

Evaluating a Gender-based Training Program

Dr. Barbara Orser
Associate Professor, Sprott School of Business
Carleton University
1125 Colonel By Drive, Ottawa, ON K1S 5B6
Tel: 613 520 2600 (2033) Fax: 613 520 4427
barbara_orser@carleton.ca

Allan Riding
Professor, Sprott School of Business
Carleton University
1125 Colonel By Drive, Ottawa, ON K1S 5B6
Tel: 613 520 2394 Fax: 613 520 4427
al_riding@carleton.ca

Published in
Journal of Small Business and Entrepreneurship
March 2006: Volume 19 (2)

Evaluating a Canadian Gender-based Training Program

Abstract

The incidence of gender-based small business training programs is increasing. However, the nature and impact of these initiatives are not well documented. This paper summarizes the findings of an evaluation of the impact of the Women's Enterprise Initiative (WEI), a program that seeks to foster the development of women-owned firms in Western Canada. Program assessment criteria included program effectiveness, strengths and weaknesses, job creation and retention, business survival, incrementality and the facilitation of enterprise growth. A direct association between WEI advisory assistance and business development was noted in 60 percent of cases. The results also suggest that men and women seek different types of assistance with respect to business development. When compared to a control group of business owners, WEI clients and women business owners were more likely to prioritize intrinsic outcomes such as evaluation of entrepreneurial skills; building self-confidence; and improving strategic management skills. Conversely, male business owners prioritized operational skills such as helping to improve strategic management and identifying opportunities for growth.

Key words: small business program evaluation, women business owners, gender

Evaluating a Canadian Gender-based Training Program

Introduction

This empirical paper reports on the evaluation of a Canadian initiative that provides training and loans to early-stage women-owned businesses. This is an important topic, for several reasons.

First, the work addresses the concept of targeting in public policy. According to their analysis of entrepreneurship-related public policies, Lundström and Stevenson (2001: p. 41) noted that entrepreneurship policies of the federal agencies of most countries are based on "...the view held by individual governments about where growth comes from, what factors lead to growth, and the country's economic structure and circumstances" and they also present a taxonomy that embraces a range of entrepreneurship policies. However, it is not clear which approaches have been most effective. As a result, policy decisions and initiatives are too often based on incomplete information. Many policy makers assume without evidence that the needs of male and female business owners are being met.¹ Hence, there remains a need to document the incidence and potential impact of different market intervention programs and policies. This study seeks to inform further this issue by presenting an empirical analysis of one Canadian initiative targeted to women business owners.

Second, one of the significant trends in small business ownership and entrepreneurship is the increased participation of women. In the Canadian context:

"Over the last twenty years, Canada has seen a 200 percent increase in the number of women-owned firms. By 2001, nearly half (47 percent) of all small and medium

enterprises (SMEs) in Canada had at least one female owner... The employment contribution of women-owned firms is also significant. In 2003, over 570,000 people were employed by a majority women-owned firm². Firms with at least one female owner employed 2.6 million people. Roughly one-third (34 percent) of the self-employed in Canada were women, a proportion that has been rising over the last two decades. The presence of women in business ownership is felt well beyond job creation. Majority women-owned SMEs produced annual commercial revenues of \$72 billion in 2000. These sales represented approximately 8 percent of all revenues from Canada's SMEs in that year. Women's presence is also evident across all sectors of the Canadian economy, although disproportionately in service industries.” (Orser and Connell, 2005)

In spite of the expansion of the numbers of women-owned firms, the evidence suggests that women-owned firms grow more slowly than counterpart firms owned by men, are less likely to export, and average earnings for self-employed women are less than those of self-employed men (Industry Canada, 2005; Sunter, 2003). In response, governments in Canada – as well as those of other nations – have established gender-specific training facilities.³

Third, anecdotal evidence also suggests the number of gender-based training and lending facilities among the OECD countries is increasing. A summary of selected initiatives is presented in Appendix A. None of the cited programs report on the incremental impact of the gender-specific

¹ For example, a recent review of XX Canadian federal SME agencies found that only 2 agencies report on the number of male and female participants, even though such data is required under Canadian equity legislation (Orser, 2003).

² SME-FDI defines a “majority woman-owned business” as one in which over 50% of the firm’s equity is held by a woman (or women).

³ Canadian examples of gender-based programs include: Western Economic Diversification Women’s Enterprise Initiatives; Business Development Corporations Women in Business Seminars; Atlantic Canada Opportunities Agencies’ Women in Business Initiative; Business Development Bank of Canada’s fund for fast-growing women-owned firms; Mount St. Vincent University’s Women Entrepreneurs Program; Agriculture Agri-Food Canada Farm Women’s Bureau, Human Resources Development Canada’s Women in Trades and Technology Network..

programs.⁴ Again, information about the potential impact of gender-specific programs is required. If the potential of these economic development efforts are to be fully realized, research is required to investigate the program strengths, weaknesses, and outcomes. The European Commission has suggested the need for gender-specific program evaluation in order to (a) verify the reason for such public action, (b) determine whether the needs or problems of (potential) female entrepreneurs still exist, (c) improve programs and (d) enhance accountability (see Sheikh and Steiber, 2002, p. 5). Metrics are therefore required to determine how, if at all, such programs differ from non-gender-specific programs and to demonstrate the business case for gender-specific initiatives. The absence of this information may exacerbate the challenges of servicing the needs of women business owners, may impede the development of effective training programs, and might undermine the validity and credibility of gender-based programs. This research seeks to present one means of conducting such an evaluation and to document the results of this analysis.

The paper begins with a discussion about the nature of, and rationale for, gender-based small business programs and policies. This is followed by a description of the particular facility being evaluated, the Canadian Women's Enterprise Initiative, that lies behind this paper. The methodology and data are then reported, followed by presentation of the findings, which include a review of client profiles, program strengths and weaknesses, and estimates of incremental program outcomes. The paper closes with a summary and discussion and outlines directions for future training and research.

⁴ It should be noted that the vast majority of documentation about SME support programs are descriptive. Hence, most also fail to report on the incremental impact of such initiatives.

Gender-Specific Entrepreneurship Programs and Policy

Where do gender-based training programs fit within entrepreneurship-related public policy? To address this question, it is helpful to set the context for entrepreneurship-related public policy in general and then to examine specifically the case for gender-specific approaches. The generic elements of entrepreneurship-related public policies have been described in taxonomies that have been developed by Storey (1994), Lundström and Stevenson (2001), and by Hjalmarsson and Johansson (2003). These are summarized in the graphic below.

Storey (1994)	Lundström and Stevenson (2001)	Hjalmarsson and Johansson (2003)
<p>Macro policies (e.g. interest rates, taxation, bank rates, inflation);</p> <p>Regulatory reforms (e.g. cutting the paper burden, access to grants, quick tax reporting);</p> <p>Sectoral, special interest group assistance (e.g. biotechnology, high-tech grants, rural programmes, women’s programs, self-employment programs);</p> <p>Provision of financing (e.g. loan guarantee schemes, informal investor networks, equity micro-loans, bank ombudspersons); and,</p> <p>Small business advisory / information services.</p>	<p>SME extension programs added-on to existing services to encourage market or firm development such as export trade;</p> <p>Niche entrepreneurship, initiatives targeted to specific populations such as women, youth, aboriginals, and the disabled;</p> <p>New firm creation; and</p> <p>Holistic entrepreneurship, an approach that seeks to capture policy objectives and measures in an integrated SME policy framework.</p>	<p>Services fall on a continuum of operational and strategic advisement.</p> <p>Objective services are independent of the client and service provider. Advice is “static”, not changing during the process of providing the service, “knowledge among experts” (p. 86).</p> <p>Strategic services depend on the relationship between the client and service provider. Information is “tacit”, embedded in the relationship and the context in which the service is provided.</p>

Hjalmarsson and Johansson (2003, p. 85) note that traditional arguments for market interventions are premised on the assumption that “...small firms are regarded as less efficient in using external management skills than large firms. Their demand for consulting services is much lower due to unfavourable economies of scale and market imperfections on the supply side.”

Gender Specific Programs

A review of the literature and gender-specific programs, such as those identified in Appendix A, suggest a multiple policy approaches and target markets including economic development and economic independence perspectives (Mayoux, 2000).

- **The economic development (or business case perspective)** suggests that women-owned firms are an underutilized or under performing resource, one to be tapped for employment creation and economic growth. In this context, programs and policies for women business owners are seen as a means to nurture economic development.
- **The economic self-sufficiency paradigm** emphasizes the personal benefits of economic independence through self-employment. In this construct, policy becomes a vehicle to promote gender equality and alleviate poverty (Orser and Connell, 2005, p. 9).

