



U S STUDY TRIP - WASHINGTON DC

WOMEN'S ENTREPRENEURSHIP

in Association with Project Tsunami - USA

4-8th May 2004



At the Women's Business Centre of North Virginia

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Section 1 Summary and Introduction

The number of women business owners skyrocketed in the USA from 1.5 million in 1979 to over six million today. Not surprisingly it's been identified as the gold standard by those developing women's enterprise policies around the world. In the UK's Strategic Framework for Women's Enterprise, Secretary of State Patricia Hewitt identifies the USA as the standard not just to match, but to exceed.

This report summarises the experience of a group of key individuals from PROWESS, Government departments, the Regional Development Agencies, and the Royal Bank of Scotland Group, who visited leading players in the USA to see what could be learnt. Unexpectedly, we found our own confidence boosted about our women's business support expertise and the current policy environment in the UK. Despite a fair amount of 'gloss and spin', it was clear that the approach to women's enterprise development in the States is currently under considerable pressure from the Bush Administration.

But what is remarkable about the US is that the policy infrastructure for women's enterprise development was implemented in a far-sighted manner which means that, while particular Administrations may attempt to erode it, it will be very difficult for them to dismantle completely.

The Office of Women's Business Ownership in the Small Business Administration was established in 1978 by a Presidential Executive Order. Originally an advocacy office, the 1988 Women's Business Ownership Act expanded its responsibilities and in 1997, the Small Business Reauthorization Act made the Women's Business Centres programme permanent.

Women's Business Ownership Act 1988

The bill covered 4 policy priorities

- Amendment of the Equal Credit Opportunity Act to include business loans.
- Women's Business Centres pilot programme.
- The National Women's Business Council (NWBC) was created as a bi-partisan Federal advisory council to serve as an independent source of advice and policy recommendations to the President, Congress and the US Small Business Administration.
- Business census expanded to include corporations 51% owned by women. (Gender had been added to the Business Census in 1977 and the statistics generated provided an evidence base for subsequent policy developments).

Focus on growth

While government funding and programmes for disadvantaged women are currently under pressure, the dynamic network of organisations supporting women entrepreneurs in the US has been able to nurture private sector and foundation funding to develop growth-orientated programmes.

Access to Procurement for women-owned business is another area where legislation has helped and we heard from the Women's Business Enterprise National Council

(WBENC) which assists women to access procurement contracts from over 500 companies and government agencies.

Another important niche is filled by Springboard Enterprises, an innovative investment-ready programme which grooms and coaches women-owned businesses to access equity investment. It has assisted over 300 companies and raised over \$1 billion investment.

We met a multiplicity of agencies involved in women's enterprise programme delivery, advocacy and research. Alongside women business owners, the leading organisations were represented on the National Women's Business Council, which has led to a powerfully unified approach to policy and advocacy which is clearly another key factor in the US's sustained policy focus on this area.

Women's Business Centres

The Office of Women's Business Ownership continues to provide partial funding for 5 year periods to almost 100 Women's Business Centres (WBCs). The WBCs we visited were independent agencies which varied considerably. We saw some excellent practice, such as the North Virginia WBC which shared premises with other mainstream and community focused business support agencies and a technology focused business incubator. Together they provided a holistic range of options with great flair and dynamism, underpinned by core funding of 50% from the state government.

The Baltimore WBC, 'Women Entrepreneurs of Baltimore' (WEB), is an extremely tough programme for disadvantaged women, but gets extraordinary results with 80% of over 1,500 graduates starting businesses, and with 80% still in business since the programme started 10 years ago. Despite having 300 applicants for 30 places, they have an extensive outreach programme and prioritise the poorest women. If candidates miss 4 of the 30 sessions or don't hand in their assignments, they're asked to leave. Those who graduate can access the wider range of WEB's support services, which include access to loans and specialist financing advice, mentoring, networking, discounts, ICT training and assistance with issues like childcare and domestic violence.

This intensive model of support appears to work for their client group, but it doesn't fit the performance related contracts currently favoured by their regional funding agencies, which like many others focus on narrow outputs. The continuous, phenomenal fund-raising effort that characterises our women's enterprise organisations in the UK, keeps the Baltimore WBC going.

