



EVERYWHERE, EVERY DAY INNOVATING.

WOMEN ENTREPRENEURS
AND INNOVATION



The Beacon Agency



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About the Authors



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Clare Beckton BA LLB(Sask.) MPA(Harvard), is the author of *Own-it Your Success, Your Future, Your Life*. She is a sought-after speaker, consultant, facilitator, mentor and coach. Clare is founding Executive Director of the Carleton University Centre for Women in Politics and Public Leadership (now merged with the Centre for Research and Education on Women and Work) where she leads and facilitates cutting edge research initiatives and women's leadership programs to advance women in leadership roles and acts as an advocate for advancing women's leadership. She is a lawyer, a former senior executive in the Government of Canada including roles as head of agency for Status of Women Canada and Assistant Deputy Attorney General Aboriginal Affairs, Justice Canada and former professor of law at Dalhousie University. Several recent high impact studies of the Centre, with its partners, include a *Force to Reckon With, Women, Entrepreneurship and Risk* and *Women's Leadership Matters, the impact of Women's Leadership in the Canadian Public Service*. Clare Led the development of the *Advancing Women in Leadership program* for the Centres and continues to facilitate in this highly acclaimed program.

Clare taught law at Dalhousie University and published, a book *The Media and the Law in Canada*, and a number of articles on the Canadian Charter of Rights and Freedoms. She was widely recognized for her work, including by the Supreme Court of Canada respecting freedom of expression and equality.

She is a recipient of a *Fulbright scholarship* and *Littauer fellowship* by Harvard (for leadership and contribution to Public Service), studying at Harvard Kennedy School of Government in 2004-2005. She was appointed to the Harvard women's Leadership Board in 2008, is Director and Chair of the Governance committee of Beechwood National Cemetery, a member of the governance committee of the IWF Canada board, a member of UNICEF's 25th team working to advance women's maternal health

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Clare served on the Queensway-Carleton Hospital board including as chair, vice-chair and chair of the governance committee, was a member of the Canadian Task Force for Women's Business Growth and the Canadian Board Diversity Council. She also served as vice-president for the Ontario college of Homeopaths.

Clare has led delegations for Canada to the UN in both New York and Geneva on Human Rights and women's rights, to the Women's Leadership Network of the Asia-Pacific Economic Cooperation Forum and to the Inter-American Commission of Women.

She has been twice recognized by **WXN** as one of Canada's 100 most powerful women along with other recognition for her leadership from Canadian Women in Communications and Technology, Women of Influence, Federated Press and WPN.

She blogs for the Huffington Post and is a sought-after speaker on multiple subjects including leadership, Policy development, studies related to women's entrepreneurship, women in mining, women's rights and freedoms and is a frequent media commentator, who has presented at many conferences and events in Canada and abroad.

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Janice McDonald BA, MA, ICD.D, MFA is an award-winning serial entrepreneur, trusted advisor, strategist and inspiring speaker with expertise in the music industry, apparel/accessories and start-ups. WIT-LA awarded her **Global Trade Ambassador for Canada** in 2017, the first Canadian to receive it. Janice represented Canada at the APEC Workshops in Vietnam in 2017 and presented on entrepreneurship. She has Leadership training from Harvard and INSEAD and was appointed to Women's Leadership Board at Harvard Kennedy School. Janice is the **Ambassador for Women Entrepreneurs for Startup Canada** and will release her podcast for Women's Entrepreneurs called #THRIVE in 2018.

WXN inducted Janice into the **WXN Hall of Fame** in 2016 as Canada's Top 100 Most Powerful Women after winning four years in a row. She was awarded a **World of Difference 100 Award** in Washington from TIAW and a **National Leadership Award** from CWC. She also received **WCT's Chairs Award of Distinction** in 2016. Janice has a BA Communications, Masters in Canadian Studies, certification from The Canadian Institute for Conflict Resolution, ICD.D designation from Institute of Corporate Directors and Masters in Fine Arts from King's College. She is featured in **Canada 150 Women**, a book released in 2017 on conversations with leaders, champions, and luminaries. She was also featured in **'Your Turn: Powerful Thoughts from Today's Women to the Next.'**

Janice has many career achievements including driving the financial turnaround and re-branding of Women in Communications and Technology as Board chair 2013-2015. She is currently a Board director with Futurpreneur Canada, Ottawa Senators Foundation and IWF Leadership Foundation board and past Chair of IWF Canada Ottawa Chapter. She was a director with Ashbury College and served as chair of the community engagement committee, former director

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Janice is a sought after speaker on Leadership and Entrepreneurship. She is invited to speak around the world regularly including at Microsoft at Silicon Valley Forum's Women in Tech Festival in 2017. Her TEDx talk has been viewed over 14,000 times and counting.

She is an independent board director with Vista Radio, past member of the Rogers Radio advisory board for eastern Ontario, an advisor for Cornell Queens EMBA program and she works with international executives on New Venture/Management Consulting Projects. She is an advisor for the Sprott School of Business at Carleton University and Co-founder www.thisspaceworks.com.

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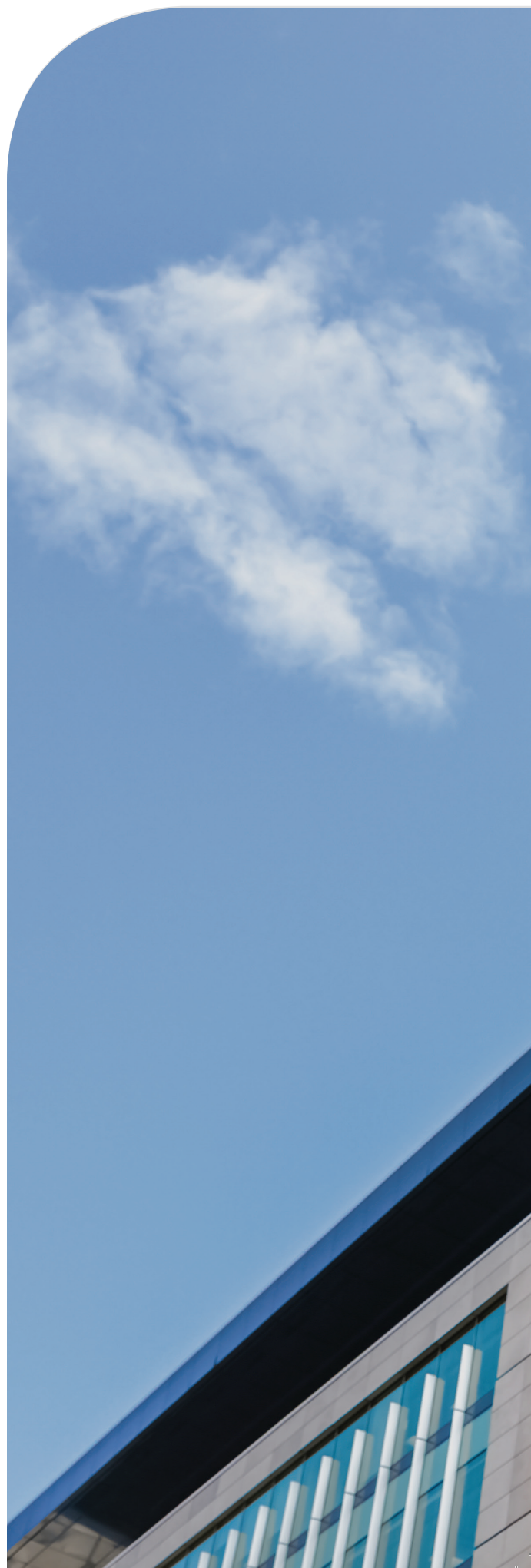
Maude Marquis-Bissonnette

Maude Marquis-Bissonnette holds a Bachelor in Political Science from the Université de Montréal, a Master in public administration (M.P.A.) from the École nationale d'administration publique (ÉNAP) and is currently a Ph.D. candidate at Carleton University in public policies. She is also a municipal councillor

serving in the City of Gatineau, Québec. She chairs the Commission in Development of the territory, Housing and Environment. She is also a member of the Commission of Economic development as well as the Société de transport de l'Outaouais (STO). She is the member of one and is involved with a women community association.

Methodology

To ensure the most complete study of where and how women entrepreneurs are innovating, we used multiple tools as in our previous study, *A Force to Reckon With: Women, Entrepreneurship and Risk*. First, we conducted a literature review using quantitative analysis to assess the depth of existing knowledge. Secondly, using a standard set of questions, we did a qualitative analysis by interviewing 146 women entrepreneurs in all industries across Canada, including 23 Indigenous women entrepreneurs. Following these two activities, BMO Wealth Management performed a survey that yielded responses from over 1000 entrepreneurs, which supported the findings from the review and gave insights into similarities and differences between men and women entrepreneurs. Finally, BMO, with the Beacon Agency and Carleton University, hosted a roundtable in Toronto attended by over 100 leaders including government officials, industry, entrepreneurs, women's organizations and academics. Participants received the findings and discussed nine questions key to the research. Their extremely valuable input helped to shape the final recommendations.





"Current policies and discourse that equate innovation solely with advances in technology exclude much of women entrepreneurs' innovations."

EXECUTIVE SUMMARY

Women entrepreneurs are innovating everywhere, every day across Canada. Current policies and discourse that equate innovation solely with advances in technology exclude much of women entrepreneurs' innovations. The result is a lack of recognition of the significant contribution that women entrepreneurs make to Canada's innovation and a lack of access to funding to increase their innovation capacity and implementation. This needs to change as women-led businesses today represent 50% of all new businesses (BDC, 2017). Among all small and medium-sized businesses (SMEs), 47% are entirely or partly owned by women (Statistics Canada, 2012). Businesses owned by women entrepreneurs make significant contributions to the Canadian economy. Although women-led businesses tend to be smaller than men-led businesses in general, they create more jobs (Statistics Canada, 2012) and have higher survival rates (Benavides-Espinosa and Mohedano-Suanes, 2012; Statistics Canada, 2012).

Contrary to the current discourse around science and technology and funding criteria, innovation is much broader, as defined by the Organisation for Economic Co-operation and Development (OECD) and accepted by Canada 2020's work as the "implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations" (2005, p.46). As a consequence, an innovation can represent many things in an organization. However, in Canada, innovation is often equated to goods, rather than services, and especially in science and technologies. Most of the businesses started by women entrepreneurs are concentrated in the service sector (90%, according to TD Economics, 2015) and women are underrepresented in the science and technology sector (Bahmani & al., 2012; Move the Dial, 2017). This explains partly why women entrepreneurs are seen as less innovative and benefit less from funding opportunities that are concentrated for innovation in high technology as reported by Canada 2020.

In our study, we set out to better understand how and where women entrepreneurs are innovating in Canada. We knew from our previous study, *A Force to Reckon With: Women, Entrepreneurship and Risk*, that women entrepreneurs are ambitious and want to grow their businesses. Yet there was little information with respect to women entrepreneurs' innovation and what the factors are that impact their ability to be innovative. After an extensive literature review we realized the insights were limited and would benefit from qualitative interviews that seek to understand the lived reality of women entrepreneurs relating to innovation. Facing overwhelming interest, we interviewed 146 women entrepreneurs throughout Canada, in all sectors and all stages of business from startup to

multimillion-dollar businesses, including Indigenous women entrepreneurs who have not received a lot of attention in the literature. Those interviews showed us that women entrepreneurs are innovating in all sectors and in every aspect of their business and are very aware of the constant need to innovate to stay competitive and grow.

From the interviews, we found that innovations of women entrepreneurs are often inhibited by lack of access to capital for startup and growth, ageism (as women tend to start a business in a later stage of their life and age out of funding programs) and sexism and harassment from investors and clients. Funding opportunities do not always match women entrepreneurs' goals as they were not available in their sectors or would not take into account their desire to help their community by promoting local products, for instance. Collaboration and partnerships are also key elements for women entrepreneurs. Mainstream networks, incubators and accelerators are often not welcoming to women entrepreneurs, yet networks, mentoring and growth opportunities are considered to be important to entrepreneurial success.