Target markets for such programs includes at least three categories of participants:

- **Nascent women business owners:** programs and policies that seek to introduce and promote the concept of entrepreneurship to women; increase the participation rates of women in business ownership and self-employment; create role models for women; and build awareness about the resources need for business ownership (e.g., youth entrepreneurship camps, awards programs).
- **Women business owners of start-up firms:** programs and policies help women business owners develop experience, expertise and track records; and provide access to capital and advisory support (e.g., start-up advisory services, micro-lending programs).
- **Growth-orientated women business owners:** programs and policies that communicate strategies to help address perceived gender-related barriers to firm growth, and provide access to growth-orientated capital, networking and training related to advanced business development (e.g., export trade missions, women's venture capital funds).

Gender-specific programs are not, however, without criticism from those that argue for non-specific, "mainstream," program interventions. Critics suggest that:

- (a) all groups (gender, race, etc.) are best served by non-targeted, generic or "mainstream", programs and initiatives;
- (b) gender-based initiatives reinforce rather than eliminate gender stereotypes; inadequately prepare women to compete in the marketplace; are redundant, inferior in quality, and unnecessary when personnel are properly trained;
- (c) reflect a poor investment on potentially low yield businesses;

- (d) loan programs subsidize inefficient businesses, misallocate resources, and are costly; and
- (e) the rationales of such programs fail to acknowledge non-gender explanations for performance differences such as choice of sector and differences in firm age.

On the other hand, arguments to support gender-specific programs include:

- (a) possible biases in policy makers' assumptions about women business owners (for example, the needs of male and women business owners are identical);
- (b) a predominance of training or case material based on male dominated models;
- (c) evidence that suggests women are under-represented in small business training programs;⁵ and
- (d) observations that women have comparatively less management experience prior to business start-up (Finnegan, 2003; Scourtoudis, 2001; Orser and Riding, 2003).

In addition, gender differences have been documented on several levels by, among others, Brush and Hisrich, (1992), Brush, Carter, Gatewood, and Greene (2002), Brown, Doyle, Lewis, Mallette and Young (2001), and Industry Canada, 2005. On the personal level, women business owners cite unique concerns such as "being taken seriously", lack of respect, and men who explicitly refuse to do business with women (Carter and Anderson, 2001; Orser et al., 2004, Reuber et al., 1999). Individual level differences are reflected in, among others, owners' occupational backgrounds, motivations for business ownership, approaches to business creation, role investments, time management, planning and delegating, leadership style, and growth intention, (Leahy and Eggers, 1999; Lobel, 1991; Orser and

Hogarth-Scott, 2002). At the institutional level, systemic differences have been advanced with respect to access to advisory and training services, program eligibility criteria (e.g. trade missions, export development programs, loan guarantee schemes) and terms of lending (Marleau, 1995; Scourtoudis, 2001). At the organizational level, research comments on gender differences related to the nature of women-owned enterprises.

It also appears that the various alternative approaches (e.g., gender mainstreaming, gender-specific initiatives) require further study. This paper reports on an attempt to measure the incremental impact of a gender-targeted program. The next section of the paper provides an overview of the particular program assessed by the work reported in this paper, the Women's Enterprise Initiative.

The Women's Enterprise Initiative (WEI)

Launched in 1995, the WEI initiative was established by the Canadian federal government as a resource for women entrepreneurs in four Canadian provinces (British Columbia, Alberta, Saskatchewan and Manitoba). The stated objectives of the program are: to encourage the establishment and growth of women-owned and women-controlled businesses; to encourage self-employment and business development; and, to promote economic equality between men and women. For the purpose of this study, WEI services can be grouped into two categories:

⁵ For example, Canada Economic Development for Quebec Regions (CED) reports that while one third of Quebec businesses are owned and operated by women, they comprise less than 20 percent of Canadian Futures Development Programs (CFP) participants, and less than 10 percent of the multimedia experimentation fund (Women Entrepreneurship – Quebec Context and CED Initiatives, Presentation to the Prime Minister's Task Force on Women Entrepreneurs, 2003). Similarly, a review of the Canadian Self-employment Assistance Program (SEA) also found that while program guidelines designate equity groups (e.g., aboriginal people, visible minorities and women, older workers, youth and social assistance recipients) be given special consideration as priority clients (SEA Component Administrative Guide, 1994), internal program data found that equity groups were not well represented (Orser and Hogarth-Scott, 1998). In a review of Canadian federal SME programs and services, Orser (2003) found no evidence to suggest that women are well represented in existing (mainstream) SME programs. She notes that the absence of standardized gender-sensitive SME policy and program evaluation measures (e.g., gender of participants by type of training, size of loan, incremental impact on firm growth and survival) exacerbates the challenges of servicing the diverse needs of women business owners and impedes the development of effective programming". Beyond the Canadian setting, Finnegan, (2003, p. 8) notes that apart from those NGOs working extensively with women as their target groups and a number of specialized government promotional agencies, "...for most providers report fewer than 10 percent of female clients. Furthermore, business service providers are "not aware of an existing and potential market of women entrepreneurs. ...there are gaps in BDS for start-up and growth in women's entrepreneurship and the BDS market form women has potential, but providers need to equip themselves"

- a) **training services**⁶ including: communications (e.g. web-sites, newsletters, bulletins); networking (e.g. facilitating B-2-B linkages, mentoring/matchmaking workshops, speakers, conferences, industry awards); study guides, tele-training, correspondence program; travel bursaries (e.g. travel to mini-conferences, events); business planning assistance (e.g. market research); on site visits; and referrals (e.g. accountants, lawyers, MIS experts, sector or trade association introductions).

- b) **loan services** including the provision of: start-up, expansion, export and working capital; bailout or turnaround loans; leasing and patient capital; and pre-loan advisory services (e.g. evaluating business plans, amortization schedules).

Program eligibility criteria includes: any new or expanding business located in the four participating provinces; women own and operated at least 50 percent of the business; clients are resident in the corresponding province; and, in some provinces, the business must be the client or loan applicants' main source of income. Program eligibility criteria includes: any new or expanding business located in the four participating provinces; women own and operate at least 50 percent of the business; clients are resident in the corresponding province; and, in some provinces, the business must be the client or loan applicants' main source of income. To a greater or lesser degree, the four agencies have dealt with more than 37,000 clients. The paper now turns to a review of methodologies employed to assess the economic impact of such initiatives.

⁶ Here, the word "training" is used for simplicity and ease of reference. In fact, "training" encompasses a variety of activities that include counseling, coaching, mentoring, provision of seminars, etc.

Program Evaluation: Methodological Considerations

Approaches to Program Evaluation

Sheikh and Steiber (2002, p. 3) define evaluation as “the judgement of a public intervention according to its results, its impacts and the needs it intends to satisfy.” Maronick and Stiff (1983, p. 495) suggest that evaluation takes on multiple definitions, depending on the perspective of the organization. Evaluation can be viewed as: “oversight or accountability”, “a management tool”, “as a vehicle for assessing the effectiveness of a particular program”, and/or “source of information for decision-making”. Such information is important for several reasons. Chrisman (1997, p. 59) states:

“Such evaluations are important for at least two reasons. First, there is a broad array of options available to foster entrepreneurship and economic development... Therefore, it is important to determine if a particular option is viable and worth replicating in other settings. Second, the design of assistance programs is at least implicitly based on academic theories and conventional wisdom about the entrepreneurial process and what needs to be done to develop a viable business ... Program evaluations provide a means to validate and measure our overall understanding of entrepreneurship and economic development. Thus, from both practical and theoretical grounds, evaluations of programs that assist entrepreneurs can make significant contributions to the literature.”

The approach to SME program evaluation reflects the anticipated use of the information, availability of resources, legislative requirements, and “extent to which is necessary to measure the incremental rather than just overall impact of a role in the marketplace” (Maronick and Stiff, 1983, p. 498).

Traditional methodologies include: *non-experimental design* (e.g., after-only or retrospective evaluations, before-after study design, cross-sectional comparisons) *quasi-experimental design* (e.g., time-series analysis) and *experimental evaluation design* (e.g., the “gold standard that employs a random comparison between a programme group and control group that receives no support”) (Sheikh and Steiber, 2002, p. 33). In determining which of these methodologies is most appropriate, Chrisman (2001, p. 64) notes that trade-offs are required when selecting the evaluation design, and that

“... it is desirable to use a control group to remove, as much as possible, the effects of other variables that might influence changes in the dependent variables. ...We suggest that estimates be a conservative as possible. Comparison to a control group, even an imperfect control group, yields a more conservative evaluation and is, therefore desirable.”

He then argues that conservatism is important as readers of a program evaluation will often infer a cause-and-effect relationship between program inputs and entrepreneurial output. “Even with a well-matched control group, there is no assurance that the cause effect relationship implied or inferred is a valid one.” (p. 65)

In the context of evaluating SME programs targeted to women, Sheikh and Steiber (2002, p. 10) suggest certain evaluation criteria are required including:

“...the relevance of the program in relation to the needs of its potential beneficiaries, the coherence of a programme with other policy interventions in the respective field, the effectiveness of a programme in achieving its objectives, and the efficiency of an intervention, that is, its capacity to achieve the objectives at the lowest cost.”

