

OCTOBER 2019

Here & Now

Making the UK the Best Place in the World for Female Founders

ANNABEL DENHAM



THE FEMALE FOUNDERS FORUM IS A GROUP OF SOME OF THE UK'S MOST SUCCESSFUL FEMALE ENTREPRENEURS.



ANNABEL DENHAM

Author

Annabel Denham is Editor at The Entrepreneurs Network. She joined in 2014 from City A.M., where she was Entrepreneurs Editor and Deputy Business Features Editor.

Annabel writes and edits research projects – and has a particular interest in female entrepreneurship and enterprise education. She writes a column for the Huffington Post, and contributes to media outlets including RealBusiness, City A.M. and The Yorkshire Post.

HERE & NOW

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ABOUT THE FEMALE FOUNDERS FORUM

In 2016, The Entrepreneurs Network, with the support of Barclays, began addressing a specific problem informed by academic evidence: why too few women-led businesses reach the same economic scale as that achieved by male-led companies. We were among the first to shed light on the gender funding gap with our *Untapped Unicorns* report, and in our *Mentoring Matters* study we made the case for better access to networks and mentors to ensure female founders can thrive.

THE FEMALE FOUNDERS FORUM

The Female Founders Forum is a group of some of the UK's most successful female entrepreneurs. Over the course of the three years this project has been running we have connected these founders with key figures from within the financial industry, politicians, journalists and aspirational entrepreneurs on the cusp of growth. We have expanded our core membership to 37 inspirational women, all of whom have been generous enough to share their time and knowledge with our team, with MPs, and with individuals from within the finance sphere and entrepreneurial ecosystem.

In 2018/19, we held three roundtables in London, Bristol and Edinburgh, and panel events in Brighton and Manchester. Held primarily at Barclays Eagle Labs, these provided a forum for discussion of leadership, growth and barriers to success. We will be taking a thematic approach in 2019/20, addressing agritech, social enterprise and femtech. Again, we will travel across the country to get a sense of what female entrepreneurs from Land's End to John O'Groats need.

BARCLAYS

Plan and start — Build and grow — Expand and scale. It's not easy to start, grow and scale a business. We know it takes drive, determination and passion to see things through. You'll bring your ideas, vision and experience — we'll bring ours too. Whether you're seeking practical tools, expert knowledge, connections, or inspiration for your next big step, our innovative approach means you don't just bank with us — you bank on your future. To find out more about how Barclays supports high-growth business and entrepreneurs, search Barclays Entrepreneurs.




The Entrepreneurs Network is a think tank for the ambitious owners of Britain's fastest growing businesses and aspirational entrepreneurs. Through research, events and the media, we bridge the gap between entrepreneurs and policymakers to help make Britain the best place in the world to start and grow a business. We are also the Secretariat of the All-Party Parliamentary Group (APPG) for Entrepreneurship, which sits across the House of Commons and House of Lords. The Entrepreneurs Network also supports the ambitions of our fast-growing network of 10,000+ members, through practical projects like The Leap, Business Stay-Up and, of course, the Female Founders Forum.

Beauhurst


Beauhurst provides research and insight on the UK's high-growth companies. Our data platform allows professionals to discover and track Britain's most ambitious businesses in unrivalled detail. For more information, visit beauhurst.com.


MEMBERS

 **JUNE ANGELOIDES**
Founder
Mums in Tech

 **JULIA ELLIOTT-BROWN**
Founder
Enter the Arena

 **HARRIETT BALDWIN MP**


 **HELEN HAYES MP**


 **ANNE BODEN**
Founder
Starling Bank


 **FAYE HOLLAND**
Founder
Cofinitive

 **TANIA BOLER**
Co-Founder
Elvie


 **MARGOT JAMES MP**


 **ERIKA BRODNOCK**
Founder
Karisma Kidz


 **ANNABEL KARMEL**
Founder
Annabel Karmel

 **TUGCE BULUT**
Co-Founder
Streetbees


 **BARONESS SUSAN KRAMER**


 **NANCY CRUICKSHANK**
Founder
MyShowcase


 **MARTA KRUPINSKA**
Co-Founder
Azimo


 **ALEXANDRA DALY**
Founder
AA Advisors


 **TAMARA LITTLETON**
Founder
The Social Element


 **ALEXANDRA DEPLEDGE**
Founder
Resi


 **TAMARA LOHAN MBE**
Co-Founder
Mr & Mrs Smith


 **DR JESSICA MANN**
Co-Founder
TrialReach


 **JUSTINE ROBERTS CBE**
Founder
Mumsnet


 **DR SU METCALFE**
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LIFNano


 **JULIET ROGAN**
Head of HG&E
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 **HENRIETTA MORRISON**
Founder
Lily's Kitchen

 **RITA SHARMA OBE**
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Best At Travel

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Founder
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 **DR HELEN SHAW**
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 **FIONA NEILSEN**
Founder
Repositive


 **EMMA SINCLAIR MBE**
Founder
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Working Mums


 **SAM SMITH**
Founder
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 **IRINA PAFOMOVA**
Founder
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 **ANNA SOFAT**
Founder
Addidi Wealth

 **KATHRYN PARSONS**
Co-Founder
DeCoded

 **LAURA TENISON MBE**
Founder
JoJo Maman Bébé

 **COSMINA POPA**
Co-Founder
Conscious Venture Lab

 **DEBBIE WOСКOW OBE**
Co-Founder
AllBright

 **HEATHER RICHARDS**
Founder
Transversal



FOREWORDS

We've come a long way. In the UK, it has never been easier for a budding entrepreneur to start and grow a business. Our efforts to make Britain the best place in the world to start up are paying dividends for women.



RT HON ELIZABETH TRUSS MP
Minister for Women and Equalities
Secretary of State for International
Trade and President of the Board
of Trade
October 2019

“There are millions of women across the nation with the energy and ideas to drive us all forward. We need to do more to pull down the barriers, whether cultural or financial, that are stopping them from starting businesses.”

In 2011, 11% of startups that raised equity investment were female founded. Last year, that number had almost doubled to 21%. It's an important step forward, but we can go further.

We have record levels of employment and new business creation. Businesses in the UK attract more venture capital funding than any other European nation. But if we are to build on that success and turbocharge our economy then we need to use every ounce of talent we have in this country.

It's completely wrong that 50% of the population are not being fully utilised, they're not having their talents used, and they're not contributing as they could do to our fantastic economic success story. If women set up businesses at the same rate as men, we'd have 1.1 million more in this country.

The venture capital industry recognises this opportunity, and their ambition to respond to the challenge is encouraging.

It's important to speak out against inaccurate stereotypes. The research in this report busts the myth that female-founded businesses are more likely to fail. Once funded, female-led businesses are just as likely as all-male teams to go on to get a second and third round of funding.

We should celebrate the great female founded business such as HyperOptic, Neyber and Darktrace that are revolutionising the UK economy.

On a similar note, I'm a champion of girls studying maths, traditionally a subject where girls were perceived as less able than boys. While we've made progress, female-founders are still less likely to start tech and IP-based businesses when compared to their male counterparts.

Women are also told that making a profit is vulgar; that it is not socially responsible.

That couldn't be more wrong. It is incredibly socially responsible to set up a business, to serve customers, to contribute to your economy and your community. It's the very foundation of our society.

There are millions of women across the nation with the energy and ideas to drive us all forward. We need to do more to pull down the barriers, whether cultural or financial, that are stopping them from starting businesses.

I commend this report and the ongoing work of The Entrepreneurs Network and Barclays on the Female Founders Forum.

We have made great strides. I hope and expect that a decade from now, we will look back at how far female entrepreneurship has come.

The opportunity is clear: create an environment where women start and scale businesses at the same rate as men and we could add nearly £250bn to the UK economy.



JULIET ROGAN
Head of High Growth &
Entrepreneurs, Barclays
October 2019

At Barclays, we have an interest in making this happen. With the trust of 24m customers and nearly one million businesses, inclusive UK economic growth is essential for our success.

An important part of that is helping to make the UK the best place for a woman to start and scale a business. As this report shows, there are reasons to feel optimistic that we can do this sooner rather than later.

The private and public sectors are starting to work together on this in an effective way. The timely and comprehensive Rose Review and the Investing in Women Code that followed – of which Barclays is a proud signatory – outline both the opportunity and a good way forward.

They rightly identify the gender funding gap as a hurdle to overcome, which we at Barclays are committed

to tackling. They also recognise that support and resource for female entrepreneurs needs to be available long before a woman first applies for funding.

Part of the funding gap is down to a risk aversion that can be more prevalent amongst women than men as this report shows, meaning fewer women take the entrepreneurial leap with their business idea in the first place.

Part of the answer to this starts at school. Instil girls with the right skills, financial literacy and self-belief and they are more likely to see themselves as both entrepreneurs and leaders in business. These insights are at the heart of our LifeSkills programme, which has so far reached 7.7m young people across the UK.

Helping more women become founders means putting more of the right support networks in place, too. As Head of High Growth and Entrepreneurs at Barclays, I am lucky to spend time with a variety of inspiring women and men who start and scale successful businesses. More often than not, these impressive people cite role models, mentors and a wide support network as reasons for their success.

We believe in the importance of role models. Seeing people succeed who look and sound like you helps you to raise your sights and believe that you can achieve what they've achieved. Having the right mentor and support network can build confidence, get rid of imposter syndrome and give people

the courage to turn that idea into a business. Women also tend to value external networks more than men, yet in the entrepreneurial ecosystem, women are far less likely to have an entrepreneur in their network

That is one of the reasons why we launched the Female Founders Forum with The Entrepreneurs Network three years ago – to encourage, support and promote female entrepreneurship. We connect some of the UK's most inspirational, successful female entrepreneurs with aspiring entrepreneurs through local events run across the country, and many of the insights and stories in this report are drawn from those interactions.

