

# BRIEFING PAPER

# ACCELERATE TO EXCEL

A Briefing Paper for the Female Founders Forum

Margaret Mitchell



In partnership with



## About the Female Founders Forum

The Female Founders Forum was founded in 2016. The Entrepreneurs Network, in partnership with Barclays, wanted to address 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.

With support from Beauhurst, we were among the first to shed light on the gender funding gap with our groundbreaking *Untapped Unicorns* report. We followed this up with *Mentoring Matters*, which made the evidence-backed case for better access to networks and mentors to ensure female founders can thrive. In 2019, *Here and Now* revealed that the share of funding to women-led firms has doubled in less than a decade, and in 2020 in *Resilience and Recovery* we found that female

entrepreneurs had been hit harder by the Covid-19 pandemic. In *Inspiring Innovation*, we examined what female founders are doing at the technological frontier and how best to support them, and last year, in *One In A Million*, we surveyed some of Britain's most trailblazing female founders, to showcase their success, and identify the barriers that they continue to face as women.

We aren't just about research either. We bring like-minded entrepreneurs together in events around the country, including speed mentoring events which match established female founders with new entrepreneurs with ambitions to scale, and we regularly host networking events at which successful female founders share their wisdom.



### THE ENTREPRENEURS NETWORK

The Entrepreneurs Network is a think tank for Britain's most ambitious entrepreneurs. We bridge the gap between entrepreneurs and policymakers, with the aim of making Britain the best place in the world to start and grow a business. We have a network of over 10,000 entrepreneurs and are the Secretariat of the All-Party Parliamentary Group (APPG) for Entrepreneurship, which sits across the House of Commons and House of Lords.



### BARCLAYS

Barclays is a British universal bank. We are diversified by business, by different types of customer and client, and geography. Our businesses include consumer banking and payments operations around the world, as well as a top-tier, full service, global corporate and investment bank, all of which are supported by our service company which provides technology, operations and functional services across the Group. To find out more about how Barclays can support you and your business search Barclays Women in Business.



### 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](https://beauhurst.com).



**RT HON CAROLINE NOKES MP**  
Chair, Women and Equalities  
Committee

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***"The Female Founders Forum has contributed constructively to the policy debate, offering practical solutions that will move us towards a more equal future."***

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## Foreword

Our country thrives on the entrepreneurial spirit of its people. They are the ones with the guts to go off and launch their own businesses – creating jobs and opportunities, developing new technologies, and contributing to our public services. Without our entrepreneurs, Britain would be a poorer, less dynamic place.

Being a Member of Parliament, I have had the privilege to meet countless different individuals from all walks of life who have managed to start and grow a business of their own. But still, entrepreneurship remains an unequal undertaking for too many people.

As The Entrepreneurs Network and Barclays have tirelessly shown over the years since setting up the Female Founders Forum, women in particular face a host of unique challenges when it comes to enterprise. At just about every turn, female entrepreneurs experience obstacles that their male counterparts do not have to deal with – whether that's when they're raising investment or simply being taken seriously in business. Only 10% of investments go to all-female startup teams even though there is no data to suggest that these teams underperform their male counterparts. There is a persistent gender funding gap which we must address.

In reading this report, I was especially struck by the personal testimonies of the female founders who, despite showing the ability to build incredibly successful companies, continue to be treated as less capable businesspeople. These are not individual cases but, rather, they reflect a deeper problem – a problem I know personally from countless cases I heard from my constituents. If women today need to keep fighting these battles, then young girls also grow up expecting to deal with them too. This cannot be a legacy we leave for the next generation if we are to see a brighter future for our country.

In addition to diagnosing the various problems that confront women entrepreneurs, the Female Founders Forum has also contributed constructively to the policy debate, offering practical solutions that will ultimately help move us towards a more equal future. It's because of invaluable efforts like these that we are seeing progress – such as the record number of women who became entrepreneurs in 2022, or the fact that female-led businesses now represent one fifth of all UK firms (up from one sixth in 2018).

Yet, while this progress should be celebrated, we can – and must – go further, faster. More work is required if we're to maximise the entrepreneurial potential of women in Britain. The reward on offer is huge, with the Treasury itself estimating that up to £250 billion of new value could be added to the British economy if women in the UK started and scaled new businesses at the same rate as men do.

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***"I'm grateful to the Female Founders Forum for continuing to campaign on the issues that matter most – not just in this report but all of those which it has published in the past several years."***

To unlock that prize, we cannot sit idly by. As politicians, we need to ensure that policies are fit for purpose, and reform them when they're not. We must work harder to close the gender funding gap, incentivise more women to become investors and put more resources into entrepreneurship education. In the private sector, business leaders and investors need to give women entrepreneurs a fairer hearing.

I'm grateful to the Female Founders Forum for continuing to campaign on the issues that matter most – not just in this report but all of those which it has published in the past several years.

Together, we must end the inequalities women face in entrepreneurship.



**JULIET GOULDMAN**

Director, Business Banking, Barclays

***"Research on UK female entrepreneurs has tended to identify the same broad barriers: access to finance, access to business networks, and the disproportionate burden of family caring being placed on women."***

## Foreword

Unlocking the full potential of female entrepreneurs has been a challenge for policymakers and financial institutions alike for many years. Barclays and The Entrepreneurs Network established the Female Founders Forum in 2016 to better understand the opportunities and advocate for effective change. Since the launch of the Investing in Women Code in 2019, both the means and the momentum to address these challenges have improved.

The government-commissioned review into female entrepreneurship laid bare the barriers facing women. It identified the substantial economic and social benefits that could be realised by fostering the entrepreneurial spirit and activity of women in the UK. Given the wide range of activities now in place to support these objectives, now is the time to reflect on the work that has been done, consider the successes achieved, and crucially, ask where do we go from here.

