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## AN INVESTIGATION OF THE ENTREPRENEURIAL EXPERIENCE OF WOMEN: IMPLICATIONS FOR SMALL BUSINESS POLICY IN CANADA

BY

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Supported by the Small Business Secretariat, Ottawa  
Under the Management Excellence in  
Small Business Program  
Wolfville, 1984

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AN INVESTIGATION OF THE ENTREPRENEURIAL  
EXPERIENCE OF WOMEN: IMPLICATIONS FOR  
SMALL BUSINESS POLICY IN CANADA

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November 1983

"This project was carried out with the assistance of a grant from the Small Business Secretariat, Department of Industry, Trade, and Commerce and Regional Economic Expansion under the Management Excellence in Small Business Program, 1982. The views expressed are those of the author and do not represent the official views of the Small Business Secretariat."

## ACKNOWLEDGEMENTS

This report is the culmination of three years of interest in the subject area and combined research over that period of time on women as business owners. The preliminary research in Nova Scotia was funded by Mount Saint Vincent University, Halifax in 1981. I am extremely appreciative to the Small Business Secretariat, Ottawa who funded the extension of the research into the other Maritime Provinces, allowing me to fulfill my initial research objectives.

This project has been very exciting for me, all aspects of it, but the most rewarding part was the personal interviewing. Seven women business owners agreed to spend 2 - 3 hours with me discussing many aspects of their businesses and their involvement in it plus many aspects of their personal lives as it related to their entrepreneurial endeavours. To these women I am indeed grateful. The interviews provided much insight and inspiration and it is my desire to continue doing research on the subject even when this research is completed.

I am also indebted to many other individuals and institutions who helped me in the successful completion of the project. First of all, I sincerely thank all of the women who took the time to participate in the study and to complete rather extensive questionnaires. Special thanks are extended to my research assistants who worked on various aspects of the study, namely, Cheryll Bambrick, Jeff Mills, Keith Skiffington, Allan Mills, Jennifer Perry, Shauna Baltzer, Heather Harvie, and Jane Coldwell. I am also indebted to a number of my colleagues, Don Wright from Acadia University, and Chuck Humphrey and Andy Hsu from University of Alberta who assisted with statistical analysis and computer processing of data. I must also thank all of the associations who provided names of women business owners in various Maritime regions, Boards of Trade, Chambers of Commerce, government agencies, trade associations, Status of Women Committees and others.

The interest and enthusiasm of all these people was essential to the success of the study and I am grateful. I also thank my dean, Walter Isenor for supporting me in this endeavour.

Lois Stevenson  
Wolfville  
November 1983

FOREWARD )

The following report presents the findings of an empirical research study conducted on women business owners in the Maritime Provinces of Canada, Nova Scotia, New Brunswick and Prince Edward Island, during the period December 1982 - September 1983. The study examines the nature of businesses owned by women and compares the type, size, and structure of these businesses with small businesses in general. It also examines the women behind the businesses and discusses the opportunities and problems facing women business owners in Canada presently.

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## SECTION 1

### RESEARCH THEME

There are too few women entrepreneurs around and the ones who are, aren't getting talked about too much. This research focuses on women business owners and will attempt to explain why this appears to be the case and what can be done to change it.

## INTRODUCTION

The study of entrepreneurs has offered intrigue to many researchers from various academic and practitioner orientations. It has generated classical works on the effects of entrepreneurship on economic development and the factors, economic and non-economic, which might explain "entrepreneurial" behaviour (Bruce, 1976; Kilby, 1971; Schumpeter, 1934; Wilkens, 1979; and others).

The majority of these studies have been male-focused, the assumption being that business activity is a male domain. Collins and Moore (1970) even suggest that entrepreneurship is a means of demonstrating maleness (Wilkens, 1979, p. 20). When studying characteristics and behavioural traits, many researchers have defined these males as white. Only those researchers interested in investigating the wider relationship between entrepreneurship and economic development have even looked at "minority" groups and these specifically chosen for comparison basis in developing countries (Nafziger, 1971; Papanek, 1971; Harris, 1971; Lipman, 1965, Hazelhurst, 1966).

Since the early 1970's, particularly in the United States, as a result of equal opportunities and equal rights legislation with respect to minority groups (Blacks, Puerto Ricans, etc.), researchers have also started examining the differences between the entrepreneurial behaviour and characteristics of minority versus mainstream groups (Aplin and Leveto, 1976; Sonfield, 1978; Gomolka, 1977). What becomes blatantly clear from exploring the research literature on this topic is almost total exclusion of women from the study of entrepreneurship (Winter, 1978; Schreier, 1975, Schwartz, 1976; Hartmann, 1976).

So why this "absence" of the consideration of women in the entrepreneurial literature? Smith (1978) suggests a possible historical explanation for this absence as it relates to business activities. In corporate societies public and private spheres are separated--the public sphere is the one in which history is made. As Smith elaborates:

"the public sphere is also the sphere of male activity. Domestic activity becomes relegated to the private sphere. . . Women have a place only in the

private, domestic sphere. If history is viewed as an account of changes in human society, the reasons women do not appear in history is because women's place has located them outside the public sphere where those changes are made to happen (though they have not been excluded from experiencing the consequences of such changes)."

As Callaway (1981) suggests, this absence is present in many areas of research and a "re-vision" is in order. Researchers must take another look at entrepreneurship and explore the female perspective.

Historically, women have always been involved in entrepreneurial and business activity, although it appears the extent of this involvement varies by culture. In certain cultures, women assume responsibility for the entrepreneurial role and are the commercial sector operators; in most developed countries, different roles have been assumed and women are involved in business ownership to a much smaller extent. However there are still a significant number of women entrepreneurs, as many as 2.3 million in the United States alone.

Let me suggest, then, that while there may not be as many female entrepreneurs as there are male, there are a significant number and this could be increased. The ones who do exist are not the centre of too much research attention which could also be increased. I think it is important to look at the historical, economic, and societal development of entrepreneurship to understand the possible reasons why more women have not entered entrepreneurial pursuit or, in certain cases, why they have. I think it is important also to examine why these women entrepreneurs have not been considered significant economic contributors. We, as a society, if we believe in the values of freedom and equality have an obligation to find out what is needed to increase the ability of women to respond to opportunities that may now be beyond their exploitation.

We must, as Pat Burr (1978) points out on female entrepreneurs, "address the economic, societal issue as a nation in reversing this imbalance; and as individuals, modify our own attitudes and behaviour about the proper role of men...or women... in business ownership" (p. 4).

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## SECTION 2

### THE STUDY OF ENTREPRENEURSHIP

#### INTRODUCTION

There appear to be two approaches to the study of entrepreneurship--one through the use of economic theories and the other through the use of psychological theories to predict entrepreneurial behaviour.

The economic point of view postulates that when there is an improvement in the economic environment of a country, there will be a rise in entrepreneurial activity--in other words entrepreneurship is dependent on economic factors. The non-economic or sociological/anthropological point of view is that the supply of entrepreneurial effort will be effected by the psychological characteristics of a population and a number of social conditions--independent of the economic condition of a country.

However approached, the incidence of entrepreneurial activity is critical to the economy of most countries as entrepreneurship is primarily responsible for the emergence of small business. In Canada, for example small business comprises 97% of all businesses and employs 42% of the commercial workforce. While it may be important to distinguish between the incidence of entrepreneurship and small business formation to some extent (all entrepreneurs will not be found in small business), usually an "entrepreneurial type" will be responsible for small business creation, ownership, and management. It is thus important to understand the nature of entrepreneurship and the persons who become entrepreneurs to understand the nature of small business.

This paper will not address the question of the significance of entrepreneurship for economic growth and development. The question was answered in Wilkens (1979) study concluding as follows:

"Was entrepreneurship a cause of industrial growth and development or was it largely an effect of other factors, in the six societies

we have considered in this study? It was a cause, but it was a cause in proportion to the favourableness of the economic, social, cultural, and political conditions characterizing these societies in most cases."

"In cases in which entrepreneurship is found to have causal significance either positive or negative, it will be attributable to actions of the state and/or non-economic factors and not solely due to the latter."  
(p. 280)

What this paper does attempt to do is examine the phenomena of the emergence of female entrepreneurship (or lack of it) in light of Wilkens' (1979) findings. What effects have the economic, social, cultural, and political conditions characterizing our society had on women in terms of their becoming entrepreneurs or business owners? If as Wilkens says the "actions of the state" can effect entrepreneurship, it is critical for the state to investigate this question of business formation by women and determine the changes necessary to increase the incidence of female entrepreneurship. Before further comments are made, it may be useful to elaborate on the nature of entrepreneurship in general. What is an entrepreneur, what are the roles of an entrepreneur and how is entrepreneurial emergence predicted in individuals? This discussion follows.

#### THE EMERGENCE OF ENTREPRENEURS

As discussed briefly above investigators have taken one of two approaches when looking at the "rise of entrepreneurs". While it is interesting and important to examine both points of view, I shall start with what are for my purposes the important micro concepts/aspects influencing the rise of entrepreneurs and then move into a discussion of the macro aspects, particularly as they relate to the phenomenon of female entrepreneurship.

#### PSYCHOLOGICAL FACTORS

Many researchers have looked to psychology to explain the differences between entrepreneurs and non-entrepreneurs. Quite extensive personality testing (McClelland, 1971; Hagen,

1968; Marris, 1971, Brockhaus 1980) has been done examining traits, (need-achievement) and other personality characteristics which might explain an entrepreneur. These studies have, for the most part, been inconclusive and as Liles (1974) states:

"given a degree of ambition and ability not uncommon to many individuals, certain kinds of experiences and situational conditions rather than personality or ego, are the major determinants of whether or not an individual becomes an entrepreneur." (p. 1)

Bruce (1976) in exploring the question discusses the concept of a "determining event". Something happens, a significantly emotional event, which presents an opportunity. The reaction to that event is the critical determinant of whether one becomes an entrepreneur. Bruce discusses other concepts too, those of social marginality and achievement motivation (or lack of it) but the reaction to the determining event is central.

Many studies have found no meaningful differences between entrepreneurs of various types or between entrepreneurs and the general population on the basis of personality characteristics. Sonfield (1978), for example, in his comparison of black and white small businessmen found meaningful differences only in relation to self and society, "how the respondent views himself, how he sees his relationship with society, and how society treats him" (p. 40). Sonfield concludes that blacks and whites have equal potential to be successful and that inequality of opportunity was the cause of lower black business success levels (p. 44).

Schreier's (1975) study showed little, if any, difference between the characteristics of the male and the female entrepreneur. Women were motivated for many of the same reasons as men. Schwartz (1976) also found similarities between her sample and findings of previous studies on male entrepreneurs.

To even attempt to relate personality characteristics to entrepreneurial success presents major problems since measurement devices often contain strong biases towards white males. Take for example McClelland's work on achievement motivation. McClelland focuses solely and specifically on males. He measures

economic growth by estimating the percentage of adult males in any given culture who received 75% or more of their income from entrepreneurial activities; he traces origins of need for achievement by studying mother - son relationships exclusively; and suggests that the entrepreneur is the link between high levels of the need for achievement in a nation and the rapid economic development of that nation--the man who organizes the firm etc. (discussed in Deeks 1976, p. 205).

It might, for example, be inappropriate to try to measure achievement motivation and entrepreneurial inclination among women in the same way as men since it has been suggested that achievement motivation as traditionally defined and measured is a masculine characteristic, "with little applicability to females" (Stein and Bailey, 1975, p. 151). "We propose instead that females are motivated to achieve, but that the areas of achievement are sometimes different from males because of cultural definitions of feminine activities and interests" (Stein and Bailey, 1975).

If it turns out to be difficult to predict entrepreneurial tendency among all groups based on personality characteristics how then can emergence of entrepreneurial behaviour within groups be explained? From Aplin and Leveto's (1976) study on minority entrepreneurs it becomes clear that absence of cultural reinforcement and prejudices can seriously hamper entrepreneurial aspirations.

#### ENVIRONMENTAL FACTORS

Wilkens (1979) outlines the "environmental" factors of a non-economic nature alleged to influence emergence of entrepreneurship (the macro perspective). These factors are discussed in terms of such concepts as legitimacy of entrepreneurship in the culture, social mobility, social marginality, social integration, and security (p. 8 - 14). The concept of legitimacy need not be discussed here because in North America entrepreneurial activity is awarded social approval, and given high status and considered highly legitimate as an activity.

The interesting thing is that it appears entrepreneurs from outside the system (i.e. marginal groups, including minorities and women) will only really thrive when legitimacy of entrepreneurship in the system is low. Elites will monopolize the entrepreneurial system when legitimacy of the entrepreneurial role is high (Hoselitz, 1957). Non-elites still emerge as entrepreneurs but with greater difficulty. The emergence of these groups can be facilitated by government action who can play some part in influencing the values of the culture (Gerschenkron 1962, 1966). (Women, operating outside the social system, are part of the 'non-elite group and hence can be considered "marginals".)

Social mobility is a relevant concept as it involves the nature of mobility channels in our society and the degree of social mobility in a situation. In relation to women Hagen's (1960) viewpoint is relevant. Hagen believes that a lack of mobility possibilities promotes entrepreneurial behaviour. Whereas it is difficult for women to achieve high levels within an organization (verified by the fact of few women in senior management positions) because of what Hagen calls social blockage, other opportunities are offered by becoming a business owner--it provides another channel into which creative energies can be directed.

A number of researchers present arguments relating entrepreneurial emergence to the concept of marginality. Marginal groups are defined in religious, cultural, ethnic terms and to this definition we shall add another dimension--sex. These groups are defined as individuals on "the perimeter" of a given social system" (Wilkins, 1979, p. 11). Because mainstream individuals have access to mobility channels, marginal groups are excluded.

"In situations in which entrepreneurial legitimacy is low, mainstream actors will be attracted to non-entrepreneurial roles, and entrepreneurial roles will be relegated to marginals. But in situations in which entrepreneurial legitimacy is high, mainstream actors

will use the entrepreneurial role as a mobility channel, and marginals will have to find other roles as means of mobility." (pg. 11)

Another relevant concept is that of social integration. If "individuals, or groups are too far removed from the network of relationships within a social system, then entrepreneurship will not be promoted" (Wilkins, 1979, p. 13). Marris and Somerset (1971) have emphasized this factor most strongly, claiming that an increase in the scale or range of interaction with mainstream groups is necessary and that barriers to interaction must be broken down if entrepreneurship is to occur.

Generally there is not too much encouraging women in business--stereotyping of sex roles relegates women to being "home oriented". It is therefore difficult for women to become entrepreneurs because:

1. they have no ties with the core social system and hence have low social integration [relegated to 'private sphere' (Smith 1978)].
2. entrepreneurship has high legitimacy in our culture so existing elites will protect the domain for mainstream actors. (Marginal entrepreneurship is more likely when entrepreneurship is not valued.)
3. there is little solidarity within their group--networking is not established as it is for men and ethnic and minority groups. A high degree of group solidarity or cohesion within the marginal group is seen as necessary to counteract whatever opposition may be forthcoming from mainstream groups within the larger social system.