I would like to take this opportunity to thank the team at The Entrepreneurs Network for their partnership over the years, and for this timely contribution to helping the UK realise the potential of the UK's female entrepreneurs.

The opportunity is there and a consensus is forming around the importance of taking targeted interventions to remove aspirational, cultural and financial barriers wherever we find them.

We look forward to collaborating with partners across industry and the public sector to do exactly that, *Here and Now*.

The opinions, recommendations and conclusions contained within this report are those of The Entrepreneurs Network and the Female Founders Forum and do not represent those of Barclays.



EXECUTIVE SUMMARY

- Female-founded startups represent a growing share of investment activity. In 2011, 11% of startups that raised equity investment were female founded. By 2018, this figure had grown to 21%.
- Of the 6,147 investment deals made in 2018, 17.9% went to companies with at least one female founder, down from 18.2% in 2017.
- Nonetheless the total amount invested in women-led businesses in 2018, as a percentage, was 11.4%, up from 9.9% in 2017.
- Female-founded businesses also have similar rates of follow-on funding. Once funded, the percentage of female-founded startups that raised additional rounds of capital was similar to non-female-founded firms (52% vs 51% for startups without a female founder).
- Of the 19 high-growth companies that have floated on the stock market since 2011, three (or 15%) were female founded. Of the 665 high-growth companies that have been acquired since 2011, 53 (8%) have at least one female founder.
- Earlier this year HM Treasury found that the gender gap accounts for approximately 1.1m missing businesses, which also equates to a £250bn opportunity for the UK economy.¹
- The UK currently ranks 15th in terms of the “global gender gap,” behind France, Germany and parts of Scandinavia, but ahead of Canada and many European nations.²
- The percentage of women setting up businesses remains stubbornly low: in 2018 the male early stage entrepreneurship rate stood at 10.5% and the female rate 5.2%.³
- A lack of role models could be to blame. Under half of young people could name an entrepreneur who inspires them: among those who could, 85% named a man.⁴
- However, between 2013-16 there was a 45% increase in the number of women setting up businesses (compared to a 27% rise for men).⁵
- As demonstrated by the experiences of the three case studies in the report – Tania Boler, Elvie; Tugce Bulut, Streetbees; and Alexandra Daly, AA Advisors – there has never been a better time to be a female entrepreneur.

RECOMMENDATIONS

GOVERNMENT

Open the doors of Number 10 and Parliament to female entrepreneurs and formally validate their efforts. Ensure the Minister for Women and Equalities has female entrepreneurship within her remit. Consider developing regional business hubs throughout the UK modelled on the United States’ Women’s Business Centers.

Gather more data on STEM drop-off rates. Consult with schools, universities and experts to examine the role of socialisation in the STEM disparity, and how careers guidance could inform, tackle gender stereotypes, and ensure schoolgirls are aware of job opportunities and options later in life.

LOCAL ENTERPRISE PARTNERSHIPS

Address current levels of inconsistent or insufficient engagement with diversity. Government should consider providing financial support for LEPs and city regions that go to extra lengths to boost women’s enterprise in their localities.

FINANCIAL INSTITUTIONS

Open up accelerator and office spaces to female founders for networking events. Encourage more female employees to get into schools and universities and act as role models to the next generation.

SCHOOLS

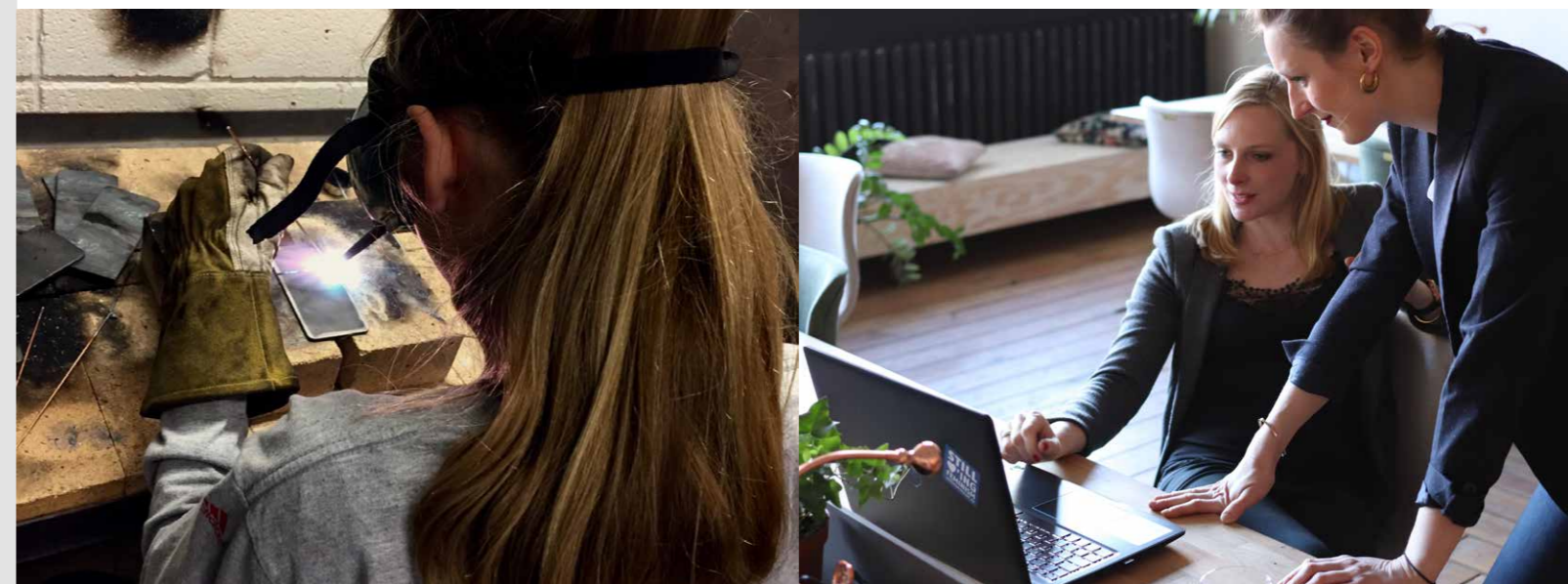
Instil the right skills, financial literacy and self-belief in young girls from school age so that they may become the entrepreneurs of the future. We support Nesta’s call for early enterprise education initiatives focused on encouraging entrepreneurial attitudes like confidence, resilience and risk-taking at an early age.

MEDIA

We are impressed and grateful to the media for its commitment to female entrepreneurship in the past 12 months. The Telegraph’s Women Mean Business project has repeatedly shone a spotlight on the gender funding gap, while the Guardian’s Women in the Boardroom campaign champions women operating in traditionally male-dominated industries. We ask that these efforts continue.

VENTURE CAPITALISTS

Work with organisations like Diversity VC to raise awareness and consider training programmes to tackle unconscious bias.



INTRODUCTION

For close to a decade I have spoken and written about gender-specific barriers to entrepreneurship. The process has at times been empowering, because women have made huge strides in what has historically been a male preserve. At others it has been painful, however, for at every stage in the entrepreneurial journey British women lag behind their male counterparts.



ANNABEL DENHAM
Head of the Female Founders Forum
October 2019

One in five businesses is created by a woman, all female-led ventures receive just a penny in every pound of venture capital investment, and male-led businesses are five times more likely to achieve £1m+ turnover.⁶ Women tend to be less concerned with expanding their firms and are over-represented in service industries.⁷

But by dwelling on the negatives we risk missing how far we have come. We risk feeding the narrative that entrepreneurship is simply harder for women, which may discourage others from setting up businesses. This year, therefore, we focus on the progress women have made not just in business ownership but the wider workforce. Taking inspiration from a study by the Center for American Entrepreneurship and using exclusive data, we reveal that

follow-on funding rates are similar for men and women-led businesses. For those in doubt (and there are too many), women-led businesses are just as bankable an investment as those run exclusively by men.

There has been an undeniable revolution in women's lives in Britain over the last century. In 2018, we celebrated the centenary of women's voting rights. The gender pay gap between men and women aged 22-39 has narrowed to near-negligible levels.⁸ While women in the first half of the twentieth century were deprived the education or opportunity to become inventors and entrepreneurs, many bucked the trend: Marie Curie, Stephanie Kwolek, Coco Chanel. Perhaps they took inspiration from trailblazing innovators like Henrietta Vansittart, Eleanor Coade or Countess Lovelace.⁹

Though women make up a fifth of business owners, between 2013-16 there was a 45% increase in the number of women setting up companies (compared to a 27% rise for men).¹⁰ Motivations have changed: as many as 85% of female founders are attracted to more flexible working hours, and almost all are driven by the prospect of more freedom.¹¹ It ties into The Entrepreneurs Network's recent research into youth entrepreneurial ambitions, in which we revealed that young people today are motivated not purely by money but primarily by "wanting to be your own boss" or "being passionate about a particular idea or cause".¹²