Transforming Business Support in the UK

WBC's call their approach 'transformational.' Men seem to prefer a transactional approach, while women prefer the more intensive and relationship based transformational approach. This fits with what we know about how women choose to start businesses – having on average a longer and more gradual start-up period. It's an approach which also appeals to growing numbers of men. In common with the UK, the primarily male focused transactional model is seen as the norm and gets the vast majority of government funding support.

PROWESS's own research on the funding of our membership, finds that only the Business Link operators feel that their funding streams are reasonably secure. As

Business Link clients are on average 80% male perhaps it's time that we had an equally securely funded network of WBC's working alongside Business Link to provide the kind of seamless range of provision they have in North Virginia.

Transformational approaches to business support defined the 93 Phoenix Development Fund pilot projects supported by the Small Business Service from 2001 to 2003. As the Phoenix Development Fund scales down, and responsibility for the development of business support services passes over to the RDA's next year, our US visit delegates reflected on how difficult it will be to ensure that women's enterprise continues to move up the list of priorities, as it must do. The PROWESS funding survey does not augur well: women's enterprise is still on the periphery for most statutory funders and is among the first things to go when budgets are squeezed.

So where does this leave Patricia Hewitt's challenge to meet or exceed the achievements of the USA? The visit reassured us that we have the understanding, commitment and delivery expertise to do it. Ambitious short-term targets have been set, along with a long-term vision, but political changes, and even a Ministerial re-shuffle, could reverse the progress we've been able to make. Our visit to the USA left many of the party in no doubt that if we are serious about growing the numbers of women starting and growing businesses in the UK, a similar long-term legislative approach may be required.

PROWESS Recommendations

- The DTI should establish a multi-sector National Women's Business Council to advise the SBS, RDAs, Ministers and the Government on issues of importance to women-business owners.
- A Women's Enterprise Development Act is needed to ensure that this is a long-term priority across national and regional policy.
- More effective gender disaggregated data collection.
- Creation of a securely-funded national network of Women's Business Centres to work alongside the Business Link network.

Section 2 Meetings at the Small Business Administration

Delegates heard presentations from the following organisations followed by Q&A.

Melanie Sabelhaus, Deputy Administrator of the SBA
Julie Weeks, Executive Director, National Women's Business Council
Wilma Goldstein, Head of the SBA Office of Women's Business Ownership
Cynthia Long, Centre for Women's Business Research
National Association of Women Business Owners (NAWBO)
Susan Bari, Women's Business Enterprise National Council
Amy Ryan, Global Diversity Initiative, US Dept of Commerce

Background information about organizations

Center for Women's Business Research

The premier source of knowledge about women business owners and their enterprises worldwide. The Center's mission is to unleash the economic potential of women entrepreneurs by conducting research, sharing information and increasing knowledge about this fast-growing sector of the economy.

The Center shares its knowledge with policy makers, financial institutions, corporate leaders, government agencies and the media through research reports, press releases, newsletter publications, seminars, speaking engagements and worldwide on the Internet.

Research

- High-visibility research projects on ground breaking topics, as well as customized research for corporations to gain marketing intelligence.

Consulting and Communications

- Single source for intelligence about women business owners.
- Speeches and seminars on the growth, impact and market opportunity of women-owned firms.
- Audio-visual and printed materials that feature our ground breaking research.

Resource and Educational Materials

- Statistical reports
- Survey research reports
- [Newsletter](#)
- *Key Facts About Women-Owned Businesses* Fact Cards
- Web site <http://www.womensbusinessresearch.org/index.asp>

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The Women's Business Enterprise National Council (WBENC)

Founded in 1997, WBENC is the nation's leading advocate of women-owned businesses as suppliers to America's corporations. It is also the largest third-party certifier of businesses owned and operated by women in the United States.

WBENC works in partnership with women's business organizations located throughout the country to provide a national standard of certification for women-owned businesses. The organization also provides its corporate members and certified women's business enterprises (WBEs) with access to a range of B2B sourcing tools including, an Internet database – [WBENCLink](#) – that contains information on certified women's businesses for purchasing managers nationwide. WBENC is a resource for the more than 500 US companies and government agencies that rely on its certification as an integral part of their supplier diversity programmes.