Best practices also include the “net effects of a program” that reflects deadweight loss, a displacement effect, substitution effects, additionally and leverage effects (Sheikh and Steiber, 2002, p. 39-40).⁷

The application of such criteria is not straightforward as there remains considerable debate about economic impact evaluations of small business assistance programs (see Chrisman and McMullan, 2002; Storey, 1998; Hjalmarsson and Johansson, 2003). For example, Chrisman has applied similar criteria in a series of empirical evaluations of education, consulting, and business development services (e.g., US Small Business Development Centres, University of Calgary’s Venture Development Initiative). He notes that SME program evaluations should include at least three types of data:

⁷ “Deadweight is defined as “...the effect which would have arisen even if the programme had not taken place”. Displacement effect “...is used to describe a situation where the effect of an intervention on a particular individual, group or area is only realized at the expense of other individuals, groups or areas. When they are not intended, displacement effects must be subtracted from the gross effect in order to obtain the net effect of an intervention.” Substitution effect “...refers to an effect obtained in favour of a direct addressee of an intervention, but at the expense of a person that does not qualify for the respective action”. Additionality is “...the converse of deadweight; it occurs if an effect can be fully attributed to the public intervention to be evaluated. Finally, leverage effect “...is defined as the amount of private sector finance invested in an assisted program that has been induced by public spending.” (Sheikh and Steiber, 2002, p. 39-40).

- a) objective measures of performance improvements of the entrepreneurial firms (e.g., change in sales, employment and profit growth);
- b) measures of clients' valuations of the services rendered (e.g., percentage of expectation met by the service, perceived importance of services to performance); and,
- c) clients' subjective assessments of program quality (e.g., value of services rendered).

“Thus, a program evaluation that uses different measures that capture different dimensions of performances is highly desirable.” (Chrisman and McMullan, 2002, p. 64).

In determining the “net effect” of such programs, primary benefits are thought to include the imputed value or price attached to the small business consulting services. Secondary benefits are derived from client revenue and employment, sales and income tax revenues. Furthermore, the “economic development effects” of any program should consider additional factors such as the incremental rate of growth adjusted by the perceived value of the service, the average regional rate of growth, and the estimated dollar value of such services (e.g., cost to benefit ratio) (Chrisman and McMullan, 2002).⁸

Evaluation challenges are also discussed in Hjalmarsson and Johansson (2003). These authors note the lack of theory to guide policy and program development, the potential impacts of selection and survivor biases, the challenge in proving what aspect of the service “caused” the effect, and, that the majority of public program evaluation is based on participant perceptions about the service(s). “This is problematic given that when selection bias is considered, the positive effect of a policy falls considerably” (Wren and Storey, 1998 as cited by Hjalmarsson and Johansson, 2003).

These and other challenges are reflected in the fact that the vast majority of SME programs are “monitored” rather than objectively “evaluated” (Hjalmarsson and Johansson, 2003). It is therefore not

surprising that the review of literature about best practises to support women’s entrepreneurship (see Appendix A: Studies about “Best Practices” to Support Women’s Entrepreneurship) provides a description of existing services rather than empirical estimates of economic impacts of the programs noted.

Methodology

The approach used in this study was similar in spirit to that used by Chrisman (1997). Specifically, the work used large scale surveys of WEI clients to gather data about the gross economic impact (measured here by job creation) and to ascertain program strengths and weaknesses, as perceived by the clients. The gross impact was then compared with that of a control group of Western businesses to isolate the incremental, or net economic impact.⁹ The results are measures that the program funders can use to compare incremental benefits with their internal data about the costs of operating the program.

Accordingly, the study drew primarily on data obtained from large-scale surveys for which the questionnaire design was informed from in-depth structured telephone interviews with WEI management, on-site visits, consultations with senior WEI staff and clients, and pre-tests. Telephone surveys were administered because experience has suggested that this approach engenders higher response rates than mail surveys and, to some degree, mitigate non-response and selection biases. The surveys were administered to three groups of potential respondents: training clients, loan clients, and a control group.

⁸ Chrisman (1997) also questions who should conduct an evaluation, how best to guard against response bias, and how researcher account for intervening variables that may confound the measurement of program impact.

⁹ Chrisman (1997) also used aggregate job creation in Alberta (Western Canada) as a proxy for a control group.

Data: Training Client Survey

The WEI database identified almost 37,000 client contacts; however, the vast majority of these (34,368) were one-time contacts. These one-time contacts included one-off telephone inquiries, individuals who attended no more than one WEI event (speaker, luncheon, training session), or one-time drop-in visits. As such, this segment of the WEI clientele was not well-positioned to provide informative responses. Therefore, a stratified sampling plan for the survey of training clients was developed, one that distinguished “frequent” from “infrequent” WEI training clients. The distinction was based on the frequency of contact occasions as listed within the respective client tracking databases.

“Frequent” clients were defined as the 2,493 clients for whom multiple interactions with a WEI agency had been recorded. “Infrequent” clients were those for which no more than one contact occasion was listed. While rudimentary, this breakdown formed a reasonable and practical basis for the sampling plan, which sought to gather a census of the population of “frequent” clients augmented by a 15 percent random sample from among the “infrequent” clients. A total of 8,081 telephone calls were made using an independent professional marketing research firm. From among these calls, 4,882 were valid contacts (excludes invalid numbers, wrong numbers, fax/modem telephone lines, and situations where the respondent was not the owner). Of these, an overall total of 913 completed questionnaires were obtained. Of these responses, 758 were from “frequent” clients, representing a 30.4 percent response rate from the sub-population of “frequent” clients. The remaining 155 responses were from “infrequent” clients, reflecting an approximate response rate of 18.7 percent based on valid contact information. In the Canadian context, response rates of 30.4 percent and 18.7 percent are considered extremely high. Survey fatigue among Canadian business owners is such that response rates of ten percent or less are the norm. The lower response rate among infrequent clients is to be expected.

In order to check for possible non-response biases, the survey data was compared with the WEI contact information. The contact lists from the WEI agencies included data on legal form of business, whether or not the business was home-based, the industry sector of the enterprise, and the number of employees.¹⁰ For both sub-samples (frequent contacts and infrequent contacts) no statistically significant differences (p-value < 0.05, according to Chi-square test statistics) between the population breakdowns and those of the survey data were observed except that the number of employees of surveyed firms was significantly higher at a p-value of less than 0.05. While it was not possible to be absolutely certain, this difference may be attributable to growth of the firm during the interim between the dates of original WEI contact (when the registration data information on number of employees had been collected) and the (subsequent) number of employees as of the date of survey administration.

Data: Loan Client Survey

Of the 539 businesses that received loans from the WEI, the work sought to conduct a census of all of these firms; however, 71 contacts could not be reached or located. Of the remaining 468 potential respondents, 16 refused to participate (this is an extremely low rate of refusal) and 205 business owners (43.8 percent of eligible respondents) completed the survey. The balance is accounted for by calls to answering machines, repeated “no answer”, respondent was not available, etc. As might be expected, 43.8 percent is an extremely high response rate in the Canadian context. High response rates are the best remedy for non-response biases; however, the survey data was also compared with the WEI contact information wherever possible as was done for the survey of training clients. No statistically significant differences at a p-value of five percent between the distributions of population attributes and attributes of survey data were observed according to standard Chi-square testing.

¹⁰ The four WEI agencies maintained independent contact databases. Not all of these retained the same data elements on their contact firms.

Data: Control Group Survey

As per Fischer and Reuber's (1992) guidelines for best practices for evaluating gender-based issues (as well as per Chrisman's (1997) counsel), a control group of business owners was surveyed. In this case, a survey instrument that paralleled those used for training and loan clients was employed and contact data were obtained by combining two commercial databases. The control group sample frame was stratified to select potential respondents that conformed with WEI training client profiles in terms of sectoral distribution, region, and firm size (based on number of employees). The survey was again conducted by a professional marketing research organization. A total of 1,002 respondents (310 of whom were women business owners) was obtained, and this was a response rate of 12.0 percent. To assess the potential impact of non-response bias, the attributes of the control group were compared with data reported by Chambers and Chambers (2001) who had previously surveyed Western Canada business owners. Aside from the obvious effect of stratification, the sample data did not differ to any statistically significant extent from parameter estimates reported in the Chambers and Chambers, (2001) study.

Data: Profile of Respondents

Table 1 summarizes the profiles of respondents and their businesses. On average, all WEI clients are significantly younger than the men and women owners in the control group and significantly younger than the overall population of Western small business owners. In terms of education, WEI clients differed from the control group in that a higher proportion of WEI training clients were well-educated business owners.

INSET TABLE 1 ABOUT HERE

Table 1 also reveals that WEI clients possessed less business experience than did business owners in the control group, in terms of both experience with previous firms as well as in terms of

experience with their current firms. It is salient that approximately one-third of WEI clients report less than five years of total experience. Finally, the majority of WEI client firms were younger and smaller than the control group firms. Thus, it would seem at the outset of the analysis that WEI is serving a particular clientele and is attempting to address a lack of experience through training.