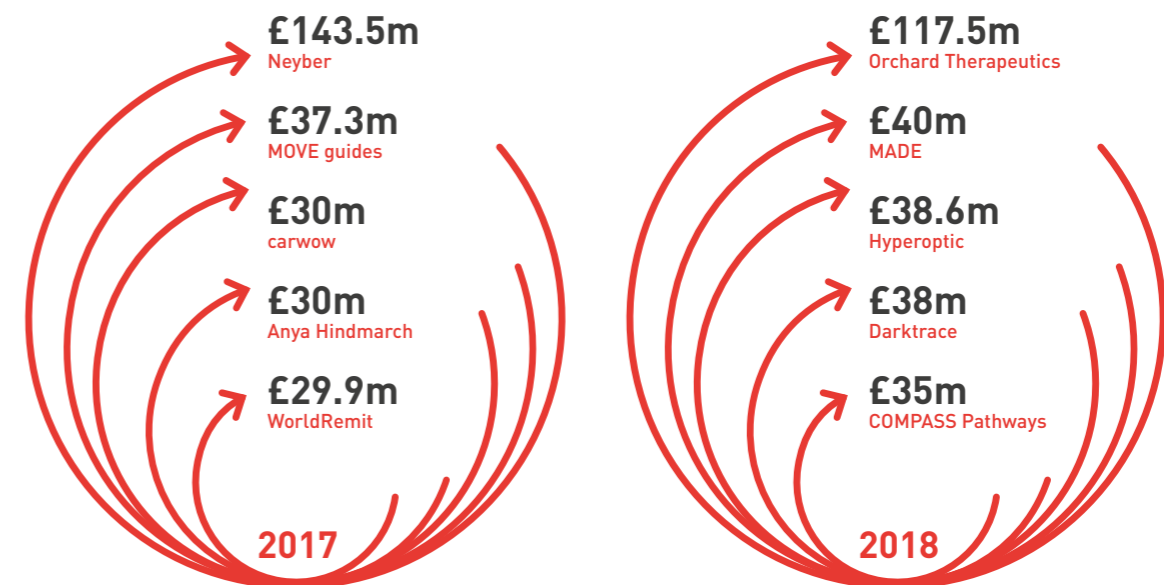
Less encouraging is the data on entrepreneurs who inspire Generation Z. Under half of young people could name an entrepreneur who inspires them and among those who could 85% named a man. The most-commonly listed female entrepreneurs were media personality Kylie Jenner, Instagram influencer Grace Beverley and YouTube star Zoella; the male entrepreneurs named included Lord Sugar, Sir Richard Branson and Elon Musk. It suggests a broader spectrum of role models is needed.

With the support of Barclays, the Female Founders Forum works tirelessly to support female-led start and scale-ups. We shine a spotlight on their achievements across many sectors. We are grateful to the members of this illustrious group, and to all attendees of the events we hold across the country to share ideas, knowledge and experience.

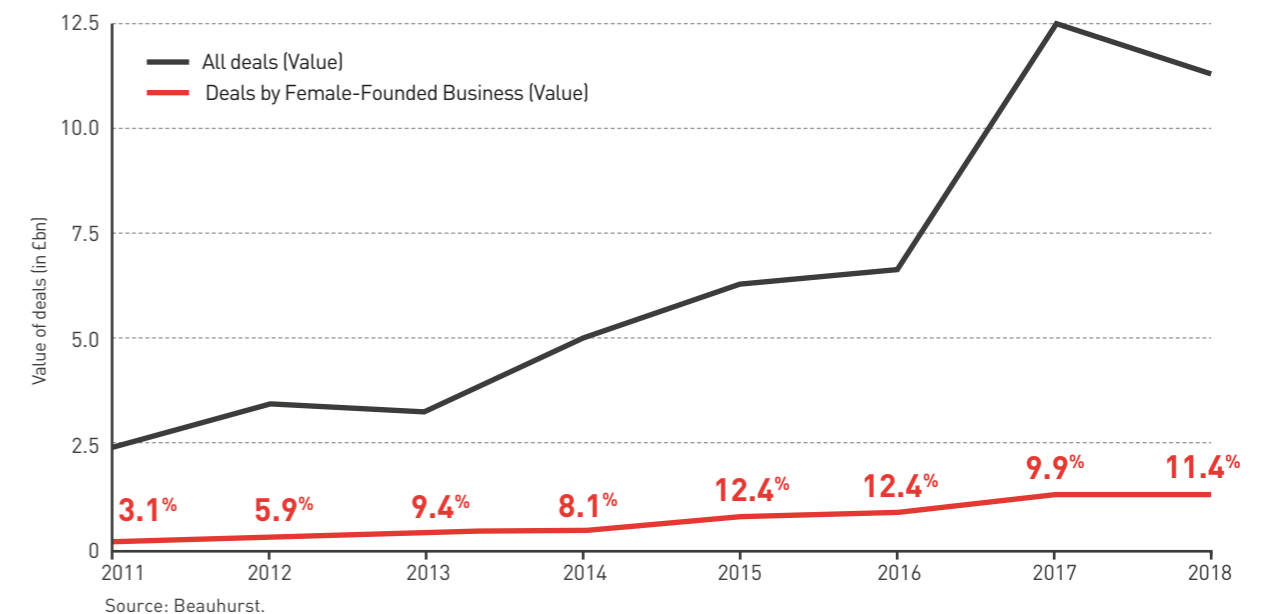
There is a strong economic case for ensuring women-led businesses start and scale. Earlier this year HM Treasury found that the gender gap accounts for approximately 1.1m missing businesses, which also equates to a £250bn opportunity for the UK economy. The UK is not short of inspirational female entrepreneurs, and there are many more in the pipeline. Here and Now champions these female leaders, their achievements, and their role in inspiring the next generation.

2018 HEADLINE FIGURES

TOP FIVE HIGHEST RAISES WITH A FEMALE FOUNDER, 2017 VS. 2018



FEMALE FOUNDED SHARE OF NUMBER OF VALUE OF DEALS



CHAPTER ONE



GOVERNMENT SHOULD USE ITS CONVENING POWER TO PLACE ATTENTION ON FEMALE ENTREPRENEURS.

Bringing founders not just into Number 10 but Parliamentary events can boost the profile of potential role models.



FIRMS OF ALL SIZES SHOULD CONSIDER BETTER SUPPORTING FLEXIBLE WORKING FOR BOTH FEMALE AND MALE EMPLOYEES.

Doing so will help reverse societal expectations on women to stay home rather than climb the career ladder.



WORK WITH PEOPLE WHO ARE GENDER NEUTRAL, SAYS STREETBEES FOUNDER TUGCE BULUT.

It has been argued, with good reason, that female economic empowerment marks the most significant social change of our times. A century ago, few British women worked (23.6% of women were employed in 1914).¹³ Those who did were often confined to repetitive, menial jobs – a trend that endured through much of the twentieth century. There was no equality of pay. Divorce law had yet to be liberalised. Sexism was the norm, and women were expected to abandon their careers when they married and had children.

The UK currently ranks 15th in terms of the global gender gap, behind France, Germany and parts of Scandinavia, but ahead of Canada and many European nations.¹⁴ In recent decades British women have increased their share of paid employment and cracked the glass ceiling. Men now devote more time to child and elder care than ever before.

The more progress made, the more we can hope to achieve. There is undoubtable value to the many organisations and

projects that exist to tackle gender workplace inequality. The 30% Club has been instrumental in helping achieve the Hampton-Alexander Review target of 33% women on FTSE 350 boards by 2020.¹⁵ The Time's Up movement shone a light on misogynistic workplace practices. Some groups – like the CIPD – work tirelessly to challenge the societal pressures placed on women to stay home and raise children rather than climb the ranks or set up companies of their own. Others – like We Are the City – provide networking and mentoring opportunities. The tide is turning, and millions of brains are being put to more productive use.

WOMEN IN ENTERPRISE: A SNAPSHOT

A wealth of academic literature has emerged in recent years examining the involvement of Victorian women in business affairs and enterprise. Though the orthodox opinion had been held that women had held traditionally domestic roles, more recent research suggests they in fact formed a sizable portion of the business population – owning 27-30% of all companies between 1851 and 1911.¹⁶

It is extraordinary that Victorian women, deprived of education, could be so progressive. Further – BEIS statistics

show that 21% of businesses were female-led in 2017.¹⁷ Businesswomen were a standard feature of a town or city's economy in the early nineteenth century. Women like Henrietta Vansittart and Ada King were talented inventors and engineers. Female entrepreneurs continued to play an active role as investors and business owners in the urban economy throughout industrialisation.

“In recent decades British women have increased their share of paid employment and cracked the glass ceiling. Men now devote more time to child and elder care than ever before.”

Fast-forward into the twentieth century, however, and gendered cultural expectations, financial barriers and legal disabilities appear to have constrained women's business participation. We can take the lead from early work on

WOMEN IN THE WORKPLACE: 1918-2018

1918: Representation of the People Act grants women over 30 the right to vote (and men over 21 the same right).

1919: Britain introduced the Sex Disqualification (Removal) Act allowing women to become lawyers, vets and civil servants. The Women's Engineering Society was also formed and Britain got its first female MP, Nancy Astor.

1919: Women over 21 are given equal voting rights with men.

1929: Margaret Bondfield becomes the first woman cabinet minister.

1939: Legal reforms require equal pay for women teachers and civil servants.

1949: Contraception (including the Pill) becomes available for married women on the NHS.

1959: 187 female employees at Ford's Dagenham plant go on strike protesting for equal pay for women. This leads to the introduction of the Equal Pay Act of 1970.

1968: 187 female employees at Ford's Dagenham plant go on strike protesting for equal pay for women. This leads to the introduction of the Equal Pay Act of 1970.

1973: Women are allowed to join the London Stock Exchange.

1975: The first piece of maternity legislation is introduced in the UK, the Employment Protection Act. However, it doesn't offer leave to all women due to the long qualifying periods.

1975: The Sex Discrimination Act makes it illegal to discriminate against women in employment, education and training.

1979: The UK elects its first ever female prime minister, Margaret Thatcher.

1986: Statutory Maternity Pay Regulations are first introduced.

1986: Statutory Maternity Pay Regulations are first introduced.

1989: Following the introduction of a European Directive, all working women in the UK are entitled to statutory maternity leave and pay.