In addition, Wilkins (1979) adds:

"Not only must actors have an interest in entrepreneurship, but they must also possess at least a minimal supply of the resources needed to enact that role. Thus many of the earliest entrepreneurs were drawn from either mercantile or artisanal occupational backgrounds partly because they had the requisite resources for entrepreneurship. A society's distribution of the resources required for entrepreneurial behaviour, especially wealth and knowledge, has major implications for the pattern of entrepreneurship found within that society." (pg. 15)

The fact that married women couldn't own property (personal wealth) in this country until the 20th century, were segregated throughout the educational system to the "arts" and domesticity goes a long way then in explaining the rarity of women entrepreneurs. The wealth and knowledge of this culture has historically been awarded to the male sector.

What women do have going for them is the fact that mobility channels are blocked and so entrepreneurship offers the opportunity to circumvent the system if they have equal access to resources and markets.

A great number of women who do eventually become business owners have been raised in entrepreneurial families where they have been exposed and had access to the requisite resources for entrepreneurial development.

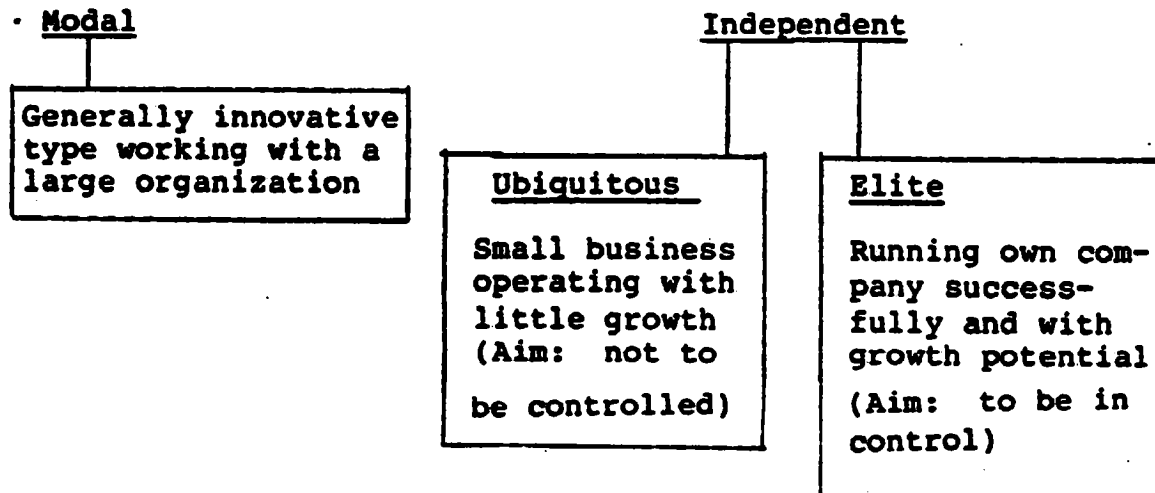
**WHAT IS AN ENTREPRENEUR?**

Bruce (1976) defined entrepreneur as an:

"individual whose decisions directly determine the fate of a commercial enterprise over which he exerts control by reason of shareholding and in which he operates as an executive policy maker. He is entitled to the proceeds of the disposal of his shareholding. He is not a nominee, he is the king pin of the enterprise." (p. 42)

Bruce (1976) classified entrepreneurs into two types--modal and independent--typified in Figure 1.

**FIGURE 1  
TYPES OF ENTREPRENEURS**



Source: Adapted from Bruce (1976)



This report deals specifically with the entrepreneur defined as independent and is not concerned with the differences between the ubiquitous and elite categories. Bruce describes the difference in terms of control; the former type's major aim is "not to be controlled" and the aim of the latter is "to be in control" (p. 47). This research focuses on "independent" entrepreneurs, many of whom are ubiquitous types but the objective of the study is to examine women business owners generally. Later, a further separation of business owners into the two types and an investigation of each would be an interesting study. It could examine different facets of and variables affecting stages of entrepreneurial development and business growth.

Defining an entrepreneur more specifically for the purposes of research study often becomes a problem. Different investigators will attach different meanings to the word and to the concept. Arguments may arise about what an entrepreneur is depending on whose definition one feels comfortable with. There appear to be two definitional types, one which explains entrepreneurship as bureaucratic and corporate in nature and the other which likens entrepreneurship to proprietorship. For example, Schumpeter (1934) defines entrepreneurs in terms of being bureaucratic "innovators"; Chandler (1979) believes that only those who control capital allocations and long-range strategy are entrepreneurial in behaviour--the corporate manager domain; McClelland (1971) also uses the corporate definition--"An entrepreneur is someone who exercises control over production that is not just for his personal consumption. According to my definition, for example, an executive in a steel-production unit in the U.S.S.R. is an entrepreneur."

On the other hand, Schreier (1975) defines an entrepreneur as:

"that person or that small group of persons who start a new business and who stand to lose significant financial commitment or to gain significant financial rewards based upon

the success of that formation. This term includes a person or small group of persons who may purchase a small business with the purpose of growth or risk."

Livesay (1979) defines entrepreneurship as "purposeful and successful activity to initiate, maintain, or develop a profit-oriented business" (p. 10). Winter (1978) used the term owner-manager as a synonym for entrepreneur in her study of Canadian women. Further discussion of the problems associated with defining entrepreneur can be found in Kent and Sexton's Encyclopedia of Entrepreneurs (1982).

Accepting then that there is no standard definition for "entrepreneur", for purposes of this study entrepreneurship is defined as proprietorship rather than in the bureaucratic sense. This is consistent with Livesay, Winter, and Schreier's definitions and also fits into Bruce's model of entrepreneurial types. Because of the role played and functions performed by entrepreneurs in present day business, the term owner-manager will be used synonymously to describe that person in this report.

#### FUNCTIONS OF THE ENTREPRENEUR

In the classical definition of entrepreneurship (economic perspective) the role of an entrepreneur is to bring together land, labour, and capital, creating a synergy for the production of goods. Once the market opportunity has been exploited the classic entrepreneur often leaves the enterprise to be managed by proxy and creates a new organization. However, as defined in this report an entrepreneur may or may not necessarily create the business but remains involved in the on-going policy-making and daily operation of the business although at the same time may be involved in more than one enterprise. Besides the "creation" function then, the role played by an entrepreneur is expanded to include other dimensions as outlined by Kilby (1971) and charted in Figure 2.

FIGURE 2

ROLES OF THE ENTREPRENEUR

<u>Role</u>	<u>Tasks</u>
Exchange Relationships	<ul style="list-style-type: none"><li>- identify market opportunities</li><li>- gain command over scarce resources</li><li>- purchase inputs</li><li>- market production and deal with competitors</li></ul>
Political Administration	<ul style="list-style-type: none"><li>- public bureau (taxes, licenses)</li><li>- management of human relations within the firm</li><li>- management of customer/supplier relations</li></ul>
Management Control	<ul style="list-style-type: none"><li>- financial control</li><li>- production management</li></ul>
Technology	<ul style="list-style-type: none"><li>- oversee assembly factory</li><li>- engineering</li><li>- upgrade processes and product quality</li><li>- introduction of new techniques and products</li></ul>

Source: Adapted from Kilby 1971 (p. 27)

Shapiro and Sokal (1982) put forth that the "entrepreneurial event" is denoted by the following functions:

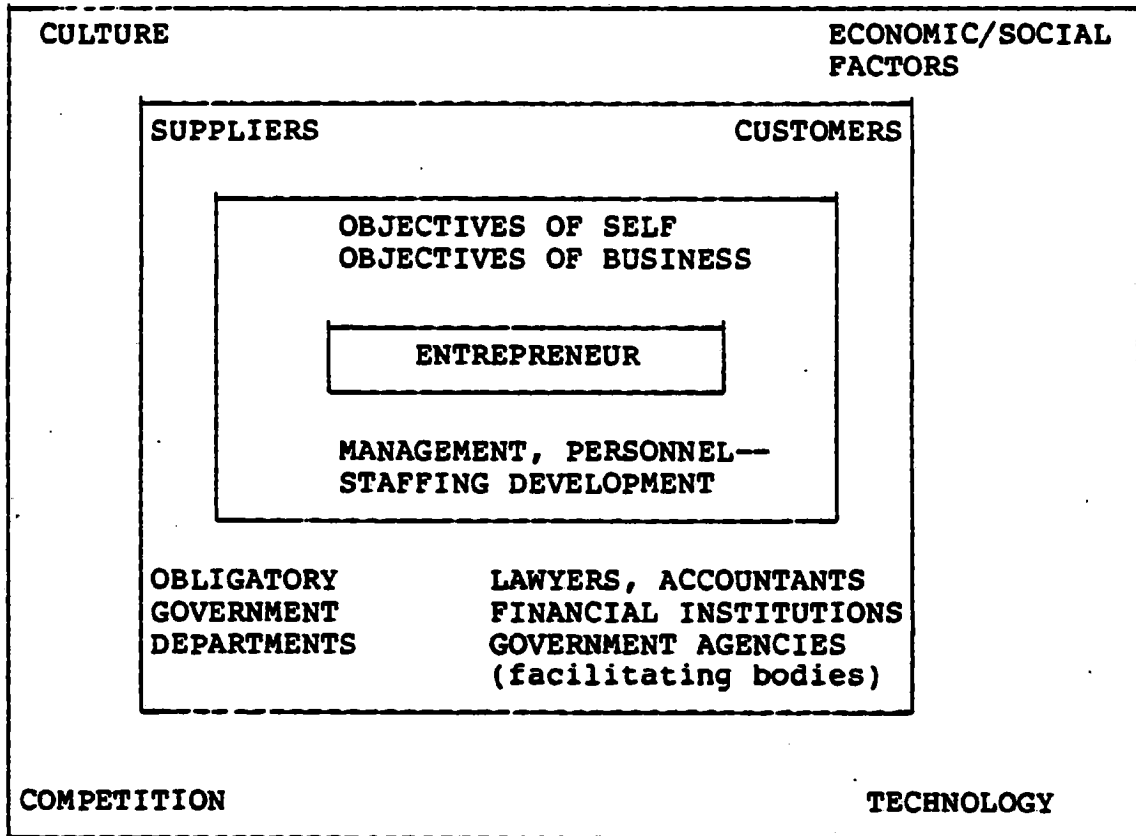
1. initiative taking
2. consolidation of resources
3. management of the organization
4. relative autonomy--resources are disposed of and distributed with relative freedom
5. risk taking--the organization's success or failure is shared by the initiators (p. 72).

In terms of functional interaction, the entrepreneur must respond to many demands. A complexity of relationships develop out of entrepreneurial activity regardless of the size of the operation. This is illustrated in Figure 3.

While the entrepreneur aims either "not to be controlled" or "to be in control", there are still a myriad of uncontrollable influences which will contribute to the success or non-success of a business enterprise, or indeed, whether the would-be entrepreneur actually reaches the point of becoming a success.

FIGURE 3

**INTERNAL AND EXTERNAL EXCHANGE RELATIONSHIPS OF BUSINESS OWNERS**



The entrepreneur must deal with internal and external influences in starting and operating the business. In managing the internal aspects of the business, the entrepreneur probably sets personal objectives for self in relation to the business and also firm specific objectives which give it basic direction. A structure for the business is established, personnel selected (in many cases) and the entrepreneur begins managing finances, inventory, service offerings, personnel, promotion and a myriad of other functions. From Figure 2 then managing internal aspects of the business would involve roles in political administration, management control and technology. However to perform other tasks in the four roles summarized, interaction with the external environment is necessary. Entrepreneurs are responsible to customers and to obligatory government departments (taxes, licenses etc). They must establish strong and positive rapports with suppliers, financial institutions and facilitating government agencies. They must be aware of competitive activity and technological advances which could impact their business in positive or negative ways. They must do this within a cultural, economic, and social framework which may or may not reinforce the activity.

Entrepreneurs should see themselves as members of an integrated and supportive distribution system which seeks to deliver goods and services to customers in an equitable and sociably responsible manner. This however, is often not the case. Small business and its owners are often not treated in an equitable manner by suppliers, customers, and financial institutions based primarily on a size factor. There is higher risk in dealing with a small business, (financial institutions) less opportunity for economies of scale (supplier and customer dealings) and often limited choice in offerings to ultimate customers. So they may have to work harder to compete and to be successful in dealing with environmental factors. The problem becomes more pronounced when the business is owned and operated by a minority or a woman because of the expectations of those in the 'external environment' about the appropriate roles for members of our society.

In any event, it is important to know how these functions and relationships are perceived and handled by the entrepreneurs who do achieve success in business. How important is each function, each relationship and how well is it performed or managed? Where are the greatest strengths and weaknesses and how can these be built upon or improved? What strategies are required to facilitate the incidence and survival of small business enterprise and to strengthen its position subject to those external influences?

#### RESEARCH ON WOMEN ENTREPRENEURS

There have been few published works on the topic of female entrepreneurs and much more remains to be done in the field.

The most major study on women business owners was commissioned by the U.S. government and reported on in 1978--The President's Interagency Task Force on Women Business Owners.

This report includes a rather extensive bibliography of government publications, monographs, books, articles, Ph.D. dissertations relating to small business, quite a number of which deal with women business owners. It reported results from interviews with 3200 women business owners and brought to light several problems requiring attention if women are to be given equal opportunity as business owners. Most studies, however, are much narrower in scope in terms of sample size and geographic area but do contribute to the field of knowledge.

One of the perhaps most significant deficiencies of most entrepreneurial studies of women is that they choose convenient samples. It is much easier to locate owners of retail and service industries (Queens 1982 study, Schwartz 1976) than in manufacturing industries. This in some ways perpetuates the myth that women are abnormally concentrated in small retail businesses. Schreier (1975) included only women in non-traditional business areas, i.e., excluded beauty salon operators. This again assumes unimportance of that particular service. While characterized by several small firms, the beauty industry is a

multi-million dollar industry relatively unaffected by the economic environment. Owning and operating a hairdressing operation is providing a strongly desired service to a particular market segment. These owners (male or female) are as entrepreneurial in nature as any other business owner.

It is important to consider all types of woman owned businesses. They exist in a diversity of industries and a business should be no less viable or important based on the sex of its owner.

#### SUMMARY

This section of the report has outlined some of the historical and culturally and societally based explanations for the rarity of female entrepreneurs. It has discussed the approaches to the study of entrepreneurship, has defined it, has outlined its many roles and functions and pointed out the potential difficulties of becoming a female entrepreneur. With this background information in place, the next sections of this report will discuss the small business sector in Canada and describe the study of women business owners (predominantly in the small business sector) in the Maritime Provinces.