As for Indigenous women entrepreneurs, the literature is not abundant. In the interviews, we found that Indigenous women entrepreneurs are also innovating in all aspects of their businesses. They view collaboration as essential and want to support their communities. Indigenous women entrepreneurs face the same challenges as all women entrepreneurs with the additional burdens of prejudice, possible lack of support from their family and community, lack of role models, often more child and family responsibilities, lack of business training and lack of access to high-speed internet on more isolated reserves.

Governments, cities and financial institutions have both the opportunity and responsibility to include and support women entrepreneurs by developing inclusive innovation policy and programs that enable all innovation, no matter what sector, to be supported and recognized. Women must be involved from design to implementation to ensure their perspectives and experiences shape the policy and programs to be inclusive to all. While there is a very important focus on encouraging women to enter the STEM fields and technology and supporting advances in technology and sciences, recognizing and valuing women's innovation in all areas is equally vital. Canada needs an innovative society, which can be fostered through recognition and support of innovators in all sectors. A number of recommendations are offered to build a truly inclusive innovation strategy that embraces innovation in all sectors, not only those involving new technologies.

"Governments, cities and financial institutions have both the opportunity and responsibility to include and support women entrepreneurs by developing inclusive innovation policy and programs that enable all innovation, no matter what sector, to be supported and recognized."

SUMMARY OF FINDINGS

01/

Women entrepreneurs are innovating in all sectors and in every aspect of their businesses.

Their innovations are wide ranging and across all aspects of their business. They are developing new products and services, and new ways of marketing and selling products. Innovation extends to where and how they are engaging their teams and keeping them productive.

02/

Innovation is key to women entrepreneurs' growth and sustainability.

Their innovations often go unrecognized because governments and innovation measures predominately focus on the domains of science and technology. Yet the majority of women-owned businesses is not in these sectors. Women entrepreneurs have no hesitation in using technology or adapting it to serve their business purposes.

03/

Collaboration and partnerships are key to innovation.

Women entrepreneurs recognize that innovation requires working with others to get the best results. These collaborations include their teams, suppliers, clients, customers and partners. Women will often collaborate with their competitors to advance all of their businesses. We use the term "coopetition" to recognize this approach.

04/

Indigenous women entrepreneurs are innovating in all sectors and throughout their businesses.

They view collaboration as essential and face many of the same challenges with the added burdens of prejudice, possible lack of support from community and family, lack of role models, more child and family responsibilities and accessibility of training and high-speed networks on more isolated reserves.

05/

Motivation for starting a business is one of the drivers of innovation for women entrepreneurs.

Many wanted to create a better product or service or provide access to services that did not exist. Other drivers of innovation include client and customer needs and challenges, and competition and remaining competitive in their market.

06/

The Canadian economy is based on small business and women entrepreneurs consider the community in their approach.

They take a holistic approach to business and think about all their stakeholders. In this community-minded approach they tend to innovate how they run their business. Many support buy local initiatives in their businesses. Despite their value-added approach to their communities, their contributions often go unrecognized and they need to battle bureaucracy to obtain permits and authorizations or possible grants.

07/

Lack of access to capital and ageism can hinder innovation or require it to be done on a smaller scale.

Women entrepreneurs continue to struggle to obtain capital for growth and start-up. They are often self-funded, which slows their ability to grow. Women tend to start their business after some work experience or raising children and can age out of excellent programs such as Futurpreneur. Those who did benefit from programs like Futurpreneur found them to be very valuable because they combine financial resources with mentoring and business training.

08/

Sexism and harassment can inhibit women entrepreneurs.

Younger women entrepreneurs found it difficult to be taken seriously or were subject to sexual harassment from potential investors or clients. Unconscious bias impacts women entrepreneurs in obtaining funding from financial institutions and investors and in advancing their business. Male venture capitalists and financial institutions do not recognize that women pitch their businesses differently. These male investors may lack knowledge of business sectors traditionally occupied by women entrepreneurs such as beauty and fashion. Women CEOs report having their male teammates or husbands addressed at meetings when the women were the actual decision makers.

09/

Access to grants is often difficult and too time-consuming for a small business.

Knowledge of their existence is lacking. As well, many have narrow criteria that do not encompass business sectors occupied by women entrepreneurs. Applications are bureaucratic and not written in language familiar to entrepreneurs. Training grants, when available, as well as grants that subsidized hiring for a period of time were considered very beneficial. Satisfaction with granting processes varied by region, with greater satisfaction being expressed by women entrepreneurs in the Maritimes.

10/

Incubators and accelerators were considered desirable if accessible.

Some were regarded as too short or had potential to be more valuable if funding was available. Many were in the tech sector and women did not feel as welcome in these programs.

11/

Mentoring programs and networks were considered very valuable.

Women entrepreneurs expressed a need for more of these programs.

**"Innovation is occurring
in all sectors, whether
adapting or creating
new technologies,
creating products,
changing the nature of
services and marketing."**



Recommendations

Governments

An Inclusive Innovation Framework that brings to life the broad definition of innovation used by the OECD, Canada 2020 and other organizations and reflects the principles of the Government of Canada's feminist development policy would greatly benefit Canada's women entrepreneurs and would become an asset globally.

This strategy looks beyond science and technology to recognize that innovation is happening in all sectors. It would leverage the increasing growth and innovation of women entrepreneurs to Canada's advantage and recognize the value of innovations from sectors where women-owned businesses are operating. It would acknowledge that both sustainable and fast growth businesses contribute to the economy and recognize that women entrepreneurs are not a homogenous group. These recommendations are equally applicable to provincial, municipal and city governments.

- (i) Develop all programs and policies using Status of Women Canada's Gender Based Analysis Plus (GBA+) analytic tool.
- (ii) Include women entrepreneurs in the design, development, implementation and management of all programs, policies and grant development.
- (iii) Recognize and build on the strengths that women entrepreneurs bring to the table, including partnership collaboration and community building.
- (iv) Assess and track who is accessing grants and loans to ensure that women are benefiting from them equitably and to establish a baseline against which to measure future progress. Commit to targets that ensure women entrepreneurs receive an equitable portion of those funds being granted.
- (v) Continue to strongly encourage corporations and investment firms to lead by example and add women to their senior leadership and boards.
- (vi) Make grants and programs more accessible to entrepreneurs in all sectors and incorporate input from entrepreneurs when developing the criteria. Market to women entrepreneurs in spaces that they frequent. Build on successful programs such as Futurpreneur and grants and programs that make a difference. Create easy-to-access one-stop portals of information that provide accessible pathways to identify and apply for existing grants and loans. Continue to market these offerings regularly to ensure that the information reaches all those interested.
- (vii) Fund Aboriginal financial institutions to offer training on and off reserve in subjects such as how to start a business, financial literacy and financial management. Require that Indigenous women be involved with the design and implementation of the training. Following the training, ensure that money is available to make loans to participants for startup and growth.
- (viii) Make grants accessible to organizations training women entrepreneurs and to individual entrepreneurs to meet their specialized training needs and enhance their use of technology or specialized knowledge.
- (ix) Ensure superclusters and innovation hubs are inclusive and welcome women entrepreneurs from all sectors. This will create diversity that will better foster innovation for all. Use existing mechanisms such as Women's Enterprise Centre, universities, colleges and Futurpreneur in partnership with the private sector to pilot several incubators that are fully inclusive, networked and include loans for participants after training and mentorship.
- (x) Reinforce inclusive innovation with provinces and cities, encouraging inclusion in their hubs, incubators and accelerators, and make it a condition of receiving federal funding. Ensure that leadership and management in hubs and clusters include equitable representation of women. Track and measure the entrepreneurs and executives in residence in programs to ensure that there are women in equitable numbers. Develop a baseline and assess and track women's participation to ensure equitable representation. Encourage and support access to funding when entrepreneurs participate in incubators and accelerators.
- (xi) Promote and highlight the contributions of women-owned businesses to innovation in Canada and abroad. Support conferences and events nationally and internationally that include women entrepreneurs on panels and as speakers and experts and decline to support those who do not demonstrate this participation. Encourage conferences and events to use women-led businesses as part of their support, for example as photographers, organizers and caterers. Create opportunities to promote women entrepreneurs such as women-only trade missions and mixed trade missions where women are equitably represented.
- (xii) Use procurement at all levels of government as a means to support small and medium enterprises (SMEs) and minority-owned businesses, including requiring supplier diversity policies for federal crown corporations and agencies. Simplify the process to recognize different kinds of SMEs – such as micro-businesses and women-owned businesses – and acknowledge the limited capacity of small businesses to deal with bureaucracy. Push out the information to where the targeted businesses operate and communicate these messages constantly. Encourage corporations in Canada to buy from women entrepreneurs as well.

50%

of all new businesses are women-led.

47%

of all small and medium-sized businesses are entirely or partly owned by women.

(xiii) Encourage investors and financial institutions to invest in women entrepreneurs' growth, add women to their teams, support effective networks and look for partnership opportunities to leverage private sector resources to advance women entrepreneurs. Encourage and facilitate innovative investment and financing mechanisms and work with Business Development Bank of Canada (BDC) to lead by example with best practices.

(xiv) Partner with the private sector to offer financial literacy and entrepreneurial skills to high school students.

(xv) Work together to ensure adequate childcare is available to enable growth of small and medium enterprises.

Financial Institutions

(i) Create a holistic strategy for attracting and retaining women entrepreneurs as clients.

(ii) Recognize that women entrepreneurs often start small to ensure sustainability and be prepared to endorse smaller loans at startup. Continue to partner with them to provide information, support and further loans as they grow. Build on the relationship recommendations from *A Force to Reckon With: Women, Entrepreneurship and Risk* by becoming more proactive around loan opportunities. Address the bias many women entrepreneurs have against debt.

(iii) Address women entrepreneurs' perception that their loan application will be turned down by financial institutions by offering additional knowledge and resources to increase their confidence and likelihood of loan acceptance.

(iv) Examine traditional assumptions in loan approval criteria with a gender lens and address unconscious bias in preparing the assessments.

(v) Track and monitor women entrepreneurs' loan rates and payback rates and share this information as part of an overall strategy to dispel myths about women entrepreneurs.

(vi) Train all frontline staff and those making loan decisions to understand the needs of women entrepreneurs and their approaches to asking for resources. Offer women entrepreneurs support to overcome concerns about taking on debt and the fear of being turned down. Equip frontline staff with information that is supportive of a woman's business and offer alternate sources of funding suggestions if the financial institution cannot provide the requested funding.

(vii) Partner with other institutions, government and community organizations to provide women entrepreneurs with information and support such as business training and mentoring. Continue to strengthen strategic alliances with organizations that support and encourage women to start and grow their businesses. Encourage these organizations to reach out to Indigenous women entrepreneurs to increase connections within the ecosystem.

(viii) Consider set-aside funds to support women entrepreneurs by creating an investment cluster. Seek out women entrepreneurs to become part of the portfolio and include their expertise in the development of the selection criteria.

(ix) Fund community organizations, universities and colleges to offer business training to Indigenous women entrepreneurs on and off reserves and include non-Indigenous women in close proximity to strengthen connections between them.

(x) Continue and enhance programs that recognize the success of women entrepreneurs, Indigenous women entrepreneurs and community leaders and promote them widely, both nationally and internationally, recognizing the value and importance of their stories and their role as role models.

(xi) Increase partnerships with universities, colleges, cities and the private sector to offer loans to participants in incubator and accelerator programs. Track who are the participants to ensure an equitable balance in the programs and track who is receiving the loans in these programs as well.

(xii) Invest in universities and colleges to support training for the diversity of women entrepreneurs and to encourage women to become entrepreneurs.

