²²,

identified a range of issues that need to be addressed. These include:

1. **The need for flexibility of access and services**
2. **Responding to longer incubation periods for women-owned businesses**
3. **Location and accessibility**
4. **Image and environment**
5. **Security**
6. **Styles of interaction and networking**
7. **Linking in with the wider community**
8. **Learning needs and confidence**
9. **Childcare and child-friendly premises**
10. **Additional services that save time**
11. **The nature of the other businesses**

1. The need for flexibility of access and services

Flexibility

Twenty-four hour access, seven days a week was something that most incubator and workspaces we spoke to either provided or aspired to being able to provide, in response to a keen demand from their tenants. Many women entrepreneurs work long hours, but equally this demand reflects the need for flexibility of access to work around childcare and other responsibilities.

Many women entrepreneurs are home-workers (in total, women make up 90 per cent of all homeworkers).²³ Others, particularly at the pre-start-up and start-up phase, are often juggling multiple roles and therefore have an associated need for support and premises which can fit around these requirements.

Hot-desking or office space within a managed workspace or incubator, which can be rented by the

²² London Development Agency (2007) London Women's Enterprise Action Plan

²³ Source, Oxfam, UK Homeworkers Campaign

day or week, alongside taking part in a business training programme, is a popular option for many home-workers. It can:

- provide a professional front to the business
- assist in making the transition from a home-based to an office-based business
- allow women to get away from the home
- help women mix with other business people and lessen the sense of isolation that many home-workers experience
- enable them to take themselves and their businesses more seriously
- provide a focused time for doing administrative work

Hot-desking itself may need further analysis. For example, Geoff Riley from Staffordshire Business Innovation Centre believed that, in his experience, many women did not like hot-desking because they found it too competitive and preferred more privacy and a more collaborative environment.

Chris Fogg from Kingston Innovation Centre explained that many women may “have to juggle child care responsibilities and so KIC offer hot desking where people can hire a space for 2-4 hours. This also fits with women’s tendency to control funding and not wanting to waste money hiring a space they only use for part of the time.” KIC also support virtual incubation which is becoming a core element of many incubators and managed workspaces. Virtual incubation may be all that is needed or some people may use this option as a stepping stone to moving into a physical space.

Ease of use

Many incubators report the demand among women-owned businesses to have things “up and running” immediately. Many women entrepreneurs are juggling the demands of childcare, bear the greater load in running the household, and may still be in part or full-time employment as they come to start-up in business. It is therefore vital that they have access to well-organised, smooth-running facilities and equipment.

Both incubators and managed workspaces particularly need to be flexible with regards to size since businesses can move up to 3-5 times as they grow.

Many business incubators and workspaces offer the option of hiring a meeting room to non-tenants. Conference and meeting spaces can also be hired out externally as income sources as well as being used by tenants. This is a common additional income stream for many incubators or managed workspaces.

Kingston Innovation Centre

provides a range of services, and accommodation to support business development, specifically innovative technology-based enterprises. They have a virtual business incubation package which include use of meeting rooms as well as access to a range of business and financial support including a business angel network. They also provide incubation as well as pre-incubation (hatchery) support and access to capital and specific services for high-tech high-growth businesses. They see themselves as a hybrid between not-for-profit and for-profit, raising revenue through taking equity stakes in some of the businesses through seed-corn funding. They operate a mixed women-only and women-friendly incubator with women-only as well as mixed-gender areas.

Carry Marsh, owner of the technology based company Mydeo spoke highly of the flexibility of support provided by Kingston Innovation Centre saying “they offered personal support and encouragement during some tough times, they had a very accommodating style, I was able to bring my baby to management meetings!” She also spoke of the advantages of the close links with the local university, meaning she was able to benefit from student placements.

Kingston Innovation Centre offers different support packages for different stages of business development:

- *Hatchery*: for entrepreneurs building their plans before starting trading
- *Incubation facilities with accommodation*: for trading companies
- *Virtual Business Incubator*: support without physical incubation
- *High Technology/High Growth equity based support*: package with or without accommodation
- *Seed Capital Package*: entrepreneurs seeking support based on equity involvement and seed capital

2. Responding to longer incubation periods for women-owned businesses

On average the incubation period for new women-owned businesses is longer than for businesses owned by men.²⁴ It is not uncommon for women entrepreneurs to build a business very gradually over a number of years, initially working from home or using a hot-desk facility occasionally whilst still working in part-time (or even full-time) employment and raising a family, through to more regular use of hot-desk or office space, again whilst juggling other commitments.