WBENC prepares and provides its partner organizations with on-site training and educational materials detailing certification procedures and programme management. WBENC's research projects and surveys, primarily of CEOs and corporate procurement decision-makers, help to identify impediments to doing business and suggest "best practices" to maximize WBE opportunities and expand and enhance supplier diversity programmes.

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National Women's Business Council

The National Women's Business Council is a bi-partisan Federal advisory council created to serve as an independent source of advice and policy recommendations to the President, Congress, and the U.S. Small Business Administration on economic issues of importance to women business owners. The Council's mission is to promote bold initiatives, policies and programmes designed to support women's business enterprises at all stages of development in the public and private sector marketplaces, from start-up to success to significance.

Objectives

- Conducting research on issues of importance to women business owners and their organizations;
 - Communicating these findings widely;
 - Connecting the women's business community to one another and to public policy makers; and
 - Providing a platform for change in order to expand and improve opportunities for women business owners and their enterprises.
-
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National Association of Women Business Owners (NAWBO)

NAWBO is the only dues-based national organization representing the interests of all women entrepreneurs in all industries. It currently has over 8,000 members in nearly 80 chapters nationwide and is affiliated with Les Femmes Chefs d'Entreprises Mondiales (World Association of Women Entrepreneurs) in 35 countries.

NAWBO's strength comes from the diversity of its membership - all sizes from sole proprietorship to hundreds of employees, every industry from construction, importers, retailers to service providers, and in all areas of the country.

Membership is open to sole proprietors, partners and corporate owners with day-to-day management responsibility. Active members who live in a chapter area automatically join both chapter and national. There is an At-Large Chapter for the women business owners outside the chapter areas.

NAWBO member benefits include...

- Local, regional and national networking opportunities
- Corporate and Affinity Partner discounts (*see Corporate and Affinity Partner section of the NAWBO web-site web site for more details*)
- Online membership directory • *NAWBOtime*, NAWBO's electronic newsletter
- Leadership & business development training
- Opportunities to participate in media interviews and prepare congressional testimony
- National advertisement and promotion through RFP's and speaking opportunities
- Recognition of achievement through national awards and publicity
- Special member registration rates to NAWBO-sponsored events
- Access to the NAWBO Speakers' Bureau to promote training and speaking services
- Public Policy advocacy/presence in Washington DC
- Access to an international business network through affiliation with the World Association of Women Entrepreneurs (FCEM) and The International Alliance for Women (TIAW).

<http://www.nawbo.org/>

SBA Office of Women's Business Ownership

Promotes the growth of women-owned businesses through programmes that address business training and technical assistance, and provide access to credit and capital, federal contracts, and international trade opportunities. With a women's business ownership representative in every SBA district office, a nationwide network of mentoring roundtables, women's business centres in nearly every state and territory, women-owned venture capital companies, and the Online Women's Business Center, OWBO is helping unprecedented numbers of women start and build successful businesses.

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http://www.onlinewbc.gov/about_us.html

General Q&A to panel following presentations

Q: How did you get to the position of having all this good quality data to hand?

A: The 5 yearly business census collects data in great detail. The Women's Business Ownership Act of 1988 ensured that the Census is comprehensive.

Q: What about tax data?

A: Census data collection utilises tax data. The Federal Reserve also does a national survey of small business finance. NWBC has a contract with the census bureau to cross tabulate between census years. The Labour Force Survey also collects information re. self-employment.

Discussion regarding corporate sponsorship for research – sponsors can have some proprietary questions that they can keep for themselves.

Q: How does the panel feel about the tension/ balance between the apparent very good news in the USA of women's business ownership and the continuing needs of disadvantaged women.

A: Always have to be counter arguments to ensure needs are not ignored. Local politics have been important - involving local/ state politicians. Women's Business Centres have also become increasingly political.

Q: Does softer research have anywhere to go re shaping policy?

A: More useful for support organisations. Politicians less interested in 'feelings'.

Q: Is there a wider sense of quantifying social capital?

A: Currently a longitudinal study of WBCs is being undertaken, including focus groups with the leaders of those organisations.

Q: Has research led to any specific programme design?