(xiii) Continue to buy from women-led SMEs as a strategic way to show support and help them grow their businesses.

Women Entrepreneurs

- (i) Establish a relationship with financial institutions well before loans are needed. Become informed and understand what financial institutions require to prepare a strong business case when seeking funds.
- (ii) Take steps to increase knowledge in investment opportunities, exits and the range of financial instruments available for funding. Learn about debt financing and how it can be used to grow and expand their business.
- (iii) Support other women-owned businesses by using their services and purchasing their products.
- (iv) Join networks that provide access to information about financing, investment and grants. Work to ensure that these networks are inclusive and hold them accountable to inclusivity.
- (v) Take advantage of programs such as Futurpreneur and Women's Enterprise Centre for support, possible funding and additional business knowledge.
- (vi) Continuously update skills, including financial literacy and digital skills, and seek necessary expert help when needed.
- (vii) Continue to inform governments of women entrepreneurs' needs for childcare and maternity benefits.
- (viii) Seek mentors and act as mentors whenever possible. Mentors can be either male or female and take place in formal programs or informal arrangements.
- (ix) Women should be encouraged to use the power of their capital to invest in women entrepreneurs as angel investors.
- (x) Seek funding from female investors and take opportunities to help male investors understand the value of investing in women entrepreneurs.
- (xi) Think globally. Consider export opportunities earlier. Gather the necessary information from resources such as trade commissioners and other sources to lay a solid foundation for growth and expansion opportunities. Join trade missions to learn about and pursue global opportunities.
- (xii) Use media opportunities to share women entrepreneurs' perspectives, stories, challenges and expertise to amplify the voice and understanding of the women entrepreneurs.



LITERATURE REVIEW

"In sum, according to the Global Women Entrepreneurs Scorecard (reported in GEM, 2015), Canada has the second highest rate of female-led businesses within an innovation-based economy."

Women entrepreneurs represent an important source of wealth creation. As women's entrepreneurship is a growing trend, women are seen as an economic cohort (Quinlan & VanderBrug, 2016). According to the 2012 Statistics Canada Labour Force Survey, women were sole or part owners in 47% of small and medium-sized enterprises (SMEs). Today, according to the Business Development Bank of Canada (BDC, 2017), women entrepreneurs have started about 50% of all businesses in Canada. Businesses owned by women entrepreneurs make significant contributions to the Canadian economy. Female-led businesses tend to be smaller on average than male-led businesses (GEM, 2015). And yet, women entrepreneurs represent an important potential for reducing inequalities because they tend to create more jobs than men entrepreneurs (Statistics Canada, 2012, cited in Foreign Affairs, Trade and Development Canada, Trade Commissioner Service). Sixty per cent of early stage female-led businesses and 70% of established female-led firms have employees (GEM, 2015). Women-owned businesses also have higher survival rates than men-owned businesses (Benavides-Espinosa and Mohedano-Suanes, 2012; Statistics Canada, 2012, cited in Foreign Affairs, Trade and Development Canada, Trade Commissioner Service).

Women-owned businesses have grown at a rapid pace in the past decade in Canada. For instance, the proportion of businesses owned by women with 20 to 99 employees more than doubled between 2001 and 2007, from 3.1% to 6.8% (Industry Canada, 2015). In 2011, 59.2% of businesses owned by women and 51.4% of businesses owned by men were micro-enterprises (1 to 4 employees). In addition, 92.7% of businesses owned by women had fewer than 20 employees, compared to 86.5% for businesses owned by men. Even if the numbers of women entrepreneurs have grown at a fast pace in recent years, women still represent a huge untapped potential for entrepreneurship. Self-employment – when entrepreneurs work for themselves without being incorporated – is often considered as the first step before full entrepreneurship. As an indicator, in

2012, 950,000 women were self-employed, representing 35.6% of all self-employed persons. In sum, according to the Global Women Entrepreneurs Scorecard (reported in GEM, 2015), Canada has the second highest rate of female-led businesses within an innovation-based economy.

Women entrepreneurs and innovation is a field of study that has received less attention in the business literature. The literature has conflicting views on the level of innovation of women entrepreneurs. According to Statistics Canada, women entrepreneurs appear to be very innovative. In 2011, businesses owned by women were slightly more engaged in innovation activities than businesses owned by men (39.5% versus 37.0%). Businesses owned by women were developing more product innovations than other categories of innovation (Industry Canada, 2015).

However, because innovation is often associated with science and technology, data frequently indicates that women are not as innovative as men. Ninety per cent of businesses owned by women are operating in the service sectors, compared to 70% for businesses owned by men (TD Economics, 2015). Another bias comes from the fact that women are still not well represented in high tech (Move the Dial, 2017) where policies supporting innovation are mostly dedicated (Canada 2020). As a consequence, they are not eligible for important funding opportunities and policymakers' attention.

This research looks at how and where women entrepreneurs are innovating and the kinds of innovations that help their businesses to succeed. Using the more expansive definitions of innovation enables a better understanding of how and where women entrepreneurs innovate. This broader understanding of innovation will enable policies to be adapted to support women entrepreneurs, including funding opportunities and other policies from governmental and private institutions. Our previous research focusing on women entrepreneurs and risk, *A Force to Reckon With: Women,*

Entrepreneurship and Risk, concluded that women are ambitious, want to grow their businesses and take a holistic approach to risk, looking at sustainability. Our approach was process-oriented and sought to understand how women entrepreneurs calculate risks and make decisions. The next step is to understand where women entrepreneurs are innovating, how they are using innovation to foster success, and what barriers to innovation women encounter. We took the same holistic approach in this study, as multiple factors are taken into account when considering how and when women entrepreneurs innovate.

The literature review focuses on women entrepreneurs and innovation. In the next section, innovation is defined and some gaps between the definition and its application are identified. The section following discusses the motivations of women entrepreneurs, which help understand why they decide to innovate and where they do it. The third section identifies in which sectors women entrepreneurs are innovating in their businesses. The fourth section discusses innovation in women-owned businesses. Finally, this research looks separately at Indigenous women entrepreneurs, the sectors where they do business and the types of innovation they create.

What is innovation?

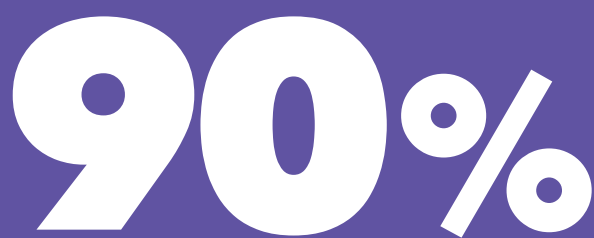
The economist and political scientist Joseph A. Schumpeter was the first to define innovation as a driving force of economic change and growth. For Schumpeter, the economy is in a constant process of evolution with a process of “creative destruction” where new things replace old ones (Bögenhold, in Dana and Anderson, 2011). Since Schumpeter, innovation has been seen as a key indicator for entrepreneurial performance.

The definition of innovation by the OECD is widely used. According to the OECD (2005), “[a]n innovation is the implementation of a new or significantly improved product (good or service), or process, a new marketing method, or a new organizational method in business practices, workplace organization or external relations.” (p.46). Therefore, innovation can happen in many spheres of business and create infinite opportunities.

Attempts have been made to promote, support and foster innovation through policies as well as to measure its impact. The Manchester Institute of Innovation defines innovation policy as a “public intervention to support the generation and diffusion of new products, processes or services.” (20th report, Impact of Innovation Policy: Synthesis and conclusion, Executive Summary). Their report suggests a typology of innovation policies classified according to their effects. They distinguish two broad categories: some policies are said to be “supply-side instruments,” in other words, they aim to generate innovation, while others are “demand-side instruments” and influence “those requesting, buying or applying innovation” (20th report, Impact of Innovation Policy: Synthesis and conclusion, Executive summary). For the Manchester Institute of Innovation, policies that aim to support innovation can also include private investment in research and development (R&D), fiscal measures and subsidies.

Canada 2020, in their *Innovation Project*, also used the OECD definition. The organization is critical of most Canadian programs that seek to support innovation. Canada 2020 says most programs focus on product innovation and ignore process innovation, marketing innovation and organizational innovation. Even more narrowly, inside the product categories identified by the OECD, programs typically target goods rather than services. As a consequence, governmental programs miss most innovations developed in Canada. For Canada 2020, “given the fact that between 72 and 75 per cent of Canada’s economy produces services and not goods (the manufacture of goods comprises only about 11 per cent of economic activity), a rebalancing of government innovation support programs would be appropriate.” Canada 2020 calls for broader programs in order to support more innovations and strengthen the economy. In addition, because 90% of women-owned businesses are in the services sectors, very few women-owned businesses benefit from current programs that support innovation.

For instance, the current federal program supporting innovation, *Build in Canada Innovation Program*, provides funding for innovative projects. The program targets only certain types of innovations, goods in particular. In addition, the program seeks to support projects in specific sectors only: high tech (including biotechnologies, information and communications technologies, manufacturing and services),



**of women-owned businesses are
in the services sectors.**

information management (such as nanotechnologies), environment (including alternative energies, energy and material efficiency, greenhouses gases and traditional environmental), health and safety and security (including military components, Arctic and maritime security, command and support, cyber-security, in-service support, and protecting soldiers and training systems) (Build in Canada Innovation Program priority areas, 2017). As women entrepreneurs are vastly underrepresented in these priority sectors, the Build in Canada Innovation program has the effect of supporting mostly men-owned businesses. Likewise, Blake and Hanson (2005) looked at local economic development policies and stated that innovation is "overly masculinist" (p.681).

In sum, it seems like the very definition of innovation – as understood by policy and decision makers in Canada – prevents women from accessing recognition and funding for their innovations. The discrimination women entrepreneurs face is twofold. First, they are discriminated against because they innovate mostly in the service sector, rather than in the goods sectors where the funding opportunities are currently available. Second, within the service sector, businesses engaged in high tech sectors can access significant funding, but this is a sector in which women and women entrepreneurs are still underrepresented (Bahmani & al., 2012). Some indirect effects of this lack of access include widening the income gap between men and women and perpetuating the perception that women entrepreneurs are less innovative than men entrepreneurs.

Rowe (2016) explains the failure of the Canadian government to recognize women entrepreneurs' innovation: "[I]nnovation policy is not traditionally conceptualized as a women's issue, and this explains in part why the Canadian government has failed to focus attention on gender equality in this area" (p.77). For Rowe, Canadian policies regarding innovation are systematically gender blind, which has the effect of advantaging men over women. Rowe (2016) advocates for a "gender-conscious national innovation policy" (p.177) including different performance measurement and financial tools to achieve greater recognition of female-led innovation.

Motivations and innovation of women entrepreneurs

The reasons women decide to start a business are often related to the types of innovation they create. For instance, women's entrepreneurial motivations may include rapid growth, a better work-life balance, or solving a problem. Understanding entrepreneurs' motivations, resources, constraints and types of innovation can help support women entrepreneurs.

Motivations are influenced by internal and external factors. Internal factors belong to the individual, including educational background, age, capacity to leverage funding and network (Akehusrt & al., 2012). External factors arise from the environment and include social, political and economic aspects. For Brush & al. (2009), an institutional approach, or looking at the environment surrounding women entrepreneurs, could help understand their motivations. Drawing on Brush and Hisrich (1991), many authors have concluded that the environment can also foster entrepreneurship among women (OECD, 1998; Acs & al., 2011; Estrin and Mickiewicz, 2011; Carrasco, 2014).