The **TechnoCentre** houses a Business Innovation Centre in Coventry University Technology Park. It has 50 self-contained units for new and established businesses sharing technology, innovation and research as their field of expertise. The aim of the centre is to support the creation of new enterprises and to support innovation, modernisation and diversification within existing enterprises. Support teams are housed within the Centre providing advice, help and liaison with local, regional and national organisations.

They found that when they tailored a service to meet the needs of women, they were also meeting the needs of equal numbers of men. For example, they run a pre-incubation programme, Business Enterprise Works, and have timed the workshops and training days to run on Saturdays and evenings, to enable more women with childcare commitments to attend. The programme combines 'traditional' business start-up advice and mentoring with participative, problem solving New Venture Creation education and extensive networking opportunities with like minded woman entrepreneurs.

The pre-incubation service is helpful to many women who come forward with no previous experience. They also offer flexible, hot-desk workspace, which people can use whenever they need to, and which is accessible 24/7. They have found that this highly flexible space is something that many women use. Overall, they have around 10 per cent of women-owned businesses within the business centre, which is high for a science-oriented incubator.

Some business incubators now offer a pre-incubation service, combining ongoing business support and training with the use of a desk or a meeting room on a part-time or *ad hoc* basis. Women entrepreneurs who are unable to start working on their business full-time straight away, can use this pre-incubation option to develop their business slowly, whilst still in employment.

For business incubators, the slower rate of development for some women-owned businesses has implications, for the maximum length of stay that incubators will allow as well as the amount of graduation support that is offered. Indeed, a key issue for incubators is to provide ongoing support after a business has left in order to ensure survival and growth.

Many incubators recognise the need for follow-on support during the next phase of development and provide ongoing access to advice and resources. Kingston Innovation Centre have a virtual package that means that businesses can still be connected to the Centre.

3. Location and accessibility

Accessibility came up time and time again in interviews as an important issue among female tenants and potential tenants. Reasons include:

- needing accessible childcare close to work. A long walk from public transport, or from a car park is not an option;
- proximity to public transport links and/or a well-lit and secure car park are important for reasons of personal safety.

4. Image and environment

Women entrepreneurs were seen as being particularly demanding of high standards in the creation of a business-like and professional image for clients, perhaps indicative of perceptions that it can be more difficult for women to be taken seriously in business.

Creating a professional image and an atmosphere of 'buzz' and entrepreneurialism is important to publicly funded incubators or managed workspaces who want to avoid the impression that they support 'weak businesses'.

²⁴ Source, *Women's Business Ownership: A review of the academic, popular and internet literature*, Sara Carter et al. Report to the Small Business Service, 2001

5. Security

All managers of women-friendly incubators and workspaces as well as female entrepreneurs said that a secure and well-lit environment was seen as vital by their tenants, and where women could see who else was in the building. Along with appropriate locks, CCTV and lighting, most incubators had carefully considered procedures for control of access to the building, for example entry codes or security passes. Some incubators used systems to monitor who was in the building (which could be as simple as a notice board where tenants and workers leave their card while they are on site). Others have a nearly constantly staffed reception.

6. Styles of interaction and networking

Interactions between tenants are very much affected by layout. Having shared, non-work space in which tenants can meet and chat is seen as being crucial to the development of a flourishing incubator or workspace environment. Many of the projects interviewed spoke about the tendency for women entrepreneurs to want to share ideas, experience and advice, the need to bounce ideas off each other, to make full use of communal space and to co-operate with each other. Providing enough shared space for tenants and workers to meet and interact was widely regarded as being best practice across the sector: as a means to promoting informal mentoring, inter-trading and other benefits.

There are fewer women business-owners and hence fewer opportunities for women entrepreneurs to network with each other. Women are also more likely to be home-workers, working in isolation from other businesses. Groups of women entrepreneurs can assist each other in gaining access to wider networks. Alongside optimising networking between tenants, incubators and workspaces can act as a platform for other women entrepreneurs to find each other, can draw in other networks and contacts and enhance the visibility of those businesses involved.

Common to incubators and workspaces across all sectors is the idea that creating the right mix of businesses can result in the project becoming more than the sum of its parts: generating the kind of energy and atmosphere that enables businesses to thrive.