Against this progress, we must acknowledge the wider macroeconomic circumstances that have led to even more challenges for women business owners. During the pandemic, female-led businesses were hit particularly hard. Whilst there were challenges for all businesses, we saw those run by women suffering a greater impact, with a far greater proportion of women in those sectors that were hit hardest, as well as social factors such as being impacted by taking on most additional childcare. Since then the recovery has led to some benefits, with flexible and remote working becoming more widely accepted. There has also been additional emphasis on childcare among policymakers and political parties, recognising the significance of addressing the prohibitive costs of childcare.

Research on UK female entrepreneurs has tended to identify the same broad barriers: i) access to finance; ii) access to business networks, with women placing a greater value on networking and mentoring, but being less likely to have access to them; and iii) the disproportionate burden of family caring being placed on women. These core factors combine to create the perfect storm, placing substantial constraints on women both starting and scaling businesses. As an advocate for change and an institution which supports nearly 1 million small businesses in the UK, Barclays recognises the power and responsibility we have to improve the enterprise ecosystem for all under-represented founders, including women. Consequently, Barclays became a founding signatory of the Investing in Women Code, for which we initially pledged our three-year commitments to:

- 1) Support 100,000 women across the UK to start and run their businesses;
- 2) Help connect women in business with the finance they need to succeed;
- 3) Provide skills to this generation and the next to help them into entrepreneurship.

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***"Beauhurst data shows that 56% of entirely female-founded high-growth companies have attended an accelerator, compared to 27% for men."***

Barclays set about reaching these objectives through a range of initiatives. These included running a range of female-focused events through our Eagle Labs network, providing guidance and support on topics such as starting up, cashflow, navigating the funding landscape, as well as "female founder connection calls."<sup>1</sup> Taken together, we've supported thousands of female founders across these regional and virtual events. In addition, we launched 'Her Own Boss', a podcast aimed at inspiring and empowering women and girls to consider enterprise as a career option and challenge perceptions. In addition to employability and financial education, the Barclays LifeSkills programme has delivered thousands of lessons to girls in schools, focusing on providing practical skills that underpin 'becoming an entrepreneur' and featuring female role models. We have also partnered with the British Library and its national small business support service, the Business & IP Centre, to deliver "Reset. Restart." which offered support on starting up, building resilience and accessing finance for businesses impacted by the pandemic. It has proven very successful, particularly appealing to women, who represented over 60% of attendees.

The expansion and success of accelerators have complemented the improvement in skills and access to finance for female entrepreneurs.<sup>2</sup> Women are far more likely to value networks and accelerators, but historically have had less access to them. This picture has changed dramatically over the last few years. Beauhurst data shows that 56% of entirely female-founded high-growth companies have attended an accelerator, compared to 27% for men.<sup>3</sup> Barclays has also helped to facilitate this progression, and has run a variety of accelerators, including through partnerships with AccelerateHer and Anthemis which focuses support on female-led fintechs. Feedback and results demonstrate what an incredible and popular resource these accelerators are. Work continues to ensure all women who would benefit from them understand what is available. Barclays created a digital hub for women in business, bringing together information about all the tools, resources and accelerators available. The Council for Investing in Female Entrepreneurs has also done a tremendous amount of work in this space, and their superb Invest in Women Hub provides resources from across the whole ecosystem, with guidance on finding finance, networks and accelerators.<sup>4</sup>

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The topic of business funding has proven to be a multifaceted challenge. There have been improvements in the funding landscape, but it remains the case that only 10% of venture capitalist funding goes to all female-founded businesses.<sup>5</sup> The Investing in Women Code has done much to drive further progress by establishing what 'best practice' looks like for both venture capital and angel investors. For bank financing, significant

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1 Nationwide network providing businesses with a range of services to help them to connect, grow and scale.

2 Nesta estimates doubling of Accelerators since 2017.

3 Beauhurst (2019). [Female Entrepreneurs: gender diversity across the UK's high-growth ecosystem.](#)

4 *The Council for Investing in Female Entrepreneurs* sponsored by the Department for Business and Trade (DBT) to encourage UK-based institutional and private investors to support and invest in female entrepreneurs.

5 Beauhurst.

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***"At Barclays, we want to be a partner for growth and help all women in business realise their ambitions."***

disparities remain in both the volume and the value of the funding going to female-led businesses. Much of this difference is due to the composition of the business populations – women are far less likely to start businesses in capital-intensive industries and on average female-led businesses remain smaller than male-led ones – leading to female-led businesses applying for finance less and for lower amounts, albeit with similar approval rates.

However, if you dig beneath the surface there are more levers that can be pulled to positively influence this trend. Research shows how women's attitude to risk results in them seeking a greater understanding of the range of financing available and the potential implications of debt, to help give them the confidence to apply for funding.<sup>6</sup> Research also suggests that women are more likely to value greater flexibility in lending products, allowing them to better manage repayments for family care needs. These are factors the financial services industry and Barclays have been trying to improve, through our family-friendly lending product and suite of tools, webinars and events to help women navigate the increasingly complex financing landscape. Progress has been made, but more is possible.

Most recently Barclays launched 'specialist coaching' providing support to female entrepreneurs on business planning, cashflow forecasts, digital tools and accessing finance through our extensive Business Relationship Manager network across the UK. The feedback has been very positive and we hear time and time again how providing these sessions has given women the tools, knowledge and confidence to further their businesses. Initiatives like these are proving invaluable, but to really change the picture we need to expand delivery. This is why Barclays is now pledging to support 150,000 women to start, run or grow their businesses over the next three years. We want to be a partner for growth and help all women in business realise their ambitions.