Most striking is the observation that WEI training clients are disproportionately start-up situations while growth-oriented firms tend to be more represented among WEI loan clients. To control for these systematic differences between the client and control groups, subsequent analyses are conducted controlling for stage of business. The impact of the WEI services for coaching and counselling clients is now presented. This information is followed by the findings related to the impact of WEI on loan clients.

Empirical Findings: The Economic Impact of WEI

As background, it is interesting to understand the reasons that respondents sought out the WEI. Using an open-ended question, survey respondents were asked why they had contacted the WEI. The tape-recorded responses were transcribed and coded. The majority of responses (80.1 percent) cited a wish to employ WEI services: assistance with business start-up (21.7 percent), obtaining education materials and information (19.1 percent), financing (16.0 percent), assistance in preparing a business plan (8.0 percent), and business development advice (6.9 percent). It is somewhat surprising that only a minority (4 percent of clients) made reference to the WEI being targeted to women. These respondents stated reasons such as: the desire to acquire assistance from other businesswomen; the desire to work with staff that understood women's needs; that the organization respects women; and that the organization finances women-owned firms.

With this background, the next sections report the analyses of WEI economic impact on, respectively, training clients and loan clients. The sample of training clients does not include any who had also received loans. The dimensions of the economic analysis include evaluation of survival rates, job creation and retention, and value of services provided.

WEI Training Clients

Survival rates of training clients.

Of the 913 WEI training clients, 572 (62.7 percent) owned or co-owned a business at the time the questionnaire was administered. In addition, 200 (21.9 percent) never owned or co-owned a business. The remaining 141 (15.4 percent) respondents had at one time owned or co-owned a business but one that was no longer operating; however, not all of the 141 inactive firms had failed as 12 had been sold or merged. This information provides an approximate estimate of the survival rates of WEI clients such that the failure rate among WEI clients was 129 firms out of 713 (18.1 percent). This attrition occurred over a period of several years. The data do not specify when the firms went out of business, so it is not clear what the *annual* exit rate would have been; however, this attrition was not confined to a one-year period. As a basis of comparison, Chambers and Rylska, (2001, Ch. 5, p. 11) reported *annual* exit rates of 19.7 percent across Western Canada in the retail sector and 15 to 27 percent for various services sub-sectors. Accordingly, the data do suggest that the survival rate of WEI clients may have been higher than average.

The owners of each of the 141 discontinued operating business were asked: “*Can you please tell me the main reason why your business closed?*” Analysis of the 119 qualitative responses revealed that the predominant reasons for business closure reflected personal circumstances. Forty-two percent cited personal demands including (in descending order of frequency of mention) family responsibilities, physical demands or disability, time demands, relocation or pending relocation, poor health, and lack of

motivation. Market factors were noted by 17.6 percent of the owners of closed businesses. These included (again, in descending order of frequency of mention): “the market was too small”, “negative consumer attitudes to products and/or services”, “volatility of the market”, and “increasing competition” (e.g. mergers and acquisitions, box stores). Operational factors were identified by 19 percent of respondents. Examples included: relationships with business partners, attracting and retaining qualified employees, lack of physical space, and loss of personal control. Only 16 percent of services recipients described financial issues but these related mainly to poor financial performance; perceived inability to secure capital was rarely mentioned.

The overwhelming importance of “personal factors” in the decision to cease trading holds implications for training purposes. This suggests that SME training programs should provide clients with information about the importance of, and strategies to deal with, work/life balance and other personal dimensions of business ownership. Second, many of the statements categorized as “market factors” reflect poor market analyses during the planning phases of the business. These results support the importance of competitive and market assessment skills as a training priority (e.g. estimating demand, break-even analysis, sources of market information).

Estimates of Job Creation and Retention, Training Clients

Start-Ups. As noted, start-ups represent 41.2 percent of WEI training clients. On average, these firms employ 1.04 full-time employees and 1.12 part-time employees for a total of 1.60 full-time equivalent jobs per firm. Extrapolation of this level of new employment to the start-ups among the population of operating WEI training clients reveals that the WEI played a role in the start-up of firms that, at the time of the questionnaire administration, employed an estimated total of 1,030 full-time equivalent employees. This estimate only takes into account employment by start-up firms that were frequent contacts of the WEI. A considerably higher estimate results if this number is extrapolated to

infrequent contacts; however, it is not as clear that the WEI played a significant role among infrequent contacts as it might have among firms that were frequent contacts.

Established Firms. WEI training clients were asked to respond to the following question:

“Since you used the services was the business able to hire additional full-time employees or part-time employees?”

Among established firms, 29 of the 572 firms in the sample reported that they had added full- or part-time employees, averaging 0.86 and 3.36 full- and part-time employees, respectively (an average of 2.54 full-time equivalent employees per firm for firms that added jobs). Extrapolation of these estimates to the population of frequent-contact firms suggests job creation among the frequent-contact portion of the established firms in the WEI client base of an additional 310 employees. By comparison, the established firms in the control group that added to employment added an average of 1.88 jobs per firm; however, only six percent of the established firms in the control group added employees, compared with 26 percent of the established firms among WEI frequent clients.

Struggling Firms. 30.2 percent of WEI clients were described by the owner-respondents as “struggling” at the time they approached WEI. On average, these firms employed 0.6 full-time and 1.7 part-time employees, respectively. Across the population of struggling firms among the frequent-contact WEI clients, then, WEI had a role in preserving an estimated 758 full-time job equivalents.

Other Economic Benefits. Finally, more than 15 percent of clients reported that the WEI’s counselling and training services saved them from entering a business that would likely have failed and 18 percent of established firms reported sales increases subsequent to involvement with the WEI. In the latter case, sales increases provide societal benefits in the form of additional value added taxes and taxes collected on business profits.

Overall, then, WEI-assisted firms have generated a minimum of approximately 2,098 job creations and retentions as well as indirect benefits from the multiplier effect and additions to the tax base from increased sales activity. This estimate is, if anything, conservative because it does not take into account the potential job generation among clients that were not frequent contacts. The survival rates of WEI-assisted clients appear to be higher than average. However, the average number of new job creations per established firm did not differ to a statistically significant extent between WEI clients and control group respondents.¹¹ Yet a significantly higher proportion of WEI-assisted firms were likely to generate new jobs than firms in the control group at the same stage of development.¹² In other words, on a per firm basis there was no difference in job creation. However, the WEI client is more frequently growth-orientated. This leads to an analysis of what aspects of the WEI training services that clients deemed to be most useful.

Clients' perceptions of program usefulness, training clients

To ascertain program strengths and weaknesses, respondents were asked to rate the extent to which they agreed, on five-point scales, with each of a series of 15 statements listed in the leftmost column of Table 2. “Strongly Disagree” and “Strongly Agree” anchored the scales. Respondents who did not answer or who held no opinion on a particular question were treated as missing values. This set of statements collectively captured the spectrum of forms of assistance provided by the WEI.

Evaluations by Intensity of Contact. Given the differences of frequency and possibly of intensity with which clients interacted with WEI, respondents were asked to specify the nature of their involvement with WEI services and training. On the basis of these responses, clients were grouped into four following sub-categories:

¹¹ Based on t-test of independent sample means, estimated p-value of the difference between means > 0.10.

¹² Based on t-test of independent sample proportions, at a p-value < 0.001.

- clients who reported that they had received only business advice or coaching (26.1 percent);
- clients who reported that they had received more intensive training (38.0 percent);
- clients who reported that they had received *both* advice and training (18.9 percent “high intensity” clients); and,
- those who had reported that they had received neither (17.0 percent, “low intensity clients”).

Table 2 reports the proportion of respondents in each grouping who agreed (4 or 5 on the 5-point scale) that each of the services had assisted in the manner specified. The findings illustrate that different client segments view strengths quite differently. In almost every case, the difference across intensity-of-contact categories differed to a statistically significant extent according to one-way analysis of variance. Clients who had availed themselves of both training and business advisory services view the WEI much more positively than clients who used fewer services. Of course, this may reflect that the clients who used the services more frequently in the first place did so because they saw them as useful.

INSERT TABLE 2 ABOUT HERE

Respondents generally rated export assistance low. It is not clear if the rating reflected a lack of intention to export or poor quality of export-related programming. The finding does, however, represent a potential opportunity. Program personnel might focus on the benefits of export trade such as stronger growth rates, higher profitability, better jobs in terms of quality, durability and specialization, and improved technological and commercial capabilities (Lefebvre and Lefebvre, 2000).

Not surprisingly, high intensity training clients tended to rank training services higher than did the control group and low intensity clients. Somewhat surprisingly, clients who had received general (objective) business training ranked all programs higher than those who had received one-on-one (strategic) advisory services. One possible explanation is the perceived value of group interaction, networking, and interactive learning that may be involved in training forums.