In the literature, entrepreneurial motivations are often classified under two broad categories: pull and push factors (Orhan and Scott, 2011; TD Economics, 2015; Patrick et al., 2016). On the one hand, pull factors are related to positive elements such as passion for creating, desire to change something, quest for autonomy or enrichment, self-fulfillment, entrepreneurial drive and desire to increase status or power. On the other hand, push factors are elements of necessity that drive entrepreneurial motivation, including insufficient income, difficulty finding jobs, dissatisfaction with an employment position or need for greater flexibility in work hours. Most recent research finds that women are primarily driven by pull factors when they launch a new venture (Still and Walker, 2006; Orhan and Scott, 2011; GEM, 2015; Patrick & al., 2016), although results are mixed. According to the OECD, 61% of all men and 57% of all women would rather start a business than work for someone else. Benavides-Espinosa and Mohedano-Suanes (2012) argue that entrepreneurship among women is more frequently "necessity-driven" (see also Dolinsky and Caputo, 2003; Ahl, 2007; OECD, 2015). Finally, Brush (1990) underlines that the decision to start a business generally results from a mix of motivations of both types.

Although women are found to often have similar motivations to men when they start a business, such as desire to create something or become their own boss, women nevertheless show that they are more preoccupied than men by work-life balance (DeMartino and Barbato, 2003; Carrasco, 2014). An interest in work-life balance often drives women's motivation and creates incentives for innovation. Wanting to make a social contribution and develop an affiliation to broader groups may also motivate women more than men when they start a business (Benavides-Espinosa and Mohedano-Suanes, 2012; UNCTAD, 2013).

For Carrasco (2014), formal and informal institutions in place also affect women's innovation. Looking at data across 40 countries among women employees, Carrasco finds the role and positions of women impact their level of innovation. Carrasco concludes that an "equalitarian" work environment, such as an environment that promotes work-family life balance, fosters innovation among women employees. Conversely, discriminatory environments such as early marriages, violence against women and gender gaps among employees negatively affect women's level of innovation. One assumption may be that encouraging "equalitarian" conditions for entrepreneurs could positively impact women's capacity to innovate.

Where are women entrepreneurs innovating?

Innovation in female-led businesses has not received a lot of attention in the scientific literature to date. Only a few studies have been conducted on the types of innovation of women entrepreneurs (which will be presented below). More research is needed to validate preliminary conclusions on emerging trends and explain in which conditions innovation is fostered.

According to recent studies, it seems technologies can be a "great equalizer" (Martin and Wright, 2005, p.176). Namely, women seem to find business opportunities in information and communications

technologies (ICT) and the Internet (Martin and Wright, 2005; Kamberidou, 2013; Messina & al., 2016). According to a United Nations Conference on Trade and Development (UNCTAD) report, women entrepreneurs more generally have created marketing channels, collected information on their customers and increased their business efficiency with technological tools (2013). In addition, for Still and Walker (2006), women entrepreneurs tend to innovate through technological tools by creating new markets, new product lines, new clientele and by expanding their services vertically. The Internet provides many advantages for entrepreneurs. First, it can reduce their cost of operations and enable profitability more quickly. Second, women entrepreneurs find that ICT and the Internet allow them to cover more market segments than would have been possible through traditional channels. Finally, the Internet is easily accessible from a home-based location, which permits a better integration of family and business responsibilities.

In addition to ICT, women entrepreneurs seem to be overrepresented in some other technological sectors. In a report focusing solely on New York City, Messina & al. (2016) concluded that women entrepreneurs are increasingly represented in fashion technology, beauty technology, biotechnology, health technology and financial technology. They observe that women entrepreneurs are increasingly going beyond traditionally “female industries.”

Nevertheless, a report from the Conference Board of Canada (2014) reveals a gender gap between small businesses owned by women and men related to technology. In fact, there are 20% fewer women entrepreneurs using technology to start, operate and grow their businesses than men entrepreneurs (Conference Board of Canada, 2014). A report from Startup Canada (2017) reveals that even if 93% of women entrepreneurs consider technology as a key element to success, there is a gender gap related to the use of technology between women and men entrepreneurs. The explanation of the gender gap would rely on the difficulty in accessing knowledge related to the use of technology. Therefore, the Startup Canada report recommends, among other things, creating a broader range of community services to develop skills with technological tools where women are the principal users. The report also suggests encouraging more women to be on boards of directors and in management positions, in particular in the technology industry. Finally, the Startup Canada report (2017) recommends considering women's characteristics when designing technology tools. Because women's motivation in starting a business is often to better integrate their professional and personal lives, women tend also to innovate in the management of their businesses. Women are known to generally have different management styles: they implement more informal, more participative and more horizontal organizations based on teamwork (Benavides-Espinosa and Mohedano-Suanes, 2012). According to a report from the OECD (1998), women business owners constitute real potential for innovation in management style, business structure and the use of technology. Strohmeier & al. (2017) find that although female-led businesses are slightly less innovative overall, differences are nonexistent in areas such as marketing and organizational innovations. Women entrepreneurs also tend to create social innovation that can benefit their communities more often than men (OECD, 1998; UNCTAD, 2013). The report of UNCTAD (2013)

highlights that women entrepreneurs tend to create projects or businesses that are “vision-led” rather than “market-led.”

However, women remain underrepresented in some fields and so are women entrepreneurs. It is particularly the case in science and technology. Writing about women in science and technology, Bahmani & al. (2012) states, “the process of professional advancement of women to positions of power and decision making appears to flow through a ‘leaky pipe’” (p.50). The authors suggest some explanations for this phenomenon. These explanations include: education that perpetuates stereotypes that girls should avoid sciences and mathematics; social networks that do not connect women to business circles as much as men; more difficult access to funding for women entrepreneurs; and the challenges of work-life balance. Women-owned businesses in high technology also tend to be smaller and implemented in less innovative sectors (Bahmani & al., 2012).

Likewise, a report by the organization Move the Dial (2017) highlights that women are underrepresented in the tech sector in Canada. Drawing on a sample of more than 933 businesses in the tech sector, the report shows that only 5% of businesses polled have a solo women founder. Similarly, only 5% of those companies have a female CEO. Women comprise 13% of executive team members and 53% of these teams have no female among them. In addition, boards of directors are composed of only 8% women on average, while 73% of them have no women on board at all. Finally, the Move the Dial report (2017) states that about 30% of Canadian venture capital firms have women partners and only 12% of partners are women.

Other research focuses specifically on women in the software development area. Judy (2012) finds that, of all software developers, women are underrepresented in that area for similar reasons. Judy (2012) reports that women software developers in the United States have decreased from 42% in 1987 to 25% in 2012. To fill the gender gap, Strohney & al. (2017) recommends lowering “pre-entry entrepreneurship” conditions by helping women access managerial positions and therefore increase generalist competencies of entrepreneurs.

In sum, the literature review reveals that innovations developed by women entrepreneurs have mostly been studied through the lens of science and technology. This shows the need to deepen the global understanding of why women innovate and under what circumstances. Interviews conducted as part of this study help provide answers to these questions and much deeper insight into women entrepreneurs approaches to innovation.

Innovation in female-led businesses

The environment appears to have a direct effect on the capacity of women to launch a business and to innovate. Conditions that enable innovation among women entrepreneurs should be identified and inspire policies. For Carrasco (2014), institutions such as government and family structure matter because they give status to women who can be treated as either as equal or inferior to men. If women are found to have an equal position to men *de facto*, they are more likely to innovate. Therefore, the social, cultural, political and economic

environments can inhibit or encourage women to innovate (Carrasco, 2014; Filculescu, 2016).

For women to innovate, they must possess the education and the skills required to be innovative (see, for instance, Sarri & al., 2010; Bahmani & al., 2012; Ruiz-Arroyo & al., 2012; WE NYC, 2015; Messina & al., 2016). Social capital and access to networks also influence the capacity of women to innovate (Roomi, 2009). Women frequently have reduced access to networks relative to men, often because of family responsibilities. Also, women frequently have fewer mentors (Bahmani & al., 2012; Judy, 2012; Carrasco, 2014; WE NYC, 2015; Messina & al., 2016). Even if women increasingly have access to networks of women entrepreneurs, research shows that they remain marginalized from broader business networks (Watkins & al., 2015). Finally, according to some research, women innovate less frequently because of unequal family responsibilities (Bahmani & al., 2012; Filculescu, 2016).

Many have underlined that women face greater constraints when starting a business. For example, Acs & al. (2011) mention legal, cultural and institutional barriers. As legal barriers, the authors give the example of laws related to property rights and family and inheritance practices. Cultural barriers are related to the traditional role played by women at home and with the children. Finally, institutional barriers include what the authors call the "open discrimination (...) by lenders but perhaps also within other networks that provide credit" (Acs & al., 2011, p.395).

Many authors have discussed the greater difficulties women entrepreneurs face in accessing funding opportunities (Verheul and Thurik, 2001; Sarah and Peter, 2006; Brush et al., 2009; Nelson & al., 2009; Benavides-Espinosa and Mohedano-Suanes, 2012; Kwong & al., 2012; UNCTAD, 2013; Maden, 2015; WE NYC, 2015; Beckton et al., 2016; OECD, 2016; Messina & al., 2016; Brush & al., 2017). Financial barriers would impact women's capacity to start or grow a business. According to a recent report from the OECD (2016), 50% of women (versus 60% of men) believe they would have access to money to start a business. The report written by Messina & al. (2016) estimated the venture capital offered to women and men entrepreneurs in New York City. According to Messina & al. in 2015, female-founded businesses received only \$122M compared to \$1.29B for male-founded businesses from venture capital funding. In addition, they report that the approval rate for bank loans in the United States in 2014 was 15.3% for women entrepreneurs versus of 21.5% for men entrepreneurs. The authors nevertheless observe that women entrepreneurs increasingly obtain angel and venture capital funding. Based on the data collected from the Diana Project conducted in the United States, Brush & al. (2017) find that only 15% of venture capital investments are obtained by businesses with women in executive teams. In addition, as reported in *A Force to Reckon With: Women, Entrepreneurship and Risk* (Beckton & al., 2016), women entrepreneurs are not satisfied with their experience with financial institutions and have greater difficulties to access additional capital.

Even though there seems to be a broad consensus that women entrepreneurs attract less financial investment dollars than men entrepreneurs (OECD, 2015; Ewens and Townsend, 2017), some studies show otherwise (Sang-Suk and Denslow, 2004; Orser & al., 2006; Mas-Tur and Soriano, 2014). For Orser & al., (2006),



women-owned businesses are smaller, less likely to grow and in large proportion situated in the services sector, which make them "less prone to need or seek external capital" (p.659). In fact, for the authors, there is little or no evidence of discrimination toward women entrepreneurs. The authors conclude women entrepreneurs seek external capital less often because of other choices they make regarding their businesses. Orser & al. (2006) nevertheless recognize the small sample used for their study limits the general applicability of their findings. The results of *A Force to Reckon With: Women, Entrepreneurship and Risk* suggest otherwise because women are ambitious and want to grow their businesses.

Policy recommendations can arise from these findings. Women and men must be in equal positions to be competitive (Carrasco, 2014). Women must access the same networks as men (Watkins & al., 2015), even if feminine networks also play an important role in supporting women (Bahmani-Oskooee & al., 2012). Watkins & al. (2015) recommend redesigning existing programs such as funding opportunities to include women rather than creating specialized ones just for them. He also suggests promoting women to the role of leaders and mentors in organizations. Messina & al. (2016) also suggest redesigning some programs to give better access to women entrepreneurs rather than creating new ones. In addition, the authors recommend increasing the number of women investors in the tech industry and increasing the number of mentors for women in all industry sectors.

Striving to achieve work-life balance appears to be an important inhibitor of entrepreneurship and innovation for women and



"...data collected from the Diana Project conducted in the United States, Brush & al. (2017) find that only 15% of venture capital investments are obtained by businesses with women in executive teams."

women entrepreneurs. Policies should enable women to adapt their schedules to meet their varying responsibilities and goals (Bahmani-Oskooee & al., 2012). For Messina & al. (2016), an interesting solution is to offer childcare services in cities' business centers, incubators and accelerators. Women and men should also share the burden of the family more equally (Bahmani & al., 2012). Public education is required to meet all these objectives leading to better equality between women and men (Bahmani & al., 2012; Carrasco, 2014; Watkins & al., 2015).