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SECTION 3

SMALL BUSINESS IN CANADA

THE CONTRIBUTION

Small business forms the economic backbone of most countries today. The Canadian federal government estimates that 97% of all businesses in Canada are "small" businesses, defining small business as any business having sales of less than \$2 million per annum.<sup>1</sup> The national total figure amounts to 1.21 million small Canadian enterprises, which is composed of 700,000 incorporated units and 513,000 self-employed unincorporated individuals.<sup>2</sup>

In terms of economic contribution these small businesses in 1978 accounted for about 29% of the total contribution to business GNP in Canada, 24% of the total sales volume for all businesses, 42% of total employment in the commercial workforce, 20.8% of the total corporate business sector profits and 18% of the total corporate business tax bill.<sup>3</sup>

In addition to the direct contribution of these businesses to the creation of output, employment, and economic growth in Canada, Bocker outlines additional contributions made by small businesses. These include the important role of small business as partners of large-scale companies, the disproportionately high innovative contributions to ideas, inventions, technology developments and productivity, serving the needs of smaller, rural markets creating a basis of economic stability, area development and employment opportunities, and as having a strong influence on the competitive pricing structure--in other words, it forms the basis of a free enterprise system.

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<sup>1</sup>New Statistics on Small Business in Canada, 1979, Government of Canada, Industry, Trade and Commerce, pg. 6.

<sup>2</sup>LeMay, T., "Three factors define small business", The Globe and Mail, Report on Business, June 18, 1982, p. R8.

<sup>3</sup>Small Business in Canada: A statistical Profile, Government of Canada Industry, Trade and Commerce, 1981.

This contribution is further elaborated by Deeks (1976) who quotes from the Bolton Committee report on Small Business in the U.K.

"Small firms perform a large number of very varied functions, the relative importance of which depends on the particular industry concerned. . . . We have distinguished eight important economic functions performed by small firms, which comprise their special contribution to the health of the economy. They are as follows:

1. The small firm provides a productive outlet for the energies of that large group of enterprising and independent people who set great store by economic independence and many of whom are anti-pathetic or less suited to employment in a large organization but who have much to contribute to the vitality of the economy.
2. In industries where the optimum size of the production unit or the sales outlet is small, often the most efficient form of business organization is a small firm. For this reason many important trades and industries consist mainly of small firms.
3. Many small firms act as specialist suppliers to large companies of parts, sub-assemblies or components, produced at lower cost than the large companies could achieve.
4. Small firms add greatly to the variety of products and services offered to the consumer because they can flourish in a limited or specialized market which it would not be worthwhile or economic for a large firm to enter.
5. In an economy in which ever larger multiproduct firms are emerging, small firms provide competition, both actual and potential, and provide some check on monopoly profits, and on the inefficiency which monopoly breeds. In this way they contribute to the efficient working of the economic system as a whole.
6. Small firms, in spite of relatively low expenditure on research and development by the sector as a whole, are an important source of innovation in products, techniques and services.

7. The small firm sector is the traditional breeding ground for new industries--that is for innovation writ large.
8. Perhaps most important, small firms provide the means of entry into business for new entrepreneurial talent and the seedbed from which new large companies will grow to challenge and stimulate the established leaders of industry."

In order to understand the small business sector, it is critical that government understand the nature and characteristics of the small business entrepreneur as most firms are directed by the owner-manager, that is, the owner is the firm.

"Relations between small business and government to a large degree depend upon a proper appreciation by government of the way in which the small business operator views himself in relation to society."<sup>4</sup>

The direct impact of government on success of small business enterprise has been discussed in several studies. Wilkens (1979) for example found causal significance between entrepreneurial development and the actions of the state (p. 280). Pickle (1964) tried to measure the success of a firm as a function of the characteristics of the owner-manager (thinking ability, human relations ability, drive, communications ability, technical knowledge, and component traits) and found that only 45.5% of the variance in the measure of success was explained by these characteristics. The remaining 54.5% was expected to be the difference in business environment of the firms comprised of competition and government. Research attention has in the past been more focused on the large firm but a lot can be learned from studying the moderately successful small business and its operators. Hornaday (1982) and Knight (1982) make strong cases for looking at the small firm.

#### WHAT IS A SMALL BUSINESS?

Before embarking on a study of entrepreneurship, a

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<sup>4</sup>Small Business in Canada, Perspective, 1977, Minister for Small Business, Government of Canada 1977, p. 9.

definition of small business cannot be ignored. It could be defined according to a number of criteria, namely, number of employees, total sales, total assets, but problems arise as any definition is applied to the diversity of operations potentially falling under a caption of "small business". The Industry, Trade and Commerce study cited defines small business as "any business having sales of less than \$2 million per annum." The publication Small Business in Canada: Perspectives 1977 defines a small business as "one which employs no more than 100 employees in the manufacturing sector, or if in other sectors no more than 50 employees." This publication offers that small business may also be defined as "independently owned firms which have not developed the managerial structures typical of large, mature corporations," where decisions are still primarily made by the owner-manager of the firm. The Canadian Federation of Independent Business defines small business as "a firm which is independently owned and operated and not dominant in its field of endeavour." The Nova Scotia Department of Development defines small business as one with fewer than 20 employees and sales of less than \$2 million per annum. These definitions are statistical and quantitative in nature. Another approach may be to define small business in a managerial context, consistent with the entrepreneurial perspective taken in this report.

The Bolton Report (paragraphs 1, 4) use three criteria to offer an economic rather than a statistical definition of the small firm--the notion of personalized management, independence (freedom from outside control in decision-making) and small market share (the firm is too small to significantly influence its market environment).

"By "managed in a personalized way" we mean that the owners themselves actively participate in all aspects of the management of the business and there is no general devolution of the decision-making process. Thus, although they may have one or more intermediate layers, e.g. supervisors or foremen to interpret their decisions and transmit them to the employees, and although--in the larger small firms they may devolve certain specialized functions, such as accounting or

production, on the more senior of their employees, the owners themselves still take all the principal decisions and exercise the principal management functions."

For the purposes of the study, small businesses are defined as being independently owned and operated with sales up to \$2 million per annum and with not more than 100 full-time employees, where decisions are made by the owner-manager of the firm--a combination of statistical and economic definitions. It considers those small businesses owned and operated by women.

It is possible to separate the respondent firms further (as Phillips (1958) suggests) into another category--the little firm. He defines the little firm as one "which has no paid employees and the proprietor participates directly in the physical work processes of the business". Approximately 26% of the firms in this study would be considered under this definition as little firms. For the most part these firms include craftspersons and small retailers. The principal difference between little firms and small firms is that little firms are owner-operated with the owner working for wages, whereas the small firm is owner-managed with the owner working for profit.

#### WOMEN AND SMALL BUSINESS

This study investigates women in the small and little business sectors defined as craft, ubiquitous and elite entrepreneurs. The range of possibilities for research focus on the topic of entrepreneurs in relation to business size is charted in Figure 4.

Business size differs according to sales volume, management style, number of employees, and decision-making. A little business would generate sales of less than \$50,000 per year; small business revenues are less than \$2 million per year; medium size business \$2 - 5 million; and large business, over \$5 million per year.

Entrepreneurial types differ based on the definition used (corporate or proprietor), attitude of owner, objectives of the owner for the business in terms of mission, growth, control and personal objectives.

There is no information available on exactly how many

FIGURE 4

ENTREPRENEURIAL TYPES AND BUSINESS SIZE

Little Business	Small Business	Medium Business	Large Business
	Independent (Elite)	Modal Independent (Elite)	Modal
Independent (Ubiquitous)	Independent (Ubiquitous)		
Craft			

businesses in Canada are owned by women. While we know from taxation statistics, there were 130,000 female business proprietors (unincorporated self-employed) in Canada in 1979<sup>5</sup>, this ignores the women-owned firms which operate as incorporated businesses. According to the results of the research to be presented almost half of women-owned firms are limited companies. This means their numbers are probably much more significant than it first appears. This constituency of the small business population is also growing at a fast pace. The proportion of female to male proprietors in 1967 was 15%, in 1979 it was almost 40%<sup>6</sup>. While still few in number compared to male owned businesses, the number of women owned firms are increasing and impacting our economy in many favourable ways. Presently, we know very little about this group of women entrepreneurs. Attention is warranted; this report outlines background factors affecting the incidence of female entrepreneurship and investigates the nature of women business owners in the eastern provinces of Canada.

<sup>5</sup>Small Business Secretariat Working Paper, "Canadian Women Owner-Managers", Department of Industry, Trade, and Commerce, Ottawa 1982, p. 5.

<sup>6</sup>Small Business Secretariat Working Paper, "Canadian Women Owner-Managers", Department of Industry, Trade and Commerce, Ottawa 1982, p. 5.

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SECTION 4

SURVEY METHODOLOGY AND ADMINISTRATION

PURPOSE OF THE STUDY

The research undertook a comprehensive survey of women who own and manage their own businesses in the Maritime Provinces (Nova Scotia, New Brunswick and Prince Edward Island). Presently there is very little data and information on women-owned businesses in Canada--how many there are, in what business sectors, locational concentrations, economic contribution of women owned firms (employment, production of goods and services, etc.). Neither is there information on the attitudes and perceptions of women business owners as it relates to problems encountered in starting and operating a business, awareness of assistance available from government departments, institutions, and associations, cooperation and helpfulness of various business and government bodies, and areas in which more information/assistance or knowledge is required.

This research identifies women owner-managers and classifies their businesses as to sector, size of firm (gross revenues, number of employees) location, and type of business structure. These WBO's were surveyed with mail questionnaires to investigate their attitudes and perceptions regarding business ownership, as well as the problems associated with operating a business in the Maritime region.

The information gained is useful in determining the contribution of women owned businesses to the economy in general and in particular to various industry segments. It provides a data base to allow measurement of trends and changes in the woman as entrepreneur and business owner over a period of time, assists in the development of a profile of "the successful woman business owner", and identifies problem areas where government and institutions can be more effective in designing policies and programs to assist and encourage women in an entrepreneurial direction.

To summarize, the purpose of the research was twofold.

In phase 1, the purpose was to identify, locate and compile a master list of those businesses which are women-owned; and in phase 2 to survey a sample of these women intensively to develop a profile of the successful woman business owner and her business. The results go a long way in dispelling myths that currently exist about the nature of women owned businesses.

#### OBJECTIVES OF THE STUDY

In an area which is so void of information and knowledge, the specific objectives of the study were to:

obtain more information and greater insight into the characteristics of women business owners (WBO's) that might serve as a basis in formulating plans and programs for potential and existing WBO's.

determine the major problems and barriers encountered by women in starting and operating their own business and uncover solutions in dealing with these barriers

assess the types of assistance, information, and educational requirements of women when establishing a new business or operating an existing one

determine those factors contributing most significantly to the success of women-owned businesses.

The study will also attempt to discover and describe the contribution and achievements of WBO's to the economic and business development of the Maritime region. The proposed research builds on two previous Canadian studies on the subject of women-owned businesses conducted by Dr. Maridee Allan Winter (1978) and Queens University (1982), both conducted for the Small Business Secretariat.

#### SAMPLING FRAME

Selection of participants for Phase 1

It is very difficult to select a sample when there is no data base from which to draw representatives. There is no master list or reference source which indicates those businesses owned by women in Canada. The Queens (1982) study makes reference to the number of self-employed women in Canada from taxation

data but this ignores the women who own businesses which are limited companies and partnerships, a sizeable proportion of women-owned businesses. The problems of identifying majority shareholders in limited companies is difficult, at best; in addition, in some cases although a woman may be a shareholder and officer of the company, she is not involved in decision-making or management. Before a sample could be selected for this study, women-owned businesses had to be first identified and located, and then contacted for qualifying information. This master list was compiled by cooperation and assistance from manufacturing, trade, and professional associations, government departments and agencies, Business and Professional Women's Clubs, Provincial Status of Women organizations, and Boards of Trade and Chambers of Commerce. Trade and business directories were consulted and several leads were provided from women business owners themselves.

All of the 1200 potential women business owners identified and located were contacted with an initial qualifying questionnaire (Appendix A) seeking ownership information and basic business classification data. An attempt was made to discover a broad cross-section of business types. This made the search more difficult because many women-owned firms are not obvious ones, for example, in the manufacturing sector.

#### Selection of participants for Phase 2

All women responding to Questionnaire I who qualified for inclusion in the study according to the established criteria (see page 32) were sent Questionnaire 2 (Appendix B). Four hundred, forty-seven women were sent Questionnaire 2 and 190 responded.

#### Selection of participants for Phase 3

In phase 3, personal interviews were conducted with WBO's chosen from participants in phase 1 and 2. Criteria for selection of this group were very carefully considered. Should they be representative of phase 2 respondents in terms of a stratified sample or selected on the basis of how "entrepreneurial"

they were? It was decided to select them on the basis of strong entrepreneurial characteristics--those women approximating the "elite" entrepreneurial type discussed in Section 2. Thus the women selected were more likely to:

1. own more than one business either now or in the past
2. have been in operation more than five years
3. started the business herself (or in partnership)
4. operate as a limited company
5. generate sales revenues in excess of \$250,000 per year
6. employ at least (1 - 4) full-time employees
7. consider herself more than moderately successful
8. come from an entrepreneurial family
9. represent a cross-section of industry types

Education and work history were not seen as being important determining dimensions for participant selection, neither was reason for starting a business. These areas were however, important ones to explore during the interview stage. A further description of phase 3 respondents is outlined in Section 5.

#### QUESTIONNAIRE DESIGN

Questionnaire 1 composed of 18 questions, (Appendix A), was designed to qualify respondents, that is, ensure they met certain criteria establishing them as successful women business owner-managers. It was also designed to classify women-owned businesses by industry sector, business structure, and size, measured in terms of sales volume and employee size.

After reviewing the literature (Winter, 1978; Shreier, 1975; Schwartz, 1976) and government definitions of small business, the business was required to meet the following criteria to be included in the research results.

1. must be in operation for at least one full year
2. must have gross revenues in excess of \$10,000 per annum (the publication New Statistics on Small Business in Canada excluded business with less than \$10,000 in sales considering them not to be true full-time businesses)

3. must be women-owned. This presents no problem when the business is a sole proprietorship. When the business is a partnership, the woman must take a salary or drawings at least equal to that of the other partner(s) and have at least an equal share in the ownership of business assets; if a corporation, the woman must be an equal or majority shareholder and be equally responsible for making and implementing major policy decisions for the company. Woman owned includes businesses bought from someone else, partnerships bought into, and inherited businesses, provided the woman then assumed ownership, control, and management.
4. must be controlled by the woman.
5. must be operated by the woman. This means being actively involved in the daily management of the company.

These businesses include franchises where there is a risk of loss or gain and considerable autonomy on the part of the franchisee, and professional businesses (lawyers, doctors, accountants, dentists, management consultants).