It is immensely rewarding to see the positive progress made from the concerted efforts across the financial services industry, education institutions and government to lower the barriers to female entrepreneurialism. However, the systemic issues identified will not be resolved overnight, so an ongoing determination will be required if we are to achieve lasting change. This should reflect the determination of the creative, resilient and innovative female founders in the UK. We know that economic change will bring new challenges in addition to longstanding issues of funding, networks, investor biases, changing perceptions and childcare, but there is a solid foundation on which to make further progress giving cause for cautious optimism. This report contains calls to action and policy recommendations that will continue to support individual and economy-wide opportunities for women and the whole population.

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

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6 Firefish and Barclays Qualitative research into Women in Business.

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## Introduction

The Female Founders Forum was established in 2016 seeking an answer to a pressing question: why don't female founders scale their businesses at the same rate as their male counterparts?

In the intervening years, we've shone a light on a host of issues which explain why this is the case. Our research has informed our policy campaigns, and helps us tackle the various obstacles women encounter, while also practically bridging the gaps between female entrepreneurs, investors and policymakers at regular events. The Female Founders Forum intersects with all of the other programmes The Entrepreneurs Network runs, and we're proud that of our 10,000 plus members, half are female founders, from whom we can learn directly about the challenges being faced – from regulations to funding, to other aspects of entrepreneurship.

Our first report in 2017 illuminated the gender funding gap.<sup>7</sup> For the first time, using Beauhurst data, we revealed that companies with at least one female founder received only 9% of all investment in the UK. Since then, we have been working towards closing this gap, as well as addressing other obstacles which continue to stymie female entrepreneurs.<sup>8</sup>

Even though historic events such as the Covid-19 pandemic challenged this already fragile environment, female-led businesses demonstrated resilience and the power to recover.<sup>9</sup> As this report will show, progress has been made. The creation of the Investing in Women Code, for instance, has led to greater transparency on the volume of female-led businesses, as well as the bank funding, grants and equity investment they receive. The establishment of the Council for Investing in Female Entrepreneurs and the Invest in Women Hub have further helped raise awareness of the different support, tools and funding options available. Meanwhile, work is being undertaken by both the public and private sectors more broadly to better identify best practice for supporting female-led businesses.<sup>10</sup>

As with previous years, we're releasing Beauhurst's latest data on the gender funding gap alongside this report. From it, we can see that there have been further improvements in the number of deals. As Chart 1 shows, in 2013, 8% of deals went to all female teams, with a further 8.6% going to mixed gender teams. In the first half of this year, those figures have risen to 10% and 15% respectively. However, the percentage of total deal value has actually gone down for female-led teams between the 2013 and H1 2023 – from 4.2% to 3.5%. Among mixed teams over the same time period, it has risen from 8.8% to 11.4%.

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7 The Entrepreneurs Network (2017). [Untapped Unicorns](#).

8 This was subsequently revised up slightly to 11% based on additional data.

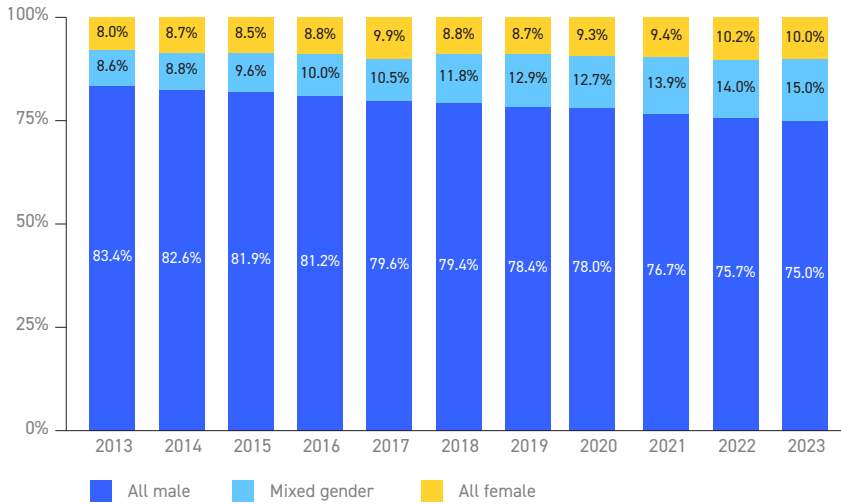
9 The Entrepreneurs Network (2020). [Resilience & Recovery](#).

10 Invest in Women Hub (2023). [About the Invest in Women Hub](#).



**CHART 1**

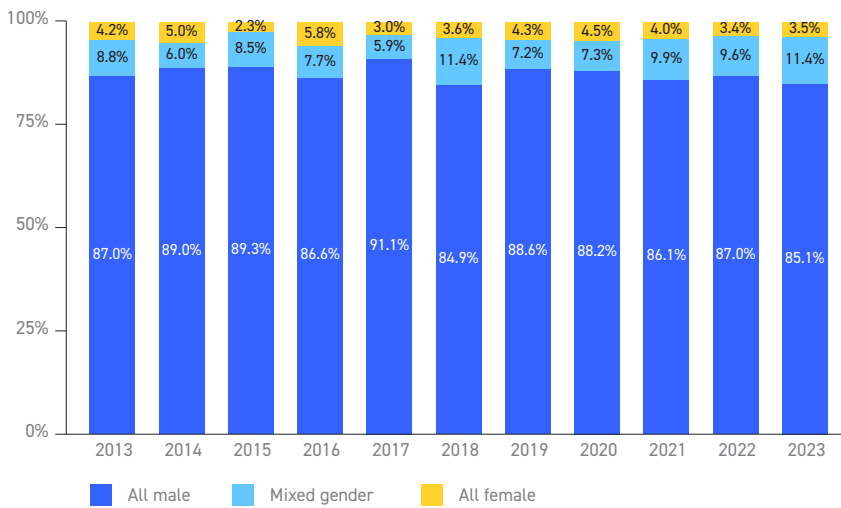
Percentage of deals by founders' gender



Source: Beauhurst.