More specifically, many managers of women-focused spaces, though by no means all, identified particular characteristics, such as, a tendency to

work co-operatively, free exchange of information, a tendency to develop their thinking as part of a group rather than in isolation, readiness to offer support – which they felt were typical of women business owners working together in these kind of supportive spaces.

Sonja Marjanovic who is the CEO of DiagnovIS, a company based at St. John's Innovation Centre (which has close ties with Cambridge University) is typical of many SET female entrepreneurs in believing that there are no particular differences for women but felt that an important part of any incubator or workspace was that they should enable access to sector specific networks, broker information on conferences or business trends, provide forums for venture capitalists and facilitate public-private sector interactions.

Jessica Zeun's company JD Approach Ltd, is based at Sheffield Technology Park. She believes the low cost office space they provided was critical to her businesses success. She feels that it is important for incubator environments to enable women to access networking opportunities because it can be relatively harder to break into a market in SET for women. She took advantage of a peer mentor programme offered by SYFEN (South Yorkshire Female Enterprise Network), which she found a very positive experience.

Chris Fogg from Kingston Innovation Centre said that an important issue was the value of peer group support for women. When approached recently by a woman entrepreneur they introduced her to another woman entrepreneur working in similar field. The women got on well and now work together. He feels that going to Chamber of Commerce meetings or networking events can be daunting for a woman on her own. They try to help small groups of women entrepreneurs form, so that they can go to these events together. They see their incubator as the platform or hub for other services to join and 'find' people and as a way to increase confidence.

7. Linking in with the wider community

It is important for incubators and managed workspaces to link in with the wider community and be part of an ecosystem of support. Incubators can widen their gene pool and be a critical part of a supportive community by forming partnerships with key organisations such as; women's business networks, schools and colleges, local businesses and other targeted community groups.

Aston Science Park was set up to regenerate the Birmingham area through retaining and attracting businesses. It is managed by Birmingham Technology Ltd, occupies 22 acres and has business accommodation ranging from gully serviced incubation units to premises for established companies. There is also support from a business development team who address issues such as finance, marketing, PR and business planning.

Matthew Hilderley from the Science Park noted that many women had a perception that the Science Park would be a forbidding male environment but when they found out more about it, realised that it wasn't. Aston Science Park organises free Seminars for Success aimed at owner manager or senior executives to identify key aspects of sustainable business improvement and growth. They have noted a sudden influx of female entrepreneurs, more of whom are beginning to be speakers, which had not happened before. They try to make all their meetings as welcoming as possible. Many such events are important sources of networking and are open to tenants on the park as well as to entrepreneurs from the local area. Aston Science Park tries to engage different types of people by, for example, linking their events to an ethnic minority forum or women's entrepreneur club.

8. Learning needs and confidence

Access to women business advisers

The experience of many incubator managers was that some women entrepreneurs were attracted to the idea of having a woman business advisor. Reasons given include: finding it "more difficult to relate to a male advisor" and a "fear of being judged by a male advisor and not being able to make mistakes"²⁵ A female business adviser may be seen to have greater empathy, perhaps stemming from personal experiences, with the particular obstacles and pitfalls that women starting up in business face.

Confidence

Confidence is definitely an issue for many women with the associated need for safe spaces

in which to learn and be able to make mistakes. Many business support and incubator projects report the need for a holistic approach to advising entrepreneurs. Frauenbetriebe, a women-only business incubator based in Germany, takes into consideration a woman's personal as well as her professional circumstances and takes a hard look at whether enterprise is really the right option for potential tenants. The need for nurturing, discussing issues of confidence or other issues, can be as important as providing advice on, for example, how to register a company.

9. Childcare and child-friendly facilities

There is a great deal of demand for childcare facilities from women tenants, although there were some projects who said that childcare had not been an issue. The provision of childcare is extremely varied across the sector. Most incubators try to create flexible procedures around allowing children into the workplace, within legal or contractual restrictions. Incubators can take small steps which can have a big impact on the accessibility of their services; for instance providing a comfortable and private space for breast milk pumping.

Many of the mixed-gender incubators were keen to also emphasise the demand for childcare among male entrepreneurs on their business support programmes. In fact, when a Cambridge Incubator surveyed its members, it found that the only demand for a crèche was from men.²⁶

Many incubators ran, or aspired to run childcare programmes as a social enterprise in-house. Other facilities were run by graduates of the incubator's business support programmes. Linking to existing childcare services in an area is also a way to recruit women who might want to start a business.