Compared to the responses from the control group, the WEI appears to have several strengths and weaknesses. A caveat with respect to interpreting this aspect of the analysis is that the data do not reveal the intensity of control group respondents' interactions with their service providers. However, it would appear that the WEI is rated more highly, to a statistically significant extent, on the following dimensions:

- Better understand financial risks;
- Improve operations management skills;
- Expand the business; and,
- Set the price of product / service.

Conversely women in the control group rated the training services they had accessed higher than WEI on the following dimensions:

- Developing the business concept;
- Improving strategic management skills;
- Understanding the market;
- Starting the business; and,
- Accessing financing.

Evaluations by Growth Orientation (Established Firms). An additional breakdown of interest is whether or not the firms were growth-oriented. Accordingly, respondents were asked to respond to: “*During the next two years, is it your intention to expand the size or scope of your business?*” Two distinct client groupings were: (a) firm owners who are seeking growth; and (b) owners who are not growth oriented. *A priori*, it seems reasonable to expect that these two groupings of coaching and counselling clients would seek different types of services. The results of this analysis of the data are

presented in Table 3. In this instance, analysis is limited to established firms for two reasons. First, growth at the start-up phase is conceptually different from expansion of established firms. Second, limiting analysis to established firms facilitates comparisons with the established firms in the control group.

INSERT TABLE 3 ABOUT HERE

In general, the ratings of service outcomes by growth-oriented WEI clients appear to exceed the rating provided by clients that reported no growth intention. However, the differences were not, in general, statistically significant. On only two dimensions (financial risk assessment, start-up assistance) was the difference significant. Moreover, the ratings afforded by growth-oriented WEI clients did not differ significantly from those reported by control group respondents. It is interesting that within the control group, ratings differed significantly on four dimensions.

The disparities in terms of how these various groupings of clients see WEI's strengths and weaknesses indicate that there may be multiple distinct market segments with diverging needs. Start-ups, growth-oriented, and established businesses need different types of training and coaching or business advice. Likewise, firms that are not seeking growth face different issues than firms that are growth-oriented. There does not appear to be a "one-size-fits-all" formula with respect to advisory services. To the extent that this holds true, programming would ideally be designed to suit differing sets of needs.

Loan Client Outcomes

This section describes the role of the financing services in terms of how the program enabled the expansion or survival of firms;¹³ and, the extent to which the loans preserved jobs or facilitated

¹³ Accordingly, the results presented here will systematically understate the impact, as this work does not estimate indirect effects, such as leveraging of funds associated with the WEI loans. The extent of such leveraging was not available to the research team for the sample respondents whose experiences are reported here.

additional employment. In assessing effectiveness of interventions such as the WEI, it is important to gauge the extent to which the initiative provides value added that is incremental to that “which is already available”. This involves measuring various elements of economic impact and then adjusting these to reflect estimates of what would have happened with the absence of the program. This is a challenge because it calls for the researcher to be able to identify the so-called “counterfactual” that which would have happened if the existing program did not exist. Accordingly, several approaches were used to assess the level of incrementality.

Firm Expansion: Among loan clients, 65 percent had expressed the intention to pursue the growth of their businesses. The 139 business owners who expressed this intention also had a track record of business expansion. They had achieved average sales increases over last three years of 220 percent (median of 82 percent). Over the next two years, they are seeking to increase sales by an average of 90 percent (median of 75 percent). This corresponds to an increase in sales that averages \$197,000. Usually, they perceived growth in terms of expansion of lines of business or geographical expansion. Financing is required to support both forms of growth. They used the proceeds of the WEI loans accordingly, to acquire assets for the business, finance working capital, marketing and promotion, and product innovation. Loans facilitated growth by allowing firms to expand lines of business (60 to 70 percent of cases); expand markets (40 to 70 percent of cases); and create jobs (25 to 40 percent of cases). The loans also allowed substantial business development across the various stages of growth. The loans also helped 56 percent of respondents to develop a relationship with a commercial lending institution.

In addition, WEI loans saved firms from failure in approximately 33percent of cases. (This finding relates to respondents’ level of agreement with the question: “Because of the loan, the business was saved from failure”.) It follows that, broadly speaking, loans were used for two purposes: to forestall failure and to enable growth. As a result, jobs were both created and retained. WEI business

loans helped generate jobs in two groups of firms: those that were new when the loan was received and those that had been established at the time of the loan. One-third of WEI loan recipients were new firms at the time of the loan. WEI loans to these firms were therefore involved in the start-up of these businesses. These firms currently employ an average of approximately 2.1 full-time equivalent employees. Extrapolation of these results to the population of 539 loans corresponds to the addition of 373 full-time jobs. In addition, 25 percent of established firms reported hiring additional employees associated with the loans. Assuming, conservatively, that each of these firms hired one employee, and extrapolating these results to the 539-firm population corresponds to creation of an additional 89 full-time equivalent jobs. Finally, 33 percent of firms were saved from failure by the WEI loan. Based on their current employment levels (average of 1.88 person for those firms that were rescued) and extrapolating to the 539-firm loan population results in an estimate of 335 full-time jobs retained.

In addition, the growth and development of the firms provided additional contributions to economic welfare through direct and indirect contributions to the tax base. This includes additional corporate income (and other) taxes based on expanded levels of sales, tax payments by additional employees, and the ripple effect of higher levels of purchases. Overall, the 539 loans that WEI agencies have advanced businesses have been associated with the creation/retention of an estimated 797 full-time-equivalent jobs (an average of 1.48 jobs per loan) and helped facilitate expansion of the corporate and GST tax base in Western Canada. This estimate, together with internal WEI data allows the calculation of the maximum cost per job through the WEI lending program.

These figures compares favourably (in terms of jobs per dollar of loan) with the job creation / retention rate of 2.8 jobs per loan to young firms associated with the more restrictive and larger-scale

federal Small Business Loans Act / Canada Small Business Financing Act (SBLA/CSBFA).¹⁴ The loans program appears to operate at a level of incrementality of approximately 60 percent, again commensurate with that of the more restrictive SBLA/CSBFA. Moreover, additional levels of sales and profits associated with growth and recovery of client firms contribute substantively to the tax base.¹⁵

Estimate of incrementality. The Conference Board of Canada (2002) reported on a comparison of attempts to measure the incrementality (“additionality” in the UK and Europe) of loan guarantee programs. Their primary conclusion was that best practices were those that employed multiple lines of inquiry. Accordingly, survey respondents was posed several different questions that each sought to assess the degree to which the WEI loan was “incremental”, or “additional”, to lending that was otherwise available. The overall measurement of loan incrementality was based on an informal triangulation of the responses.

First, loan recipients were asked: “If the loan had not been available, would you have been able to start or continue to operate your business?”¹⁶ On the basis of the responses, a level of incrementality of at least 53 percent was suggested with a maximum of 78.6 percent (depending on the breadth of definition of the term). To further evaluate incrementality, respondents were also asked, “At the time you took the loan, what other sources of financing do you think would have provided the funds you needed?” More than 46 percent of respondents could not identify an alternative source of capital. This is presents a second measure of the minimum level of incrementality inherent in the WEI loans. A third

¹⁴ Evaluating the impact of Canada’s (then) Small Business Lending Act, Haines and Riding (2001) calculate the estimated cost of job creation ranges from \$1,000 per job for small loans to \$3,000 per job for larger loans.

¹⁵ In a review of the University of Calgary’s Venture Development Program (also located in Western Canada), Chrisman (1997, p. 67) reports an average growth for clients of 14.4 per cent per firm (3.91 employees), an adjusted rate of growth of 10.7 percent taking into account overall growth in Alberta (3.91 employees) and overall impact of 1.23 jobs per firm when value of the service is factored into the estimate. That is, “about one-third of the actual jobs created – might be attributed to the service provide”.

¹⁶ One in ten (9.3 percent) indicated they could have raised funds elsewhere without material delay while one in four (25.4 percent) could have raised funds elsewhere but with material delay. About half (3.2 percent of loan recipients) indicated that the loan was incremental: 41.0 percent believed that they could not have raised the funds while 12.2 percent indicated that they would have been able to raise smaller amount. Twelve percent could not respond or did not know.

approach to measuring incrementality was obtained by asking respondents' opinions about their ability to borrow. The question was "Would you have received the additional funds if the loan had not been available?" Approximately 62 percent of respondents had not borrowed elsewhere and between 33 and 59 percent believed they would have obtained financing without the WEI loan.