**CHART 2**

Percentage of total deal value by founders' gender



Source: Beauhurst.

While the data on deals paint a mixed picture, what's clear is that the pipeline of female entrepreneurs is getting stronger. We've seen an increase in the number of women founding new businesses in the UK – more than 150,000 in 2022, which is the highest number on record – with all-female-led companies now representing above 20.5% of all UK businesses, up from 16.7% in 2018.<sup>11</sup>

11 NatWest (2023). [The Rose Review Progress Report 2023](#).

Beyond finance, the emergence of accelerators, incubators, networking opportunities and mentorship programmes have also helped equip women with knowledge and resources and, perhaps most importantly, making introductions to investors who can provide access to more funding.

Progress is the greatest indicator of further progress. Sam Smith, former Chief Executive of FinnCap, highlighted to us that the rise of successful female entrepreneurs “creates an ever increasing pool of role models to continue to improve progress.” Additionally, by underlining research on successful companies, Bridget Greenwood, Founder of The 200Bn Club, emphasised that “investing in diverse teams is not a checkbox but a smart business decision.”

Still, like all countries, we have a long way to go. And the potential opportunity is huge. Research from HM Treasury has found that the gender gap accounts for around 1.1 million missing businesses. If we can create an entrepreneurial environment where those businesses have the right resources to sustain themselves, and where potential female entrepreneurs have the right incentives and opportunities, an estimated £250 billion could be added to the UK economy.<sup>12</sup>

But this is only one part of the puzzle. Female-led businesses are on average 44% of the size of male-led businesses in terms of their contribution to the economy, and male-led small businesses are five times more likely to scale up to £1 million turnover than female-led small businesses. Twenty-nine percent of male entrepreneurs will eventually achieve £1-50 million turnover, yet only 13% of women running established businesses manage to achieve this.<sup>13</sup>

All of this is despite the fact that women are as successful as men in sustaining a business once established, with 73% of entrepreneurs of both sexes running businesses older than 3.5 years.<sup>14</sup> The question we must continue to ask, therefore, is what is preventing successful, established female founders from scaling their businesses to the extent of their male counterparts?

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**The question we must continue to ask is what is preventing successful, established female founders from scaling their businesses to the extent of their male counterparts?**

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12 Ibid.

13 Ibid.

14 HM Treasury (2019). [The Alison Rose Review of Female Entrepreneurship](#).

## Challenges & Progress

Since The Entrepreneurs Network created the Female Founders Forum in 2016, we've seen how women entrepreneurs face a host of different challenges in setting up, running, and growing their businesses. In this section, we will review what they are, what progress has been made, and what more we must do.

ISSUE	CALL TO ACTION
<b>Funding</b>	<p>Despite some progress being made, the equity funding gap continues to persist. The Investing in Women Code's expansion to 190 signatories, up from 134 last year, is to be celebrated, with backers of the Code representing over £1 trillion in assets under management. But efforts need to continue until the data reflects the ambition. To this end, all political parties should commit to further efforts in their manifestos to close the equity funding gap.</p>
<b>Networks</b>	<p>Organisations in the public, private and third sectors have driven the growth of accelerators and incubators. Where interventions have been shown to be successful, long-term funding should be assured and best practice spread.</p> <p>Interventions should be measured – currently only 10% of programmes use a control group in evaluations – which is something the Government should also fund. In the long-run this will save taxpayers money by better understanding and replicating what works, and stopping what doesn't.</p>
<b>Investor Biases &amp; Financial Education</b>	<p>The Women Backing Women campaign via the Women Angel Investment Taskforce has engaged thousands of new and prospective female angel investors to help unlock new sources of early-stage funding for founders across the UK. Almost a quarter of all companies backed by female angels were female-founded, despite women making up just 14% of angel investors in the UK.<sup>15</sup></p> <p>But we have to recognise that progress has stagnated since 2016. The Government should continue to work closely with the UKBAA to ensure everything is being done to encourage more high-net worth women to be aware of the option of becoming an angel.</p>
<b>Childcare</b>	<p>High childcare costs prevent women from starting and scaling businesses. Progress has been made on childcare reforms, and there is cross-party consensus that this is a critical issue. But in order to drive this forward, all major parties must include concrete plans in their manifestos on how they will further bring down costs.</p>
<b>Changing Perceptions</b>	<p>Perceptions and culture matter. The media and public bodies have come a long way in a short time, but more work is needed to ensure female entrepreneurs are portrayed as role models for potential female founders.</p> <p>Policymakers should also provide higher quality and more accessible information for young people and their parents to help them understand how their subjects and degrees might impact their future career trajectory and earning potential.</p>

15 UK Business Angels Association (2023). [Women Backing Women: Encouraging more women to angel invest.](#)

## 1. FUNDING

The equity funding gap still persists in 2023. Understanding and addressing it is vital to the success of Britain's female founders.

The number of deals going to female-led teams is 25%, but those deals are often worth significantly less than those for male-founded companies: 11.4% of equity finance goes to companies with a female founder, and just 3.5% goes to companies with all-female founding teams – not at all proportional to their presence in the business population as a whole.<sup>16</sup>

“As a female founder that has raised quite a bit of money to fund growth, I can say that there is a serious lack of venture money available to female founders,” said Whitney Bromberg Hawkings, Founder and CEO of FLOWERBX. She told us that having access to a network of angel investors helped her but “for those women without access to these affluent people, I cannot imagine how they would access funds for growth.”