A: Hasn't been as much segmented research eg. re industry/ ethnicity. African American women, for example, are less likely to have a second income in the household, so take longer to get their business launched and growth is consequently also slower. Also, because they don't have support at home they are more likely to use WBC support.

Q; Does the WBC network lead to increasing numbers of women accessing mainstream business support?

A: It prepares women to access mainstream resources. There is not necessarily a direct link.

Q: How do you define a business as women-owned?

A: Government and certifying groups say women must legally own 51% + of the business.

Q: Could you explain the link between the SBA and the US treasury CDFI fund?

A: There are a range of loan funds which SBA administers. 7a is the main loan guarantee programme and 7m is the MicroLoan programme. The micro-loan programme is made through intermediary CDFIs which give technical support (business support) alongside the loans. Maximum micro-loans are \$35,000 and 45% of borrowers are women. Equity investment is available via the Small Business Investment Company programme. More information about those programmes is available on www.sba.gov/financing

Discussion re access to finance – key points:

There has been a trend towards smaller loans. The repayment rate from women is higher and women are becoming preferred borrowers.

Count-me-in is an internet based lender to women owned SMEs. (www.count-me-in.org) SBICs will give capital to entities which then make investments in businesses. A couple are focussing on women. Overall only 2% of SBIC funds are going to women owned businesses.

Section 3 Visits to Women's Business Centres

The group visited three WBCs. The OWBO part-funds 87 WBCs across the USA.

The National WBC, Washington

The NWBC has the name 'national' only because it was the first WBC. We met Penny Pompei, CEO of the Centre. Key points:

Funding

NWBC is receiving only 'sustainability funding' from the OWBO. The amount declines each year and next year is set to be just \$60,000. Raising funding has become a huge challenge for the agency and they have developed a number of strategies to raise more money:

- Holding an annual gala dinner, charging \$125 per head and bringing in sponsorship. The event includes Awards to successful women entrepreneurs and public figures who support them.
- Alliance with local adult education college – so that clients can access college credits for the study they do with NWBC.
- Other future plans include: taking women on international trade missions; electronic delivery of courses via the web for disabled people; diversifying to offer their programmes equally to men.

Outreach

NWBC did not appear to have any outreach programme.. They estimated that 60% of their clients were from minority groups (they didn't know for sure as, despite funders' requirements, they did not keep client statistics), however they said "we don't care which group clients are from – if you want to start a business we'll help you, regardless of gender or ethnicity". NWBC also did not consider that their programmes were suitable for people trying to make the transition from welfare benefits into enterprise - "it is almost impossible to get women from welfare into business".

Programmes and clients

NWBC classes are almost all held in evenings, 6-9pm, and most clients are already working. NWBC has a small staff of 4, and relies on volunteer tutors. Quality of tutors is controlled through evaluations, which have a 1-5 rating. Any tutor getting less than a 4 is not invited back.

50% of clients are women hoping to start a business and 50% are in business, but stuck at low levels of turnover (\$40k- \$50k). They need support overcoming barriers to taking their businesses to the next stage, such as employing staff, effective financial management etc.

The main course – 'Up and Running' – a 13 week programme – costs \$425 or \$65-\$100 per session. There is a scholarship programme. Penny feels that "if women are unable to come up with \$200 they are unlikely to be able to start a business".

They accept men for classes too – they find that some men prefer the relational approach of the WBC, rather than the transactional approach of the mainstream SBDC.

Self-confidence is a key issue for most women they see and the NWBC philosophy is to empower/enable women rather than to provide everything on a plate for them.

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Women's Business Center of Northern Virginia

The Northern Virginia WBC shares premises with several complementary organisations under the umbrella of the Community Business Partnership (CBP), including the Small Business Development Center (SBDC), and a Business Finance Centre. The organisations work together to provide holistic programmes of business support. It is unique – the only WBC in the country to have an SBDC and WBC in the same building.

Kathy Wheeler CBP

CBP is the parent organisation in the partnership. It started 9 years ago and became an SBDC in 1998. Its focus was micro-business, low-income people and women. It offers a micro-loan programme, with loans averaging \$18k, 80% of which go to women-owned or minority businesses. The loan loss rate is 13%. The WBC was launched in 2001. They have built on the synergies of being located together and clients like the one-stop-shop approach.