In yet another attempt to measure incrementality, respondents were asked, "In what respects would you say that <name of WEI agency in province> differs from other lenders in relation to your business?" The most frequently cited differences between WEI and other lenders related to the personal service and advice provided to the WEI loan clients. The next most frequently-mentioned aspects of WEI loans were financial aspects of the loan, cited by 26.7 percent of respondents. Among these respondents, more than half the comments referred to the (relatively less onerous) terms of lending (e.g. collateral requirements, fees structure). Eighteen percent of loan recipients indicated that WEI being a women's organization was the primary factor motivating their decision. Advisory services were a secondary motive, cited by only 4.9 percent of respondents. Collectively, more than 50 percent of respondents perceive the WEI as different from other lenders. This was also reflected in the responses to an open-ended question that asked respondents to specify why they had accepted the loan from the WEI. A minority of business owners mentioned the availability of WEI training and business advisory services as a rationale for borrowing from the WEI. This might be because training and advisory services are available from the WEI whether or not the client is also a borrowing client. However, this may also reflect that borrowers may find the relationship between themselves and the WEI ambiguous: on the one hand, WEI would be providing advice and assistance; on the other hand WEI would also be conducting loan oversight. This duality might create a tension that some business owners might find uncomfortable.

Clearly, measuring incrementality is not an exact science; however, assessment of the combination of the measures reported above suggests a level of incrementality of at least 55 percent.

Summary and Discussion

These results reported here document the economic impacts of one gender-specific SME training program. This information can be used to benchmark the impact of other gender-specific and targeted programs.

These results suggest that the survival rate of WEI clients appears higher than the norm for the Western Canadian small business population and incremental economic benefits were identified. By combining the incremental economic impacts reported here with internal information regarding the cost of supporting the programs, policy makers would be able to use these results arrive at a clear quantitative assessment of the economic cost/benefit ratio of the program. Such information is required in order to address the concerns of program critics who argue that targeted programs are less efficient than traditional SME training programs. Subject to the internal cost data, these initial results suggest that the program helps to fill the experience gap that limits women-owned firms from growing as fast as those owned by men. Furthermore, access to WEI's loans program is not only a financing opportunity. The availability of advisory services to complement the lending may offset the personal and external barriers that lead to business failure. The loans also provide the WEI agencies with a "foot in the door" to provide training.

Overall, it was found that the WEI was more effective in helping early-stage firms than established firms that were seeking to expand. Therefore, future program development needs to focus on several groups of business owners: nascent entrepreneurs, start-up operators and growth-oriented businesses. Of particular interest are those business owners that seek growth. Related research suggests

that, on average, women business owners are less likely to express a growth intention (Orser and Hogarth-Scott, 2002). To serve the growth-orientated group of business owners, program development needs include improving strategic management skills, identifying opportunities for growth and becoming better able to export.¹⁷ To accomplish the latter requires stronger organizational alliances with export associations, the Department of Trade Canada, post-secondary institutions and other government agencies that support advanced business practices.

The analysis of program strengths and weaknesses between the control group of business owners hints at gender differences in the perceived value of program attributes. It is not clear why women business owners rank intrinsic outcomes (e.g. “evaluate my skills as an entrepreneurs”, “build my self-confidence”) higher while male business owners rank extrinsic factors such as “improve my strategic management skills” and “identify opportunities for growth”. These responses support the economic independence versus business development perspective of policy development. It can, however be argued that women business owners (and trainers) may not be fully aware of the benefits of firm growth (the business case perspective), benefits such as preferred terms of credit, added-value to customers (e.g. breadth of product lines), employer of choice for quality employees, increased remuneration and the ability to delegate to others to maintain more control of personal time. These results also support the importance of: (a) discussing the psychological aspects of firm growth; (b) ensuring that all SME training programs facilitate access to growth-orientated female role models and male/female business mentors; and (c) ensuring trainers are competent to advise growth-oriented business owners (e.g. versed in advanced financial management, exporting, strategic alliances provincial/federal employment legislation). It is also important that SME training agencies and policy makers be better informed about

¹⁷ For example, while approximately 10.6 percent of all Canadian SMEs export (Industry Canada, 2002), 18.3 percent of “high intensity” and 14.0 percent of “growth-orientated” WEI clients seek export assistance.

the economic importance of women business owners and the personal, individual, institutional, and organizational factors that potentially influence women business owners and their firms.

How do the WEI evaluation findings compare to reports about best practices for women entrepreneurs (Appendix A: Studies about “Best Practices” to Support Women’s Entrepreneurship)? Perhaps the approach described here might be usefully employed, and improved upon, in order to better document “best practices”. This evaluation supports The National Women’s Business Council (2004) assertion about the “need of research including fact-based information to drive program design”. Such research would make the business case and resolve arguments about the economic benefits of targeted programming in general and gender-based programs in particular.

In terms of program attributes, these results concur with the Institute for Small Business Research (2002) that suggests value in modular programs that provide both basic and advanced information. It also appears that group- and individual-based measures that include information about entrepreneurship development, business skills, and post-start-up support have value. However, in the context of the WEI study, further program development of advisory services targeted to growth oriented women business owners may be required. Training agencies are encouraged to review their program strengths and weaknesses, with special attention to those services targeted at growth oriented women business owners. Finally, the WEI results support the merit of programs that provide access to credit for women business owners, a request noted by all three of the “best practice” documents reviewed.

Further research is required to understand why anecdotal evidence suggests that women business owners are underrepresented in federal SME support programs. This study lends support to reporting on the participation by equity groups in all SME programs. The absence of such information impedes the development of policies that serve women-business owners. Senior policy makers are

encouraged to develop strategies to address potential differences in the development and support needs of women business owners. A first step is to determine the level of participation of women in existing programs. A “gender-sensitive” assessment of existing programs and services might consider the following questions. Do existing policies assume that male and female business owners have identical or different needs? Are delivery agencies aware, sympathetic and response to potential gender differences of clients (e.g. being taken seriously, lack of management experience, growth aspirations)? Are senior personnel involved in creating response strategies to assist the growth of women-owned firms or is the job of championing change? Is the objective of supporting the growth of women-owned firms a component of federal economic development strategy? Alternatively, is support to women business owners provided through periodic or one-off initiatives? Change also requires senior policy makers’ accountability for the participation of women in SME training programs. The outcome of such an assessment is to help ensure consistent or institutionalized support to developing the entrepreneurial capacity of women business owners.

References

- Austrian Institute for Small Business Research (2002) *Good Practices in the Promotion of Female Entrepreneurship*, European Commission: Enterprise Directorate General.
- Brush, C., Carter, N. Gatewood, E. and Greene, P. (2002) *The Diana Project, Women Business Owners and Equity Capital: The Myths Dispelled*. Kauffman Centre of Entrepreneurship.
- Brush, C. and Hisrich, R., (2002) *Women-owned Businesses: An Exploratory Study Comparing Factors Affecting Performance*. Washington: Research Institute for Small & Emerging Business, Inc.
- Brown, S., Doyle, W., Lewis, H., Mallette, D., and Young, P. (2002) *Women Entrepreneurs in Canada in the 90's*. Montreal: Business Development Bank of Canada.
- Carter, S. and Anderson, S. (2001), *On the Move: Women and Men Business Owners in the United Kingdom*. Washington: The National Foundation of Women Business Owners.

Canada Economic Development for Quebec Regions (2003) “Women Entrepreneurship – Quebec Context and CED Initiatives”, Ottawa: Presentation to the Prime Minister’s Task Force on Women Entrepreneurs, <http://www.liberal.parl.gc.ca/entrepreneur>.

Canadian Federation of Business (CFIB, 1998) *Small and medium- sized businesses in Canada*, (CFIB: Toronto).

Chambers, E. and Chambers, N. (2001) *Portraits of Small Business Growth and Change in Western Canada: 1988 – 1999*. Alberta: Western Centre for Economic Research, University of Alberta, Canada.

Chrisman, J. (1997) “Program Evaluation and the Venture Developmental Program at the University of Calgary: A Research Note, *Entrepreneurship Theory and Practice*, Fall, pp. 59-73.

Chrisman, J and McMullan, W.E. “Some Additional Comments on the Sources and Measurement of the benefits of Small Business Assistance Programs”, *Journal of Small Business Management*, 40, 1, pp. 43-50.

Conference Board of Canada (2003). *Methodological Review: Review of Loan Incrementality Studies for the Canada Small Business Financing Act*, Ottawa.

Dyke, L., Fischer, E., and Reuber, R., (1992) “An Inter-industry Examination of the Impact of Owner Experience on Firm Performance”, *Journal of Small Business Management*, October, pp. 72-87.

European Commission (2004) *Promoting entrepreneurship amongst women. Best Reports No. 2*, European Commission: Enterprise Publications, Enterprise Directorate-General.

Finnegan, G. (2003) “Are W.E. Being Served? – The Work of the International Labour Organization (ILO) in Promoting More and Better BDS for Women Entrepreneurs”, Paper presentation to the ILO’s BDS Seminar, Turin, Italy, September 11, 2003.

Foundation of Canadian Women Entrepreneurs (2004) *Best Practices for Women Entrepreneurs in Canada*. Toronto.

Haines, G. and Riding, A. “Loan Guarantees: Costs of Default vs. Benefits to Small Firms”, *Journal of Business Venturing*, 2001.