1997: Marjorie Scardino becomes the first CEO of a FTSE 100 company, Pearson. In 2013, Marjorie becomes the first female director to join the board of Twitter following a controversy around the lack of diversity.

1999: Flexible working laws introduced to allow more ease around childcare.

2009: Shared Parental Leave comes into force allowing fathers to take paid leave following the birth or adoption of a child and allowing more mothers the choice to return to work sooner.

2010: The introduction of the Equality Act 2010, which states that it is illegal for women to be harassed or bullied in the workplace.

2014: Flexible working laws introduced to allow more ease around childcare.

2015: Shared Parental Leave comes into force allowing fathers to take paid leave following the birth or adoption of a child and allowing more mothers the choice to return to work sooner.

2017: The Female Founders Forum brings to light the gender funding gap, revealing that 91% of venture capital funding goes to male-led businesses.

2018: UK companies larger than 250 people have to publish their gender pay gaps from April.

2019: The Female Founders Forum reveals that male and female-led businesses have similar rates of follow-on funding.

entrepreneurship (e.g. Schumpeter, 1934 and Kirzner, 1973), which assumed that most entrepreneurs would be men and business creation at the time was a male preserve.¹⁸ One thing is clear: the contribution women made to the small business sector, either as firm owners or in their own right – or as providers of labour to family-owned firms – went unrecognised.

Outside of entrepreneurship, female labour market participation, wrought by two World Wars, soared during

the last century. Census figures show that in England and Wales the percentage of women in the workforce rose from 29.1% in 1901 to 35.6% by 1939.¹⁹ The Sex Discrimination Removal Act of 1919 marked a seminal moment in women’s progress: they could no longer be disqualified from certain professions on the grounds of gender. Take law, for instance. In 1922, the first female solicitor joined the profession. By 2016, women made up 60% of individuals admitted to the roll of solicitors.²⁰

1918 VS 2018: THINGS WOMEN WERE PREVENTED FROM DOING BY LAW A CENTURY AGO

 APPLYING FOR A CREDIT CARD OR LOAN IN THEIR OWN NAME	 WORKING IN THE LEGAL PROFESSION AND CIVIL SERVICE	 INHERITING AND BEQUEATHING PROPERTY ON THE SAME TERMS AS MEN	 CLAIMING EQUAL PAY FOR DOING THE SAME WORK AS MEN
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Today, more than two-thirds of women (71.8%) aged 16-64 are employed, the highest percentage since the Office of National Statistics began recording this data in 1971. For men, the figure is now 80.3%.²¹

IN FUTURE THERE WILL BE NO “FEMALE LEADERS”, JUST “LEADERS”

But what of women in leadership? The “glass ceiling,” a term first used by American writer Marilyn Loden during a 1978 speech, is one of the most familiar and evocative metaphors to emerge from the twentieth century. Despite continued political lobbying, legislative reform, and the almost 50 years that have passed since the second wave of the feminist social and political movement, the extent of women’s advancement is unclear. Using law as an example again, only a third of partners are female. Analysis from the FT in 2017 found that women make up 58% of the total workforce at a junior level in finance companies, yet hold just a quarter of senior roles.²²

This is a phenomenon experienced by much of the developed world. Some nations have responded with generous welfare models and quotas mandating a proportion of women at senior corporate level. Yet recent research from Nima Sanandaji found that while Scandinavian nations offer ample maternity leave and generous childcare policies, women are conversely underrepresented in senior roles and disincentivised from starting businesses. The OECD country

with the highest share of women as senior managers is the US (43%), a nation where there is no equivalent to statutory maternity pay.

“For policymakers and entrepreneurs alike, one of the most promising types of female entrepreneurial activities is high-potential entrepreneurship.”

A decade ago, Norway introduced mandatory gender quotas of 40% for boards of all PLCs. A dozen other European countries – including France, Germany and Italy – adopted similar quotas. Before addressing outcomes it is important to highlight, as Sanandaji does, that Nordic gender egalitarianism deserves to be admired by the rest of the world. The proportion of respondents who agree with the statement, “When jobs are scarce, men should have more right to them than women,” in these nations is significantly lower than in other regions.²³

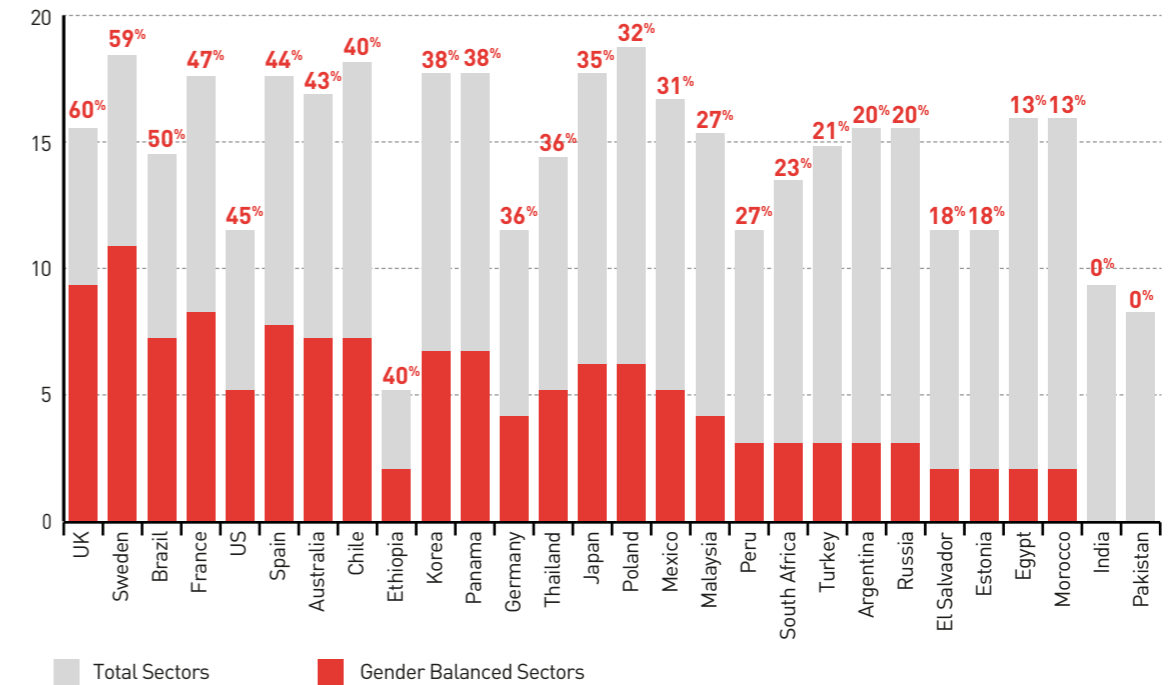
Nonetheless, Bertrand et al. found mixed support for the view that the reform affected the decisions of young women.



“The more progress made, the more we can hope to achieve. There is undoubtable value to the many organisations and projects that exist to tackle gender workplace inequality.”



LABOUR FORCE PARITY: OCCUPATIONAL CROWDING BY GENDER AND COUNTRY



Note: Percentages indicate the proportion of sectors that are gender-balanced. Source: Calculations based on ILO sectoral data, <http://laborsta.ilo.org>

“We do see improvements in labour market outcomes for young women with graduate business degrees in their early career stages; however, we observe similar improvements for young women with graduate science degrees, suggesting this may not be due to the reform,” the research concludes.²⁴

Perhaps, therefore, there are cheaper and subtler ways in which governments can make life easier for women and boost female entrepreneurship than the Scandinavian model.

“Today, more than two-thirds of women (71.8%) aged 16-64 are employed, the highest percentage since the Office of National Statistics began recording this data in 1971. For men, the figure is now 80.3%.”

Using government’s convening power to place attention on female entrepreneurship has proven effective. Theresa May, for example, frequently invited a diverse range of female

founders into Number 10 and in doing so, boosted the profile of potential role models to the next generation.

We have further to go towards flexible and part-time working: currently male requests to work part-time are more likely to be rejected.²⁵ Those who do work part-time risk discrimination. Until we do away with these double standards, the temptation will be for many couples to prioritise the father’s career.

Campaigns like the 30% Club take a softer approach and have been credited with the significant increase in women on FTSE 350 boards. Change is afoot: after all, look at how far we’ve come. But tweaks to policy, awareness campaigns, and continuing to offer women access to networks and role models should be key features going forward.

For policymakers and entrepreneurs alike, one of the most promising types of female entrepreneurial activities is high-potential entrepreneurship. These female-led ventures contribute substantially to local and national economic development as well as to women’s own economic welfare. The women who start these ventures also serve as role models for potential female entrepreneurs. Supporting them is vital. As the data shows in the next chapter, once female business leaders leap the first funding hurdle, they have similar rates of follow-on funding as their male counterparts.

CASE STUDY STREET SMARTS

TUGCE BULUT CO-FOUNDER, STREETBEES

“There is no such thing as male or female entrepreneurs. There are just entrepreneurs – and surrounding yourself with others who share this attitude is the best way to build a strong, respectful team.”

Sheryl Sandberg once said, “In the future, there will be no female leaders. There will just be leaders.” It’s a sentiment shared by Tugce Bulut, whose first piece of advice to fledgling founders is to “work with people who are gender neutral”.

The Turkey-born entrepreneur, whose AI market research company was recently listed as one of the UK’s Top 100 fastest-growing firms, adds: “There is no such thing as male or female entrepreneurs. There are just entrepreneurs – and surrounding yourself with others who share this attitude is the best way to build a strong, respectful team.”