The partnership receives 50% core funding from the state government, which has provided a secure base for development. An effective lobby has persuaded the state government they haven't done enough for small business and despite cutting most other areas of public spending the NV Business centre hasn't been cut. They also receive WBC funds, and are one of the first nine recipients of a major IT enterprise grant from Hewlett Packard (value c\$300k).

Patricia Peacock, SBDC

In terms of women, the NV SBDC has a particular focus on procurement. They recruit, train and educate women-owned businesses to trade with government. They have a certification programme to validate businesses as being legitimately women-owned. They act as an intermediary between the client and the government agency, helping companies to grow at the right pace.

DeShawn Robinson-Crew and Barabar Wrigley, WBC

Features of the WBC programme/approach include: business training and counselling, courses for women looking to start/develop non-profit agencies; ICT training; child friendly approach (women can bring children to appointments and they provide toys etc., but they do not help with childcare costs or provision). Other activities include:

- Hispanic enterprise programme – outreach in partnership with Hispanic community organisations. Apart from this they do not seem to have much of an outreach programme and most clients find out about the programme via word of mouth, the national online WBC website or a leaflet in the library.
- Online directory of client businesses – they encourage clients to trade with each other – and ask each new business to fill in an easy and attractive ‘announcing my new business form’.
- Annual conference for clients, including workshops and trade shows.
- Annual best business plan awards – panel of judges give professional feedback and cash awards.
- Signposting to a ‘community of coaches’ – mostly ex-clients.
- Plans to develop a financial literacy training programme.

Costs – 39% of classes are free, 59% cost less than \$10. There is a scholarship programme based on household size and income.

The WBC has made special efforts to make the centre attractive to women. A large, open kitchen area is next to the training room and foyer. Both the kitchen and the training room have been decorated with warmth and flair. Recent signs of clients are everywhere – there are noticeboards in kitchen and training room, with client ads and notices, a well-organised leaflet rack for client leaflets, a folder of ‘clients in the press’, and another folder with a running list of all new businesses started since the centre opened. The centre succeeds in creating a very welcoming and inclusive atmosphere, with examples of achievable role models all around.

The NV WBC also runs a home based childcare programme, aimed at childminders. They were invited to develop the programme by the local child care agency – which trains women in legal and caring aspects of child care, but was not succeeding in trying to teach about business. The course takes into account that more than 80% of its clients have very poor English. So it is taught at 6th grade competency level or less. Most of the clients are operating very marginal childcare businesses earning around \$10k per year. Many progress within the WBC to the mainstream business programme and alternative business ideas.

NV WBC is also participating in the national micro-mentor programme. Like computer dating, profiles of potential mentors and mentees are matched. Mentoring is by email and phone.

NV WBC also has some business incubation provision – currently only four offices. They are aimed at people who have outgrown their home-based business but are not yet quite ready for commercial office space. One tenant is a design agency – comprising three partners - who had all lived quite far apart and spent considerable time travelling between each others homes. They now have a central address to which they all travel and this has saved on time and coordination.

We also heard from Patty Sands, widowed mother of 3 who was also a carer for her disabled father. Patty's business idea was inspired by her frustration with the poor quality of bed pans available for her father –they would often roll over spilling urine over the bed. So she has developed a stable male bed pan which doesn't roll. The product has taken 4 years to develop and is now ready to promote. It will primarily be web-based, and she has also benefited from the procurement programme in approaching relevant government health support agencies. www.spill-guard.com

Karen Maples, coordinator of NAWBO NOVA

Public policy is a big issue for the NV NAWBO chapter. Their main concerns are procurement and health care for self-employed women and their employees. They have a strong relationship with WBC and are liaising with NAWBO to develop a special membership category for WBC clients. There was huge demand for the NAWBO chapter – they signed up 50 members at the first meeting. www.nawbonova.org

Deborah Hudson, Virginia Women's Business Enterprise Certification, Local Authority.

This programme has had to deal with cuts on funding year on year and has overcome this by working closely with similar organisations and using ICT effectively. They database women-owned businesses and procurement opportunities and try to match them together. In Virginia 30% of businesses are women-owned – but they still only get 2% of government procurement contracts.