Offering business support and training courses at hours which are suitable for those with childcare responsibilities is also important.

The LDA believed that all new workspaces over a certain capacity should have a childcare business with potential clients drawn from the workspace businesses, local residents and businesses.

²⁵ Source of quotes, interview with Women's Education in Building for previous research. They are now Agenda for Construction Skills in Business.

²⁶ In an interview with UK Business Incubation.

Clearly if the local area is well serviced by childcare then this development may not be required.²⁷

10. **Additional services that save time**

Any service that can act as a time-saving resource was in demand from the projects we spoke to. Cafeteria facilities were seen as extremely valuable, both as an additional communal space as well as a time-saving resource for busy tenants. Most organisations that do run such a facility also find that it makes a good business opportunity, either for the incubator itself, or for a local trader.

Some business incubators now offer additional services such as dry-cleaning or car valeting and are able to offer tenants good deals on these services by using their bulk-buying power.

11. **Nature of the other businesses**

Whilst most female business-owners in SET did not want to be working with their direct competitors, most felt that the mix of other businesses in a physical space was important. This might be for reasons of peer support or networking or for creating more long-lasting business collaborations or trade. One business-owner had not wanted to go to an incubator that she had previously chosen because she felt that it was primarily for students. She did not feel that she would have much in common with them, or be able to create useful business contacts or potential business partnerships or synergies.

²⁷ London Development Agency (2007) *London Women's Enterprise Action Plan*.

VII: Women-only or women-friendly business incubators and workspaces

Information on the percentage of women-owned businesses that go through the doors of incubators or managed workspaces, is difficult to come by. The UK Science Park Association does not measure gender balance of business ownership among its members and the UKBI, although it has done some research looking at women-owned businesses, does not have complete figures. There is also very little information available on best practice, and many projects seem to work in isolation from each other.

Looking at all types of business incubators and managed workspaces, it is possible to describe a spectrum of support and accessibility for women-owned businesses: moving from services targeted solely at women (to the exclusion of male entrepreneurs), through to services which one might describe as being 'unfriendly' to women –

workspaces where a number of factors combine to create a space which, in practical terms, all but the most determined women entrepreneurs are excluded from, or find unsupportive.

In between these two poles are projects which we have termed 'women-friendly', in other words, mixed-gender projects which have a specific remit, or have made a concerted effort, to assist women entrepreneurs. These type of projects may actively seek to recruit women-owned enterprises as tenants or may offer business support programmes tailored to women's needs. In addition the practical implications of how the space is run or the particular combination of tenant businesses, personalities and management styles, have generated a positive environment.

These different types of incubators and managed workspaces are set out below:

type of space	typical characteristics
women-only	<ul style="list-style-type: none"> • mostly confined to business incubators
	<ul style="list-style-type: none"> • entry criteria specify business must be owned or co-owned by a woman
	<ul style="list-style-type: none"> • usually managed and staffed by women
	<ul style="list-style-type: none"> • majority of business advisers and trainers are women
	<ul style="list-style-type: none"> • <i>do</i> allow men on premises (as co-owners of businesses, workers, suppliers, visitors etc.)
	<ul style="list-style-type: none"> • business support and other services are focused on the needs of women
	<ul style="list-style-type: none"> • apply an awareness of gender issues in their measurement and evaluation of outcomes
	<ul style="list-style-type: none"> • have as primary objectives for the project, promoting and encouraging women in business and supporting women in a number of ways
	<ul style="list-style-type: none"> • actively seek to encourage a working environment and culture which is supportive of women entrepreneurs

type of space	typical characteristics
women-friendly	<ul style="list-style-type: none"> • mixed-gender
	<ul style="list-style-type: none"> • use targeted outreach to increase the proportion of tenant businesses that are women-owned
	<ul style="list-style-type: none"> • ensure provision of some female business advisers and trainers
	<ul style="list-style-type: none"> • business support and other services are focused on the needs of women
	<ul style="list-style-type: none"> • apply an awareness of gender issues in their measurement and evaluation of outcomes
	<ul style="list-style-type: none"> • actively seek to encourage a working environment and culture which is supportive of women entrepreneurs
unfriendly to women business owners	<ul style="list-style-type: none"> • women-owned businesses make up a small minority of tenants or are absent
	<ul style="list-style-type: none"> • entrenched attitudes of management, or of other tenant businesses, mean that there is resistance or even hostility to the idea of women as business owners
	<ul style="list-style-type: none"> • presence of closed networks which women find difficult to break into

The issue of women-only workspaces is complex.