Finally, unequal access to financial support for women must also be addressed, largely through public education and support targeted to women (Nelson & al., 2009; Bahmani-Oskooee & al., 2012; Carrasco, 2014). Bahmani-Oskooee & al. (2012) suggest promoting access to micro-credit, which has been very successful in many countries, and introducing a series of tax incentives for women entrepreneurs. On their behalf, Ewens and Townsend (2017) find that female-led startups are more likely to access funding if women investors study

their case. Therefore, the authors believe that an increase in women investors would impact the funding directed to female-led businesses. Such policies could foster innovation among women entrepreneurs. Rowe (2016) recommends more inclusive innovation policies in Canada. To that end, the federal government must work closely with all provinces, as well as revising performance measures and funding opportunities implemented at the local level. Finally, breaking down administrative silos in the government would help recognize innovation more broadly, because, as Rowe says, "innovation is interdisciplinary" (p.186).

Indigenous entrepreneurship and Indigenous women's entrepreneurship

Indigenous entrepreneurship is an emerging field of study. Leo-Paul Dana, a Canadian scholar, has been a pioneer in studying Indigenous entrepreneurship (Dana, 1995). Hindle and Moroz (2007) say Indigenous entrepreneurship is a nascent scholarly field. Hindle and Landsdowne (2002) offered a widely acknowledged definition of the field that has been reused since:

Indigenous entrepreneurship is the creation, management and development of new ventures by Indigenous people for the benefit of Indigenous people. The organizations thus created can pertain to either the private, public or non-profit sectors. The desired and achieved benefits of venturing can range from the narrow view of economic profit for a single individual to the broad view of multiple, social and economic advantages for entire communities. Outcomes and entitlements derived from Indigenous entrepreneurship may extend to enterprise partners and stakeholders who may be non-Indigenous. (p.132)

Indigenous people also seem to be an economic cohort of entrepreneurs. According to Allen Consulting (2001), the rate of Aboriginal self-employment is growing at twice the rate of the national average. As well, Aboriginal self-employed women show the more rapid growth. In Canada, 25% of Aboriginal jobs are attributable to the increase of self-employment. In fact, Aboriginal youth are more likely to be self-employed than all other Canadian youth.

Indigenous entrepreneurship has proven to be able to play a major role in community development (Allen Consulting, 2001). Some authors have said Indigenous entrepreneurship has the potential to help "repair much of the damage" done to Indigenous communities (Hindle and Landsdowne, 2002, p.132). For Dana and Anderson (in Dana, 2011, p.249-258), Indigenous people's diversity and heterogeneity are reflected in their businesses. Most are environmentally sustainable. As well, a significant proportion is based on a cooperative model. Indigenous businesses often share the primary goal of promoting traditional values and practices rather than creating wealth.

Hindle and Moroz (2007) identify five areas of research after reviewing all studies in the field of Indigenous entrepreneurship, which they classify in two categories. These categories are: "the definition and role of community" and "the multi-faceted importance of land" (p.28). First, researchers have recognized "the need to reconcile tradition with innovation" (p.131). As Indigenous entrepreneurs are closely connected with their heritage, it has been shown that this connection can be associated with innovation and venture success (see also Tapsell & Woods, 2010). Secondly, researchers have focused on "the need to understand how Indigenous world-views and values impact upon enterprises" (Hindle & Landsdowne, 2002, p.131). For instance, Kayseas, Hindle & Anderson (2006) have asked what communities have developed as structures and policies to facilitate the success of entrepreneurs. The authors looked at the case study of the Osoyoos Indian Band in

British Columbia. In fact, Canada has been recognized as a fertile land for successful Indigenous entrepreneurship (Hindle, 2005). Hindle (2005), comparing Canada and Australia, argued the high rate of successful Indigenous entrepreneurs in Canada could be explained by Indigenous entrepreneurship policies that are "specific, culturally sensitive and research based" (p.2).

Indigenous women entrepreneurs are another topic of interest. Therefore, any study of Indigenous women's entrepreneurship needs to use an intersectional approach that recognizes multiple identities resulting in different and unique challenges and opportunities. Very little has been written in that field. Diochon et al. (2014) conducted research among Aboriginal communities in the Atlantic region. They found women entrepreneurs are mainly in the craft sector, using, for instance, traditional fabrication processes. Eighty-eight per cent of the businesses Indigenous women entrepreneurs operate are micro-businesses, operating at very small scale. Among them, 84% have a sole owner, 74% are situated on reserves and 86% are operated from a home-based location. Most Indigenous women entrepreneurs financed their businesses with personal savings. Women-owned businesses offer 75% of jobs in the private sector and 88% of their employees are Aboriginal. Sharing appears to be an important value among Indigenous women entrepreneurs who seem to have a desire to see everyone benefiting from their businesses.

While this portrait appears very positive, many challenges were identified in the study conducted by Diochon et al. (2014) For one, Indigenous women entrepreneurs lack formal support and training in launching their businesses. Most of them were not eligible for financing opportunities because their business was a part-time occupation. Nevertheless, Indigenous women entrepreneurs appear to enjoy the flexibility offered with small businesses for family reasons. According to the authors, flexibility seems to be an adjustment required to fit women entrepreneurs. In addition, among the challenges identified, the report mentions the lack of space on reserve to house businesses (Diochon & al., 2014).

A study of Indigenous women entrepreneurs in Alberta entitled "Creating a New Narrative: Empowering Indigenous Women through Entrepreneurship" (Impackt, 2017) was recently published. The focus of the study was recommendations to create programs that would benefit Indigenous women entrepreneurs. The study used an intersectional approach, which found that Indigenous women entrepreneurs faced many of the same challenges as non-Indigenous women entrepreneurs, with the added challenge of lack of property for collateral loans for those living on reserves. Métis women face different challenges. For Indigenous women, just like other Canadian women, getting the funding for their business is the most important challenge. Interestingly enough, Indigenous women entrepreneurs were found more likely than Indigenous men to repay their loans (Bitti, cited in Impakt, 2017). Lastly, because of family responsibilities, Indigenous women entrepreneurs find it much harder to work full time in their business.

Our interviews with Indigenous women entrepreneurs across Canada deepen the scarce existing knowledge regarding Indigenous Women entrepreneurs and find that Indigenous women's success benefits their communities.

WHAT WOMEN ENTREPRENEURS TOLD US

"If you do not innovate, you will die."

Innovation needs to be inclusive. Women entrepreneurs are demonstrating this in action. This highly educated group understands the need to innovate and the power of innovation. Studies and articles regarding innovation, as exemplified in the literature review, predominately focus on science and technology. Success is frequently measured by the speed of growth and the profits of high growth companies in these sectors. "Grow big or die" has oft been quoted as the mantra for high tech companies and startups. Many grants and programs are aimed at these technologies.

In reality, innovation is occurring in all sectors, whether adapting or creating new technologies, creating products, changing the nature of services and marketing. As part of our study, we travelled coast to coast across Canada interviewing 146 women entrepreneurs in all sectors from start-ups to multi-million-dollar companies to see where and how they were innovating. The businesses ranged from operating locally to operating across the globe. We asked them a series of questions designed to elicit how and where they were innovating and the factors that support or hinder their ability to innovate. Every one of the women told us they had no choice but to innovate if they wanted to be competitive and to stay in business. They see innovation as the catalyst for change. Technology is not generally viewed as the end product, but rather an instrument to achieve their business vision and goals. "If tech is the driver, then it does not serve us all" was one woman entrepreneur's thoughtful analysis of how we need to think about technology and the broader aspects of innovation.

Women entrepreneurs are innovating in all sectors and across all aspects of their businesses

Women's businesses spanned the spectrum of new product development, bio-science, fashion, marketing, agri-foods, technology, construction and services to other businesses to help them grow their businesses and solve specific challenges, to cite a few. These entrepreneurs employed anywhere from one employee to hundreds of staff and many worked with multiple contractors and partners to deliver their products or services. While the motivation for starting their business varied, their commitment to controlled growth and sustainability was universal. All recognized that the environment for business has changed and there is a need to be nimble and constantly improving what they offer and how and where it is offered. One observed in relation to her business, "If you do not innovate, you

will die." Innovation was the cornerstone that drove them daily to stay competitive and to grow. Entrepreneurs defined innovation in multiple ways: "disruptive transformation-redefining what we do — modernizing it," "a clear canvas for opportunity and options," "sowing the seeds for opportunity," and "taking something that feels familiar and reinventing it into something else."

Innovations were wide ranging and across all aspects of their business. Women entrepreneurs are developing new products, services, kinds of marketing and ways of selling their products. Innovation extended to where and how they were engaging their teams and keeping them productive. One very successful entrepreneur has been in business for 23 years and completely re-engineered her business, including her workspace and mix of talent, to stay relevant and competitive and to attract younger team members who could operate more comfortably in the digital space. Other entrepreneurs recognized the need to look around for ideas and not just forward. Products or approaches used in another sector may be adaptable for use in other ways with some creativity and innovative approaches.

While women entrepreneurs are making inroads into the tech sector (Moving the Dial, 2017), the majority of women-owned businesses are not in the tech sector. None of the women described innovation as necessarily requiring new technologies, although they were prepared to adapt or create a new technology to serve their business' purpose. In fact, one entrepreneur said, "Automation can limit nimbleness; the human element keeps you nimbler." For example, one woman began to market her mother's recipes, updating them and creating new tools for marketing, packaging and other changes to ensure freshness and quality. Another described how her consultancy is constantly finding new solutions to help her clients who are trying to grow their businesses: "Clients want ideas and you have to create parameters for them." "I get to be creative and all the things that go along with that," said one entrepreneur about her innovation. One woman adapted technology to permit presentations in a military desert environment where sand would otherwise harm the equipment. Another took on the challenge of helping people through DNA analysis that can impact their health and well-being. Several women entrepreneurs we interviewed have developed fashion lines or specific clothing items where a woman could look good but be completely comfortable wearing her clothes. All embraced the necessary technology to achieve their goals, often creating new tools or modifying existing ones. Women entrepreneurs are adopting and adapting the technology to the needs of the business, no matter what sector.

Yet, much of this innovation is being overlooked by the extraordinary focus on technology as the breeding ground of innovation. In overlooking other innovation, Canada is missing a great deal of value in our society created by the financial, community and societal contributions made by women entrepreneurs across Canada. It is time to reconsider how we measure innovation and where we focus our resources in advancing our country and society.

"Automation can limit nimbleness; the human element keeps you nimbler."

Drivers of innovation

Women entrepreneurs' innovation is driven by factors such as the desire to solve a problem, to create a new product, to meet client demands and needs, to differentiate their product or services from competitors and to achieve their business goals. Motivation for starting their business may be one of the drivers of innovation. For example, one woman had many friends who could not digest dairy products. As a result, she started a business to develop a new product to meet their needs and those of other similarly situated individuals. Demand was so overwhelming for her carefully handcrafted product that it is now driving her to innovate her processes to produce larger quantities in a shorter period.

Another woman was concerned about supplements for humans and pets. She realized many products were not high quality, therefore not delivering the results promised. As a consequence, she created new lines of supplements designed to deliver better outcomes that she is confident are healthier. Developing new products, research and innovative approaches were the hallmark of a number of the enterprises we encountered.

"Alignment in partnerships is critical to success,"

Other women said that their innovations stemmed from meeting their clients' needs and desires. Providing superior service and listening to clients were key elements of success in meeting their needs and driving the need for some of their innovations. One entrepreneur was driven to meet the nutritional needs of children in schools. She created healthy products and new ways to deliver the products that meet the needs of both the children and their schools.