Nonetheless, Tugce thinks that more can be done to encourage diversity in business. “It comes down to how we raise our kids. By the time people are adults, it’s too late”. Her views tie into research from the Institute for Fiscal Studies that suggests role models and building confidence from a young age are vital in ensuring more girls choose to study STEM and pursue careers in these fields.²⁶ Tugce adds: “We need to teach children entrepreneurial skills from the start. I cannot stress enough how important it is to learn how to take risks and cope with failure. We need to be gender neutral from nursery and primary school.”

Prior to Streetbees, which was founded in 2015, Tugce was a strategy consultant, focusing on consumer and technology companies and helping them grow. She had previously worked as an academic researcher focusing on poverty alleviation in developing countries.

They say entrepreneurs should stick to what they know, and Streetbees brings these two experiences together. “The reason we can’t break the poverty cycle worldwide is because not enough international businesses are investing in developing markets. Why? Because they can’t see what’s happening in them.”

The company started with Tugce and her co-founder in an office in Old Street. It now employs over 100 people. It has raised over £20m investment and counts Robin Klein among its non-executive directors. By shining a spotlight on fearless founders like Tugce, we can encourage more to walk the same path. “Children need a diverse range of role models. Gender, ethnicity, background doesn’t define you in business – or in life. We should profile all kinds of entrepreneurs and leaders.”

CHAPTER TWO



OUR ORIGINAL DATA REVEALED THAT WOMEN-LED BUSINESSES ARE JUST AS LIKELY TO SECURE FOLLOW-ON FUNDING AS ALL MALE-LED FIRMS.

We ask that the media, politicians and the entrepreneurial ecosystem work together to ensure this message is relayed to decision-makers in the venture capital industry and the wider public.



A COLLABORATIVE EFFORT IS REQUIRED – FROM GOVERNMENT, SCHOOLS, UNIVERSITIES AND THE PRIVATE SECTOR.

To ensure we instil the right skills, financial literacy and self-belief in young girls from school age for a future in entrepreneurship.



MENTORS CAN BE THE DIFFERENCE BETWEEN SUCCESS AND FAILURE, SAYS AA ADVISORS FOUNDER ALEXANDRA DALY.

Over the course of three roundtables in London, Bristol and Edinburgh, and panel events in Brighton and Manchester, we met with dozens of female entrepreneurs at different stages of the entrepreneurial journey. Some were embarking on their first crowdfunding round, others had floated on the stock market. But a common theme throughout was that securing funding from venture capital firms is an ongoing struggle and discrimination against women persists in the boardroom. As Dr Helen Shaw succinctly explained: “We are a long way from 50/50”.

According to the Global Entrepreneurship Monitor, in 2018 the male total entrepreneurial activity rate stood at 10.5%, and the female rate 5.2%.²⁷ If we are to get more female-led scale-ups, we need more women to start businesses. Further, longevity rates for women-led early-stage firms in the UK have historically been lower. Education, experience, networks and access to capital have an effect on the ways in which men and women approach and practice entrepreneurship and, ultimately, on business survival.

Just one-third of non-entrepreneurial females feel they have the skills, knowledge and experience to start a business compared to almost half of males.²⁸ For younger people, this may not be a gender issue: just 38% of British people aged 14-25 say that their education has given them the skills they need to start a business, compared to a quarter who say it has not. Fear of failure is more of a deterrent to women (46%) than men (40%), though this is not as significant as many might imagine.²⁹

MIND THE FUNDING GAP

Ensuring UK businesses stay and scale up is vital to the UK economy. Entrepreneurship contributes strongly to economic growth and development, and high-growth female entrepreneurs – whose ventures are market-expanding, export-oriented and innovative – play a particularly important role. Research from the Scale-Up Institute’s Female Founder Index, which revealed a 15% increase in the number of “visible” scale-ups with at least one female founder and an average turnover of £68m, is encouraging.³⁰ Employing

“Just one-third of non-entrepreneurial females feel they have the skills, knowledge and experience to start a business compared to almost half of males.”



75,600 people, these businesses have grown their employee numbers by a significant 24% and have raised a total of £890m in investment.

This last point is crucial. Our *Untapped Unicorns* report was among the first to highlight the equity funding chasm between male and female-led businesses.³¹ It was cited in the recent HM Treasury review into female entrepreneurship, and subsequent government announcement that it would aim to increase the number of female entrepreneurs by half by 2030 (equivalent to nearly 600,000 additional female entrepreneurs).

“The government has already taken action on a key recommendation in the report and earlier this year launched the Investing in Women Code – which aims to improve female entrepreneurs’ access to tools, resources and finance from the financial services sector.”

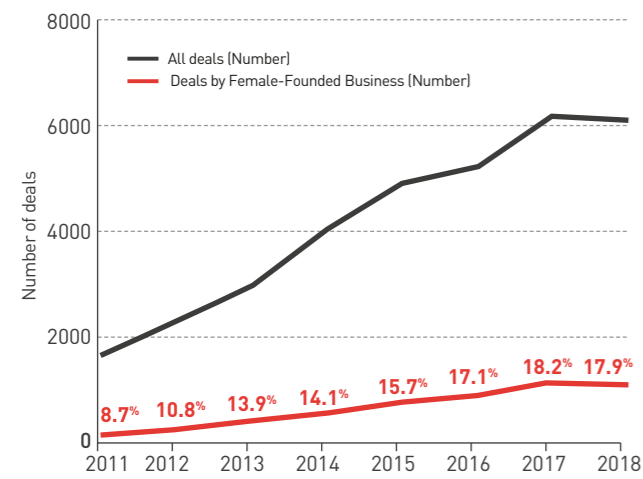
The government has already taken action on a key recommendation in the report and earlier this year launched

the Investing in Women Code – which aims to improve female entrepreneurs’ access to tools, resources and finance from the financial services sector.³² A number of institutions, among them Barclays, have become signatories to the Code and thus pledged to provide HM Treasury with data on businesses broken down by gender, to nominate a member of the senior leadership team as responsible for interactions with entrepreneurs, and adopt internal practices to ensure female entrepreneurs can access the tools, investment and finance they need to grow.

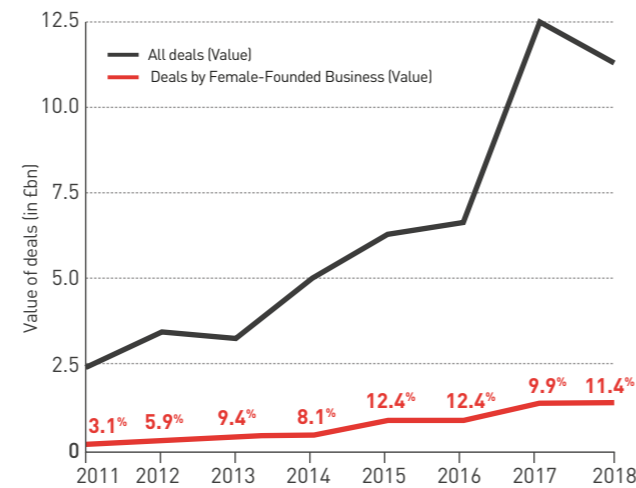
The expectation is that these practices will spill across multiple sectors and transform the way women-led businesses are funded. The UK venture capital industry, and the startups supported by it, for instance, have a well-known gender gap. In a new analysis of Beauhurst data, we delve into follow-on funding rates for businesses both with, and without, a female founder. The outlook is less stark than previously imagined.

OUR FINDINGS

FEMALE FOUNDED SHARE OF NUMBER OF DEALS



FEMALE FOUNDED SHARE OF NUMBER OF VALUE OF DEALS



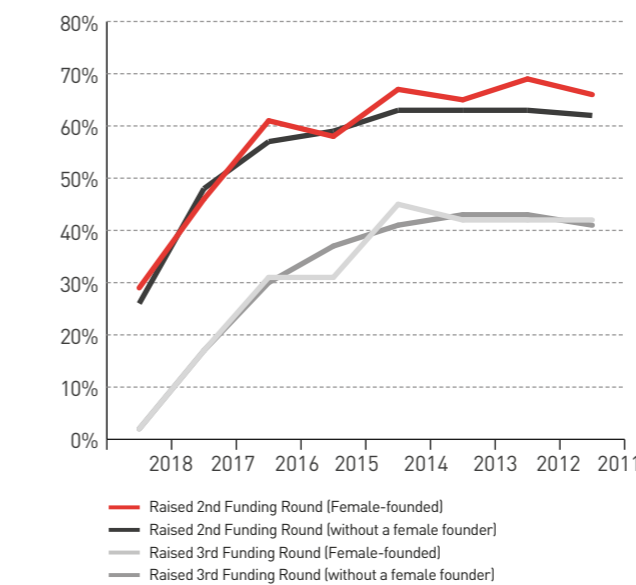
1. 2018 SAW A MODEST DECREASE IN THE PERCENTAGE OF DEALS GOING INTO FEMALE-LED FIRMS, BUT THE OVERALL TREND REMAINS POSITIVE.

Just 17.9% of deals, or 1,099 of 7,246 deals, went to female-led businesses in 2018. This a small decrease on 2017, when mixed teams received 18.2% of all deals. Over the past eight years, however, female entrepreneurs have made significant inroads into raising equity finance. The overall trajectory of deals going into businesses with at least one female founder remains positive. In 2011, just £73.4m was invested across 145 deals into female-founded companies. Things are looking up.

2. THE AMOUNT INVESTED IN FEMALE-FOUNDED COMPANIES HAS EDGED UPWARDS IN 2018.

There was a slump in the size and number of equity investments across the market in 2018 – down to £11.2bn from £12.4bn in 2017. However, female-founded companies saw an increase in deal values (£1.28bn compared with £1.23bn in 2017). Put another way, women-founded companies received 11.4% of total investment in 2018, compared with 9.9% the year before. Encouragingly, the average deal size hit a new record, increasing from £2.22m to £2.33m in 2018. For context, it was £0.5m in 2011. The total value of equity investment in female-founded startups is 17.4 times higher in 2018 than it was in 2011. By comparison, over the same time period the total value of equity investment in startups has only increased by 4.8 times.