The benefits of women-only spaces include:

- a supportive and non-threatening environment, where women, with little experience in business, can gain confidence more quickly
- the possible greater empathy of women business advisers
- offering opportunities to women whose faith or culture rule out their working in a mixed-gender environment.

Some women-only incubators and some of the workspaces and incubators with a substantial proportion of women-owned businesses also report that women working alongside each other are likely to generate a very co-operative working environment.

However, the dangers of women-only spaces can be that they:

- can isolate women and limit their opportunities for networking with mainstream business
- may poorly prepare women for life outside the incubator or workspace.

The benefits of women-friendly mixed gender spaces are that they:

- avoid the danger of women-only creating silos, which are isolated from mainstream business
- have fewer problems in attracting sufficient tenants
- can still target their services and their marketing at women.

VIII: Conclusion

Whether the incubator/managed workspace is women-only or women-friendly the key factor is to be responsive and flexible to the needs of all existing and potential clients. An incubator which pro-actively accommodates the needs of its female clients is likely to be one providing excellence to its male clients as well.

The practical examples discussed in this report indicate some factors which may particularly benefit female owned companies in the SET industries:

- **Outreach and personal development support:** recognising that lack of confidence can be as big a barrier to start-up and growth for women in SET industries as in more traditional sectors. Programmes which include an element of personal development and coaching have proved to be particularly effective. Personal development can also be a critical part of a pre-incubation model.
- **Networking:** fostering an entrepreneurial community in which business owners are regularly in contact with other entrepreneurs and potential investors. Women with SET qualifications often choose to start businesses later after having finished university than their male counterparts, hence more support in establishing key contacts is critical. Traditional women's business networks are not always perceived as relevant to female business owners working in very male dominated industries. Incubators have a role to play in providing sector specific networking opportunities for women in SET.
- **Clustering:** enabling female owned firms in complimentary businesses to increase their combined buying power from suppliers and combined bidding power for tenders.
- **Being part of a wider community:** fostering links with schools, colleges, universities and businesses to encourage girls and women into or back into SET careers

- **Leading by example:** Creating a self-sufficient, high growth entrepreneurial environment in which participants are clients and your training is your product
- **Method of business support delivery:** emphasising guiding and listening, a culture of support and cooperation (with complimentary not competing businesses)

In addition to these factors, the report has identified several points which should be considered in the design and delivery of incubation services so that they are accessible to women in all sectors, these relate to:

Flexibility of access and services

longer incubation periods for women-owned businesses

Location and accessibility

Image and environment

Security

Styles of interaction and networking

Linking in with the wider community

Learning needs and confidence

Childcare and child-friendly premises

Additional services that save time

The nature of the other businesses

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Appendix I: Women-friendly checklist for incubators and managed workspaces

The following factors have been identified as being critical for incubators and managed workspaces in providing a women-friendly service. The tick list can be used to enable incubators and workspaces to assess their current provision and identify areas for action.

1. The need for flexibility of access and services

- a. Are your client's workspaces accessible 24 hours a day seven days a week?
- b. Do you provide work space which can be rented out by the day or week?

2. Responding to longer incubation periods for women-owned businesses

- a. Do you provide a pre-incubation service, combining ongoing business support with the use of a desk or meeting room on a part-time basis?
- b. Do you provide 'stepped' or subsidised rents to start-up businesses and increase over time?

3. Location and accessibility

- a. Are childcare facilities offered on site or in close proximity to the incubator?
(a long walk from public transport or from a car park is not an option)
- b. Are your premises located close to public transport links?
- c. Do you provide well-lit and secure car parking facilities?

4. Image and environment

- a. Does your incubator have a professional image and a 'buzz' of entrepreneurialism?

5. Security

- a. Do you provide secure locks, CCTV, adequate lighting?
- b. Do you consider procedures for accessing the building e.g. entry codes or security passes?
- c. Do you provide a near constantly staffed reception?

6. Styles of interaction and networking

- a. Do you provide a communal, non-work space where tenants can meet?