Similarly, Jordan Brompton, Co-Founder of myenergi, a British manufacturer of renewable energy products, highlighted that “it’s disheartening to learn that 35% of female entrepreneurs face gender bias when it comes to raising capital, with women less likely than men to secure funding for their ventures.”<sup>17</sup> She pointed out that more than half of all female entrepreneurs cited this disparity as their biggest barrier to starting a business: “Finance equality shouldn’t be something that we have to talk about in 2023, but unfortunately it is.”

The Female Founders Forum has tended to focus on equity finance, but it should be noted that disparities between male-led and female-led businesses also persist in bank lending, but for different reasons. The disparity in debt finance is due to far fewer women applying for bank finance, despite approval rates being the same, if not higher, for women. The average loan size is also considerably smaller for women than men. There are many different reasons for this – including the fact that women are less likely to run businesses in capital intensive industries such as construction and agriculture, as well as the average turnover being lower.

Grants are another crucial means through which innovative female-led startups are supported. They are the only form of finance that women are more likely to use than men, but they are on average 20 to 30 times smaller than angel investments. Furthermore, large innovation grants, which typically exceed £100,000, have been given to all-female founded teams at rates of around 4-5% consistently since 2012.<sup>18</sup> Importantly, 69% of large innovation grants are given in the technology and IP sector, yet only 19% of companies in this sector have a female founder.<sup>19</sup>

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### → CALL TO ACTION

*Despite some progress having been made, the equity funding gap continues to persist. The Investing in Women Code’s expansion to 190 signatories, up from 134 last year is to be celebrated, with backers of the Code representing over £1 trillion in assets under management, but efforts need to continue until the data reflects the ambition. To this end, all political parties should commit to further efforts in their manifestos to close the equity funding gap.*

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16 The Entrepreneurs Network (2022). [One In A Million](#).

17 HSBC (2019). [Over a third of female entrepreneurs experience gender bias](#).

18 Beauhurst (2019). [Female Entrepreneurs: gender diversity across the UK’s high-growth ecosystem](#).

19 Ibid.

## 2. NETWORKS

No successful entrepreneur got to where they are by operating in isolation. While they might have been the brains and determination behind their businesses, lots won't be in the position they are today without an equally talented co-founder, an experienced mentor, a particular investor, or a strong team.

Knowing the sorts of people who can help you take your business to the next level requires a strong network. And yet, one thing we have heard time and again over the past several years is that female entrepreneurs feel they do not have the same opportunities for networking as male entrepreneurs do. As Elsie Rutterford told us: "With the percentage of female founders or leaders being lower than men, it can mean finding female mentors or advisors can be tricky as the pool is simply smaller. That smaller volume of role models also impacts your belief of a female that founding and exiting a startup successfully is doable." Why might this be the case?

First, there are comparatively few women at high-growth stages in their businesses, or with access to sufficient capital to help as investors. Warm leads, the typically informal connections made through personal contacts, are twice as likely to lead to investments than cold ones. There are obvious and understandable reasons for this, but if we work to shift investor behaviour by encouraging them to accept more cold approaches and building platforms to connect investors with founders in a meaningful way, it could lead to better access for female entrepreneurs.

Second, some women are cut off from informal networks: 59% of female founders who have raised over £1 million feel their gender puts them at a disadvantage, and have cited being ignored in meetings, asked to do PA work, or being treated as less intelligent and less capable than they believe a man would be treated.<sup>20</sup> A major contributor to this feeling of discrimination is a lack of female perspectives on the investor side, as 83% of venture capital firms lack even a single woman on their investment committees.<sup>21</sup>

One aspect of networking which female founders appear to have done relatively well out of is making use of accelerator programmes, which enable entrepreneurs to build networks, meet mentors and gain access to investors. Fifty-six percent of entirely female-founded companies have attended an accelerator programme, while only 27% of entirely male-founded companies have.

The provision of accelerators has seen impressive expansion in recent years and there has been a concerted effort from national and local governments to create more opportunities to participate in accelerators, both through dedicated female-led accelerators as well as by raising communication and awareness of accelerators available to all businesses. In 2022, the Centre for Entrepreneurs uncovered over 400 active incubators and 300 accelerators,

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### → CALL TO ACTION

*Organisations in the public, private and third sectors have driven the growth of accelerators and incubators. Where interventions have been shown to be successful, long-term funding should be assured and best practice spread. Interventions should be measured – currently only 10% of programmes use a control group in evaluations – which is something the Government should also fund. In the long-run this will save taxpayers money by better refining and replicating what works, and stopping what doesn't.*

20 The Entrepreneurs Network (2022). [One In A Million](#).

21 Ibid.

representing a near doubling of provision since the last comparable survey was conducted by Nesta in 2017.<sup>22</sup>

Accelerator programmes and other networks for female founders are critical to the progress of female-led businesses. They are adept at meeting women's needs once they have been identified.



## ACCELERATORS

Many private institutions are working hard to create more opportunities for female founders. Barclays Eagle Labs created the Female Founder Accelerator in partnership with AccelerateHer to build skills and to provide mentoring and networking opportunities for female entrepreneurs. Barclays offer a range of accelerators to promote investment readiness, growth and create opportunities for founders to drive their business forward.

### 3. INVESTOR BIASES & FINANCIAL EDUCATION

Bias within venture finance is still a problem. Many female entrepreneurs report being overlooked in favour of their male counterparts, or worrying that they will not be taken seriously in pitch meetings. Anecdotally, we have heard how some choose to be accompanied at pitches by a male colleague as a result.