WOMEN-FOUNDED BUSINESSES HAVE SIMILAR RATES OF FOLLOW-ON FUNDING



3. WOMEN-FOUNDED BUSINESSES HAVE SIMILAR RATES OF FOLLOW-ON FUNDING.

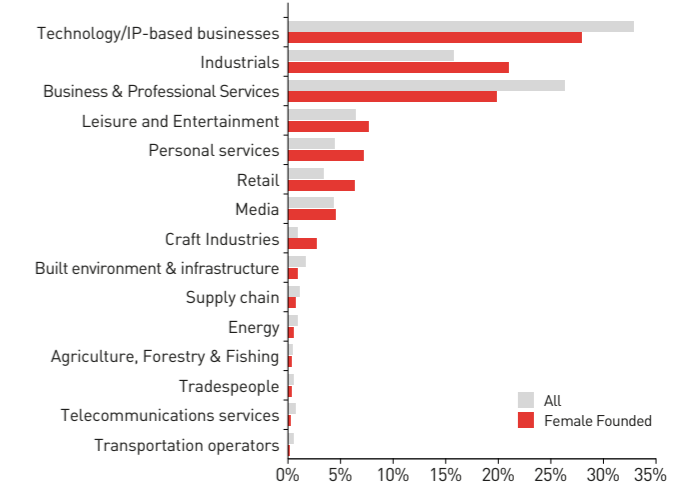
Once funded, the percentage of female-founded startups that raised additional rounds of capital was similar to non-female-founded firms (52% vs 51% for startups without a female founder). Amongst startups five or more years on from their first raise, female founded startups were more likely to have secured a second funding round (66.5% vs 62.8%) and marginally more likely to have secured a third funding round (42.8% vs 41.8%).

This makes sense: at the early stages where venture capital firms make their initial investments, there is limited rigorous, objective information available. It means the founding team comes under great scrutiny, and there is a risk that gender bias can play a decisive role in who receives investment. As investors get more information, however, unconscious bias may start to decline.

5. IT IS A MIXED PICTURE FOR RATES OF EXIT.

Of the 19 high-growth companies that have floated on the stock market since 2011, three (or 15%) were female founded. However, of the 665 high-growth companies that have been acquired since 2011, 53 (8%) have at least one female founder.

WOMEN-FOUNDED STARTUPS ARE CONCENTRATED BY INDUSTRY



4. WOMEN-FOUNDED STARTUPS ARE CONCENTRATED BY INDUSTRY.

Though we find women-led businesses securing investment in all sectors, they are over-represented in some sectors, and under-represented in others, relative to all equity-funded startups. They are less likely to be tech or IP-based businesses (27.9% vs 32.9% for all equity-funded startups) but are more likely to be involved in the category of industrials (21% vs 15% for all equity-funded startups). Within the category of industrials, female-founded businesses are twice as likely to be involved in clothing (3.1% vs 1.5% for all equity-funded startups) and significantly more likely to be involved in food and drink based enterprises (10.5% vs 5.7% for all equity-funded startups).



BANGING THE DRUM

A recent US study from the Center for American Entrepreneurship by Ian Hathaway similarly revealed that follow-on funding rates for female-led companies were similar to male-led companies. It is an encouraging finding. But discrimination persists: a series of randomised controlled trials, carried out at the University of California and Harvard University, revealed a female name, picture or voice cut the odds of investment. Across a field setting (three entrepreneurial pitch competitions in the United States) and two controlled experiments, researchers found that investors prefer entrepreneurial pitches presented by male entrepreneurs compared with pitches presented by female entrepreneurs, even when the content of the pitch is the same.

This research is anecdotally reflected in the experiences of some members of the Female Founders Forum and attendees at our events. As former entrepreneur-turned Head of London at Wayra Devika Wood told us during our London roundtable, it wasn't until she threatened to walk away from a potential deal that she realised her true value. Cecile Reinaud, Founder of Séraphine, said women “have to be double bullish”. Sam Baker, co-founder of The Pool, was advised to “take a man to investor meetings to make them feel safe.” The notion that women need to go to the extreme or change behaviours to penetrate male-dominated spheres is troubling.

Venture capital firms invest heavily in the next generation of fast-growth companies, determining which businesses, ideas,

and founders get backed. In light of the experiences faced by the female founders in the Forum (one was asked, during a pitch, how her husband felt about her starting a business), it is more important than ever that investors come from a diverse range of backgrounds. Diversity is an issue in the US too: just 9% of US venture capitalists are female and nearly three-quarters of venture capital firms are all male.³³

“Of the 19 high-growth companies that have floated on the stock market since 2011, three (or 15%) were female founded. However, of the 665 high-growth companies that have been acquired since 2011, 53 (8%) have at least one female founder.”

Overcoming these hurdles requires great strength and leadership. Thanh Quan-Nicholls of Deskdodge had 15 mentors and coaches to guide her through the more challenging times. Iona Smith set up New Life Classes with her sister, but when it became clear they had different priorities, the pair amicably split. Smith now relies on mentors for advice and support. Attendees at our roundtables



“With female venture capital partners twice as likely to invest in companies with a woman on the management team, and three times more likely to invest in companies with a female CEO, there is a clear need for greater female representation in the venture capital sphere.”

emphasised the importance of “fit” with investors, of targeting those who believe the vision and can act as advisers when the going gets tough.

There is no single solution to the persistent gender funding gap. We have previously called on incubators, historically effective tools for addressing the gender gap, to continue offering female entrepreneurs access to new networks and encourage cooperation between founders and aspiring entrepreneurs operating in similar fields.

With female venture capital partners twice as likely to invest in companies with a woman on the management team, and three times more likely to invest in companies with a female CEO, there is a clear need for greater female representation in the venture capital sphere.³⁴ Currently, the percentage of women in senior investment roles is worryingly low: 83% of firms have no women on their investment committees.³⁵ Thanks to campaigns by Diversity VC and the British Business Bank, not to mention wider research on the benefits of diverse teams, change is afoot.

The media can help – by shining a spotlight on more female entrepreneurs, especially those who don't fit the typical profile (perhaps by operating in traditionally male-dominated sectors). As Juliet Rogan, Head of High Growth and Entrepreneurs at Barclays, pointed out during our Bristol event: “these forums are fantastic in bringing people together, providing networking opportunities and a space to share ideas and experiences”.

Politicians, experts and the media alike have long lamented the lack of female role models. Research from The Entrepreneurs Network recently revealed that while 57% of young people couldn't name an entrepreneur who inspires them, of those who could 85% named a man.³⁶ Equally concerning is the notion that girls will feel inadequate to work in these fields because they haven't got the skills required by fast-growth businesses.

It is perplexing that three in four UK women cannot name a successful female entrepreneur. Ex-St Paul's Headmistress Clarissa Farr was wrong to suggest that “when you Google CEO, images of men with grey hair” appear, but society still associates leadership with masculinity. Given role models are more influential when they are more relatable, there is a compelling case for getting a diverse range of female leaders into schools and universities, in the media and in front of politicians, to widen the entrepreneurial talent pool.³⁷

To do that, however, we need more female leaders sharing more experiences of running a company and the challenges encountered. Government should champion the work of organisations like Founders4Schools, Girls in Charge Initiative, Young Enterprise and – as Juliet Rogan has pointed out – the Barclays LifeSkills programme, which aims to equip the next generation with the skills they need to succeed in the future workplace.

CASE STUDY THE QUIET OPTIMIST

ALEXANDRA DALY FOUNDER, AA ADVISORS

For those women who think the barriers to entrepreneurship are insurmountable, take comfort from Alexandra Daly. “Never before has there been a better time to be a female entrepreneur,” she says confidently. “We need to be positive about the here and now, because the perception can sometimes be anything but.”

It is astute advice from a female founder who, despite working for some of the largest global investment banks during her career, has never felt curtailed by her gender. There may not have been many women on the trading floor, but this wasn't a drawback. If male colleagues played golf, Alexandra leant in elsewhere. “I was a woman in the City and I had a great experience with gender agnostic individuals who encouraged and enabled me to later set up a business.”

In 2007, investment firm AA Advisors was born, in part because Daly wanted to apply her skills and knowledge to her own “PnL”, but also because she spotted gaps in the market ripe for exploitation. Within a year, the global economy had witnessed its greatest shock since 1929 and Alexandra nearly lost the coat on her back. “My projections were rocked. The alternatives community was spiralling.” Though undeniably tough, the founder believes “entrepreneurs learn more from their mistakes than successes”. What's more, she came out “fighting”.

Alexandra attributes survival to friends in the financial community and one female mentor in particular. The duo met at a City black tie engagement years prior, where they joked about being two of the few women in a room filled with 500 men. Not only did this mentor provide a roof over Alexandra's head during the crisis, but through the years has offered guidance both practical and personal. “Being an entrepreneur has peaks and troughs. It is hard to

remain buoyant throughout. Sometimes we need someone older, who has walked the walk and can offer insight or perspective.”

Research suggests that female entrepreneurs benefit from multiple mentors, and Alexandra now has five mentees. She has found a niche here just as in the alternatives industry: “I talk to these professionals about the nitty gritty. Is their ground base secure, because without it they will struggle to achieve their goals?”

When she's not running a business or passing on pearls of wisdom, Alexandra sits on the board of the All-Party Parliamentary Group for Women and Enterprise and heads up the industry taskforce charged with implementing the recommendations of the HM Treasury Review into Female Entrepreneurship to change the shape of funding. “If we want change, we have to widen venture capital's lens. We do this by speaking to their investors, their limited partners, and ensuring they apply pressure on venture capitalists to invest in female-led businesses.”