Hjalmarsson, D. and Johannsson, A. (2003) “Public advisory services – theory and practice” *Entrepreneurship & Regional Development*, 15, pp. 83-98.

Industry Canada, (2002) *Key Statistics on Women SME Ownership in Canada, 2000*. Ottawa: Small Business Policy Branch, Industry Canada Finance Division.

Lefebvre, E. and Lefebvre, L. (2000). *SMEs, Exports and Job Creation: A Firm-Level Analysis, Industry Canada Research Publications Program, Occasional Paper, No. 26*. Ottawa: Industry Canada Micro Economic Policy Analysis Branch.

- Lobel, S. (1991) "Allocation of investment in work and family roles: alternative theories and implications for research". *Women in Management Review*, 16, 3, pp. 507-521.
- Lundström, A. and Stevenson, L. (2001). *Entrepreneurship Policy for the Future*. Stockholm: Swedish Foundation for Small Business Research.
- Marleau, M. (1995) *Double Standard: Financing Problems Faced by Women Business Owners*. Toronto: Canadian Federation of Independent Business.
- Maronick, T.J. and Stiff, M.R. (1983) "Evaluating the Impact of Consumer Protection Regulations; The Federal Trade Commission Experience" *Policy Studies Review*, vol. 2, no. 3, February, pp. 495-506.
- Mayoux, L. (2001) *Jobs, Gender and Small Enterprises: Getting the Policy Environment Right*. Geneva: International Labour Office, InFocus Programme on Boosting Employment through Enterprise Development, Job Creation and Enterprise Development.
- Newcomer, K. (1989) "A Hands-on Approach to Teaching Program Evaluation", *Policy Studies Review*, vol. 8, no. 4, Summer, pp. 877-883.
- Organizational for Economic Development and Co-operation (OECD, 2002) *Networking 2002. The Keys for Successful Women Entrepreneurs. The Strength of Networks A Lever for Progress*, The OECD Bologna Process, December 10-11.
- Orser (2003) *A Pilot Study About Federal SME Policies to Support Women Business Owners and Trade*. Ottawa: Report prepared on behalf of the Department of Foreign Affairs and International Trade and the Status of Women Canada.
- Orser, B. and Hogarth-Scott, S. (2002) "Opting for Growth: Gender Dimensions of Choosing Enterprise Development", *Canadian Journal of Administrative Sciences*, Vol. 19, No. 3, 2003, pp. 284-300.
- Orser, B. (2000) *Creating High-Performance Organizations. Leveraging Women's Leadership*. Ottawa: The Conference Board of Canada.
- Orser, B., Riding, A. and Townsend, J. "Exporting as a Means of Growth for Women-Owned Canadian SMEs", *Journal of Small Business & Entrepreneurship*, 17, 3, Summer, pp.153-176.
- Orser, B. and Hogarth-Scott S., (1988) "Case analysis of Canadian self-employment assistance programming" *Entrepreneurship and Regional Development*, 10, pp. 51-69.
- Prime Minister's Task Force on Women Entrepreneurs* (2003) Ottawa: House of Commons, <http://www.liberal.parl.gc.ca/entrepreneur>.
- Reynold, P., Hay, M., Bygrave, W., Camp, M., and Autio, E., (2000) *Global Entrepreneurship Monitor*, Massachusetts: Babson-Kauffman Centre for Entrepreneurial Leadership.

Sheikh, S. and Steiber, N. (2002) *Evaluating Actions and Measures Promoting Female Entrepreneurship. A Guide*, European Commission: Conducted by the Austrian Institute for Small Business Research, <http://www.ifgh.ac.at>.

Scourtoudis, L. (2001) *An examination of the Impact of the Management Development Program for Women on its Participants*, Ottawa: Unpublished M.B.A. Thesis, Carleton University, Ottawa.

Sunter, D. (2003). Statistics Canada presentation to the Task Force on Women Entrepreneurs in Canada, <http://wwwliberal.parl.gc/entrepreneur/about.asp?lang=en>.

The National Women's Business Council (2004), *Best Practices in Supporting Women's Entrepreneurship in the United States: A Compendium of Public and Private Sector Organizations and Initiatives*, Washington.

Acknowledgements

The research team wishes to acknowledge the substantial contributions by the Women Enterprise Initiative Research Committee including Josette Berard, Sharon Hughes-Geekie, Stephen Lamoureux, Katharine Mattern, Laura Small, Heather Stephens, Patti Sullivan, Brenda Tournier and Ginny Devine. The assistance and advice of our colleague, George Haines Jr., is also appreciated.

Table 1: Profile of WEI Clients and Control Group Respondents and Firms

<i>(% of Responses)</i>	Control Group Men	Control Group Women	Counselling and Training Clients	Financial and Loan Clients
Owner Age Profile				
50 or more years	48.8	45.6	22.0	21.5
30 to 49 years	48.6	51.8	69.8	70.7
Less than 30 years	2.6	2.6	8.2	7.8
Owner Education				
Some university or graduate	26.6	27.0	54.0	41.9
College Graduate	12.8	16.9	13.0	23.1
No Tertiary	54.7	53.1	33.0	35.1
Owner Total Experience				
More than 15 years.	67.2	48.2	26.7	24.9
5 to 14.9 years	28.2	36.8	39.9	43.3
Less to 5 years	4.6	15	33.2	31.2
Owners Current-Firm Experience				
More than 15 years	41.5	27.3	9.6	4.5
5 to 14.9 years	41.1	45	34.8	38.0
Less than 5 years	17.4	27.7	55.6	57.6
Intend to Grow	51.3	46.7	65.0	79.0
Size of Firm (Employees)				
20 or more employees	9.4	2.3	1.1	1.0
5to 19.9 employees	30.3	23.4	8.3	18.0
No employees	14.7	27.1	51.5	35.0
Size of Firm (Revenue)				
More than \$1,000K	28.4	12.8	1.8	11.8
\$500K to \$1,000K	17	9.6	4.7	6.8
\$100K to \$500K	34.9	42.9	20.3	32.3
Less than \$100,000	19.7	34.6	73.2	49.1
Age of Firms				
Pre 1995	75	62.2	24.8	20.9
1995 – 1998	15.3	22.8	31.6	44.9
1999 – 2000	7.5	8.8	25.3	24.4
2001 or later	2.3	6.2	18.2	9.8
Sector				
Manufacturing			7.6	9.9
Services			64.1	30.2
Retail & Wholesale			27.4	54.0
Other			0.9	5.0
Stage of Development				
Start-up	9.7	14.7	41.2	11.1
Growth	19.0	15.8	13.3	33.2
Maturity	49.0	48.0	16.1	34.7
Other*	22.3	21.5	29.5	21.1

*Turnaround, winding down, closed.

Table 2: Strengths and Weaknesses of WEI Training Services by Contact Intensity and Type of Service

The services helped me to ...	Intensity of Client Relationship				Total	p-value§	Control Group	
	Low	Training	Counseling	High			Male	Female
Evaluate my skills as an entrepreneur	74.6%	83.1%	69.1%	89.8%	79.7%	0.000	78.0%	86.7%
Build my self confidence	64.7%	75.3%	68.4%	82.6%	73.6%	0.003	75.8%	84.8%
Better understand my financial risks	65.8%	67.2%	64.9%	80.5%***	68.9%	0.014	53.8%	53.7%
Improve my operations management skills	62.2%	69.3%	64.5%	76.2%*	68.5%	0.062	75.7%	69.1%
Develop the business concept	62.9%	71.6%	59.9%	73.1%	67.5%	0.019	84.1%	81.8%*
Identify opportunities for growth	56.4%	67.2%	52.8%	79.0%	64.9%	0.000	85.1%	76.5%
Improve my strategic management skills	55.4%	67.3%	53.8%	72.7%	63.6%	0.001	79.7%	86.3%**
Understand my market	53.7%	64.9%	56.5%	72.4%	62.7%	0.005	75.8%	83.1%**
Build my business contacts or network	57.6%	63.5%	45.7%	69.2%	59.4%	0.000	65.9%	69.2%
Expand my business	33.7%	37.2%	34.7%	51.3%***	38.8%	0.017	11.3%	15.0%
Start the business	31.6%	40.7%	24.3%	52.9%	37.9%	0.000	68.0%	61.6%**
Improve my personal financial welfare	35.3%	32.0%	31.3%	39.1%	33.7%	0.507	60.7%	43.1%
Set the price of my product / service	34.6%	34.4%	31.0%	34.0%**	33.3%	0.898	18.2%	20.8%
Access financing	25.0%	24.1%	27.9%	35.0%	27.6%	0.179	49.1%	53.8%**
Become better able to export	6.4%	18.5%	9.8%	18.3%*	14.5%	0.081	16.4%	8.7%

§p-value for one-way ANOVA of differences across intensity categories; boldface p-value indicates $p < 0.05$; * indicate significance of differences between female control group response and high-intensity WEI clients: *=p-value < 0.05; **=p-value < 0.01; ***=p-value < 0.001.