Others were motivated by the desire to provide a better service than existed in their current industries. Innovation for them was the path to providing a higher quality service and differentiating their business from competitors in the sector. One entrepreneur shifted quickly from traditional marketing to providing client solutions in digital

marketing to remain relevant and meet the needs of her clients who struggled with marketing their products and services in the digital age. Other women started a business to make a living because they were not fulfilled as employees. "I jumped at the chance to work for myself," one entrepreneur told us when an opportunity presented itself. Quickly these women realized they had to be innovative to achieve their business goals and they rose to the challenge. "Through necessity, I realized that I had to innovate," stated one woman.

Collaborations and partnerships are key

"You cannot be successful alone," we heard. "You need to find people who have different skills." Collaboration with customers, clients, suppliers, other professionals and partnerships is a key ingredient of successful innovation by women entrepreneurs. "Alignment in partnerships is critical to success," said one woman. Many spoke of the need to create a culture of innovation with their teams and see the process as ongoing. Focused collaboration within their teams and the right skills mix were viewed as essential for all to succeed. Collaboration is key: it brings new ideas and enables goals to be achieved. "We can build something better together," another told us. "Creative energy is fed by collaboration." Often entrepreneurs collaborate with their suppliers and clients. One entrepreneur described how a major client supported her ideas financially, which enabled her to innovate new ways of approaching the business. We heard in many situations how client feedback and support enabled innovation that better served their needs.

In some instances, women will collaborate with their competitors to benefit all their businesses. We use the term "coopetition" to describe collaboration with competitors. Value is recognized in helping other businesses to increase their own likelihood of success. Several entrepreneurs sold competitors' products in their stores. "Collaboration over competition," noted one woman. "The pie is big enough for everyone to have a piece." As a result, customers did not have to go to the competitor's store and would likely buy other products in their store.

Networks are another form of collaboration that is important for a number of reasons. Women entrepreneurs can feel excluded or unwelcome in traditional networks dominated by male entrepreneurs that have not changed to welcome women entrepreneurs and, therefore, are not yet relevant to their needs. Indigenous women expressed a desire for more networking opportunities among Indigenous and non-Indigenous entrepreneurs where shared learning can be very valuable to all. In this way, women-generated networks are a source of collaboration, sharing, learning and supporting each other through difficult times. A number of networks have been created to fill the vacuum left by traditional networks. Organizations such as Gro Your Biz, Women's Enterprise Centres and Women Presidents' Organization provide sources of support and collaboration. Futurpreneur also creates networks among its participants.

Women entrepreneurs expressed a desire to have networks of both larger and smaller businesses so they could learn from each other. Frustrated, some women have started their own networks, creating events and welcoming men to them. Additionally, entrepreneurs expressed a lack of knowledge regarding networking events. This speaks to the need to better market, advertise and target the population who should be attending these events. Indigenous women entrepreneurs also benefit from such networks and seek to be part of broader networks to benefit from cross-cultural collaboration.

Community approach

The Canadian economy is based on small business and women entrepreneurs consider the community in their approach. They take a holistic approach to business and think about all their stakeholders. In this community-minded approach, women tend to innovate how they run their business. A cycling studio becomes a place not only for exercise, but to create a community hub where people meet, and know that their studio also supports community events. A retail store sells local fashion designs to build support and recognition and to support the development of local manufacturers of the designs. Women support the buy local approach. Products from other local businesses may grace their shelves or be promoted by them. One women entrepreneur saw a need to move leftover food to where it could be used. She created a non-profit driven by volunteers to move the food and operated it in addition to her pet care business.

"I am not a startup, I am a stay-up!"

Despite the tremendous value afforded to cities and towns by these entrepreneurs, women entrepreneurs spoke of the challenges of obtaining permits, having to wade through bureaucracy and not being recognized for their work in building communities. This lack of recognition for businesses that focus on more than profits is evident in the dearth of grants available to assist businesses that focus on building community and in the lack of support from city administrations. Tremendous opportunities exist to recognize the

value of businesses that go well beyond enhancing the economy to creating communities at a time when traditional communities no longer exist in many areas.

Financial and age challenges can hinder or disrupt innovation

Access to finance remains a challenge for women entrepreneurs both at the time of start-up and throughout the growth of their businesses. Lack of resources can disrupt innovation and slow growth. One woman described the challenge as: "I am not a startup, I am a stay-up!" Many women entrepreneurs are still self-financing and seeking loans from family and friends. They told us, "There are so many hoops and hurdles to access funding." Women entrepreneurs had to use very innovative approaches in many instances to develop their businesses without the necessary funding to move ahead quickly. While this innovation is admirable and reflects the resilience of women entrepreneurs, it clearly slowed their ability to grow their businesses. One described the challenge of developing some very successful software, then wanting to innovate for a new product. Despite her success, she was struggling to obtain the funding, which was impacting how quickly she could move ahead. "Cash flow constraints mean we cannot be as innovative as we want to be," she said.

Futurpreneur, which is focused on entrepreneurs between 18 and 39, has assisted a number of younger women in starting their businesses. Many women entrepreneurs, however, start their businesses after some years of employment or focusing on family. As a result, successful programs such as Futurpreneur are not available to them, as they have "aged out" just when they are ready to start their business. A number of women felt frustrated that their ability to obtain funding and mentoring might depend upon their age. "Programs are for younger women," said one. "We need more programs for older women." Although Women's Enterprise Centres are very helpful and do not have similar age restrictions, their funding dollars are limited so they cannot help all entrepreneurs who seek support and funding.

Loans are not readily available and women entrepreneurs have many stories of negative experiences in trying to access loans. One entrepreneur shared, "Banks treat you like a risk, telling you all of the cons. I went to a bank to start my business, they said no. I went to a credit union, they said no — so I funded myself." Financial institutions do not always recognize that women entrepreneurs want to build a sustainable business so may start slower and seek less money. Reconciling their business and family may also require them to grow more slowly. Financial institutions seem more reluctant to make the smaller loans requested, and if women are older than 39, they may not have access to other funding sources beyond family and friends. All of these factors can be disruptive for quicker and greater innovations and create missed opportunities for the Canadian economy.



Sexual harassment and sexual bias can also disrupt innovation capacity

A number of younger female entrepreneurs shared their experiences facing sexual harassment. The investors who they meet with are often men, which they expressed as placing them in a more vulnerable position. One entrepreneur told us, "A male investor asked me to come to his hotel room. He called me exotic looking." This vulnerability stems from the position of power a male investor holds over them when they enter a meeting. One shared her story of attending a meeting with a well-known venture capitalist. As she was leaving the room he said, in front of others, "I like your boots. Next time, just wear the boots." She was shocked by the behavior. And yet, others mentioned similar incidents.

Similarly, women entrepreneurs found that male venture capitalists did not understand or take seriously their businesses if they were in areas such as fashion or beauty. Male investors do not recognize that women pitch their businesses differently and often judge them by the traditional male approaches. Women reported being at meetings representing their businesses with a male partner or husband when the bankers or other service providers addressed the male companion, despite the fact that the women were the business owners. "Access to capital remains a challenge. (Financial institutions) tend to 'trust' the men's numbers," one woman noted. Another woman was told by a bank employee, "I do not think they are going to give you the loan. If it was your husband applying, they would likely give the loan." This kind of bias impacts women's ability to grow their businesses and to innovate.

Younger women entrepreneurs reported challenges in being taken seriously in relation to their business despite their excellent ideas, high education and energy and enthusiasm for their business goals. A young woman reported being asked questions like "How old are you?" "Why are you running a business?" and "You think you can be a CEO?" Sexual harassment and bias need to be addressed by financial institutions, venture capitalists, investors and governments to ensure that women entrepreneurs can operate equitably with male entrepreneurs. One entrepreneur said, "I want to be challenged in other ways. Not because of my gender." From our literature review we know that a culture where equality is valued leads to better innovation capacity.

Policies and programs to enable and spur innovation

We asked every entrepreneur interviewed what policies or programs would enhance their ability to innovate and to grow. The responses were varied, yet uniformity of themes emerged. Entrepreneurs expressed frustration in gaining access to grants and capital. Although there is a multiplicity of programs and grants already in place, entrepreneurs shared how they are very difficult to find and that the obstacles to funding can be discouraging. The application process is often tedious and written in language more familiar in bureaucracy than to entrepreneurs. Funding criteria is often too restrictive so it does not apply to many of the sectors where women start their businesses. "Criteria tend to meet male-type businesses," said one entrepreneur. "Criteria need to be open to inter-industry businesses." The time spent searching and applying for funding is too valuable for those running a business.

“Banks treat you like a risk, telling you all of the cons. I went to a bank to start my business, they said no. I went to a credit union, they said no – so I funded myself.”

Although some government portals exist, entrepreneurs do not find them helpful in trying to navigate the system to obtain grants. While these portals have been created with the best of intentions, they do not appear to be serving women entrepreneurs who operate small businesses. Many entrepreneurs expressed frustration in relation to these processes. A bias appears to exist in support of tech startups and overlooks sectors such as software development, fashion manufacturing and agri-product development to name a few. “Metrics for grants do not match startups,” we heard. “Lack of cash causes lack of growth and then they say you didn’t do well.” Since women are not present in many of the tech startups and STEM fields, they are not eligible for many of the grants.

Satisfaction with access to grants did vary somewhat by region and the support given by provincial governments. We heard the greatest level of satisfaction in the Atlantic region. Employment insurance programs that enable a recipient to still receive benefits while starting a business were cited as very helpful by those who had been unemployed and used their unemployment as an opportunity to start their business. When a concierge existed to guide them through the process, women entrepreneurs expressed a greater degree of satisfaction in searching or applying for applicable grants or loans. Some women entrepreneurs engaged in some aspect of tech development for their business accessed the Industrial Research Assistance Program, even though the business was not in the tech sector.

Training grants

For entrepreneurs who own a service business, a need for access to funding that would cover travel and accommodation to attend training programs was expressed. When attending conferences, events and networking programs to help grow their business, the entrepreneurs have to take time away from their business, don’t earn any income and have to pay their own way. For a purpose that is intended to support growth of their business, this acts as a double negative and can inhibit the ability to acquire the training. The few women interviewed who have been able to access training grants reported that this enabled them to participate in training that would not have been possible without the grant, and consequently helped them in their business.

Hiring programs

Entrepreneurs expressed that programs to subsidize hiring are valuable because they enabled a startup to acquire necessary talent at a time when revenues were low. Colleges and universities, which encouraged hiring new graduates with a salary subsidy for a specific period of time, provided excellent sources of new talent for some entrepreneurs. Some provincial programs target hiring those under 30, for example, or job subsidy programs to help people find jobs. Others such as the Canada Job Grant will offer support for training a new employee. Entrepreneurs in some cases expressed concerns about age restrictions for the hiring and others about the complication of the paperwork or length of time the grant was available. “Hiring programs are helpful, but need to open up to other age groups,” observed one entrepreneur.

Incubators and accelerators

Many entrepreneurs were fans of the incubators or accelerators they participated in. Not only do they function as a hub to gain access to ideas, knowledge, and business skills, they also can provide access to funding (or at least an awareness of available funding) and a space for collaboration. Several entrepreneurs expressed a real appreciation for the advice that they received while in incubators and accelerators. A need for more diversity in people who understand different markets is needed, however, for the incubators and accelerators to be beneficial to entrepreneurs across all sectors. A number of the existing incubators and accelerators have a focus on tech entrepreneurs. Women often feel less comfortable in those kinds of incubators or accelerators, a sentiment frequently echoed by women about working in the tech sector in general. Steven Johnson (2011) in *Where Good Ideas Come From: The Natural History of Innovation* said, “Some environments squelch new ideas; some environments seem to breed them effortlessly” (p.16). This speaks to the lack of support for women entrepreneurs in tech accelerators. It results in a missed opportunity because when women do not feel included and supported, they cannot succeed to their fullest.