7. Being part of a wider community

- a. Do you pro-actively form links and partnership with other networks, forums, educational establishments and businesses in your community?
- b. Do you have links with local women's business networks?

8. Learning needs and confidence

- a. Do you provide personal development training as part of your business support programme?
- b. Are women-friendly principles embedded and understood across the organisation and not seen as 'a bolt on extra'?

9. Childcare and child-friendly facilities

- a. Do you link in with existing childcare services in your area or provide onsite childcare facilities?
 - b. Do you offer business support and training courses at hours suitable for those with childcare responsibilities?
 - c. Do you create a family friendly environment, allowing when necessary children into the work place?
-

10. Additional services that save time

- a. Do you ask clients and potential clients about additional services they would find beneficial?
 - b. Do you provide add-on services such as a cafeteria, dry-cleaning, car valeting?
-

11. Nature of the other businesses/clustering

- a. Do you consider the complementarity of the businesses in your incubator for possible collaborations, enhanced bidding and buying power?
 - b. Do you actively encourage peer support or networking?
-

12. Evaluation

- a. Do you apply an awareness of gender issues in the measurement and evaluation of outcomes?
 - b. Do you keep records on the number of male/female owned businesses in your incubator?
-

13. Lead by example

- a. Are you or do you plan to run your incubator as a sustainable business in the long run?
-

Appendix II: Guidance regarding sustainability

Several interviewees passed on certain tips to creating and developing sustainable incubators and managed workspaces.

Market research and measuring performance

It is important for incubators and managed workspaces to conduct market research and not to be complacent in terms of who the market comprises. Some managers of incubators and managed workspaces that we spoke to had conducted market research with a small sample of their target group. But formal surveys are only part of the story. Just as commonly, incubators and managed workspaces may start up opportunistically as, for example, a spin-off activity for organisations offering other kinds of business support or from university departments.

Typically projects may begin with a small number of units but expand later on, led by client need and/or availability of premises. The advantages of this approach are that the project builds around and adapts to the needs of existing and potential tenants as they arise. In fact this ability to listen to clients, to reflect and to adapt, along with the ability to see synergies and utilise learning across different projects seems to be a critical area of expertise for managers of this kind of incubator or workspace. One key disadvantage of not being able to plan everything upfront is that some systems (for example IT infrastructure) are better planned for and installed in full at the start of a project and can be difficult or impossible to amend later.

Where a project is able to select a building this can be an opportunity to consult with potential tenants about their needs. Harley Reed who carried out development work on behalf of Hastings Trust to set up a social enterprise incubator, spoke to potential tenants about what they would need from the workspace and fed these ideas back to the architects in the early stages of the design process.

Scanning similar projects and using best practice guides is also important. The LDA suggests, for example, that "policy makers could benefit from studying different models of development, such as 'enterprise hubs', used in other regions that provide entrepreneurs with workspace and access to technology, finance and business support."²⁸

A key element of marketing is outreach, the ability to identify needs and go out to encourage people to use facilities rather than just provide the information on a website and expect people to come to them.

Finance for sustainability

Money from a range of sources is often used to set up incubators or workspaces including private capital, local authority or regional development agency (RDA) money (or premises in kind or at a reduced rate, leased or sold), and European funding. Often the incubators or workspaces are part of a broader set of activities in a building and additional income streams are created to attempt to be self-financing. As has been demonstrated a self-sufficient incubator can be a key part of creating an entrepreneurial culture.

Finding the **correct legal model** to suit the goals of the organisation is important, one which will enable the incubator to tap into available sources of funding, but will still offer the potential for the project to be self-sustaining in the future.

In **planning finances** it is important to be realistic. Whilst some incubators find themselves fighting off business, equally some we interviewed had experienced fairly long fallow periods - one incubator project in particular was not managing to meet its target of 40 per cent occupancy. Knowing from the start, the minimum units you need to break even is essential. It has to be borne in mind that a key issue is the pricing policy for tenants: often it is a sliding scale so that when a business leaves they are ready for commercial rates. Some, like Kingston Innovation Centre, take equity stakes in some of the businesses in order to create a revenue stream or are linked to specific groups of business angels.

At certain points in their life-cycle – perhaps at the point of expanding the project – incubators or managed workspaces sometimes find it necessary to **relax their entry criteria** – either taking in tenants from outside their target group in order to maintain the number of full units, or taking on tenants on purely commercial terms, in order to become or remain sustainable as a business.