Table 3: WEI Training Services Ratings: Established Firms by Owners' Growth Intentions

The services helped me to ...	WEI Established Firms			Control Group Established Firms		
	Growth Intention		p-value	Growth Intention		p-value
	No	Yes		No	Yes	
Evaluate my skills as an entrepreneur	72.7%	84.0%	0.204	76.3%	79.0%	0.753
Build my self confidence	60.0%	75.8%	0.139	68.2%	83.6%	0.064
Build my business contacts or network	57.9%	74.4%	0.135	65.8%	69.4%	0.714
Improve my operations management skills	71.4%	73.9%	0.814	84.4%	80.0%	0.557
Improve my strategic management skills	61.1%	73.5%	0.280	82.5%	80.0%	0.754
Identify opportunities for growth	60.0%	71.3%	0.311	73.8%	88.7%	0.049
Better understand my financial risks	33.3%	69.8%	0.003	60.5%	51.9%	0.415
Develop the business concept	50.0%	64.7%	0.232	69.2%	78.3%	0.313
Understand my market	65.0%	62.2%	0.811	78.0%	73.0%	0.567
Expand my business	37.5%	59.3%	0.103	48.7%	68.2%	0.049
Improve my personal financial welfare	29.4%	34.7%	0.674	56.4%	57.4%	0.925
Access financing	13.3%	26.6%	0.273	27.3%	19.6%	0.411
Start the business	0.0%	26.5%	0.023	12.9%	5.6%	0.241
Set the price of my product / service	21.4%	23.1%	0.892	66.7%	33.3%	0.001
Become better able to export	0.0%	13.8%	0.215	11.1%	4.9%	0.343

Table 4: Training Services Ratings: Start-up Firms

The services helped me to ...	WEI Start-Up Clients	Control Group Respondents
Build my self confidence	89.7%	93.9%
Evaluate my skills as an entrepreneur	88.3%	87.1%
Develop the business concept	81.8%	82.8%
Better understand my financial risks***	81.6%	53.6%
Understand my market	80.8%	81.3%
Identify opportunities for growth	76.2%	78.8%
Improve my operations management skills	73.9%	80.6%
Improve my strategic management skills**	63.5%	86.7%
Build my business contacts or network	63.3%	70.0%
Start the business**	62.2%	36.0%
Access financing	50.0%	33.3%
Expand my business***	42.1%	79.3%
Improve my personal financial welfare**	31.8%	58.3%
Set the price of my product / service	30.2%	50.0%
Become better able to export	26.3%	30.0%

Appendix A: Studies about “Best Practices” to Support Women’s Entrepreneurship

Objectives and Evaluation Criteria	Sample “Best Practices”	Sample Study Conclusions
<p><i>Best Practices in Supporting Women’s Entrepreneurship in the United States. A Compendium of Public and Private Sector Organizations and Initiatives</i> (The National Women’s Business Council, 2004)</p>		
<p>To profile and compare 24 “leading” organizations (3public sector, 9 entrepreneurial support, 8 membership, 2 not-for-profit corporations and 2 educational agencies); “type” of services provided (e.g., educational, network, advocacy, capital, research, market development, honours, and certification), client groups served, description, mission, history, issues addressed, achievements, milestones and lessons learned.</p> <p>Criteria included gender-specificity, preferably national, either an exclusive or major focus on women’s enterprise, significant, sustainable track record of achievement and direct assistance to current or potential women business owners or programme activity focused at improving the environment for women’s entrepreneurship development</p>	<ul style="list-style-type: none"> • Access America • Association of Women’s Business Centres • ATHENA Foundation • Business and Professional Women/ USA • Centre for Women’s Business Research • Centre for Women’s Leadership, Babson College • Diana Project • Fleet Women’s Entrepreneurs’ Connection • Ms. Foundation for Women • National Association of Women Business Owners • National Women Business Owners Corporation • Office of Women’s Business Ownership • Springboard Enterprises • Wells Fargo Women’s Business Services Program • Women Impacting Public Policy • Women’s Business Enterprise National Council • Women Presidents Association 	<ul style="list-style-type: none"> • Few US public organizations cited as many do not have gender-specific programs. • Historically, government has been the “lead funder” for many private sector initiatives (p. 86). • Need of research including fact-based information to drive program design and expansion. • Sustainable partnerships are best achieved through government and non-government partnerships. • Need to nurture strong, collaborative partnerships across organizations. • Needs assessment is required to determine need for future services. • Having an official voice in government for women business owners is important for advancing policy.
<p><i>Good Practices in the Promotion of Female Entrepreneurship. Examples for Europe and other OECD Countries</i> (Austrian Institute for Small Business Research on behalf of the European Commission, Enterprise Directorate-General, 2002)</p>		
<p>All programs originated from a public policy initiative by a national or regional administration and “the provider of the action/measure is public, or, if private, is acting in line with agreed public policies. (p. 6).</p> <p>The programs (or part of it) are directly targeted at female entrepreneurs or at potential female entrepreneurs in its explicit intention. A total of 132 actions and measures were identified in EU and EFTA/EEA countries (with the exception of Liechtenstein and Switzerland).</p> <p>“Good practices” criteria include clear objectives, client-orientation, critical mass, promotion and visibility, coherent services, quality assurance, positive impacts (increased number of business start-ups by women), relevance and coherence (p. 53).</p>	<ul style="list-style-type: none"> • Business Women Centre (Vienna, Austria) • Make Female Business Visible. Women’s Enterprise Agency (Finland) • Flying Entrepreneur Programme (Belgium) • Guarantee Fund for Women (France) • Reinforcement of Female Entrepreneurship (Greece) • Women in Business Skills Training (Ireland) • Enterprise Creation Shop (Italy) • Mentoring Makes Success (Spain) • Women in Focus (Norway) • Equal Opportunities: Support of Female Entrepreneurship (Portugal) • Women’s Institute Services (Spain) • Business Advisors for Women (Sweden) • Online Course for Female Enterprise Starters (Germany) • Women into the Network (UK) 	<p>Critical success factors include the following.</p> <ul style="list-style-type: none"> • Use of female mentors, trainers, and advisors whenever possible to increase relevance of measures for women and to provide role models. • Group-based measures that give women a chance to make contacts, to network and to learn from the experience of others. • Individual-based measures that allow women to receive advice directly related to the problems they face. • Training should use a “modular approach”, with basic and substantive areas include entrepreneurship development, business skills, post-start-up support. • Measures should focus on sectors that provide women with an adequate income, thereby increasing women’s financial self-

Objectives and Evaluation Criteria	Sample “Best Practices”	Sample Study Conclusions
<p>“Female entrepreneur is defined as a woman who has created a business in which she has a majority shareholding and who takes an active interest in the decision-making, risk-taking and day-to-day management.” (p. 3)</p>		<p>sufficiency. “</p> <ul style="list-style-type: none"> • Programs should also be focused on girls. • Access to credit should be a key element in business support such as loan guarantees or partnerships with formal financial institutions,
<p><i>Best Practices for Women Entrepreneurs in Canada</i> (Foundation of Canadian Women Entrepreneurs. 2004)</p>		
<p>To be included in the report, “best practices” were: regional or national in scope or range, either an exclusive or major focus on women’s enterprise development, sustainable track record of achievement, providing direct assistance to women business owners or would-be owners, and improve the environment for women’s enterprise development generally.</p> <p>Descriptions of 11 agencies, initiatives, or events.</p>	<ul style="list-style-type: none"> • Prime Minister’s Task Force on Women Entrepreneurs • Atlantic Canada Opportunities Agency including honours programs • Organization of Women in International Trade (Toronto) • Canadian International Development Agency • Business Development Bank of Canada including Co-Vision Loan program, Springboard Growth Capital Workshop, Women’s Biz Link Teams • Step-Ahead Program • Global Banking Alliance for women (International) • The Wired Woman Society • Western Economic Diversification’s Women’s Enterprise Initiative. 	<ul style="list-style-type: none"> • Selected findings include the need to: sex-disaggregated data, extend women-focused programs, establish an Office of Women’s Business, ensure such programs have multiple levels of government support. • There is also a need to include “gender analysis as a part of the design process for all programs to support women entrepreneurs and to look at culturally-based attitudes, behaviours and institutional practices that also act as barriers to the growth of women’s enterprises” (p. 35). • Many women who are in business are not aware of the different ways that technology can be used to growth the firm. • Programs to support women entrepreneurs are often best run by other women entrepreneurs.

Also see “Promoting entrepreneurship amongst women, Best Report, No. 2” (2004) Enterprise Directorate-General, European Commission and “The Keys for Successful Women Entrepreneurs. The Strength of Networks, A Lever for Progress” (2002) The OECD Bologna Process. These reports are not included as they do not specify the evaluation criteria or replicate information provided above.