Incubator access is often capped at six months, which many found too short and required them to seek other incubators to continue to make progress. Increased length of incubators and diversity can encourage more women to participate. Accelerators are also sources for growth. Both are most helpful when there is the possibility of obtaining funding at the end or during the length of the program.

"We have to do more, shatter more glass ceilings."

Frustration was expressed at the lack of flexibility in the programs or requirements to participate in the incubators or accelerators. For example, if an entrepreneur had already completed one program in an incubator and moved to another incubator or an accelerator, there was no recognition of the program they completed or the expertise they might have in a given field. They were required to take all the offerings in the second one. Requirements of this nature frustrated their ability to move forward more quickly. One entrepreneur spoke about having a degree in marketing, yet she was still required to take the marketing 101 program as part of being accepted for the accelerator.

Accessibility to procurement

Women entrepreneurs expressed a desire to participate in procurement programs, but found the processes are too complicated for a small business. The availability of access is not well known and many of the requirements are too onerous for a small business. Many of the programs do not differentiate between small and medium-sized businesses. Some women entrepreneurs saw procurement policy as an opportunity to support women entrepreneurs instead of "handouts" since the Federal Government is one of the biggest purchasing agents in Canada. This is supported by studies such as *Canadian Federal Procurement as a Policy Lever to Support Innovation and SME Growth* (Iio, Orser and Riding). A supplier diversity program by the US Federal government has enabled women entrepreneurs to access supplier chains of large companies such as Walmart. For example, one entrepreneur developed products using a local artist and video stories to describe the product, to offer as unique gifts by sponsors. She wanted to access government procurement as a way to grow her business, but found the process too daunting to do on her own.

Mentoring programs

A large portion of the entrepreneurs expressed a need for more female-led venture firms and female mentorship within the entrepreneurial world. Female entrepreneurs in earlier stages of their careers look for mentorship from women who have experienced and lived the startup life. While open to male mentors, a number felt that mentorship from female entrepreneurs would benefit them the most because their experience would be more aligned with their challenges as women. Placing mentors in accelerators and incubators was very beneficial to those who participated in them. "Mentorship and role models make you think differently," one entrepreneur told us. The mentorship program through Futurpreneur helped many who were eligible for the program, although occasional stories surfaced of unsuccessful matches between the entrepreneur and their mentor.

Some shared that their mentor was not a good fit or they did not show up to scheduled meetings while others attributed much of their business success to their mentorship relationship. A program that teaches and guides entrepreneurs on what's needed to start a business and what resources are available to support them works best and more programs of this kind are needed. Furthermore, the entrepreneurs interviewed expressed a real need for a relationship with their mentor that extended beyond one session.

Throughout all of our interviews we heard about the resilience of women entrepreneurs and their inventive approaches to problem solving. This was necessitated by constraints around capital, difficulty having their businesses taken seriously, their lack of professional networks and lack of access to information to grow their businesses. When faced with each of these challenges, rather than stop or give up, we heard constantly that these constraints pushed them further and further. Yet there was a cost to facing these challenges, which was often slower growth than desired and unnecessary stress placed on them and their families.

Indigenous women entrepreneurs

Twenty-three of the 146 women interviewed for our study were Indigenous women status, non-status, and Métis urban and rural. As mentioned earlier, the rate of Aboriginal employment is increasing twice as fast as the national average (Allen Consulting 2001).

Indigenous women face all the challenges of non-Indigenous women entrepreneurs, and more. One entrepreneur said, "We have to do more, shatter more glass ceilings."

A number spoke of prejudice because they were Indigenous and women. Prejudicial attitudes made it much harder for them to be taken seriously and impacted their sense of self-worth. "We have to work doubly hard to be taken seriously," said one. This was particularly the case in communities where they were more visible because of their race. When they did receive funding, they were told, "You only did because you had 'special funding.'"

Support was not necessarily forthcoming from their communities or families. A number said they had to leave their reserves to start a business because there was no support on the reserve and family expected to be part of the business even if they were not the right fit. "I felt judgment from my community, other mothers and my family," said one entrepreneur.

Others spoke of the support they did receive from their community. Much depended on the power dynamic, availability of funds and the support for economic empowerment in their communities. Several women were fortunate to have the support of both their community and their family.

A number spoke about the lack of role models on reserves and in the communities for entrepreneurship. "Having a role model makes a difference," said one woman. "It inspires you." Schools are not training students that starting their own business is a viable employment option. Most of the women thought they had to be role models for the women in their communities. They felt "pressured to

be role models even though I am criticized on all sides," shared one. Several of them spoke of their incredible hardship in rising above all of their challenges to engage in a business and change not only their outcome but also their children's outcome for the future.

Indigenous women entrepreneurs want to be part of networks that can provide support and help them with their businesses. Some spoke of the need for mentoring, which could include from non-Indigenous women entrepreneurs.

Confidence, as it is for many women entrepreneurs, is a challenge for Indigenous women. We were told of the "shame" of coming from poverty and how this impacted women, especially those living on reserves. "Indigenous people have been taught to devalue themselves and are now learning how to find value," was one observation we heard. They lack information on the basics of starting a business and cannot readily access loans because there is no security for them. Internet connections are slow in many northern communities and access to training is difficult because of distance from training centres and family responsibilities.

Indigenous women start families earlier in many cases and have more children. "It is difficult for us because we are the primary caregivers," said one woman. They are still the primary caregivers and this limits their ability to start a business away from the confines of the supports in their communities. They also face expectations from the community to play multiple roles, which can limit their ability to focus on a business.

Many spoke of using their business to help their communities. Not only by acting as a role model, but in many instances by preserving culture and supporting their communities. One entrepreneur said, "Indigenous women want to change and open doors for other people." Some spoke of the lack of competition between Indigenous women entrepreneurs: "Indigenous women have not taken on the mantle of competitiveness," said one woman. We saw some of this among non-Indigenous women entrepreneurs who were networking and collaborating in some way with competitors.

First Nations women spoke about the challenges of obtaining funding and the need for training and mentoring programs on reserves to help women start businesses. It is very difficult to access funds because of the lack of security for loans. Training programs need to come to the reserves and be offered by local organizations. "We need to be more creative in how we deliver education to Indigenous women entrepreneurs," said one woman. Education and training "is not about measuring it on a grade scale, but on how useful it is for life skills," said another. Many Indigenous entrepreneurs also suggested that entrepreneurship should be taught in First Nations schools so that young people can see entrepreneurship as an option along with employment. When Indigenous funds were available, the women spoke about the difficulty of accessing them because the organizations are predominately run by men. Métis women spoke of having greater success in accessing funds from their organizations. Some of the entrepreneurs recommended a "stepped" approach that would build confidence by starting out on a smaller scale with micro lending and training to go with the micro loan. We have experience and knowledge from other nations that demonstrate that micro loans can be very beneficial in the right sets of circumstances.

"Indigenous women want to change and open doors for other people."

SURVEY AND RESULTS & CONCLUSION



Survey and Results

Following the interviews, BMO Wealth Management sent out a survey that received over 1,000 responses. Each participant was asked 10 questions. Small business owners, men and women aged 18+, across Canada were surveyed on their participation in innovation. The survey asked questions relating to knowledge of grants, drivers of innovation, access to capital and interest and participation in accelerators. In terms of their experience with government grants, the leading attitude, shared by two in five respondents, is that they are aware of them but unsure where to apply. A third of respondents are not aware of any grants. When it comes to access to capital, three in five respondents have never applied for capital/funding. Younger people are more worried about incurring debt and feel that the application process was too complicated. When asked about accelerators and incubators, over three in five respondents (and women and older people in particular) were not aware of this type of support.

When it comes to innovation, access to networking, access to funding and partnerships were all listed by more than half as being keys to innovation in business. Business owners cite meeting customer needs, creating a better product/service and maintaining growth as the top drivers for implementing innovation. Men and younger people are particularly interested in creating a better product/service and seeking new skills or technology. Women are also more likely to cite customer needs and growth.

The majority of people said that they voluntarily made the choice to become a small business owner. Half also cited the need for a new challenge/change, an especially common attitude among men and younger people. Those aged 55+ say that they need to supplement retirement income. Since the study did not compare male and female entrepreneurs, the survey gives some insights into similarities and differences in approaches. It does support the report's findings as they pertain to female entrepreneurs.

For a detailed analysis of the survey and its results, see Appendix A.

Conclusion

Our study shows that women entrepreneurs are innovating across all sectors and in all their diversity. However: much work needs to be done to create the robust eco-system that will ensure women entrepreneurs can fully contribute to the Canadian economy. Our recommendations embody much of what is required to create this robust system which includes, encouraging women to become entrepreneurs, access to capital, training, inclusive networks, accelerators and incubators, readily accessible childcare, freedom from sexism, ageism and racial discrimination. We can work together to create this eco system in the coming years.

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APPENDIX A

BMO Survey for Innovation Canada



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1

Summary

Small business owners aged 18+ across Canada were surveyed on their participation in innovation. In terms of their experience with government grants, the leading attitude, shared by 2 in 5, is that they are aware of them but unsure where to apply. A third are not aware of any grants. When it comes to access to capital, 3 in 5 have never applied for capital/funding. When asked about accelerators and incubators, over 3 in 5 (and women and older people in particular) were not aware of this type of support.

When it comes to innovation, access to networking, access to funding, and partnerships were all listed by more than half as being keys to innovation in business. Business owners cite meeting customer needs, creating a better product/service, and maintaining growth as the top drivers for implementing innovation. Men and younger people are particularly interested in creating a better product/service and seeking new skills or technology.

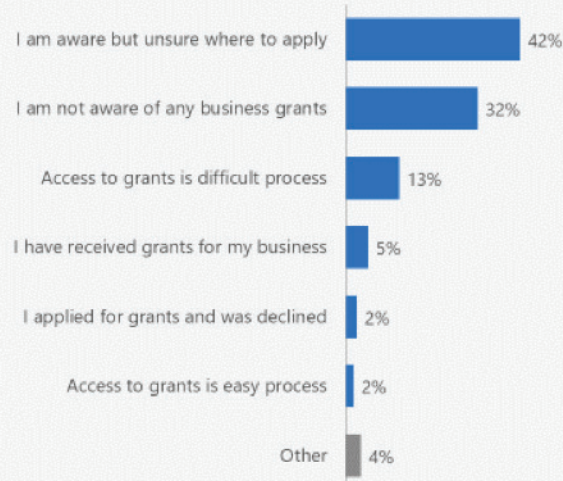
The majority of people said that they voluntarily made the choice to become a small business owner. Half also cited the need for a new challenge/change-an especially common attitude among men and younger people. Those aged 55+ say that they need to supplement retirement income.

2

2 in 5 are aware of government grants but unsure where to apply, whereas a third are not aware of any grants. Only a small minority has either received or been denied for grants.

Experience with Government Grants

All respondents
N=1005



Q1. Government grants are available from both provincial and federal levels to support business growth and innovation. What is your experience as it applies to grants? (Select one)

3

Men and 55+ y.o. are somewhat more likely to be aware of grants but unsure where to apply, whereas women are slightly more likely to not be aware of any grants.

Gender

Female
Male



Age

18-34 years old
35-54 years old
55+ years old



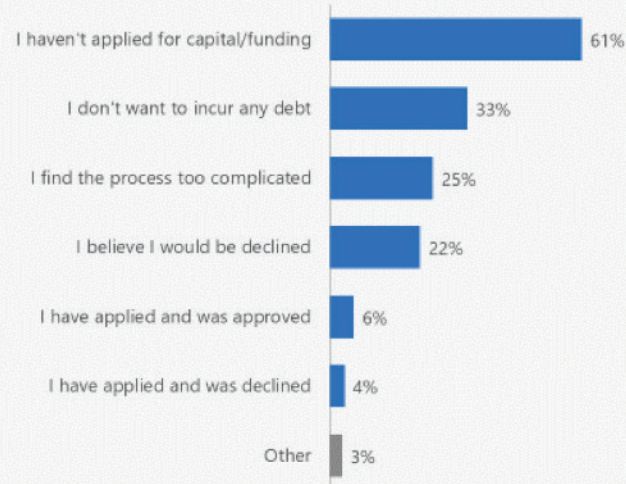
Government grants are available from both provincial and federal levels to support business growth and innovation. What is your experience as it applies to grants?