In Virginia 66 agencies provide business support and there has been a recent state study on the proliferation of business support, with a view to rationalisation. (Tracy Mellor talked about a similar ONE NE (North East RDA) study which found over 250 business support organisations and a funding structure which encouraged competition among agencies rather than encouraging effective client referrals. They have developed a 3 year plan to rationalise. The London Development Agency (LDA) has a quality assurance programme for business support providers. A kite mark is awarded to agencies which meet the standard and they must achieve it to gain funding.)

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Women Entrepreneurs of Baltimore (WEB)

WEB is a non-profit organisation, launched in 1989. Its vision is to help economically disadvantaged women in Baltimore to become self-sufficient through enterprise. It developed from a task force which was looking at the position of women in the city. 54% of all households were headed by lone-parents, the majority of whom were women. The taskforce conducted significant research with communities in the city – and discovered a great deal of informal enterprise. The particular local barriers for local women they discovered were:

- Lack of access to capital
- Lack of experience in business
- Lack of contacts and access to networks
- Lack of ICT capability
- Lack of expert support.

This led to the creation of an enterprise support programme designed to specifically meet each barrier. The course is 10 times over-subscribed with 300 applicants for 30 places.

They have a significant outreach programme, with a dedicated community affairs manager who talks to women in a wide range of locations, eg. via social services, prisons, refuges, via stands at fairs and festivals etc. Appropriate language is an important part of outreach and they put the language and concept of business in a broader context.

The programme also receives a good level of press coverage. Word of mouth is still the source of most clients.

They have developed a sophisticated screening process to deal with such huge demand. It includes:

- Maths and writing assessment
- Personality tests (focusing on risk-taking, leadership etc).
- Group work tests
- Individual interviews, looking at the business idea, what support structures they have in place etc.

They prioritise the poorest women – but only if they are sure that their aspirations are achievable.

Fees are charged, on a sliding scale based on household income and size. The range is \$85 to \$320 and hasn't changed since 1989. They help people use creative ways to raise the fee – like a bake or garage sale.

The course is extensive – 3 hours an evening, 3 times a week, over 11 weeks, plus homework. It covers business topics plus personal development. It is a tough course and if clients miss more than 4 sessions, or don't hand in assignments, they are asked to leave.

As well as a business plan, they must complete other plans including:

- Implementation plan
- Community plan (how the business will work with and contribute to their community).
- Technology plan (to ensure ICTs are integrated as critical – not a luxury).

To graduate, clients must complete those plans and their business plan, plus produce their business cards and corporate leaflet and demonstrate proficiency in financial management and presentation skills – all to WEB's standards.

Only graduates can access the wider range of WEB services – and WEB works hard to ensure that those services are as attractive as they can be to act as a real incentive to women to develop the range of plans their business will need to succeed.

Graduates get unlimited access to the following services:

- A mentor for one year (trained volunteer)
- Micro-loan programme – which includes access to loans and/or support from a specialist to develop a strategy for financing the business – from sales revenue to debt or equity.
- The 'Next Step' group – ongoing support for graduates through regular
- networking sessions and opportunities to share problems.
- *The following services, coordinated by a dedicated 'Partnerships Manager':*
- Partnership discounts (eg. Chamber of Commerce and NAWBO memberships).
- ICT training
- Certification for government contracting
- Professional business counselling
- Brokered bulk-buying deals

*A 'Support services' coordinator can coordinate assistance with:
Childcare, domestic violence etc.*

Like the Northern Virginia WBC, WEB had a large kitchen area for clients to mingle during breaks in training courses. However, the environment did not have the same level of flair as NV WBC. There were few signs of clients businesses and the environment was shabby and felt institutional with its hospital-like grey linoleum floors and bare walls.

Future plans/ WEB aspirations

- To develop a pre-WEB programme, to help the women who do not make it onto the main programme. Would include for example, financial literacy and communication skills.
- To develop a more flexible programme as they recognise that the very tough and demanding current programme does exclude a lot of women.
- To target specific groups, such as disabled women, ex-offenders, refugees, youth. And to provide distance training to overcome rurality and also via community groups in those areas.