#### Questionnaire Design--Phase 2

In the second phase of the research a questionnaire was developed incorporating major issues raised in the literature and compatible with research conducted on Canadian women business owners previously. This allows for comparison on certain dimensions between for example, women in Southern Ontario and women in the Maritime region. The questionnaire included 41 questions (Appendix B) and incorporated a combination of seven point Likert scale questions, open-ended and multiple choice type questions. Several drafts were tested and discussed with WBO's for areas of ambiguity and misunderstanding and revisions made.

#### Questionnaire Design - Phase 3

The questionnaire for phase 3 of the study evolved after analyzing data from the first two questionnaires. The findings of these research instruments uncovered areas for further investigation.

Specifically, the objective of the personal interviewing phase of the research was to gain greater insight into the life patterns of WBO's to determine whether similarities existed which

might explain female entrepreneurship. Interviews allowed in-depth investigation of areas which could not be explored qualitatively in phase 2 of the research. The interviews were unstructured in design but did attempt to explore the following areas:

- : How the business actually got started
  - events leading up to it
  - motivating factors
  - actual determining event (what made the owner actually "jump in")
  
- : Previous education and work history
  - previous employment--type and number of jobs
  - level of experience--professional, managerial, clerical, sales, etc.
  - satisfaction with the work
  - formal education--level and type
  - additional training and courses related to business
  - relevance of education and work history to present business
  
- : Family and personal history
  - occupation of mother and father
  - size and composition of paternal family
  - birth sequence in family and birth date
  - nature of relationship with mother and father
  - any meaningful or relevant experiences during youth impacting on attitudes or goals, etc.
  
- : Immediate family situation
  - marital status
  - number of children, ages, and sex
  - child and household care arrangements
  - role of husband
  - effect of business on family
  
- : Impact of business ownership on lifestyle
  - hours worked in business
  - effect on personal life and relationships
  
- : Business specific information
  - source of start-up capital
  - relationship with bank and significant others
  - objectives and plans for future growth
  - other information considered by WBO to be relevant or significant

In addition to these topics, a number of other issues arose from individual discussions. These are elaborated on in Section 8.

### SURVEY ADMINISTRATION

The mail survey method of data collection was selected for phases 1 and 2. The study covered a wide geographic area and the cost of visiting every town, city, and village in the three Maritime Provinces would have been prohibitive. The questionnaires, particularly, number 2, was complex requiring time and thought on the part of respondents, which a mail survey allowed.

Phase 3 required personal interviews to explore significant areas in-depth. These interviews provided much richer information of a qualitative nature and explained or reinforced causal relationships found in the survey data. The interviews were of an unstructured nature and allowed maximum participation by the respondents. The meetings generally lasted 2 - 3 hours, were taped, and later analyzed for content. Detailed descriptions of individual interviews are not included in this report for reasons of confidentiality.

Information from the interviews is analyzed to discover patterns of female entrepreneurship; similarities and differences between owners of diverse businesses and diverse backgrounds are investigated.

### DATA COLLECTION

First of all, a letter was sent to all organizations, associations, and government agencies who were determined to be able to act as reference sources providing data to the project (Appendix C). As responses came in with lists of WBO's in different areas of each province, master lists were compiled and the first questionnaire sent to WBO's. The process was continuous as leads were being received on a regular basis as the research progressed. Such was also the case with the second questionnaire. These were mailed on a continuous basis as responses from Questionnaire I were received.

A covering letter was sent with Questionnaire I explaining the nature of the study and requesting assistance

(Appendix D). Two follow-up letters (Appendix E) on phase 1 were sent to nonrespondents increasing the overall response rate to 56% (Table 1). These follow-ups increased the response rate significantly. A covering letter was also sent with Questionnaire 2, highlighting major findings from analysis of data from Questionnaire 1 and urging cooperation (Appendix F). A 41% response rate was obtained on phase 2, with 183 usable questionnaires. This rate of response was achieved with one follow-up letter, sent on May 16, 1983 (Appendix G).

The responses for Questionnaire I were tabulated at various stages as responses were received. Distribution of responses did not vary significantly with increased numbers of responses. This could mean that results reasonably represent the nature of women-owned businesses in terms of distribution of industry sector, size, structure, and method of acquisition.

Responses received after July 1, 1983 were not included in the study.

#### DATA ANALYSIS

The questionnaires were coded, edited, and verified, then analyzed utilizing the Statistical Package for the Social Sciences. Frequency distributions and simple correlations were conducted on the data.

#### LIMITATIONS OF THE STUDY

Numerous problems were encountered in conducting this research which impose limitations on its outcomes. First, there was no resource list or data base from which to draw representative samples of women business owners. There is no way to tell what proportion of women-owned business in the Maritimes was surveyed or whether they are representative of the set of WBO's. Some degree of confidence in general application of results was gained because of the similar distributions and descriptions of women-owned businesses for phase 1 and phase 2 of the study.

Secondly, more WBO's could have been located and surveyed if time and money had permitted extensive travel within the



TABLE 1  
RESPONSE RATE ON SURVEY QUESTIONNAIRES

	<u>Questionnaire 1</u>	<u>Questionnaire 2</u>
Questionnaires Sent	1200	447
Responses	676	190
Do Not Qualify	159 <sup>1</sup>	7
Incorrect Address	64 <sup>2</sup>	---
Returns	<u>6</u>	---
Qualifying Responses	447	183
Response Rate (Useable)	38%	41.0%

<sup>1</sup>Businesses were disqualified for reasons such as sales under \$10,000/year, minority partner/shareholder, business closed or sold, woman not active in management, owner deceased, business is husband's

<sup>2</sup>Letters were returned because business/woman had moved or address was incomplete.

Maritime Provinces to commercial centres. Personal visits would have permitted much more extensive investigation of which businesses were woman owned. As it is, the research depended on the willingness of agencies, associations, other WBO's, etc. to provide names of WBO's. Not all areas in the Maritimes are represented in the study.

Thirdly, there are a number of French-speaking areas in New Brunswick. WBO's were identified in these areas and sent the research questionnaires. Phase 2 responses for the French speaking areas were low and could have been increased if the questionnaire had been translated into French.

Some of the questions on questionnaire 2 were either subject to problems of interpretation or difficult to code and analyze. Further pre-testing on the questionnaire or more interviewing prior to questionnaire design may have improved the design of these questions. However, research objectives were achieved with the existing research instruments and personal interviews with respondents in phase 3 were able to clarify ambiguous points.

Time permitted only seven personal interviews to be conducted. These interviews were very revealing and provided richer information than elicited from mail questionnaire data. Phase 1 and 2 data provides very good descriptive information on WBO's and their businesses, but more personal interviews are required to develop an appropriate theory or model pertaining to the nature of female entrepreneurship. Additional work needs to be done in this area.

The study results reflect female entrepreneurship in only one geographic area of Canada and may not represent the phenomena in other regions of the country. However, there are descriptive similarities between WBO's in this study and those who participated in the Queen's (1982) study. Data needs to be collected on WBO's in the other Canadian provinces to provide a national picture.

SECTION 5

RESEARCH FINDINGS - DESCRIPTIVE

A description of respondent's businesses is outlined in Table 2 for both phase 1 and phase 2. It can be seen from this table that respondents were very similar in terms of characteristics of the business, for both phases of the study.

## PHASE I - DESCRIPTION OF WOMEN-OWNED BUSINESSES

The following describes and summarizes the nature of businesses owned by 447 women in the Atlantic Provinces--234 from Nova Scotia, 163 from New Brunswick and 50 from Prince Edward Island. Nineteen point seven percent of these women own more than one business which indicates a high degree of entrepreneurial behaviour.

### SECTOR CLASSIFICATIONS

Women-owned businesses are evident in a cross-section of industrial/commercial sectors, and contrary to popular belief may not be proportionately more heavily concentrated in the retail sector. Distributions of this survey sample are outlined in Table 2. Twelve point three per cent of women are in manufacturing, 44.5 are in trade (wholesale/retail), 37.4% are in service industries, 1.1% in transportation, 2.7% in real estate, insurance, finance, and 1.1% in agriculture/fishing).

Women are not well represented in transportation, construction, or finance--areas which might be considered traditionally male oriented and dominated. However, they are well represented in manufacturing and make a very large contribution to the trade and service sectors.

### FORMATION AND STRUCTURE OF BUSINESSES

Almost 70% of the women actually founded their business, again indicating a strong entrepreneurial tendency. This percentage was highest in manufacturing (81.1%), service businesses (71.3%) agriculture, fish, forestry (100.0%) and lowest in trade (64.8%). In retail and wholesale trade 21.6% of women bought into the business.

Forty-three percent of the businesses were operated as limited companies, 39.8% as sole proprietorships and 17.2% as partnerships (Table 2). Structure of business varied by type of business to quite an extent. From Table 3, it can be seen that manufacturing and trade businesses are more likely to be incorporated and service firms to operate as sole proprietorships.

TABLE 2

DESCRIPTION OF RESPONDENT'S BUSINESSES

<u>Province</u>	<u>SAMPLE SET I</u>		<u>SAMPLE SET II</u>	
	<u>Number of Firms</u>	<u>% of Firms</u>	<u>Number of Firms</u>	<u>% of Firms</u>
NS	234	52.3	100	54.6
NB	163	36.5	64	35.0
PEI	50	11.2	19	10.4
Total	<u>447</u>	<u>100.0</u>	<u>183</u>	<u>100.0</u>

Sales (\$000's)

\$10 - 60	149	33.3	68	37.2
\$60 - 105	61	13.6	23	12.6
\$105 - 255	120	26.8	43	23.5
\$255 - 500	49	11.0	20	10.9
\$500 - 2m	23	5.1	13	7.1
Over \$2m	2	0.4	2	1.1
No response	43	9.6	14	7.7
Total	<u>447</u>	<u>100.0</u>	<u>183</u>	<u>100.0</u>

Number of years in Business

Under 2 Years	65	14.7	9	4.9
2 - 5 Years	155	35.1	76	41.5
6 - 10 Years	118	26.7	50	27.3
11 - 20 Years	60	13.6	30	16.4
Over 20 Years	44	10.0	17	9.3
Total	<u>442</u>	<u>100.0</u>	<u>182</u>	<u>100.0</u>

Acquisition

Started Business	307	68.7	126	68.9
Buy It	77	17.2	26	14.2
Buy Into	14	3.1	9	4.9
Take Over Family Business	22	4.9	10	5.5
Other	27	6.0	12	6.6
Total	<u>447</u>	<u>100.0</u>	<u>183</u>	<u>100.0</u>

20% own more than one business or business location (both samples)

Structure

Sole Proprietorship	178	39.8	74	40.4
Partnership	77	17.2	37	20.2
Limited Company	192	43.0	70	38.2
Other	---	---	2	1.1
Total	<u>447</u>	<u>100.0</u>	<u>183</u>	<u>100.0</u>

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TABLE 2/CONTINUED

	SAMPLE SET I		SAMPLE SET II	
	<u>Number of Firms</u>	<u>% of Firms</u>	<u>Number of Firms</u>	<u>% of Firms</u>
<u>Industry</u>				
Manufacturing	55	12.3	30	16.4
Trade	199	44.5	74	40.5
Service	167	37.4	69	37.7
Finance	12	2.7	6	3.3
Agriculture, Fish, Forest	5	1.1	1	0.5
Construction	4	0.9	2	1.1
Transportation	5	1.1	1	.5
Total	<u>447</u>	<u>100.0</u>	<u>183</u>	<u>100.0</u>
<u>Size</u>				
Average number of full-time employees		3.29		
Average number of part-time or other employees		2.96		

**TABLE 3**  
**BUSINESS STRUCTURE BY TYPE OF BUSINESS**

<u>Type of Business</u>	(n = 178) <u>Sole Proprietorship</u>	Structure (n = 77) <u>Partnership</u>	(n = 192) <u>Limited Co.</u>
Manufacturing (n = 55)	37.8%	16.2%	45.9%
Trade (n = 199)	36.2%	16.1%	47.7%
Service (n = 167)	48.5%	19.2%	32.2%
Construction (n = 4)	-----	-----	100.0%
Finance (n = 12)	8.3%	8.3%	83.3%
Transportation (n = 5)	20.0%	20.0%	60.0
Agriculture/Fish/ Forest (n = 5)	40.0	70.0%	40.0

Eighty-three percent of partnerships were with one other person and 10.3% involved two other partners. The partner was usually either a husband or a female friend/business associate.

In the limited companies, 84% operated with three or fewer shareholders. Basically, the businesses were sole proprietorships incorporated for purposes of taxation or business credibility. Thirty percent of these respondents indicated they owned 98% or more of the shares of their business and fifty-three percent own more than 50% of the shares. In all cases the women are equally or majorly responsible for making and implementing policy decisions and are actively involved in daily management of the business.

#### YEARS OF OWNERSHIP

The average number of years in business ownership for these WBO's was 8½ years; the medium was 5.3 years. The distribution in Table 2 indicates that approximately 75% of the businesses were entered into within the last ten years. This newness trend will likely continue as more women continue to make the entrepreneurial entry decision.

#### EMPLOYEE SIZE

The average number of full-time employees per firm is 3.29 (excludes the owner), however 91.6% of the firms employ fewer than 10 employees and 26.2% have no employees. The larger employers were generally seasonal businesses in the tourism industry. Fifty-six percent of firms employed part-time employees, an average of 2.9 persons.

#### SALES VOLUMES

In terms of sales revenues generated, distribution of sales is quite similar to the distribution of sales revenues for small businesses generally. Distribution of sales for respondent firms is found in Table 2. Distribution of sales vary by business type (Table 4) and business structure (Table 5).



TABLE 4

DISTRIBUTION OF SALES BY BUSINESS TYPE

<u>Sales</u>	<u>Manufacturing</u> n = 37	<u>Trade</u> n = 199	<u>Service</u> n = 167
under \$60,000	45.9%	23.1%	43.7%
\$60,000 - \$255,000	24.3%	50.8%	34.2%
\$255,000 - \$2m	24.3%	15.6%	10.8%
over \$2m	-----	0.5%	0.6%
no response	5.4%	10.1%	10.8%

(Significance .0000)

TABLE 5

DISTRIBUTION OF SALES BY BUSINESS STRUCTURE

<u>Sales</u>	<u>Sole Proprietor- ship</u> n = 178	<u>Partnership</u> n = 77	<u>Limited Company</u> n = 192
under \$60,000	65.2%	46.8%	20.9%
\$60,000 - \$255,000	28.6%	48.0%	48.4%
\$255,000 - \$2m	5.6%	5.2%	30.2%
over \$2m	0.6%	-----	0.5%

(Significance = .0000)

Manufacturing firms (depending on products manufactured) are the lowest and highest revenue producers. Service firms generate the greatest percentage of low sales (43.7% of service firms have sales of under \$60,000). In terms of structure, limited companies tend to be larger revenue producers (these are also the manufacturing and trade businesses) and sole proprietorships lower revenue producers. Sixty-five percent of sole proprietorships generate less than \$60,000 per year in sales. Thirty percent of limited companies earn revenues of \$255,000 - \$2 million per year.

