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## Canada urged to support its female entrepreneurs

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*New report says boosting female-owned business would give much-needed jolt to economy*

Canada risks lagging other countries if fails to create a national economic strategy to boost women's entrepreneurship.

The United States and other countries are devising strategies to boost entrepreneurship among women to fuel new job creation and economic growth. The topic also figured prominently at the recent Asia-Pacific Economic Co-operation forum, eliciting interest from countries as diverse as China, Japan, Chile, Thailand, Peru and Australia.

But women's entrepreneurship is falling short in Canada. Only 16 per cent of all small and medium-sized businesses are majority-female-owned, according to the latest data from Industry Canada. Moreover, the average annual revenue of those firms is roughly \$563,000 versus \$1.12-million for majority-male-owned businesses.

"Hundreds of thousands of Canadian women seek to grow their firms, and I think there rests the gap," said Barbara Orser, chair of the Canadian Task Force for Women's Business Growth, and a business professor at the University of Ottawa.

The task force, in a report being issued Monday, says Ottawa needs to consolidate existing small-business programs to prevent overlap and to ensure those services are relevant to women entrepreneurs. Such recommendations, if implemented, would lead to a 20-per-cent increase in total revenues among majority-female-controlled businesses, according to the task force. That, in turn, would provide an extra \$2-billion a year to the Canadian economy.

Such a plan would not require any new money from Ottawa since it could be funded by rooting out inefficiencies in existing government programs. An interdepartmental federal committee would monitor the various programs offered by Industry Canada, Foreign Affairs and International Trade Canada, Human Resources and Skills Development Canada and Status of Women Canada.

More rigorous accountability would also ensure "equitable access" to federally funded small business programs, such as Industry Canada's Small Business Financing Program, by female applicants, she said.

"Too often bureaucrats make assumptions about women-owned firms and they personalize it and they think it doesn't matter - without evidence," Ms. Orser said.

According to the report, women entrepreneurs also need more practical assistance in adopting technology and conducting business abroad. For example, the task force heard that women often have trouble securing meetings with executives in some countries due to differing cultural norms.

The federal government, meanwhile, must also do a better job to support the financial literacy of women entrepreneurs and increase their access to capital.

Tracy Gray, founder of Kelowna, B.C.-based Discover Wines, knows first hand the hurdles women face in obtaining business loans.

Despite being granted a rare B.C. licence to open a specialty store that only sells wines made with 100-per-cent local grapes, Ms. Gray was turned down by many banks when she first applied in 2002. She and her former business partner, also a woman, had presented two houses as collateral.

"The banks would ask us: 'So, what does your husband do? How is he involved in this business?' And we would say: 'Why is that relevant? And they are not involved at all,'" said Ms. Gray. "My husband has gone for business loans. They never asked him what his wife did."

She ended up obtaining financing, albeit it at a higher interest rate, from the Women's Enterprise Centre, which provides loans and other supports to female entrepreneurs. The task force says there is a growing need for similar programs in other provinces - especially Ontario and Quebec.

The report also recommends the creation of "supplier-diversity" objectives for all federal departments and to leverage such programs to fuel international trade. Supplier diversity programs allow accredited women-controlled companies to bid for procurement contracts with government or multinational companies.

For instance, Wal-Mart Stores Inc. announced in September that it plans to source \$20-billion (U.S.) from women-owned businesses in the U.S., while also doubling its sourcing from women suppliers in its global markets over the next five years.

Lara Veltkamp, president and owner of Watershed Marketing Group Inc. in Aurora, Ont., said Canada cannot afford to drag its heels on adopting a national strategy given the uncertain global economic outlook.

"There is a huge economic loss if you can't move forward because you can't grow," said Ms. Veltkamp, who has let go a small staff and recently shifted to a "virtual" business format to cut costs. "You can't support more individuals within your organization, you can't support more vendors, more clients. It's a ripple effect."

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