Sustainability

There are signs that the current government may wish to disband the WBCs and merge them into the mainstream SBDCs. A report on the closure of many women's programmes is available at www.ncrw.org

The key difference is that WBCs are transformational and SBDCs are transactional. WBCs also:

- Target women
- Gear their materials and approach to women
- Provide longer term support
- Are community based.

WEB is currently facing the loss of \$215k pa from two different federal programmes.

The Association of WBCs (AWBC www.awbcc.biz) has been a great support and has lobbied on policy issues. It has succeeded in having the funding phase for WBCs extended from 3 years to 5 years and in extending beyond that through sustainability funding measures. The Association also brings WBCs together to share information on best practice, funding etc.

WEB has appointed a dedicated Business Development Manager to diversify its funding base and it has succeeded in attracting significant funds from Foundations, commercial sponsors and from performance based delivery contracts from the State and City local authorities. However, WEB do find their intensive model of support a disadvantage regarding performance related contracts which invariably focus on narrow outputs and do not take into account the more intensive support required by WEB clients.

WEB is developing an 'Individual Giving Plan' targeting individual philanthropists. Since 9/11, Foundation assets and sponsorship have declined significantly but research suggests that individual philanthropy has increased. Over 80% of giving is from households with incomes of \$65k or less and WEB is developing long-term relationships to get individuals engaged with their work.

In the last year it has succeeded in attracting \$550k from two significant corporate/ foundation programmes. One is helping the organisation to upgrade its internal and

client support ICT. The other has enabled it to start a social enterprise to develop consultancy services – WEB staff have recently delivered contracts in Jordan and Egypt passing their expertise on to organisations in those countries. It is also supporting them to develop their impact evaluation methodology. They already keep intensive intake data and undertake long-range tracking for 5 years, but they would like to develop this further. 80% of their clients are African-American women.

Since the WEB programme began there have been 1,500 graduates. 80% have started in business and 80% of those are still in business.

Their micro-loan fund is very small – with a capital base of just \$30,000. They have just been awarded state tax credits to attract additional capital. It is a stepped loan programme, offering a first loan of up to \$1,500, a second loan of up to \$3,000 and a third loan of up to \$5,000. The current loan fund would not be regarded as best practice, with only 20 loans and a poor repayment rate, and WEB is conscious of its limitations. They are keen in the future to revisit peer lending and to develop savings based programmes, such as IDAs. They would also like to offer lines of credit as most clients finance their businesses with credit cards.

A NAWBO member, who is also a certified women-business owner for procurement purposes, was at the meeting and able to talk about her experience of certification. Deborah told us that it took her 6-9 months to become certified. Training is provided and paid for and, although there is a lot of paperwork, it has enabled her to compete for government contracts. Her HR consultancy has been awarded a contract to review salaries at NASA.

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Section 4 Springboard Enterprises

Springboard Enterprises is a national not-for-profit organization dedicated to accelerating women's access to the equity markets. The organization produces programmes that educate, showcase and support entrepreneurs as they seek equity capital and grow their companies. The organisation promotes women's entrepreneurial development through alliances, partnerships and direct programming. This includes targeted education and coaching, strategic connections with investors, community building efforts and venture capital forums that showcase women entrepreneurs. Its web-based Learning Center, local Workshops and Seminars, and Next Wave Alumnae Initiative service a wide audience of women leading high growth businesses.

Presentation by Amy Millman

The idea of Springboard came from the transnational US-UK summit on women's enterprise held in 11 Downing Street in 1999.

On discovering serious capital gaps at every stage for women starting and growing businesses, the Federal Reserve Bank supported 10 round-tables around the country with business women and key deliverers and stakeholders. This led to a report and key recommendations. The roundtables confirmed that women were not participating in Equity – VC or Business Angels. However there are signs that women are beginning to participate increasingly as members of management teams of companies seeking VC funding. 'Venture One' in California disaggregated management teams by gender from 1998 to 2000 and found that in 1998, 20% of businesses supported had at least one woman on their management team; this had grown to 50% by 2000.

The Kauffman Foundation has supported major research into this area, especially the 'Diana Project' which dispels many of the 'myths' surrounding women and growth capital.