The limited companies tend to be larger in sales volume than the sole proprietorships and partnerships. Service firms are significantly smaller in terms of sales revenues and numbers of employees and are less likely to be incorporated, i.e. are more likely to operate as sole proprietorships.

Sales levels do not vary significantly by number of years in operation although older firms tend to have greater percentages of sales on the high end—over \$500,000. The mean annual sales volume for the total sample is \$120,000 to \$135,000. While it is difficult to compare the frequency distribution for sales revenues with that of other published data on small business, it can be seen from Table 2 that approximately 40% of respondents businesses are generating \$50,000 - \$250,000 in annual sales. Approximately 18% of respondents generate revenues exceeding \$250,000 per year.

Small business in Canada, overall in 1978, generated sales revenues as follows:

under \$50,000	- 44% of small businesses
\$50,000 - \$250,000	- 37% of small businesses
\$250,000 - \$2m	- 19% of small businesses*

The conclusion reached here is that women owned businesses are not concentrated in lower revenue producing businesses.

\*New Statistics on Small Business in Canada, 1981. Government of Canada, ITC, Ottawa.

PHASE 2 - DESCRIPTION OF WOMEN-OWNED BUSINESSES

One hundred <sup>and</sup> eighty-three of the 447 phase one respondents described in the previous section responded to the phase 2 questionnaire. The descriptive aspects of the businesses were very similar to those of phase one and therefore can be said to be representative of the sample group from which they were drawn. A comparison of the two groups is illustrated in Table 2.

The response rate on phase two was 40.9%; 42.7% from Nova Scotia (100 responses), 39.2% from New Brunswick (64 responses), and 38% from Prince Edward Island (19 responses).

The mean sales volume for these firms was \$120,000 - \$135,000. The mean range for employee size was 1 - 4 full-time employees although 42% of firms employed no full-time employees. Ninety-one point eight percent of firms employed fewer than 10 employees. Almost 40% of firms employed "other" employees-- part-time, temporary, or seasonal. (Only manufacturing, retail and service businesses were included in this analysis of size since the number of firms in other classifications were too small.)

TABLE 6 -

**EMPLOYEE SIZE BY TYPE OF BUSINESS**

Industry Type	Number of Employees					Total
	0	1 - 4	5 - 9	10 - 19	20 - 49	
Manufacturing (n = 30)	36.7%	40.0%	13.3%	10.0%	0	100.0%
Retail Trade (n = 70)	42.9%	44.3%	10.0%	1.4%	1.4%	100.0%
Services (n = 69)	47.8%	36.2%	7.2%	7.2%	1.4%	100.0%

Table 6 shows distribution of employees by industry type. Manufacturing firms tend to be larger. Forty-two point nine percent of firms with no employees are service firms, 39% are retail firms and only 14.3% are manufacturing firms.

From Table 2, it can be seen that phase 2 respondents primarily represented firms in the manufacturing (16.4%), trade (40.5%) and service (37.7%) sectors. Six respondents owned firms in the finance sector, one in resource based industry, two in construction and one in transportation. A breakdown of industry and sales volume by province is illustrated in Table 7. New Brunswick respondents were primarily in trade and service sectors (the highest proportion of service firms). The majority of respondents in manufacturing were from Nova Scotia. New Brunswick had the highest proportion of firms with sales over \$500,000 per year (14.1%). P.E.I. firms tended to have lower sales volumes but only 19 questionnaires were received so this may not be representative. A listing of business types by product category follows in Table 8.

Almost 70% of these businesses were started by their female owners. Fourteen per cent bought the business, 5% bought into the business, 5.5% took over a family business and 6.6% acquired the business in some other way. Forty per cent of firms operate as sole proprietorships, 38.2% as limited companies and 20.2% as partnerships.

**TABLE 7**

**BREAKDOWN OF INDUSTRY TYPE AND SALES VOLUMES BY PROVINCE**

<u>Industry</u>	<u>N.S.</u>		<u>N.B.</u>		<u>P.E.I.</u>		<u>Total</u>
	<u># of Responses</u>	<u>% of Responses</u>	<u># of Responses</u>	<u>% of Responses</u>	<u># of Responses</u>	<u>% of Responses</u>	
Manufacturing	22	22.0	5	7.8	3	15.8	16.4%
Trade	37	37.0	28	43.8	9	47.4	40.5%
Service	35	35.0	27	42.2	7	36.8	37.7%
Finance/Insurance	3	3.0	3	4.7	-	-	3.3%
Construction	2	2.0	-	-	-	-	1.1%
Transportation	-	-	1	1.6	-	-	0.5%
Agric./Fish. (Forestry)	1	1.0	-	-	-	-	-
<b>Total</b>	<b>100</b>		<b>64</b>		<b>19</b>		<b>100.0%</b>
<u>Sales Volumes</u>							
No response	7	7.0	6	9.4	1	5.3	7.7%
\$ 10,000-\$ 60,000	39	39.0	22	34.4	7	36.8	37.2%
60,000- 105,000	10	10.0	8	12.5	5	26.3	12.6%
105,000- 255,000	27	27.0	13	20.3	3	15.8	23.5%
255,000- 500,000	11	11.0	6	9.4	3	15.8	10.9%
500,000- 2M	5	5.0	8	12.5	-	-	7.1%
over \$2M	1	1.0	1	1.6	-	-	1.1%
<b>Total</b>	<b>100</b>		<b>64</b>		<b>19</b>		<b>100.0%</b>

TABLE 8  
**PRODUCT CATEGORIES--WOMEN-OWNED BUSINESS**

<u>Sector</u>	<u>Product Categories</u>	<u>Number of Firms</u>
Manufacturing	Yogurt production	1
	Fish processing	1
	Crafts	20
	Printing/Publishing	4
	Bagpipes/highland accessories	2
	Marine repair	1
	Blood serums	1
<b>Total</b>		<b>30</b>
Retail Trade	Craft Shops	12
	Yarns/fabrics	11
	Ladies wear	9
	Home furnishings	7
	Deli/groceries	5
	General/variety store	3
	Florist	3
	Shoes/footwear	2
	Antiques	2
	Recreational vehicles/ sporting goods	2
	Art gallery	2
	Hearing aids	2
	Garden centre	1
	Jewellery	1
	Linens	1
	Childrens' toys/books	1
	Specialty shops	1
	Housewares	1
Office Supplies/books	1	
<b>Total</b>		<b>70</b>
Wholesale Trade	Crafts	2
	Ladies wear	1
	Industrial chemicals	4
<b>Total</b>		<b>4</b>
Other (service)	Hospitality (restaurant/ hotel/bar/campground)	17
	Beauty salon/hair boutique	15
	Consulting	8
	Professionals:	
	Lawyer	3
	Doctor	1
Dentist	4	
Veterinarian	1	
		<b>9</b>

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TABLE 8/continued

<u>Sector</u>	<u>Product Categories</u>	<u>Number of Firms</u>
	Travel agency	3
	Day care centre	3
	Schools	3
	Word processing	1
	Photography	1
	Document destruction	1
	Film production	1
	Model agency	1
	Electric motor repair	1
	Interior design	1
	Bookbinding/repair	1
	Home care service	1
	Newspaper	1
	Health service	<u>1</u>
	Total	69
Finance/Insurance		6
Construction		2
Transportation		1
Agric./Fish./Forest		<u>1</u>
Total		183

PHASE 2 - DESCRIPTION OF WOMEN BUSINESS OWNERS

The majority of WBO's are 36 - 45 years of age (Table 9). Forty point five per cent of respondents fall into this category.

TABLE 9

AGE OF WOMEN BUSINESS OWNERS

Under 25	1.1%	46 - 50	9.3%
25 - 30	10.9%	51 - 55	8.7%
31 - 35	18.6%	56 - 60	4.4%
36 - 40	23.5%	over 60	<u>6.0%</u>
41 - 45	16.9%		
Total			100.0%

The majority of WBO's (73.7%) have been business owners for less than 10 years (Table 10).

TABLE 10

NUMBER OF YEARS AS A BUSINESS OWNER

1 year or less	4.9%
2 - 5 years	41.5%
6 - 10 years	27.3%
11 - 20 years	16.4%
over 20 years	<u>9.3%</u>
Total	100.0%

This means that most women actually start their businesses in their late twenties or early thirties, a fact which also typifies male entrepreneurs. Forty-seven percent of WBO's had worked 11 - 20 years in all full or part-time paying jobs and 34% had worked over 20 years. It appears however, that few women worked in a managerial capacity before performing this function within their own organization (see question 25 in Appendix B).



WBO's are very well educated with 61% indicating post-secondary education (see question 30 in Appendix B); 40% vocational or technical school; 38% four-year college or universities; 30% graduate or professional school (question 31) and 47% indicated they held university degrees or professional accreditation (question 32). Only 1.1% of respondents held a degree in business. These results closely parallel results from the U.S. Task Force study on education of WBO's. It was generally felt that previous work experiences had prepared WBO's better than their education for being a business owner and running a business.

Almost 70% of WBO's are married and 13% are separated or divorced. Fifty-six percent (102) of WBO's have children living at home (Table 11) out of which 30% assume sole responsibility for child care arrangements. Approximately 7% employ a housekeeper. Forty-four percent indicated their children were old enough to take care of themselves in the home.

TABLE 11

NUMBER OF CHILDREN OF WBO'S LIVING AT HOME

None living at home	81	44.3%
One	35	19.1%
Two	40	21.9%
Three	20	10.9%
Four	7	3.8%
Total	<u>183</u>	<u>100.0%</u>

Most WBO's in the Maritimes were Canadian-born (78%) (question 41), 8% came from the U.S., and 11% from other countries. The newest resident has been in Canada for at least seven years.

Thirty-nine percent of WBO's come from family homes where the mother worked outside the home and 52% indicated that one of their parents or both had owned a self-employed business or professional practice. These two factors were likely to have a positive effect on the emergence of these women as business owners. The U.S. Task Force study results also found that

approximately 52% of respondent WBO's came from entrepreneurial families.

Thirty per cent of these women have owned more than one business in the past and 20% presently have ownership in more than one business enterprise, indicating strong entrepreneurial drive.

Further discussion of respondents follows in Part 5.

### PHASE 3 - DESCRIPTION OF RESPONDENTS

In the last part of the research seven women business owners were interviewed in depth. These WBO's were selected arbitrarily, taking into consideration the criteria listed on page 32 of this report. The businesses selected represented a cross-section of industry types--insurance, construction, retail, and service (consulting, day care, and hospitality). A general description of the WBO's and their firms is outlined on page 55.

All of these firms are operated as limited companies, were started by the present owner(s), and generate annual sales volumes of over \$150,000 per year. Six out of the seven firms generate sales revenues exceeding \$400,000 per year.

Five of the seven owners are presently married; all of the women have children and six of these have children still living at home. These WBO's range in age from 32 - 60 with the average age being 44. The number of years as a business owner ranges from 2 - 32 years.

Four of these WBO's own or have owned more than one business. Two of these operate two locations of the same type of business; one WBO has part-ownership in three other companies (for which she also acts as a director), and one woman previously owned another related business. Only two of these WBO's came from self-employed families, one from a family where the mother operated a retail store and one from a family where the father was engaged in a professional practice. Only one of these WBO's has a university degree, although five of the remaining six pursued post-secondary education beyond Grade 12. In most cases this educational training did not relate to the type of business they eventually started.

Respondent #	1	2	3	4	5	6	7
Type of Business	Insurance Co.	Restaurant	Construction (Energy)	Management Consultant	Day Care & Pre-School	Motel/Dining Room Lounge	Retail Yarn
Limited Co.	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Started the Business	Yes	Yes	Yes	Yes (Partnership)	Yes (Partnership)	Yes (Partner.)	Yes
Sales > \$250,000	Yes	Yes	Yes	No	Yes	Yes	Yes
Number of Employees (Full-time)	1	30 - 100	15 - 29	2	8	14 - 30	11
Considers herself more than moderately successful	Yes	Yes	Yes	No	Yes	Yes	Yes
Ownership in more than one business (now or in the past)	Yes	Yes (2 locations)	No	No	Yes	No	Yes (2 locations)
Years as WBO	3½	32	2	6	5	14	3½
Parent was self-employed	No	No	Yes (mother)	No	No	Yes	No

None of the WBO's had previous management experience working for a company prior to managing their own firm.

Reasons for getting into business for themselves were given as follows:

Desire for financial independence	3
Someone else wanted me to	1
Unhappy working for someone else	1
Felt they could do something "better"	2

Four of these WBO's started their firms without bank financing. The three businesses requiring bank financing were refused loans unless the notes were co-signed by husbands. One WBO was refused bank financing by 4 banks and eventually received financing from the private sector. Another business was also privately financed with the remaining two businesses financed by the owners themselves. Six of these WBO's are very actively involved in trade or professional associations or organizations representing their business.

For further description of the interviews with these WBO's, please refer to Section 8.

SECTION 6

RESEARCH FINDINGS - ANALYTICAL

The major objectives of phase 2 of the research were to obtain greater insight into the characteristics of WBO's, to determine those factors contributing most significantly to the success of women-owned business, and to determine the major problems and barriers encountered by women in starting and operating their own businesses. An attempt was also made to assess the types of assistance, information, and educational requirements of women when establishing a new business or operating an existing one.

The results of this part of the study shed some light on the perceptions of WBO's regarding themselves and their businesses and attitudes they hold about the environment in which they operate.

PERCEPTION OF LEVEL OF SUCCESS

It is difficult from this study to determine objectively the degree of success of women-owned businesses; personal objectives of the business owners for these firms were not specified, and the study did not consider profitability measures for each business. However, an attempt was made to correlate perception of success with quantifiable measures such as sales level, number of full-time employees and years of business ownership and experience. Slightly fewer than half of the respondents (48%) perceived themselves as more than moderately successful as business owners (Table 12). Nineteen percent considered themselves to be very successful.

TABLE 12  
PERCEPTIONS OF SUCCESS AS A BUSINESS OWNER

	<u>Number of Respondents</u>	<u>% of Respondents</u>
1. Very Successful	35	19.0
2.	53	29.0
3. Moderately Successful	87	47.6
4.	6	3.3
5. Not Very Successful	<u>2</u>	<u>1.1</u>
	183	100.0

While success perception did not vary significantly by the number of years in business, industry type, or reason for getting involved in business, it did vary significantly by sales level, the number of full-time employees and by the number of years it took before the business generated a profit. Success was positively correlated with the size of the firm and owners of firms which generated a profit within the first year were more likely to consider themselves very successful. Only 13% of the businesses were not generating a profit yet (at the time of the study) but

the owners still felt they were moderately successful (70.8%). A further attempt was made to determine those factors which might explain the differences in success perception of these WBO's. The scale responses to the question "to what extent do you consider yourself a successful business owner?" were correlated with the factors listed in Table 13. Success perception was significantly correlated with degree of ownership and sales, and weakly correlated with having owned more than one business in the past. Other factors did not explain success perception within the study group.