²⁸ London Development Agency (2007) *London Women's Enterprise Action Plan*.

However, it is not always possible to be sustainable. One interviewee for the previous research noted that:

Most of the definitions of incubator sustainability revolve around success in generating sources of revenue for the incubator. But if the incubator is creating more new businesses and helping others to grow, resulting in wider economic benefits for the area, and for the UK economy as a whole, then surely this activity should be counted as entirely self-sustaining in the broader context. To expect incubators that work with disadvantaged groups to be financially self-sustaining as well as achieving their social and economic gains is unrealistic. Ultimately, everyone benefits from healthy businesses.

This means that for certain kinds of incubators and workspaces, it may be necessary to measure and evaluate the wider benefits to the local area and emphasise the extra resources required to argue for ongoing financial support from the statutory sector.

The LDA also suggested that different economic development partnerships could work with experience workspace providers to develop and acquire suitable premises, for example, looking at the compulsory purchase of older, derelict or vacant buildings.²⁹

Partners

Partnerships can be critical in developing women-friendly incubators and work spaces for example through links with childcare businesses and agencies and women's business networks.

Most of the managers we spoke to had formidable networks within their locality, including links with Regional Development Agencies, local business and enterprise agencies, and funding bodies. However there was also some frustration, and a feeling that there was a level of competition between different enterprise support bodies, who might be competing for the same pot of funding.

One incubator project reported the reluctance to refer clients on to them. Incubator and managed workspace projects need to embed themselves within the network of local mainstream agencies at the start of the project – consulting with them, collaborating and getting a local understanding of how the various agencies work together, in order to make successful partnerships.

Measuring performance

The UK Incubation Impact Assessment Study of 2000/2001 cites as chief reasons for failure of incubator schemes, the lack of clear aims and objectives at the beginning along with the lack of management skills.³⁰ It is vital for incubator projects to know from the start, what their objectives are and how they intend to measure their success.

Even the smallest incubator and managed workspace projects are often involved in a very wide range of different outcomes, from hard economic outputs: turnover, survival rates of tenant businesses, number of jobs created, to less tangible impacts such as:

- creation of an environment where enterprise will flourish
- generating a safe and non-threatening space for women entrepreneurs
- increase in confidence of clients
- optimal networking among tenants
- good partnerships with other local agencies
- acquisition of key business skills by tenants
- increases in informal mentoring and exchange of advice
- providing role models for women

Most incubator and workspace projects are involved in continuous, largely informal, monitoring and evaluation of their programmes. Critical to this should be the monitoring of the gender of clients. Informal, anecdotal evidence gathered by listening to local business people over time was quoted as being very important by several of the incubator managers. In fact this ability to listen to clients, to reflect and to adapt, along with the ability to see synergies and utilise learning across different projects was a common theme we heard coming back from many interviewees in our previous research.

Experience at ground level, backed up with more formal surveys and a continued and flexible process of monitoring and responding to tenant's needs and the business environment, has been the formula used by several successful projects (business incubators in particular). Many managers point to an identifiable culture, based on relationships of flexibility and listening between the manager and the tenant, as well as between tenants. The emphasis is on creating a learning environment, for both the institution and the tenant business in which continual feedback and response, enable both parties to support and learn from each other.

²⁹ London Development Agency (2007) *London Women's Enterprise Action Plan*.

³⁰ The UK Incubation Impact Assessment Study 2000/200

Appendix III: Contact details for organisations profiled

Astia – formerly Women's Technology Cluster

655 Montgomery Street, Suite 540
San Francisco, CA 94111
Tel: +1 415 421-5500
Fax: +1 415 837-3204
Web: <http://www.wtc-sf.org/>

Aston Science Park

Faraday Wharf
Holt Street
Birmingham B7 4BB
Tel: 0121 2606000
Fax: 0121 2503567
Web: www.astonsciencepark.co.uk

Coventry University Enterprises Ltd

The TechnoCentre
Coventry University Technology Park
Puma Way
Coventry CV1 2TT
Tel: 024 7623 6022
Fax: 024 7623 6024
Web: www.coventry.ac.uk/cutp

Digitalinc

2nd Floor Baird House
Liverpool Digital
Edge Lane
Liverpool L7 9NJ
Web: www.digitalinc.org.uk/