“I notice greater misogyny, greater capacity to be overlooked, ignored and swept aside. It can be deeply frustrating,” Giovanna Forte, Founder and CEO of Forte Medical, told us. “Every man making a cold proposal to our business writes to one of my male Co-Directors, neither of whom work full time for Forte Medical. The enquiry inevitably ends up with me, the female CEO they overlooked or ignored. Of course it will still receive due consideration, but the situation is frustrating and a little insulting.”

This is an issue on both sides of the relationship: we simultaneously see too few women pitching – and too few women making investment decisions. In 2010, around 3% of angel investors were female; by 2016, the figure had jumped closer to 14%.<sup>23</sup> However, in 2022, it still remained around 14%.<sup>24</sup> Only 18% of people who work in venture capital are women and only 13% of senior decision makers are female.<sup>25</sup> This imbalance looks even starker

22 Centre for Entrepreneurs (2022). [Incubation Nation: The acceleration of UK startup support.](#)

23 The Entrepreneurs Network (2016). [Female Founders Forum Roundtable with Barclays.](#)

24 NatWest (2023). [The Rose Review Progress Report 2023.](#)

25 The Entrepreneurs Network (2022). [One In A Million](#); Sam Shead (2019). [Diversity In U.K. Venture Capital Firms Remains Shockingly Low.](#)

when we consider that 48% of investment teams in the UK lack a single female member.<sup>26</sup>

It's therefore not surprising that many female entrepreneurs feel unheard or unrecognised by investors. Deirdre Mc Gettrick, CEO and Co-Founder of ufnish.com, said to us that many investors assume women are "going to be weaker than male peers," before adding "once they meet me that goes pretty quickly." However, she doesn't expect a quick change in this attitude.

The effects of this limited range of perspectives have been experienced by many of our members. Forte struggled to be heard in pitch events by male decision makers. "Working on the neglected and overlooked female health issue of UTIs, combined with being a female founder, does not entice investors who can be belittling, patronising and dismissive without knowing any detail," she said. A male investor quashed her pitch before knowing the details, and "unlike the male-presented pitches, he asked no questions."

Attracting more women into angel investing can help to bridge the investing gap too. "We founded BYBI in 2017 and since then the conversation around female funding has really accelerated," Elsie Rutterford said. "We've seen organisations such as the Female Founders Forum shine a light on the matter, as well as female-focused angel networks such as Alma Angels or communities such as Allbright have cropped up." Angel Academe works with investors or high net-worth individuals who would like to invest in female-founded businesses but might not know where to start, and provides them access to advice and a network of high growth potential businesses with at least one female founder.

However, female founders often don't have access to the knowledge of how and where to seek out funding for their businesses. Financial literacy is hugely important to ensuring success, and yet it is infrequently spoken about as a barrier to female founders or an area that needs improvement. Many women found businesses without a background in investment. Often this education is left up to networking groups and accelerators, but it should be more accessible – as we have seen, women rely on accelerators far more than men, and while accelerators can be beneficial, this disparity should not exist in the first place, as women should have equal access to knowledge and resources in starting a business.

## → CALL TO ACTION

*The Women Backing Women campaign via the Women Angel Investment Taskforce has engaged thousands of new and prospective female angel investors to help unlock new sources of early-stage funding for founders across the UK. Almost a quarter of all companies backed by female angels were female-founded, despite women making up just 14% of angel investors in the UK.<sup>27</sup> But we have to recognise that progress has stagnated since 2016. The Government should continue to work closely with the UKBAA to ensure everything is being done to encourage more high-net worth women to be aware of the option of becoming an angel.*

26 The Entrepreneurs Network (2021). [Inspiring Innovation](#); Department for International Trade (2019). [UK FinTech - State of the Nation](#).

27 UK Business Angels Association (2023). [Women Backing Women: Encouraging more women to angel invest](#).



## COMMITMENTS TO THE INVESTING IN WOMEN CODE

To address the disparities women in business face, Barclays committed to helping 100,000 women start and run their business and are pleased to have achieved this three year goal. Barclays are now pledging to help 150,000 women start, run and grow their business over the next three years through provision of accelerators, tools, mentoring, networking, specialist coaching and much, much more.

## 4. CHANGING WORK

Our economy has changed enormously in recent years. New industries, enabled by the rise and diffusion of new technologies, have emerged. With this change comes opportunities for female entrepreneurs. But we should also bear in mind that, as highlighted in our 2021 report, less funding goes towards female-founded businesses than male-led companies in critical industries such as AI, life sciences and e-commerce.

“Investment in female founded businesses, especially those tackling female health, needs greater muscle,” Giovanna Forte told us. Only 5% of investment in the life sciences goes to companies with a female founder despite the field having 22% of its companies founded by at least one female, and only 2.5% of publicly funded research goes towards reproductive health issues, despite one in three women suffering from some kind of gynaecological or reproductive health problem.<sup>28</sup> Further, women hold only 15% of senior positions in life sciences – a disparity which can have huge implications for women’s health.<sup>29</sup>

In retail and e-commerce, 29% of businesses have at least one female founder, yet only 3% and 5% of investment goes to them, respectively.<sup>30</sup> As more of the economy pivots towards digital sales, this discrepancy will lead to the widening of the gender funding gap – and needs attention.

Only 26% of data and AI employees are women, as are only 16% of senior AI academics. According to recent analysis from the Alan Turing Institute, female-founded companies account for less than 3% of venture capital (VC) funding deals involving AI startups.<sup>31</sup>

Kathryn Parsons, Founder and Co-CEO of Decoded, told us that “the future of work is uncertain to all of us,” and although AI is expected to cost some jobs, it will also create new ones. “It’s the founders of the future who will be key to giving birth to these new roles. I’d like to see a world where at least half of those founders are women.”