FACTORS CONTRIBUTING TO BUSINESS SUCCESS

Attribution of factors to business success indicates interesting results (question 5). Mean score calculations isolated the top five success factors as:

<u>Factor</u>	<u>Mean Score*</u>
Hard Work	1.13
Enjoyment of Challenge	1.39
Work Satisfaction	1.42
Self Confidence	1.41
Self Discipline	1.45

\*Scores were computed from a scale of 1 - 5 where 1 = very important and 5 = not important at all.

Of least importance were factors such as good supportive services (lawyer, accountant, etc.), exposure to other business women, educational attainment, and family supportiveness.

From Liles' (1974) analysis of entrepreneurial behaviour, we might expect that encouragement and support from various bodies might be critical in terms of contributory success factors. Women do not appear to perceive the world this way. Either the support is not there or women tend to operate more independently than male business owners. Networking and social integration within the group or subgroup has been identified in the literature as contributing to entrepreneurial emergence. Women are not exposed to each other--there is not strong sub-group interaction, hence exposure to other women business owners would not be an important factor. Support services were not seen as important either even though the support professionals were perceived

TABLE 13

**CORRELATION OF SUCCESS PERCEPTION**

	Correlation
1. Objective Measures of Success	
Degree of Ownership	.2154*
Sales	.3306*
Number of Full-time Employees	.2706
Type of Business	-----
Number of Years before Business Generated a Profit	.3662
2. Previous Business Experience	
Owned More than one Business in the Past	.1427*
Own More than one Business Now	.0945
Number of Years as a Business Owner	.0687
Years Worked in a Managerial Company	.0771
3. Education	
Years of Education	.0359
Type of Education	-----
4. Family Background	
Age	.0130
Parental Family was Entrepreneurial	.1246
Mother Worked Outside the Home	.0235
Marital Status	.0330
Presence of Children	.0687
Child Care Arrangements	.1228
5. Specifics of Existing Business	
Strength/Weaknesses in Skill Areas (Q. 8)	-----
Areas Needing Improvement in Business (Q. 9)	-----
Traits Important for Success as Business Owner (Q. 6)	-----
Success Factors (Q. 5)	-----
Motivation for Business Entry	.0744

\*Significant at  $\leq .05$



as being very cooperative in dealing with WBO's. Family supportiveness one might expect to be more important. Almost 70% of the respondents were married and 56% of respondents have at least one child. There was a very high level of agreement with the statement "My family has always supported me in my business interests" (Q. 19). Yet women talked about unsupportive husbands, and responsibility of home and business as being problems. Advice given to potential WBO's by the sample group suggested assessing effects of the business on family life before embarking on the enterprise--good babysitter, husband's support. We could tie this in with Liles' concept of readiness, in other words, a potential women entrepreneur will wait until her family is somewhat independent before starting her business.

Educational attainment was given a low success factor attribution. While 60% of respondents had completed one or more years of education beyond high school completion with 47.0% holding university degrees or professional accreditation, they felt this education had prepared them only somewhat for the daily problems in running a business. Previous work experience was a much better preparation for being a business owner. Over 50% felt work experiences had prepared them very well for business ownership.

Success was attributed to "self" related factors. The feeling that "what I bring to the business makes it work" comes through--hard work is by far the most important item.

#### TRAITS REQUIRED FOR BUSINESS SUCCESS

What kinds of traits does it take to be a successful WBO? The top three traits (mean scores) were identified as self-discipline and perserverance (1.11) desire to succeed (1.22) and having a high energy level (1.49). The traits seen as being of lesser importance were need for achievement (1.98), desire for independence (1.91) and orientations towards goals and risks (1.91 and 1.88 respectively). These results are slightly inconsistent with Schwartz's (1976) sample and raise some questions about achievement motivation and success. There may have been

some definitional problems with this question or in interpretation. While desire for independence was not rated as being that important to success as a business owner it was a strong motivating factor for getting into business--the independence factor was 32% of responses for the business entry decision question.

#### MOTIVATIONS FOR BUSINESS ENTRY

What are the motivating factors for women who become business owners? Is it a planned event or a situational event? Was it a "controlled" or "fortuitous" decision (Liles, 1974)? Preliminary analysis suggests that it may have been a controlled decision. In question 4, respondents were instructed to mark the one response which described the major motivating factor in their decision to become a business owner. Table 14 summarizes the responses. This table has been regrouped in Table 15, to reveal the tendencies. For 64% of respondents, it appears to have been a planned, objective decision; the reasons given were desire for independence, to be "my own boss", to utilize a talent or skill, or had an idea for a product or service I thought would sell. From the interviews in phase 3, however, it appears that in addition to the motivational factors, women were exposed to a situation (divorce, employer closed operation, a life passage) or a person (role-model, financier, partner) which "prompted" the actual entry into entrepreneurial activity.

#### MANAGEMENT STRENGTHS AND WEAKNESSES

In general, respondents felt their greatest strengths in managing the "internal" aspects of the business, i.e. interpersonal and organizational functions, particularly staff management (Table 16). This is not an unreasonable strength to have as it has often been said that employees are the most valuable resource of a business organization so management of them is critical. Not much emphasis was placed on the importance of skills required in negotiating with external bodies. This would involve "political" know-how and use of outside contacts. The greatest weaknesses were felt in the accounting area and in most planning functions--marketing planning, planning for expansion,

TABLE 14

MAJOR MOTIVATING FACTORS IN DECISION TO BECOME A BUSINESS OWNER

	<u>% of Responses</u>
1. Desire for financial independence	16.4
2. Desire to utilize a talent or skill	16.4
3. Desire to be my own boss	15.8
4. Idea for product or service	15.8
5. Other	11.5
6. Someone else wanted me to	9.8
7. Had to take over a business from someone else	3.8
8. Wanted to make money	2.7
9. Unhappy working for someone else	2.7
10. Unable to find satisfactory job	2.7
11. Impulse	1.6
12. Investment purposes	0.5
	100.0

TABLE 15

PLANNED VS FORTUITOUS FACTORS IN DECISIONS TO BECOME A BUSINESS  
OWNER

A. Situational or Fortuitous Decision--Response to a Determining  
Event

	<u>% of Responses</u>
I had to take the business over from some- one else	3.8
Owning the business was really just an impulse	1.6
I become a business owner mainly because some- one else wanted me to	9.8
Unhappy working for someone else	2.7
Unable to find a satisfactory job	<u>2.7</u>
Total	<u>20.8%</u>

B. Planned Decision--Objective

Desire to utilize a talent or skill	16.4
Desire for financial independence	16.4
I had an idea for a product service I thought would sell	15.8
Desire to be my own boss	<u>15.8</u>
Total	<u>64.4%</u>

TABLE 16

**ASSESSMENT OF SKILLS IN FUNCTIONAL AREAS OF BUSINESS OPERATION**  
(Mean Scores\* are ranked for each skill)

<u>SKILL</u>	<u>MEAN SCORE</u>
Hiring employees	2.31
Managing employees	2.41
Delegating authority	2.51
Financial control	2.56
Negotiation with external bodies	2.60
Financial planning	2.64
Time management	2.64
Developing business objectives	2.65
Long-range planning	2.73
Planning for expansion	2.79
Marketing planning	2.85
Accounting	3.00

\*1 = Strong

3 = Adequate

5 = Needs improvement

long-range planning and developing business objectives. This is a weakness of small firms in general. Often constrained by limits of geography and time, business owners do not consider "developing" their markets. Therefore the planning function does not really exist beyond day-to-day operational concerns. For example approximately 24% of respondents did not see planning for expansion as applicable to their businesses. Twenty-one percent of women felt that negotiation with external bodies was not applicable to their businesses.

By looking at the 4 and 5 level responses indicating skill areas (4 = were less than adequate, 5 = needed improvement), the heaviest weight of responses were, in order of highest percentage of responses:

Accounting	51%
Time Management	37%
Planning (Marketing, Financial, Expansions)	35%

Do women who perceive themselves as more successful also perceive stronger skill levels in these functional areas? Yes. Women who perceive higher than moderate levels of success perceive themselves stronger in the skill areas. However the greatest areas for improvement are still accounting, and planning, particularly in the marketing areas.

Women do not vary across industries with respect to perception of their strengths and weaknesses in functional areas. Skill development needs are not significantly correlated with level of education. Formal education does not appear to prepare women for business management activity. Past experience also has very little relationship to perception of skill needs although there were two significant correlations. The number of years worked in a managerial capacity correlated positively with strength in delegating authority and financial planning skill appears to increase with an increase in the number of businesses owned.

#### AREAS FOR IMPROVEMENT IN THE BUSINESS

Respondents were asked where they felt development or improvement was required in key areas of their business (Q. 9).

The following areas were indicated as having more than moderate need by order of percentage of responses:

1. Sales development
2. Promotion/advertising
3. Inventory/cost control
4. Well defined business plan
5. Merchandising

It is not unusual for the greatest needs to be felt in marketing considering these firms were surveyed at a time when many businesses were going into bankruptcy because of high interest rates and poor economic conditions. "Generating sales" had to be a priority and barring that, reduction of costs or cost control.

These women felt little, if any, need for improvement in banking relationship, supplier relationships or in personnel.

#### BUSINESS FINANCING

Personal savings (or joint personal savings) and commercial bank loans provided the majority of funds to women for business start-up (Table 17).

TABLE 17

#### SOURCES OF FINANCING/CAPITAL TO BECOME BUSINESS OWNERS

<u>Source</u>	<u>% of Responses</u>
Commercial bank loan	55.7
Own personal savings	47.5
Joint personal savings	29.0
Family	18.6
Other	8.7
Provincial government	6.6
Federal government	6.0
Friends	2.2
Venture capital firm	0.5

Seventy-five percent of these women (137) had applied for bank credit for the business. Only 26 of the women had ever applied for bank credit and been turned down or rejected, a percentage of almost 19%. Of these 26 women, 21 or 80% were eventually able to obtain financing from a banking institution. As far as reasons for being rejected credit in the initial instance were concerned, respondents thought the following factors influenced the bank to reject their credit application (Table 18).

**TABLE 18**  
**FACTORS INFLUENCING REJECTION OF CREDIT APPLICATION**  
**(RESPONDENT'S OPINION)**

	<u>Number of Responses</u>	<u>Percentage of Responses</u>
Lack of collateral	6	13.0
No previous credit history	3	6.5
Poor business credit history	-	-
No previous personal history	1	2.2
Poor personal credit history	-	-
Reluctance to lend to small or new business owners	13	28.2
Reluctance to lend to a woman business owner	13	28.2
Inadequately prepared loan request	2	4.4
Do not know	-	-
Some other reason	<u>8</u>	<u>17.4</u>
<b>Total</b>	<b>46</b>	<b>100.0</b>



Lending to a certain extent, becomes a subjective exercise. A lending officer makes an assessment based on objective criteria to a point and then perhaps calculates a risk factor based on other subjective criteria in reaching a decision. If women think there was reluctance to lend because the applicant was from a "small business" and a "woman", then maybe there is a problem. Granted the numbers are small in this sample, but were these women subjected to unreasonable subjective criteria? If they had been men, would they have been given the loans in the first instance? Most women in the study do not perceive a problem with their banking arrangements. Bankers are seen as being quite cooperative, as offering assistance (perhaps not as much as they could) and the relationship generally not seen as one which needs improvement. A positive aspect about banks is that there are lots of them--and if one does not want your business, the next one probably will, or the next one!

#### ASSOCIATION MEMBERSHIPS

Seventy-seven percent of the sample belong to at least one trade or professional association. These women belong to an average of 1.7 associations or organizations. Table 19 indicates distribution of responses for Question 14. Thirty-seven percent belong to the Board of Trade or Chamber of Commerce and 31% to professional associations.

Belonging to a business association could be a strong advantage to women because it provides that networking or social integration cited as being so important to business success. However, association membership will only be a benefit if it meets the needs of its membership. Respondents were quite neutral on this, having slightly more positive than negative feelings about the statement, "Trade, business, professional association well represent my needs/concerns as a business owner". The memberships of these associations specifically listed are predominantly male.

Is there not a need for a professional association of women's business owners in this region!

TABLE 19

**TRADE OR PROFESSIONAL ASSOCIATION MEMBERSHIP**

(Percent of respondents who answered YES to each membership)

	<u>Percentage of Respondents*</u>	<u>Number of Responses</u>
Retail Merchants Association	17.5	32
Association of Canadian Manufacturers	----	---
Canadian Federation of Independent Business	11.5	21
Board of Trade or Chamber of Commerce	37.2	68
Export Association	0.5	1
Trade Association	9.8	18
Professional Association	30.6	56
Other	<u>21.9</u>	<u>40</u>
Total		246

\*Totals more than 100% because of multiple responses

### SOURCES OF INFORMATION ASSISTANCE FOR WBO'S

Business owners do depend on a number of outside or external bodies for information or assistance particularly when getting the business underway. In exploring the most valuable sources of this information/assistance, WBO's were asked to indicate those sources feeding their business. Responses were tabulated by frequency of mention and results are outlined in Table 20.

Suppliers are by far the most valuable source of information and assistance. This is consistent with results from the Queens (1982) study and is reasonable to expect because suppliers have more at stake than anybody else on this list (except possibly, the bankers). The woman-owned business is part of the distribution system and its success will effect the success of the supplier. The majority of suppliers to these women-owned businesses are male. (There was strong disagreement with the statement "The majority of my suppliers are female" in Question 19.) While women were getting assistance and information from multiple sources, there appears to be lots of room for improvement. Fewer than one-third of the WBO's are utilizing programs (excluding supplier source) offered through business seminars, etc., and yet feel development is required in certain aspects of their businesses. Maybe different kinds of programs and marketing of them are required to meet the needs of WBO's.

This should be explored further. What do WBO's need and how can these needs be better met through educational programs offered by universities and business/government organizations?

### GOVERNMENT ASSISTANCE PROGRAMS

Government assistance programs at provincial and federal levels are established to assist in the development of small business. These programs do not appear to be heavily utilized by WBO's.