Manchester Women's Electronic Village Hall

Ada House,
77 Thompson Street
Manchester, M4 5FY
UK
Tel: 0161 833 8800
Fax: 0161 833 8811
Web: www.wevh.org.uk

University of Manchester Incubator Company Ltd

The Manchester Incubator Building
48 Grafton Street
Manchester M13 9XX
Tel: 0161 606 7200
Fax: 0161 606 7300
Web: www.umic.co.uk

Staffordshire Business Innovation Centre

Business Innovation Centre
Staffordshire Technology Park
Beaconside Stafford ST18 0AR
Tel: 01785 226598
Fax: 01785 220302
Web: www.thebic.co.uk

UK Business Incubation

Faraday Wharf
Aston Science Park
Holt Street Birmingham B7 4BB
Tel: 0121 250 3538
Fax: 0121 250 3542
E-mail: info@ukbi.co.uk
Web: www.ukbi.co.uk

The UK Science Park Association

Garden Cottage
Chesterford Research Park
Little Chesterford Cambridge CB10 1XL
Tel/Fax: 01799 532049
E-mail: admin.ukspa@btconnect.com
Web: www.ukspa.org.uk

Women's Business Center (WBC), Houston, Texas

9600 Longpoint Rd
Suite 150 Houston Texas 77055
fax: 713 932 7498
http://www.servicesca.org/womens_business_center.htm

UK Resource Centre for Women in SET

Unit 40 - 42 Listerhills Park of Science & Commerce
Campus Road
Bradford BD7 1HR
Tel: 01274 433113
Email: setwomenresource@bilk.ac.uk
Web: www.setwomenresource.org.uk

YTKO

Head Office
St John's Innovation Centre
Cambridge CB4 0WS
Tel: 01223 421470
Fax: 01223 421471

Appendix IV: Sources of information on incubators and managed workspaces

There are some good practice guides to setting up incubators and managed workspaces.

For example:

Incubators

- The best information is available from UK Business Incubation, www.ukbi.co.uk. For example, they have produced *A Guide to Business Incubation and Incubator Management* and, in partnership with the Small Firms Enterprise Development Initiative and the Small Business Service, have produced a report *Quality Benchmarks for Business Incubators*. www.ukbi.co.uk.

See also *The UK Incubation Impact Assessment Study 2000/2001: Phase Two - The Practice of UK Incubators: Identifying Good Practice*, Autumn 2001, UKBI.

Managed workspaces

- The Local Government Association (LGA) published in 2000: *Managed Workspace and business incubators: A good practice guide for local authorities*. This is available on the LGA website: www.lga.gov.uk/lga/economicregeneration/final.pdf

The London Development Agency produced a *London Women's Enterprise Action Plan* in 2007 which devotes a section to women-friendly workspaces and incubators. You can find a copy of the report at www.lda.gov.uk/server/show/ConMediaFile.2357

THE POWER OF FLAGSHIP

The Best Practice Standard for Excellence in Women's Enterprise Development



"The key factor in increasing the UK's business start-up rate is getting more women to start their own business" – Rt Hon Gordon Brown, Prime Minister.

To achieve this growth Prowess has developed the Flagship Award for best practice in women's enterprise development. This internationally recognised quality mark has been achieved by organisations all over the UK. Endorsed by the DBERR and several RDAs it is proven to help organisations develop high quality services for women and increase their client base. 'Commitment to Flagship' is a new development tool for organisations on the road to flagship status.

The Benefits of the Flagship Award:

For Commissioners of Business Support

- Growth in your regional economy by engaging more women in enterprise
- Provide an effective quality standard in your business support supply chain
- Easy and effective compliance with the Public Gender Duty

For Providers of Business Support and Women's Business Networks

- Credible evidence of your expertise - prove you have the expertise funders are looking for
- A development tool for your organisation to measure and improve services to women

The Flagship Process:

- A self assessment questionnaire
- Initial Prowess evaluation report
- On site visit
- Verification
- Awards Ceremony!

Next Steps:

The Flagship Award programme and the newly developed 'Commitment to Flagship' are available to Prowess members who are business support providers or women's business networks. Funding is available in some regions to support organisations through the Flagship process.

To find out how your organisation can achieve the Flagship Award contact:

Sue Lawton
s.lawton@prowess.org.uk
Tel: 01603 762355

Or visit our website:
www.prowess.org.uk



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