4

When it comes to access to capital, 3 in 5 have never applied for capital/funding. A third also say that they don't want to incur any debt.

Experience with Access to Capital

All respondents
N=1005



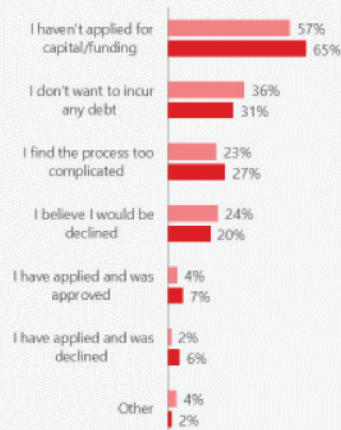
Q2. Access to capital/funding is important to innovation – select all that apply to describe your experience on the accessibility of capital to fund innovation in your business?

5

Men and those 35+ are somewhat more likely to say that they have not applied for capital/funding. Younger people are more likely to worry about incurring debt, find the process too complicated, or believe that they would be declined.

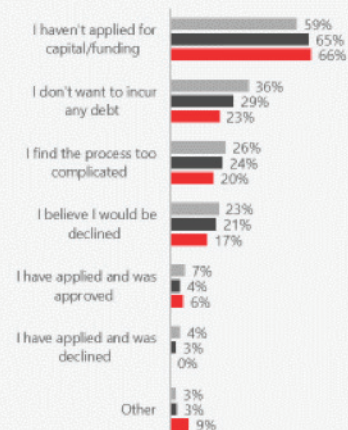
Gender

■ Female
■ Male



Age

■ 18-34 years old
■ 35-54 years old
■ 55+ years old



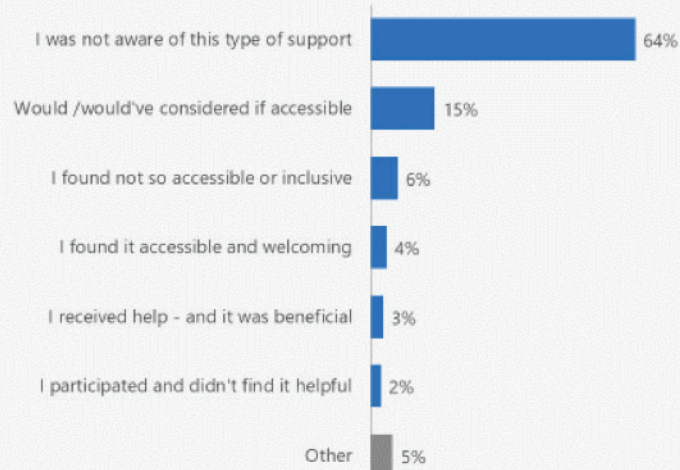
Access to capital/funding is important to innovation – select all that apply to describe your experience on the accessibility of capital to fund innovation in your business?

6

Over 3 in 5 were not aware of accelerators and incubators.

Experience with Accelerators and Incubators

All respondents
N=1005



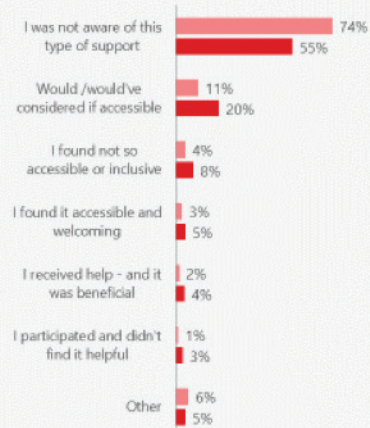
Q3. Accelerators and incubators can be helpful to grow your business. What is your experience as it applies to participation with accelerators and incubators? (Select one)

7

Women and older people are more likely to not be aware of accelerators and incubators. Men and younger people say that they would consider them if accessible.

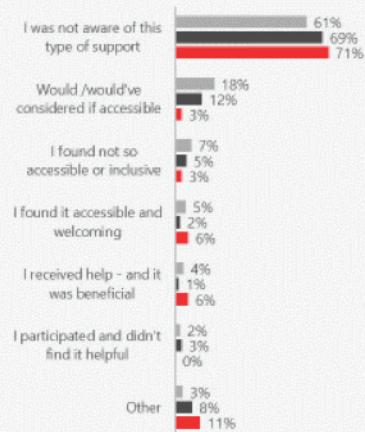
Gender

Female
Male



Age

18-34 years old
35-54 years old
55+ years old



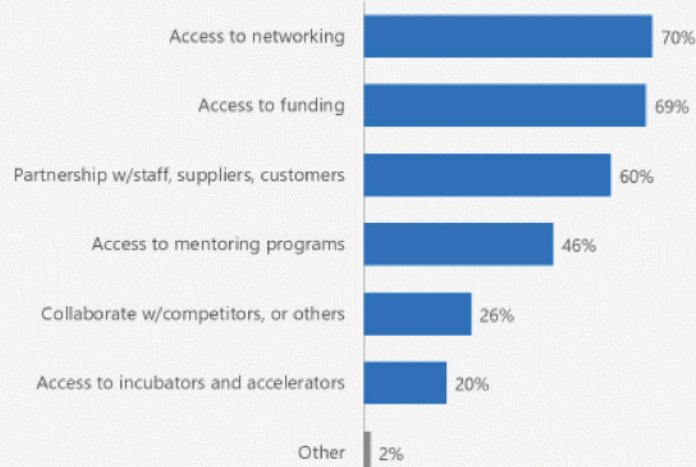
Accelerators and incubators can be helpful to grow your business. What is your experience as it applies to participation with accelerators and incubators?

8

Access to networking, access to funding, and partnerships were listed by more than half as being keys to innovation in business.

Top 3 Keys to Innovation Success

All respondents
N=1005



Q4. There are many keys to innovation in business for a successful entrepreneur, listed are some - which do you feel are the most important? [Select top three]

9

18-34 y.o. are more likely to list access to networking, funding, and partnerships, whereas those 55+ were more likely to mention collaboration and access to incubators/accelerators.

Gender

Female
Male



Age

18-34 years old
35-54 years old
55+ years old



There are many keys to innovation in business for a successful entrepreneur, listed are some - which do you feel are the most important? [Select top three]

10

Meeting customer needs, creating a better product/service, and maintaining growth were the most commonly listed drivers for implementing innovation.

Top 3 Drivers for Innovation Implementation

All respondents
N=1005



Q5. There are many drivers to innovation in a business, what do you feel are the main driver for implementing/considering innovation in your business? [Select top three]

11

Women are more likely to cite customer needs and growth, whereas men and younger people are more likely to talk about creating a better product/service and seeking new skills or technology.

Gender

■ Female
■ Male



Age

■ 18-34 years old
■ 35-54 years old
■ 55+ years old



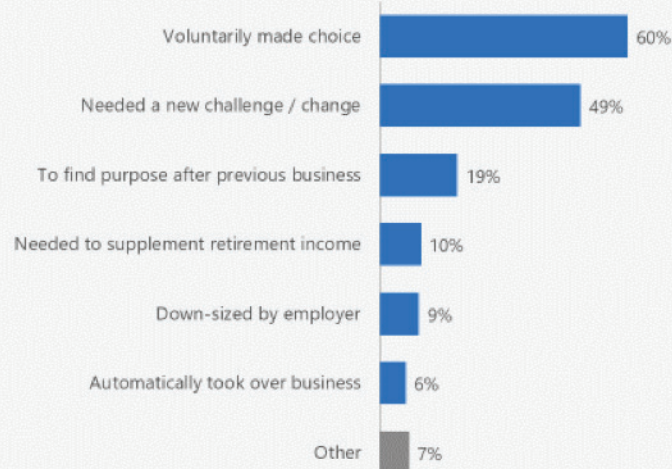
There are many drivers to innovation in a business, what do you feel are the main driver for implementing/considering innovation in your business? [Select top three]

12

The majority of people said that they voluntarily made the choice to become a small business owner. Half also cited the need for a new challenge/change.

Reasons for Becoming Small Business Owner

All respondents
N=1005



Q6. Why did you become a small business owner? (Select all that apply)

14

Men and younger people are more likely to say that they voluntarily made the choice and needed a new challenge/change, whereas those 55+ are more likely to need to supplement retirement income.

Gender

Female
Male



Age

18-34 years old
35-54 years old
55+ years old



Why did you become a small business owner? (Select all that apply)

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Methodology and Sample



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Methodology

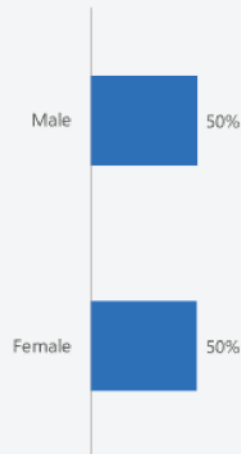
- 10 questions were asked to N=1005 Canadians aged 18+. Research conducted by Validatelt™.
- Q1 What is your gender?
- Q2 Government grants are available from both provincial and federal levels to support business growth and innovation. What is your experience as it applies to grants?
- Q3 Access to capital/funding is important to innovation – select all that apply to describe your experience on the accessibility of capital to fund innovation in your business?
- Q4 Accelerators and incubators can be helpful to grow your business. What is your experience as it applies to participation with accelerators and incubators?
- Q5 There are many keys to innovation in business for a successful entrepreneur, listed are some - which do you feel are the most important? [Select top three]
- Q6 There are many drivers to innovation in a business, what do you feel are the main driver for implementing/considering innovation in your business? [Select top three]
- Q7 Why did you become a small business owner? [Select all that apply]
- In field 29 November-2 December, 2017
- All respondents (N=1005): Confidence interval is +/- 3.01% at the 95% confidence level.

17

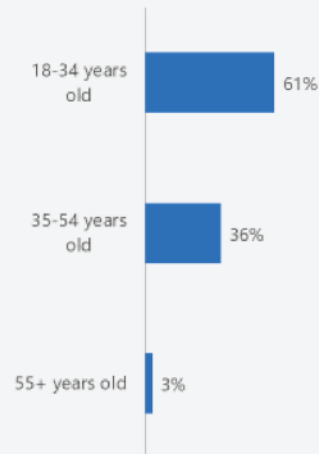
Respondent Distribution

N=1005

Gender



Age

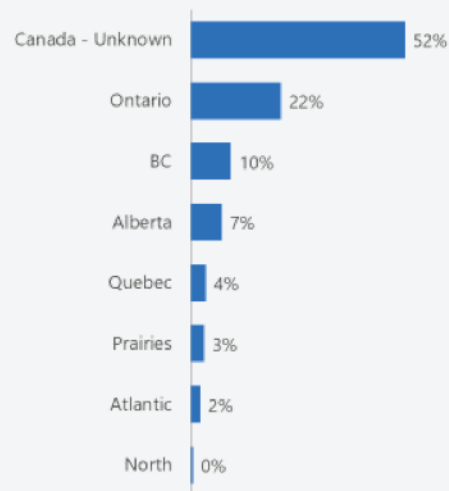


Gender: n=504 Male, n=501 Female
Age: n=612 18-34 y.o., n=358 35-54 y.o., n=35 55+ y.o.

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Respondent Distribution: Regionality

N=1005



Regionality: n=522 Canada - Unknown, n=219 Ontario, n=97 BC, n=75 Alberta, n=36 Quebec, n=31 Prairies, n=21 Atlantic, n=4 North

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Thank You

<http://www.validateit.com/>

Dany : dany@validateit.com

BMO  **Financial Group**

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