Of all services offered by government agencies and others, WBO's utilized them as follows:

TABLE 20  
SOURCES OF INFORMATION AND/OR ASSISTANCE

<u>Source</u>	<u>Number of Yes Responses</u>	<u>Percentage of Responses</u>	<u>Percentage of Respondents</u>
Suppliers	116	28.3	63.4
University Courses	40	9.8	21.9
Business Seminars (Government)	58	14.3	31.7
Business Seminars (Private)	60	14.8	32.8
Banker	39	9.7	21.3
Business Associate	48	11.8	26.2
Other	<u>45</u>	<u>11.0</u>	<u>24.6</u>
Total	406	100.0	

PROGRAM	NUMBER OF WBO'S	NS	NB	PEI
Printed information	61	32	17	12
Grants	43	32	2	9
Counselling	40	25	9	6
Custom information	29	22	2	5
Seminars	26	11	8	7
Management assistance	21	11	4	6
Loans	15	10	2	3
Other	10	7	3	-
Export assistance	7	7	-	-

#### FEDERAL PROGRAMS

Of the federal programs, FBDB received the greatest number of contacts from WBO's but the numbers are still small (see tables 21, 22, 23 and Key to Tables). FBDB has two divisions, one for credit and one for management assistance and counselling. From this group of 183 WBO's, only one had ever taken an FBDB loan. However WBO's do take advantage of FBDB's other services in the following order by number of responses: printed information (23), counselling (21), seminars (18), management assistance (10), and information tailored to their needs (9). WBO's were generally satisfied with the FBDB contact.

The Department of Industry, Trade, and Commerce, although offering many assistance programs, was contacted very little. Its specific target market is manufacturing which is only 16% of this sample. This may explain the low utilization rate. Interestingly enough, 48% of the contact which was made with federal government programs by these WBO's was made by manufacturing businesses, 28% by retail businesses and 18% by service firms.

Dree, Small Business Development Bond and Export Development Corporation had been contacted by only 1 or 2 WBO's in each province.

#### PROVINCIAL PROGRAMS

On a provincial basis, use of assistance programs differed for each province.

In Nova Scotia, the Department of Development programs were utilized the most, with 14 WBO's receiving grants. The Department of Tourism and Provincial Employment Program had 13

TABLE 2  
USE OF GOVERNMENT ASSISTANCE PROGRAMS - NS

	N.S. n=100		1-15		16-30		31-45		46-60		61-75		76-90		91-105		106-120		121-135		136-150		151-165		166-180		181-195		196-210	
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
1 PBDB	13	11	3/8	-	-	4	11	12	6	-	-	9	Satisfied	Satisfied(Very																
2 ITC	7	4	4/8	3	4	2	-	4	3	2	-	-	Satisfied	Satisfied																
3 SBDB	8	3	3/3	1	-	-	-	-	-	-	-	-	Satisfied	Satisfied																
4 DREE	2	2	2/2	-	1	-	-	-	1	-	-	-	Satisfied	Satisfied																
5 EDC	2	-	2/2	1	-	-	-	1	-	1	-	-	1 - Satisfied 1 - Very Dis.	Somewhat Sat.																
6 NSD of D	25	22	19/23	-	14	1	6	3	3	4	1	1	Very Sat.	Very Sat.																
7 IEL	6	5	2/6	3	-	-	-	-	-	-	-	-	Neither	Somewhat Sat.																
8 SBDC	2	2	2/2	1	-	-	2	-	1	-	-	-	Varies	Varies																
9 NSRDB	2	1	2/2	-	-	-	-	1	-	-	-	-	Very Sat.	Very Sat.																
10 Tourism	13	11	10/11	-	-	-	-	-	-	-	-	-	Dissatisfied	Dissatisfied																
11 PEP	11	9	10/10	1	7	-	-	1	-	-	2	-	Very Sat.	Satisfied(Very)																
12 Mainstr.	8	8	5/6	-	3	1	2	3	-	-	1	-	Very Sat.	Very Sat.																
13 Trade Assoc.	6	5	4/5	-	-	1	2	5	4	-	1	1	Very Sat.	Satisfied																
14 Univer.	6	4	3/4	-	-	1	2	1	2	-	-	-	Satisfied	Satisfied																
15 Other	18	17	7/18	-	3	1	-	1	2	-	2	-	Satisfied	Satisfied																
TOTALS				10	32	11	25	32	22	7	7	11																		

TABLE 22  
USE OF GOVERNMENT ASSISTANCE PROGRAMS - WB

WB n-64	1-15	16-30	31-45	46-60	61-75	76-90	91-105	106-120	121-135	136-150	151-165	166-180	181-195	196-210
	1	2	3	4	5	6	7	8	9	10	11	12	13	14
1 PBDB	6/9.60	4	4/5	-	-	2/3.10	5/7.60	7/10.90	1/1.60	-	1/1.60	4/6.30	Varies	Somewhat Sat.
2 ITC	3/4.70	1	1/2	1/1.60	-	-	-	2/3.10	-	-	1/1.60	-	Varies	Somewhat Sat.
3 SBDB	3/4.70	2	2/3	-	-	-	-	1/1.60	-	-	-	1/1.60	Varies	Neutral
4 DREE	1/1.60	1	1/1	-	-	-	-	1/1.60	-	-	-	-	Varies	Somewhat Sat.
5 EDC	1/1.60	1	-	-	-	-	-	1/1.60	-	-	-	-	Very Sat.	Very Sat.
6 FASE	5/7.00	3	3/5	1/1.60	-	-	-	1/1.60	-	-	-	-	-	-
7 Conner. Devel.	1/1.60	1	-	-	-	1/1.60	2/3.10	2/3.10	-	-	-	-	Varies	Satisfied
8 ICS	1/1.60	1	1/1	-	-	-	-	-	-	-	-	-	Very Dis.	Neutral
9 Tourism	2/3.10	1	2/2	-	-	-	-	-	-	-	-	-	Neutral	Neutral
10 Trade Assoc.	3/4.70	2	3/3	-	-	1/1.60	1/1.60	2/3.10	1/1.60	-	-	1/1.60	Very Sat.	Very Sat.
11 Univer.	-	-	-	-	-	-	-	-	-	-	1/1.60	2/3.10	Very Sat.	Satisfied
12 Other	6/9.60	2	2/2	-	2/3.20	-	1/1.60	-	-	-	-	-	Very Sat.	Very Sat.
TOTALS				2	2	4	9	17	2		2	8		

TABLE 29  
USE OF GOVERNMENT ASSISTANCE PROGRAMS - PFI

PFI #19	1-15 1	16-30 2	31-45 3	46-60 4	61-75 5	76-90 6	91-105 7	106-120 8	121-135 9	136-150 10	151-165 11	166-180 12	181-195 13	196-210 14
1 PBOB	7/36.00	4	5/6	1/5.30	-	4/21.10	5/26.30	4/21.10	2/10.50	-	-	5/26.30	Satisfied	Satisfied
2 ITC	2/10.50	1	1/1	1/5.30	2/10.50	1/5.30	-	3/15.00	-	-	-	1/5.30	Varies	Satisfied
3 SBOB	1/5.30	1	-	-	-	-	-	-	-	-	-	-	Satisfied	Satisfied
4 DREE	1/5.30	-	-	-	-	-	-	-	-	-	-	-	Very Sat.	Neither
5 EDC	1/5.30	1	1/1	-	-	-	-	-	-	-	-	-	Neither	Neither
6 Indus. Incent.	2/10.50	2	1/2	-	-	-	-	-	-	-	-	-	-	Somewhat Sat.
7 Market Devel.	5/26.30	4	4/4	-	1/5.30	-	-	1/5.30	1/5.30	-	-	-	Varies	Varies
8 Fisher. Ind. Zn.	5/26.30	4	5/5	1/5.30	3/15.00	-	-	-	-	-	-	-	Very Sat.	Very Sat.
9 Tourism	1/5.30	1	1/1	-	1/5.30	-	1/5.30	1/5.30	-	-	-	-	Satisfied	Satisfied
10 Service Sector	3/15.00	3	3/3	-	1/5.30	-	-	-	-	-	-	-	Very Sat.	-
11 Trade Assoc.	-	-	-	-	-	1/5.30	-	2/10.50	1/5.30	-	-	1/5.30	Very Sat.	Very Sat.
12 Univer.	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13 Other	2/10.50	1	1/1	-	1/5.30	-	-	1/5.30	1/5.30	-	-	-	Somewhat Sat.	Somewhat Sat
TOTALS				3	9	6	6	12	5			7		



KEY TO TABLES 21, 22, AND 23

- 1 = Number of firms which contacted this agency/program for information or assistance.
- 2 = Number of firms which contacted the agency/program in the past two years.
- 3 = Number who received the information they wanted.
- 4 = Number of firms receiving loan services.
- 5 = Number of firms receiving grant assistance.
- 6 = Number of firms receiving management or technical assistance.
- 7 = Number of firms receiving counselling.
- 8 = Number of firms receiving printed or prepared information.
- 9 = Number of firms receiving information tailored to my needs.
- 10 = Number of firms receiving export market assistance.
- 11 = Number of firms receiving other.
- 12 = Number of firms receiving business seminar.
- 13 = Level of satisfaction with quality of information or assistance received.
- 14 = Level of satisfaction with responsiveness of staff in the agency/program.

and 11 contacts respectively. Seven of the 11 PEP contacts resulted in grants being received. Mainstreet was also utilized--8 contacts. Three WBO's received IEL loans.

In New Brunswick, the Financial Assistance to Small Industry program had the most contacts (5). All programs were very lightly utilized.

In P.E.I. the Market Development Centre and Fisheries, Industry, and Energy were contacted by the most WBO's--5 for each program. Tourism and Service sector programs were very lightly used by WBO's.

#### OTHER PROGRAM OFFERINGS

Universities do not appear to be attracting WBO's to any extent at all. WBO's can only avail themselves in cities/towns where universities are located but with 8 universities/colleges in Nova Scotia, 4 in New Brunswick, and 1 in PEI, the availability is there to WBO's in the more populated areas. Most of these schools offer business courses in management, marketing, finance/accounting but perhaps WBO's feel the financial and time commitment is too great. Shorter and more concentrated courses/workshops might be more appropriate. Continuing education departments should investigate the market potential here to see if programs/courses can be developed to meet the needs of this group.

Trade Associations are offering some assistance but less than 6% of the sample had contacted these associations for information.

#### LEVELS OF SATISFACTION WITH GOVERNMENT PROGRAMS

In Nova Scotia, WBO's were generally satisfied with both the quality of information/assistance provided them by government programs and the responsiveness of the agency staff. The only dissatisfaction indicated was with the Tourism Industrial Loans Program, Small Business Development Corporation, and the Export Development Corporation.

In New Brunswick there was very little use of assistance programs, other than FBDB. Some dissatisfaction was expressed with FBDB, ITC, SBDB, DREE, Industrial Commission Ser-

VICES, but it involves fewer than 5 people so it is not very meaningful. The Financial Assistance to Small Industry had 5 contacts; Trade associations appear to offer a variety of information to WBO's and the level of satisfaction is very high.

In P.E.I., the Market Development Centre and Department of Fisheries, Industry, and Energy were contacted most frequently, after FBDB. Generally, WBO's are satisfied with the contacts but with a sample size of 19 and fewer than 7 WBO's using these assistance sources nothing meaningful can be concluded about the effectiveness of government programs.

#### CONCLUSIONS

An outreach program is likely to be effective in offering assistance to WBO's. FBDB is the most frequently contacted agency and offers a variety of programs to WBO's. FBDB offer seminars closer to business locations and promote their services reasonably well. There is a need for FBDB and other government agencies to reach out to WBO's, target them specifically and offer counselling and management and information assistance.

#### COOPERATION FROM EXTERNAL BODIES

As far as cooperation from external bodies is concerned, WBO's felt the greatest cooperation from suppliers, lawyers/accountants/consultants, and female employees (Table 24). Least cooperation was perceived from government agencies, bankers, tradesmen, and other business owners. Male and female customers were perceived quite similar both with high levels of cooperation.

Over one-half of the firms appear not to have any male employees--96/183 WBO's did not respond to this part of the question. There was strong agreement with the statement "The majority of my employees are female". It appears then that WBO's are strong employers of women!

#### ATTITUDES TOWARDS WBO'S

In question 19 an attempt was made to determine how WBO's felt with respect to a number of statements reflecting attitudes about women in business. These statements were composed after referring to other research studies and articles and interviews with WBO's. WBO's were asked to indicate the extent

TABLE 24

DEGREE OF COOPERATION FROM BUSINESS ENVIRONMENT

Members of Business Environment	Very Cooperative		Very Uncooperative			No Response
	1	2	3	4	5	
Other Business Owners	36.1%	26.2%	20.2%	4.9%	2.2%	10.4%
Bankers	38.8%	20.2%	25.1%	6.6%	3.8%	5.5%
Suppliers	51.9%	25.1%	11.5%	2.7%	0.5%	8.2%
Lawyers, Accountants Consultants, Etc.	50.3%	20.2%	15.3%	2.7%	0.0%	11.5%
Tradesmen	27.9%	20.8%	20.8%	6.0%	0.5%	24.0%
Male Customers	44.3%	28.4%	14.8%	3.3%	0.0%	9.3%
Female Customers	42.1%	30.6%	15.8%	1.1%	0.0%	10.4%
Male Employees	20.2%	14.8%	8.7%	2.7%	1.1%	52.5%
Female Employees	47.0%	26.2%	8.2%	0.5%	0.5%	17.5%
Government Agencies	19.7%	13.7%	23.5%	9.3%	7.1%	26.8%

of their agreement with a set of thirteen statements, mainly concerned with their perception of their interactions with the environment as a woman business owner--relations with family and friends (statements 1, 2, 13), employees, customers, and suppliers (statements 4, 5, 6), government agencies and trade/professional associations (statements 11, 12) and general statements regarding their acceptance as business owners (statements 3, 7, 8, 9, 10). Distribution of responses for each statement are displayed in Table 25 and show very interesting results.

RELATIONSHIPS WITH CUSTOMERS, SUPPLIER, AND EMPLOYEES

Women-owned firms for the most part employ women. Seventy-five percent of respondents agreed or strongly agreed with the statement "The majority of my employees are female". These firms also appear to have a higher proportion of women customers, not surprising considering the types of business services provided by respondent firms. Forty-three percent of WBO's agreed with the statement "The majority of my customers are female". However, the majority of suppliers, dealers, sales representatives etc. with whom WBO's interact in running their businesses are male. Sixty-five percent of respondents strongly disagreed with the statement "The majority of my suppliers are female". WBO's found suppliers generally to be very cooperative and helpful in providing information and assistance to them. Although few firms appear to employ men, respondents indicated that often the male employees were uncooperative.

RELATIONSHIPS WITH FAMILY

Sixty-six percent of WBO's indicated general agreement with statements 1 and 2, that family and friends had always supported them in their business interests. Also, sixty-six percent of WBO's felt that managing a business and household at the same time often presented difficulties (Statement 13). Single women are less likely to feel that managing a home and business is difficult; 36.8% of single respondents strongly disagree with this statement. Married women (66%) agree that it is a problem regardless of what child care arrangements they have, or indeed, if they have any children. Divorced women are more likely to agree with the statement if they have children even if the children are old enough to take care of themselves in the home. There may be additional stress because of single parenting and the necessity to assume responsibility for everything. The fact is however, that married and divorced women with husbands and/or children assume dual work responsibilities--home and business. This often presents a conflict to WBO's, perhaps not as predominant for male business owners. Thus commitment and support from

family members to activity of the WBO would be essential to minimizing that conflict and perhaps becoming a contributing factor to increased emergence and success of women-owned businesses.