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**Female-founded companies account for less than 3% of venture capital funding deals involving AI startups.**

28 The Entrepreneurs Network (2021). [Inspiring Innovation](#).

29 Society of Biology (2013). [Women in academic STEM careers](#).

30 The Entrepreneurs Network (2021). [Inspiring Innovation](#).

31 Alan Turing Institute (2023). [Rebalancing Innovation: Women, AI and Venture Capital in the UK](#).



What we're working on isn't the only thing that has changed. Since the Covid-19 pandemic struck, *how* we're working has also been disrupted massively too. Remote work has allowed more flexibility for many women, and the shift towards more remote-friendly workplaces has generally been perceived as beneficial for female founders.

Cecile Reinaud, Founder of Seraphine, who exited the company in 2020, described the "fast pace of change in the workplace" as a "huge opportunity for women to break through the glass ceiling." Jordan Brompton, meanwhile, said "women who previously had to leave the office early for the school pick-up, or work part-time hours to look after the household, finally have the ability to traverse around the glass ceiling." The shift away from 'presenteeism' has been particularly noticeable: "Long gone are the days of business being done on the golf course, or promotions being given to those who work the longest hours," she added. Women have typically been hindered by presenteeism, as their share of family duties has often meant that they have to spend larger amounts of time outside of the office.

The ability to attend events remotely has also facilitated more networking for women entrepreneurs. Since the rise of online meetings during the pandemic, women who had previously struggled to attend in-person networking events – whether due to childcare responsibilities, transportation issues or being located outside of major cities – are now able to participate and take advantage of the benefits of these opportunities.

The impact of remote working has suited many female founders, and has also helped to break down the 'motherhood penalty' by continuing to give women the opportunity to work as their circumstances change when they start a family. "The way the world of work has changed over the last few years has underlined what female entrepreneurs – and mums in particular – have been saying and doing for years," said Justine Roberts CBE, Founder and CEO of Mumsnet. "It's possible to have a family, to work flexibly or remotely, and still be successful," she added.

That being said, experiences of home working have not all been positive. Research from America shows that women were more likely to work at their kitchen tables while their male partners took the home office,<sup>32</sup> and anecdotally this seems to have been the case in the UK too.<sup>33</sup> A kitchen table might suffice as a place to send a few emails, but it's scarcely somewhere to build a truly successful business from. "Having to stay home did have the advantage of not having to commute, but that was offset by the disadvantage of having to take care of all domestic chores 'since you are already here'," said Dr Jessica Mann, Co-Founder of Antidote.me. As such, while many of the recent developments have been positive, there are also some unintended consequences to be mindful of.

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**The shift towards more remote-friendly workplaces has generally been perceived as beneficial for female founders.**

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32 Chubb (2020). Resilient, Committed, Engaged and Worried: The Experiences and Risks of Americans Working from Home During COVID-19.

33 Maria Lalley (2020). Women are asking to be furloughed to cope with home-schooling, but are their jobs now at more risk?

## 5. CHILDCARE

Balancing caring responsibilities with work can be a limiting factor for female founders. Childcare costs have made it unfeasible for some women to return to work after they have children. Last year's Female Founders Forum report revealed that 44% of female founders who had raised over £1 million say they split chores evenly with their partner, but 38% say they still do more of the housework alongside the challenges of running a high-growth company.<sup>34</sup>

“Starting a family for many women can feel like a barrier to entrepreneurship and vice versa,” Jordan Brompton said. “There is very little discussion, or advice, on how an entrepreneur should approach maternity leave, what support they will need at home if they decide to have a family and how the running of their business may change if they have a baby. Many entrepreneurs also don't compensate themselves in a way that would support a new family or their business may not be able to accommodate paying them maternity pay.”

“Childcare is part of the invisible infrastructure that is vital for every business to thrive,” Sarah Hesz, Co-Founder of Bubble, said. “But for many founders it presents a huge barrier – financially, emotionally and logistically. UK childcare is expensive and inflexible, forcing female founders to make very tough career choices.” She noted that there are signs that childcare is beginning to be acknowledged, such as the Government's steps to better support women who require it.

“It's promising that politicians are – finally – recognising that it's a problem,” Justine Roberts told us. “In the next five years I'd like to see a massive improvement in the UK's childcare system so that entrepreneurs who are also mums aren't forced out of work by the expense of childcare.”

Prior to the March Budget, the Government was subsidising childcare to the tune of around £6 billion per year to offer 'free' hours to parents with children over the age of three. This has now been expanded, but the question ought to be asked why costs do not seem to be coming down. Though some supply-side reforms have been made, for instance by reforming staffing ratios,<sup>35</sup> we should monitor whether they are sufficient, and go further where necessary.

### → CALL TO ACTION

***Progress has been made on childcare reforms. There is cross-party consensus that this is a critical issue, but in order to drive this forward all major parties must include concrete plans in their manifestos on how they will further bring down costs.***

<sup>34</sup> Ibid.

<sup>35</sup> Department for Education (2023). [Budget 2023: Everything you need to know about childcare support](#).

## 6. CHANGING PERCEPTIONS

Promoting business and entrepreneurship as a valid career path for women can help empower future female founders. The volume of female-founded businesses in the past year is in part an outcome of women being influenced by other successful women: “It’s a virtuous cycle,” said Justine Roberts. “You’re more likely to take the plunge if you see women like you doing the same, and you’re also more able to find networks of support with other women who are facing similar challenges. But as the stats show there’s nowhere near enough of them yet.”