Alexandra is optimistic that we are on the crest of a tidal wave of mass momentum. “Never before has our society been so digital, enhanced, transparent. Fixating on the past compounds the problem. We can change the narrative. The time is now.”



CHAPTER THREE



GOVERNMENT SHOULD GATHER MORE DATA ON STEM DROP-OFF RATES.

It should consult with schools, universities and experts to examine the role of socialisation in the STEM disparity, and how careers guidance could inform, tackle gender stereotypes, and ensure schoolgirls are aware of job opportunities and options later in life.



THE MEDIA SHOULD PROFILE FEMALE ENTREPRENEURS OPERATING IN TYPICALLY MALE-DOMINATED INDUSTRIES TO ENSURE GIRLS ARE GIVEN A BROAD RANGE OF ROLE MODELS.



BE SURE INVESTORS ARE RIGHT FOR YOU – NOT JUST THE OTHER WAY AROUND, SAYS ELVIE FOUNDER TANIA BOLER.

If the propensity to start a business begins young, we can feel buoyed by the recent news that the gender gap in STEM subjects is narrowing. In 2019, while the proportion of boys obtaining top grades in Maths nudged up to 20.6%, the proportion of girls getting A/7 or above leapt by nearly a percentage point, from 19% in 2018 to 19.9% in 2020. The number of girls taking computing rose by 14%. Though girls are still heavily outnumbered, making up less than a quarter of the total entries, they continue to outperform their male peers at the subject with just under 25% getting A/7 compared to 21% of boys.³⁸

It is also encouraging that increasing numbers of women are studying science, engineering and technology (SET) degrees.³⁹ So far, so positive, however over 70% drop out of SET careers (compared with half of men). This is a waste of investment, talent and opportunity – and is an area where the UK government must devote resources in an effort to reverse the trend.

Women occupy just 17% of tech jobs, 4% of software engineers, 3% of venture capital partners and 1% of leadership positions within STEM focused sectors.⁴⁰ With technological developments transforming working practices and how businesses are operated, young people will need the skills and mindset to navigate the future world of work. If women are less likely to pursue STEM and these academic disciplines often serve as a birthplace for entrepreneurial ventures, there is a compelling argument for doing more to increase uptake.

FUTURE FOUNDERS

The right education has never been more important. It is not the purpose of this report to examine the impact of coding and computational thinking in the curriculum, or programmes like Founders4Schools – other than to say that government should continue to champion such initiatives and consider a less piecemeal strategy to encourage more girls to study STEM.

Down the line, research also suggests that when women do pursue careers in these fields, they encounter male-dominated cultures and hierarchies that are unwelcoming. These factors contribute to industry segregation, such as retail and services. It may serve to exacerbate the STEM gap, with indirect, negative consequences for women on the entrepreneurial journey. Studies have shown that girls perform better than boys academically, and arguably have more choice to pursue the subjects they enjoy. Further, the more gender equal a nation, the lower the STEM uptake among girls, suggesting that gender equality allows girls to drop STEM subjects if they don't find them of interest. But we should ask why – especially as girls outperform in GCSE science but opt out of these subjects at A-Level.

Government should gather more data on STEM drop-off rates. It should consult with schools, universities and experts to examine the role of socialisation in the STEM disparity, and how careers guidance could inform, tackle gender stereotypes, and ensure schoolgirls are aware of job opportunities and options later in life. Something is pushing girls away from maths and science, even when those are their best subjects. The number of schoolgirls performing well in these disciplines far exceeds the number of women graduating with STEM degrees.

Socialisation is in part to blame: there is a notable difference between the progression rates in Physics, for example, from single-sex schools compared with co-ed schools. It would appear that, in many schools, expectations of students are gender stereotyped.⁴¹

At the Female Founders Forum Edinburgh roundtable, Genevieve Patenaude – a founding director at Carbomap – expressed concern that words are gendered from a young age. “It’s a fundamental issue and we need to find a way to cross that boundary,” she said. A recent poll of 2,000 young people found that girls as young as seven feel they cannot say or do what they want because of gender stereotyping. Nearly one in two said it made an impact on how much they participated in school.

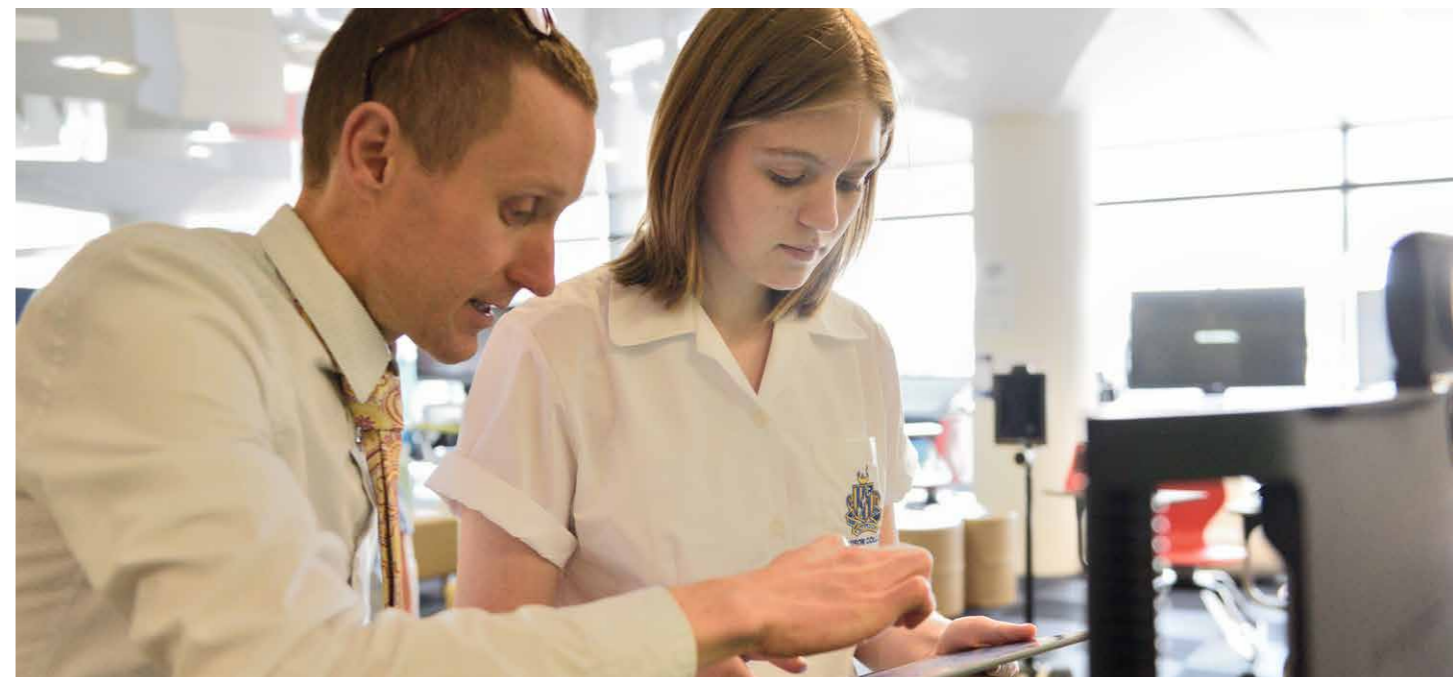
One student, quoted in a Girlguiding report, said a PE teacher had told pupils to do a “girl press-up”.⁴² Another complained that boys poke fun at girls wanting to play sports. Let’s hope the rise of women’s football (a record

billion viewers tuned into the FIFA Women’s World Cup this year) will put a stop to any teasing.

Certainly, we need a school-wide approach to gender equity, with support from the government, if we are to successfully address the STEM drop-off. It is not exclusively schools that may be pushing girls towards “reading” subjects. An extensive survey of girls across Europe found that a lack of female role models in STEM was a key reason that they opted out of a career in these sectors.⁴³

As we know from our own research, relatable role models are key to inspiring the next generation. Too often, male entrepreneurs are portrayed – by the media and entertainment industry – as running fast-growth tech companies. Instead, the media should move away from gender altogether when profiling Britain’s most successful entrepreneurs.

The sooner women’s success is treated the same as men’s – with a focus on the business rather than the gender – the sooner the public will perceive both male and female entrepreneurs as equal. Lastly, it is worth mentioning that enterprise education at UK universities is essential towards ensuring young people have the entrepreneurial skills needed to take advantage of the digital revolution. This, as the Federation of Small Businesses has highlighted, is particularly relevant for women. “Appropriate enterprise training has been shown to double women’s chances of starting a business, and triple their levels of confidence in their abilities,” researchers explain.⁴⁴



CASE STUDY TECH TRAILBLAZER

TANIER BOLER
CO-FOUNDER, ELVIE

“The numbers speak volumes. The female consumer of tech, although ignored, accounts for more than 80% of decision making when it comes to healthcare spending.”

Some high-potential female entrepreneurs drive local and national economic development. Others make substantial contributions to our social fabric. An elite group create entirely new industries. Yet by pioneering not just the world’s first kegel trainer but also the revolutionary silent breast pump, Tania Boler has done all three.

Concerns have recently been raised that the femtech sector will struggle to take off while venture capital remains male-dominated. Clue founder Ida Tin, who coined the term “femtech,” has previously expressed frustration that her business has failed to resonate with certain investors.