Springboard works by bringing businesswomen and investors together at special Springboard 'Forums'. There have been 13 Forums to date. Most of the work happens well before the forum meets. There is an education process to fully inform business women about Equity finance and to introduce them directly and generally to appropriate role models. This involves a lot of media work to raise the profile of those women. Springboard also invests heavily in developing relationships with investors. Then the selection process includes initial screening of applications and interviewing.

Since the first Springboard Women's Venture Capital Forum in January 2000, thousands of investors, service providers, financiers, entrepreneurial institutions, and business leaders have actively participated in recruiting, screening and coaching Springboard companies. During that period there have been over 2,500 women business owner applicants, with 300 going through to presentation stage at 13 forums across 7 markets. Capital investment in Springboard companies exceeds \$1 billion.

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Section 5 Delegates' reflections at the end of the visit

At the end of the visit, delegates shared their reflections of what the UK can learn from women's enterprise development in the United States. The following represents all the individual comments from our review discussion, rather than a group consensus:

Recommendations for Action

- We need a National Women's Business Council in the UK to engage the private sector alongside the public and non-profit sector.
- We need a Women's Enterprise Act to ensure that women's enterprise remains central to national policy.
- More effective data collection is essential.
- We all need to share information and research better and the PROWESS website could increase its role as a portal for the sector.
- Initiatives need longer-term investment and funders need a realistic understanding of sustainability.
- We need a national WBC programme in the UK with coherent branding, funded through the mainstream alongside the Business Link network.
- There is a gap in provision in the UK for women-focused investment-ready type programmes such as Springboard.

Highlights

- Several delegates felt the visit raised their own confidence about practice and the policy environment in the UK.
- Learnt a lot about private sector input and sponsorship.
- Put US in context.
- Good to see the level of synergy and collaboration in Northern Virginia.
- Enjoyed the contrasts between the various visits. Especially enjoyed Northern Virginia and Baltimore visits.

Lows

- Harsh reality of the political landscape.
- Too many WBCs included in tour.

Gaps

- We needed a clearer preliminary briefing on the policy environment.
- Would have liked more on procurement and advocacy.
- Would have liked more depth on Springboard and VC.
- More context from SBA and Women's Business Research Centre.
- More on the Banking environment.

Other reflections

- Policy and programmes seemed to focus on either social inclusion or growth – whereas in the UK we now clearly see the need for both – not either/or.
- Importance of investing in soft skills too.
- Would we have got a different picture if we'd gone to a different State?
- Delegates were keen to continue the dialogue – with follow-up occasional meetings.

Section 6 Participants

Delegates

Sally Arkley	Director	Women's Business Development Agency
Tracy Betts	Head of Social Economy Banking	Royal Bank of Scotland and Nat West Community Development Banking Team
Jackie Brierton	Policy Consultant	Small Business Service
Valerie Dwyer	Board Member	East Midlands Development Agency
Tracey Mellor	Senior Executive – Enterprise	One North-East
Steve Michell	Head, Ethnic Minority and Women's Enterprise Unit	Small Business Service
Saab Pahal	Minority Business Advisor	London Development Agency
Sharon Polson	Project Manager	Invest NI
Neil Warsop	Policy Analyst	H M Treasury
Erika Watson	Executive Director	PROWESS

Visit organisers

The US study visit was organised by PROWESS in association with Project Tsunami.

PROWESS is the UK-wide advocacy network for the promotion of women's enterprise support. The PROWESS vision is to create an environment where equal numbers of women and men are starting and growing businesses. PROWESS aims to achieve this by promoting and raising awareness of women's enterprise and the organisations that support this key area of economic growth, lobbying on their behalf to create a policy environment and opportunities which support the development of women's enterprise.

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PROWESS is supported by NatWest and the Small Business Service

Project Tsunami, Inc., is a global accelerator for women's entrepreneurship and uses a three-pronged strategy to create a worldwide wave of change to advance the women's small and medium enterprises (WSME) sector. Project Tsunami uses state-of-the-art technology to deliver a clearinghouse of best practices to a powerful network of leaders worldwide. Project Tsunami spurs improvements for WSMEs in the key areas of: data, statistics and research; access to capital and credit; entrepreneurial education and training; access to markets and international trade; and technology.

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