Individuals who have previously held C-suite leadership roles are more likely to become entrepreneurs, but there are still barriers against women advancing to these roles, or being valued equally to men once they do reach that level of seniority.<sup>36</sup> A McKinsey report on women in the workplace found that a ‘broken rung’ at the level of early promotions results in fewer women reaching C-suite positions – there are 72 women for every 100 men hired and promoted to manager.<sup>37</sup>

Fewer women reaching senior-level positions can perpetuate the idea that women are not fit to be leaders. It has been found that “women’s leadership behaviours are evaluated less favourably than the equivalent behaviours of men to the extent that leader roles are male dominated or given especially masculine definitions.”<sup>38</sup> The media can help spotlight women in leadership and can be especially influential in shaping the perceptions of school-aged girls and teaching them to embrace the notion that leadership is defined not by gender but by skill, experience and determination.

Having female role models is a key way to motivate other young women to follow their lead. That’s why Saasha Celestial-One, Co-Founder of Olio, told us she hopes to see “a large number of female founded businesses achieve breakout success which should help to reset the narrative and improve the status quo for female founders.” She also highlighted that these key wins and success stories will “lead to increased access to funding for women and give a confidence boost to younger women wondering whether entrepreneurship is right for them.”

Too often, we see men as the face of serious entrepreneurial activity, whereas the most famous female entrepreneurs are often not as widely known. Alice Bentinck, Co-Founder of Entrepreneur First, has arguably done more from entrepreneurship in the UK than the likes of Sir Alan Sugar. However, Jessica Mann highlights that there is still “a lack of acknowledgement by men that women can do the same job,” which translates into a false assumption that since “you are the only woman in the room, you are there to serve tea or coffee.”

### → CALLS TO ACTION

*Perceptions and culture matter. The media and public bodies have come a long way in a short time, but more work is needed to ensure female entrepreneurs are portrayed as role models for potential female founders.*

*Policymakers should also provide higher quality and more accessible information for young people and their parents to help them understand how their subjects and degrees might impact their future career trajectory and earning potential.*

36 The Entrepreneurs Network (2018). [Mentoring Matters](#).

37 McKinsey & Company (2019). [Women in the Workplace](#).

38 The Entrepreneurs Network (2018). [Mentoring Matters](#); Alice H. Eagly, Mary C. Johannesen-Schmidt and Marloes L. van Engen (2003). [Transformational, transactional, and laissez-faire leadership styles: A meta-analysis comparing women and men](#).

The talent pipeline needs improvements on the founder side, starting as far back in their entrepreneurial journey as school. Girls don't take as many STEM (Science, Technology, Engineering and Mathematics) subjects, even as teenagers, and it only worsens over the years. Girls make up 39% of A level maths students, but because of the 'leaky pipeline' just 17% of tech workers in the labourforce are women.<sup>39</sup>



#### SKILLS FOR THE NEXT GENERATION

**In addition to employability and financial education, the Barclays LifeSkills programme delivers training on entrepreneurship to girls and mixed schools across the UK. This features case studies of successful women business owners, as having role models and seeing relatable stories is crucial to fostering female entrepreneurship in the next generation.**

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39 The Entrepreneurs Network (2022). [One In A Million](#).

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## What Next?

The Investing in Women Code, to which Barclays is a founding signatory, has encouraged organisations across the UK to hold themselves accountable for providing support for female entrepreneurs. Through signatories adopting more equitable internal practices and collecting key gender data, which can be shared across organisations and with the Government, we can better understand the current state of female entrepreneurship as a result.

Last year, the Government launched the Taskforce on Women-Led High-Growth Enterprises which aims to influence investors and the wider business community, and to foster aspirations towards entrepreneurship in women across the UK. However, some argue that the Government is not doing enough to help women, and that initiatives like the women-led high-growth enterprise taskforce lack the ‘teeth’ to really bring forth the change they set out to enact.

Nonetheless, Sam Smith highlights that having more female role models can make a difference: “Empathetic leadership is much more of a way of leading and it is the key to inclusive cultures and good growth. Leadership that is more appealing as a female entrepreneur helps to attract them to these positions.”

As we have shown in this report, and those that preceded it, a great deal of progress has been made in terms of supporting female entrepreneurs in the UK to reach their full potential. But it would be wrong to believe that the job was done. Inequalities continue to exist, and further work will be required to close the funding gap, address unhelpful and untrue perceptions, and to tackle the other barriers which stand before women in business.

That being said, we like to think that the future of female entrepreneurship is promising. There is good evidence that increasingly younger women are being encouraged to found their own businesses, pointing to a cultural change in how a new generation of women perceive themselves more frequently as legitimate entrepreneurs, and feel they have the right resources and support to do so. Sixteen to 25-year-old women founded nearly 17,500 businesses in 2022 – more than 22 times the number that did in 2018.<sup>40</sup> Companies with a female founder tend to be younger than those without. We should underscore these as future success stories.

Progress has been made, the future looks bright, but just like the trailblazing female founders in the Female Founders Forum, we should be impatient for change.

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**A great deal of progress has been made in terms of supporting female entrepreneurs in the UK to reach their full potential. But it would be wrong to believe that the job was done.**

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40 NatWest (2023). [The Rose Review Progress Report 2023](#).

**The Entrepreneurs Network is a think tank for Britain's most ambitious entrepreneurs, with an aim to make Britain the best country in which to start and grow a business.**

**WE SUPPORT ENTREPRENEURS BY:**

- Producing cutting-edge research into the best policies to support entrepreneurship;
- Campaigning for policy changes that will help entrepreneurship flourish;
- Hosting regular events to bridge the gap between entrepreneurs and policymakers;
- Updating entrepreneurs on how policy changes will impact their business;
- Making the case in the media for entrepreneurs' contributions to society.

**APPG FOR ENTREPRENEURSHIP**

We are the Secretariat of the All-Party Parliamentary Group for Entrepreneurship, which was set up to encourage, support and promote entrepreneurship and to engage with entrepreneurs; and to ensure that Parliament is kept up to date on what is needed to create and sustain the most favourable conditions for entrepreneurship.



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