Elvie is bucking the trend. When Tania started out five years ago femtech didn’t exist. Now there are a few players in different parts of the world, focusing on different issues but all saying that “women’s health needs to be an important focus for technology”. Tania’s scale-up, recently listed as one of the UK’s Top 100 fastest-growing businesses and named by Business Insider as one of the 15 most impressive startups in Europe, offers technological solutions to formerly-taboo female health issues.

It recently launched a headline-grabbing campaign, where inflatable mammaries appeared across different London rooftops. In doing so, Elvie was forcing a conversation around breastfeeding and pumping – subjects some have previously felt uncomfortable discussing.

The business hit the spotlight back in 2013 with the release of its pelvic floor trainer. Suddenly, mothers across the world could dream of bouncing on a trampoline (with their children) once more. After all, it was only when Tania had her own child that she realised how common it is for women

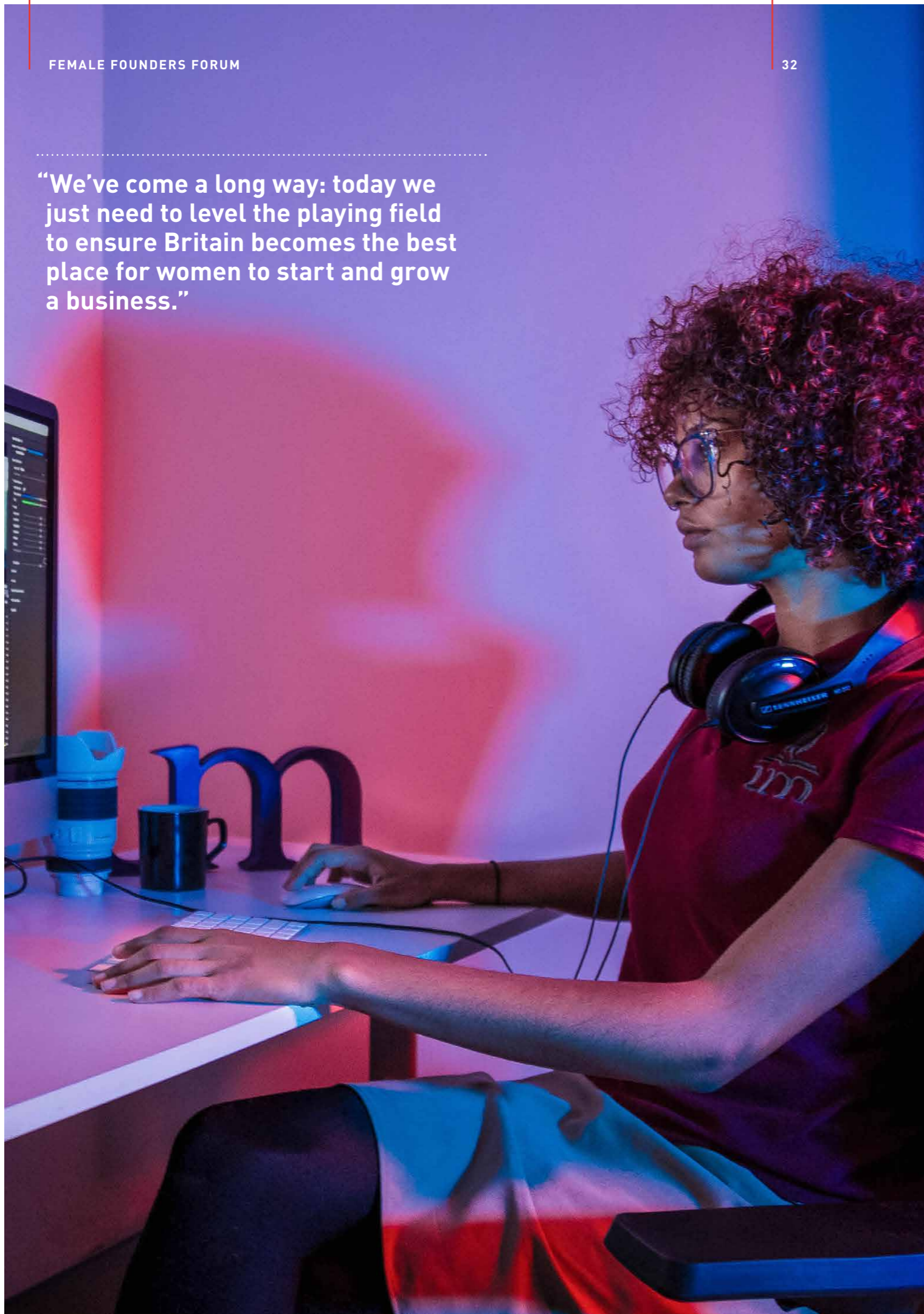
to encounter problems such as incontinence due to the pelvic floor stress associated with pregnancy. “The adult sanitary pad market is valued at close to \$14bn over the next couple of years. This has to end: it is crazy and largely preventable.”

“The investor community has finally woken up to the potential of femtech”.

Elvie recently announced the largest ever femtech funding round of \$42m. “The investor community,” Tania says, “has finally woken up to the potential of femtech”.

As Tania points out, “The numbers speak volumes. The female consumer of tech, although ignored, accounts for more than 80% of decision making when it comes to healthcare spending. If investors aren’t excited about that opportunity then they aren’t the right partners for us.” Importantly, she adds: “When raising money, bear in mind that you will need to work with these individuals for a long time. You need to be sure they are right for you – not just the other way around.”

“We’ve come a long way: today we just need to level the playing field to ensure Britain becomes the best place for women to start and grow a business.”



CONCLUSION

There are many positives to draw from the findings of the report and wider trend of increasing female participation in the workplace. Women are today living lives their ancestors could only have dreamt of.

We are the startup and scale-up capital of Europe, with companies attracting more venture capital than any other country on the continent.

Yet only one in five entrepreneurs is female, firms with at least one female founder receive just 10% of the funding pie, and women-led businesses are, on average, just 44% of the size of male-led companies.

Far from being a “women’s issue”, the scale-up gap has an impact on the UK economy as a whole. An economic mystery of the last few years is the productivity slowdown, and there is a growing concern that a divide between “superstar” firms pushing forward at the technological frontier and a long tail of small firms lagging behind is to blame.

With male SMEs five times more likely to scale up to £1m turnover than female SMEs, the economic case for more female growth businesses is hard to ignore.

“Far from being a “women’s issue”, the scale-up gap has an impact on the UK economy as a whole.”

Can female-led businesses scale? Of course – and several examples of high-growth female entrepreneurs can give an idea of the range of these activities.

Poppy Gustafsson and Nicole Eagan’s cyber security firm Darktrace has reached unicorn status. Anne Wojcicki is the co-founder of 23andme, the human genome research company that has received more than \$270m in venture capital financing. Weillie Dai is the co-founder of Marvell Technology Group, one of the world’s top semiconductor firms, which is publicly traded and employs more than 7,000 people.

It makes sense, therefore, to shine a spotlight on these women. As such, the Female Founders Forum in 2019/2020 will take on a thematic approach, addressing the industries where women are underrepresented, less likely to secure investment, or those that have historically failed to attract the attention of venture capitalists. These include social enterprise, femtech and agritech. We will work to get these entrepreneurs into schools, in the media, and in a room with fledgling founders at the start of their business journey.

A century ago, the Sex Disqualification (Removal) Act 1919 had yet to be passed and the most talented women weren’t even close to being able to fulfil their potential. Fifty years ago, women didn’t even use the word “entrepreneur”: their businesses were called “sidelines”.

Progress never comes easily – it wasn’t so long ago that entrepreneurship was the preserve of the extremely wealthy or wilfully ambitious (in the eyes of

society) – and reversing well-established trends within the investment sphere won’t happen overnight. There is no single solution: advancing female entrepreneurship in the UK will only happen if access to finance is part of a wider plan that includes improving access to tools, networks and resources.

“Only by instilling the right skills, financial literacy and self-belief in young girls will the narrative on female entrepreneurship change convincingly.”

Further, though networks can break down barriers in the here and now, levelling the playing field for female founders of tomorrow needs to start from the ground up. Only by instilling the right skills, financial literacy and self-belief in young girls will the narrative on female entrepreneurship change convincingly.

We’ve come a long way: today we just need to level the playing field to ensure Britain becomes the best place for women to start and grow a business.

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ACKNOWLEDGEMENTS

The Entrepreneurs Network together with Barclays would like to thank the following individuals and organisations for their contributions in writing this report and their support of the Female Founders Forum project.

INDIVIDUALS

Natalie Alpi, Mel Beeby Clark, Ruth Bradford, Jess Butcher, Virginie Charles-Dear, Claire Cohen, Lucy Cohen, Alison Cork, Carolyn Currie, Dana Denis-Smith, Tzvete Doncheva, Sophie Eden, Tanya Estrella, Frankie Fox, Claudia Friegang, Lina Gasiunaite, Rebecca Glenapp, Giselle Goodwin, Harriet Green, Victoria Harper, Professor Mark Hart, Fiona Houston, Sophie Jarvis, Lu Li, Dan Martin, Genevieve Patenaude, Jessica Pillow, Thanh Quan-Nicholls, Cecile Reinaud, Charlotte Reypens, Nima Sanandaji, Jess Saumarez, Dr Helen Shaw, Hannah Skingle, Iona Smith, Amelia Stewart, Amanda Thomas, Ellie Webb, Henry Whorwood, Julie Wilson, Catherine Wines and Devika Wood.

ORGANISATIONS

All-Party Parliamentary Group for Entrepreneurship, All-Party Parliamentary Group for Women and Enterprise, Beauhurst, Engine Shed, Enterprise Nation, Nesta.

The report was authored by Annabel Denham of The Entrepreneurs Network, with the support of Sam Dumitriu of The Entrepreneurs Network and Polly Haydn-Jones of Barclays.



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