#### RELATIONSHIPS WITH THE ENVIRONMENT

Most WBO's felt that trade, business, and professional associations well represented their needs as business owners, although the agreement was strong for only 26% of WBO's. Although respondents did not feel that government agencies treated them differently because they were female, WBO's expressed dissatisfaction with the extent of cooperation they received from government agencies.

There was general agreement with the statement "It takes a long time to gain credibility as a business owner" (statement 8). WBO's did not generally agree that "men seem to think I cannot comprehend complex business matters" (statement 9), "as a business owner there are people who believe I am intruding in a man's world" (statement 3), and felt they got along equally well with males and females in conducting their businesses (statement 10). Thirty percent of respondents in question 20 of questionnaire 2 did however cite problems or barriers in running a business they perceived to exist because they were women. These problems are elaborated in the next section of this report.

**TABLE 25**

**PREVAILING CONDITIONS/ATTITUDES IMPACTING WBO'S**

<u>Statements</u>	<u>Mean*</u>	<u>S.D.</u>	<u>Strongly Agree</u>			<u>Strongly Disagree</u>	
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<b>FACTOR 1</b>							
State 9--Men seem to think I cannot comprehend complex business matters (n = 177)	3.37	1.48	11%	14%	22%	20%	33%
State 8--It takes a long time to gain credibility as a business owner (n = 178)	2.86	1.49	21%	21%	19%	19%	20%
State 7--Often men do not take me seriously as a business owner (n = 177)	3.47	1.49	9%	18%	18%	17%	38%
State 11--Government agencies treat me differently because I am a woman (n = 162)	3.11	1.63	8%	9%	39%	11%	33%
State 3--As a business owner, there are people who believe I am intruding in a man's world (n = 177)	3.53	1.44	6%	15%	27%	12%	40%
<b>FACTOR 2</b>							
State 4--The majority of my employees are female (n = 163)	1.59	1.38	69%	6%	13%	2%	10%
State 6--The majority of my customers are female (n = 173)	2.62	1.56	28%	15%	27%	9%	21%
State 5--The majority of my suppliers are female (n = 166)	3.93	1.59	2%	2%	19%	12%	65%
<b>FACTOR 3</b>							
State 1--My family has always supported me in my business interests (n = 182)	1.54	0.86	64%	21%	12%	2%	1%
State 2--My friends have always supported me in my business interests (n = 181)	1.75	.95	48%	28%	19%	4%	1%

CONTINUED ON NEXT PAGE



PREVAILING CONDITIONS/ATTITUDES IMPACTING WBO'S/CONTINUED

<u>Statements</u>	<u>Mean</u>	<u>S.D.</u>	<u>Strongly Agree</u>			<u>Strongly Disagree</u>	
			<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
State 13--Managing a business and a household at the same time has often presented difficulties (n = 181)	2.21	1.25	36%	30%	19%	7%	8%
<b>FACTOR 4</b>							
State 12--Trade, business and professional associations well represent my needs/concerns as a business owner(n = 171)	2.35	1.30	26%	21%	36%	10%	7%
State 10--I get along equally well with males and females in conducting my business (n = 181)	1.75	1.06	55%	23%	13%	7%	2%

\*Mean scores were calculated from a scale where 1 = strongly agree and 5 = strongly disagree

**SECTION 7**

**PROBLEMS, OPPORTUNITIES, AND NEEDS OF WBO'S**

Respondents were offered the opportunity in Section F of questionnaire 2 to offer more information about the nature of their interactions with the business environment. They provided written responses to the following four questions:

1. Aside from general obstacles to entrepreneurial success for anyone (eg unfavourable economic climate, governmental restrictions, and so on), what particular barriers have you experienced which you feel were unique to you as a female entrepreneur?
2. Looking back, what information or assistance would be most valuable to you at the point of starting your business?
3. What information or assistance would be most valuable once the business is underway?
4. What advise would you give other women who want to go into business for themselves?

A discussion and summary of responses follows.

### BARRIERS AND PROBLEMS OF WBO'S

Aside from general obstacles to entrepreneurial success for anyone (e.g. unfavourable economic climate; governmental restrictions, and so on), what particular barriers have you experienced which you feel were unique to you as a female entrepreneur?

As discussed in preceding parts of this report, approximately 40% of the respondents provided an answer to this open-ended question. Responses tended to be of two types. Barriers cited resulting from being a women business owner in a world perceived by many to be a male domain (88% of responses) and barriers or problems resulting from the conflicting roles of being wife/mother and business owner (12%). The first type of problem manifested itself in many ways. Many responses indicated problems with banks and the attainment of bank financing (22%), intimidation by males (sales reps, tradesmen, other male business owners and professionals), lack of cooperation from males (employees, government personnel) expectation of "women's work" by many in the environment, and with not being taken seriously as a business owner. It is important to emphasize the nature of these problems by reproducing comments from several questionnaires verbatim. These follow in Exhibit 1 at the end of this section of the report.

A few WBO's felt barriers because of a feeling of isolation--the absence of interaction with other WBO'S. A related comment reads:

"Connecting with business people. It's harder to make contacts because of a network problem, i.e. not having business degrees and therefore many businessmen contacts."

The other major problem area is family related. As one respondent wrote,

"If married, you need a strong marriage bond. A woman works harder in today's man's world. Having to not only go to work but to come home to do all the family things. We still have "woman's work".

There are feelings of guilt or conflict because of the time demands of owning a business. Housekeeping and child care arrangements often present additional difficulties to WBO's. Respond-

ents comments relating to these problems are included in Exhibit 1.

NEEDS OF WBO'S WHEN STARTING A BUSINESS

Looking back, what information or assistance would be most valuable to you at the point of starting a business?

Sixty-two per cent of WBO's responded to this question. Not surprising, after analyzing results from earlier parts of this questionnaire, these women felt the greatest informational assistance needs in the areas of finance/accounting and marketing.

1. "How to set up an accounting system" in the beginning was by far the greatest informational need. However, under the heading of financing, WBO's felt a need for information on cash flow planning, basic finance, and inventory control procedures.
2. With respect to marketing, WBO's recognized a need for more market research information. This would involve research on the industry, the product or service, the location, etc. before business entry. Many potential business owners do not know how to even attempt a feasibility study. Often they think they have a good idea and open a business without investigating the market potential.
3. Merchandising techniques and promotion were cited as areas where information would have been helpful in the beginning stages of the business.
4. A number of women felt that taking business courses or attending business seminars prior to business entry would have been helpful. Seminars on "how to start a business" would be helpful. There are a number of procedural steps and interactions with legislative bodies required in starting a business. Some WBO's suggested that information on the "how to" aspects should be more easily accessible.
5. Easily accessible information on government assistance programs is required--presently perhaps it is too difficult and time consuming to 'track down' the particular programs which might exist to meet the needs of specific WBO's. Consequently they often learn of programs too late to be of value.
6. WBO's would have liked more exposure to other business owners in their field prior to starting their business. This may support the concept of an organization of WBO's, the members of which may agree to set up an apprenticeship program for

- aspiring women entrepreneurs--create their own "incubator organizations".
7. In addition women recognize the need for establishing relationships with good accountants and lawyers at the outset of the business.
  8. Having supplier lists and readily accessible information on suppliers would have been valuable as well.

#### NEEDS OF WBO'S WHEN BUSINESS IS UNDERWAY

What information or assistance would be most valuable once the business is underway?

Fifty-four percent of respondents provided responses to this question. Once the business is underway, the most valuable information is accounting/finance related.

1. WBO's need assistance with bookkeeping, financial planning (cash flow analysis, financial reporting) and techniques of inventory and cost control.
2. WBO's cite a need for help with developing accurate forecasts for sales and profits. Setting business objectives and developing business plans were activities that several respondents in this study did not engage in. Courses in planning with short and long term objectives in mind should be helpful.
3. Marketing needs are also identified. Information on advertising, advertising effectiveness, merchandising, product mix decision-making, and new product development were cited as being valuable. As mentioned above, inventory control assistance is also valuable.
4. Recognition of the need to develop good relationships with bankers, management consultants and lawyers, and other business owners is identified in this part of the questionnaire as being important.

Informational needs on government assistance programs and market/industry data do not appear to be as important once the business is underway as they were at the business entry point.

#### ADVICE TO POTENTIAL WBO'S

What advice would you give other women who want to go into business for themselves?

WBO's were very generous with their advice, the tone of which was generally positive. One hundred fifty-two respondents commented in this section. Approximately 34% of WBO's offered self-oriented advice. Potential WBO's were advised to be optimistic, self-confident, committed to their business, patient, to know themselves and what they want, and to have a sense of humor. About 30% of WBO's offered "business" related advice stressing the importance of planning, setting goals and objectives, adequate financing, market research, good marketing (promotion) and good employees. Seventeen per cent of advice was of the "be prepared to work hard and long hours" variety. Hard work is required for business success. Closely related to this advice is the advice which states you have to make a total commitment to your business--the business has to be number one priority. Comments such as:

"Be prepared to work 120 hours a week and give up all personal life for about 2 - 3 years".

"I would ask them to be sure. Do they want to give up a lot of their personal time from their families and their own interests in order to be a business person?"

"Be prepared to give the business 'your all' if you plan on succeeding."

"Go into a business you really enjoy because both your business and social life will probably revolve around your work."

Business specific advice was dominated by "start with adequate financing". Underestimating the costs of doing business has been cited as a problem of both male and female business owners. Here, potential WBO's are guarded against that. Hence, start-up planning becomes very important. Setting goals, developing sales and profit forecasts and the development of projected financial statements to assess cash needs over a 2 - 3 year period is critical. Also they advise to obtain as much good information/knowledge of your product/service and its market as you can, start small and grow slowly, carefully choose cooperative suppliers, bankers, accountants, etc. who are easy to deal with,

get business skills in weak areas to support your expertise, and gain experience in the business/industry first.

The remaining advice was family related. It was of the type, "make sure you have a good babysitter, ensure you have family support, or wait until your children are in school."

A few women said "stop thinking about it and do it!" Illustrative comments follow in Exhibit 2.

EXHIBIT 1

BARRIERS UNIQUE TO WOMEN AS BUSINESS OWNERS

Financial Barriers

"It is difficult and enraging to try and form credit as a female. I found most banks and government agencies think that there must be a male name attached to yours or your business."

"The status of my husband is always discussed and has a bearing on me as a female."

"Obtaining a mortgage on commercial property. I felt positive that the problem was because I was female."

"Needing husband's guarantee for financial arrangements (banking)"

"Bankers seem to differ on making a loan to a woman who wants to go into business"

"Gaining a credit rating for my business without having my husband co-sign etc."

"Initially my husband had to guarantee my loans."

"I found it impossible to obtain banks' financing without a personal guarantee from my husband and myself."

"Attitude of banks re loans. Must be co-signed by husband"

"Establishing credibility with the bank"

"I felt a man can make mistakes but a women isn't allowed."

"The attitude of bank managers. Mainly unhelpful. Withholding information. Refusing to treat my business as serious and not extending the same credit facilities as they do to my husband's whose business earns less than  $\frac{1}{2}$  of mine."

"First loans at bank were secured by my husband. Whereas if the situation was reversed, I don't feel his loan would have had to be secured by me."

Intimidation By Males

"Expectation on the part of men that I will give up, that I try out of naive ignorance rather than clear ambition, that I will ultimately go out for marriage and children rather than remain committed to the business."

"Men coming on to me and me having to establish my credibility as a viable director. Workmen who call me "dear" and think I don't



know what I'm talking about and then their aggressive reactions when I am proven right."

"Men in the business stated I'd be closed in 6 months. The public found it hard to believe a young lady in business for herself. Students out of community college wanted to work for the men owners. The young girls thought they'd be easier to work for."

"Lack of confidence because of being a women was a major barrier I had to deal with. Being involved in the energy conservation and construction industry required a great deal of perserverance and persistance in order to succeed because I was operating in a male dominated field."

"Lack of male acceptance which translated into an often condescending attitude on the man's part. True in banking, lawyers, government people, supplier managers. A pain to deal with at first."

"The lack of respect from colleagues due mainly to the highly competitive environment." (law firm)

"Difficult to get in on business discussions because they tend to be held by the male majority."

"Employees seem to be more respectful of a male."

"Difficult to deal with male employees." (pharmacy)

"Dealing with engineers, builders, tradesmen, etc., particularly those in non-executive positions."

#### Expectations of "Women's Work" Causing Barriers

"Because I am married and that my husband shares the business with me, most people will want to deal with him first. As for financial help from government agencies, forget it if you are a small business."

"Very early in my business experience there were a few male sales reps who wished to deal with my husband but once they understood that I was the one they quickly saw me." (office supplies business)

"Mostly the attitudes of patients towards a female dentist. Some perceived me as much more sympathetic but others were sexist--and can't possibly believe that you can extract teeth as well as a male dentist."

"Being a female, meeting SKEPTICISM from bankers, suppliers, etc, in accepting that females can operate businesses and make a go of it."

"The way men view women as a whole i.e.--bankers, government agencies. We are good for 'sissy-housemakers' and having babies, that's where we should be, so they think! A women must be better and work harder in their skill to be successful."

"Both men and women assume that our workshop is run by men. Sometimes it is. Usually it isn't." (sporting goods business)

"Going into a male dominated environment to sell office furniture and layout plans--usually in a male dominated board room where in the early days one was made to feel guilty they weren't home doing the laundry."

"Being considered my male partner's secretary (consulting business), condescending attitude of other women who cannot accept female success."

"Some patients have been uneasy when they realized the dentist was female. This has applied equally to male and female patients and I am sure it has effected my practice somewhat. Patients are definitely more comfortable with male dentists."

#### Women Not Taken Seriously As Business Owners

"Getting the bank to take me seriously when I went to negotiate the SBDB; the man behind the desk told me I was in the wrong department--I should be in personal loans! The tons of mail addressed to Mr. . . . as well as phone calls."

"People did not take me seriously at first. They thought my husband was using the business as a tax write off."

"Being accepted and being believed (insurance). My stability is often doubted."

"To be taken seriously by suppliers in the beginning." (furniture store)

"Mostly not being taken seriously. It's beginning to change though, after almost 8 years."

"Men in government agencies or suppliers tended at first to address themselves to my husband."

"Initial reaction of bankers, suppliers, and potential clients was somewhat doubtful and questioning but business was also relatively new to Atlantic Canada."

#### Family and Personal Related Barriers

"I have found it takes a lot of planning ahead to keep my home and husband looked after--something businessmen don't have to cope with as much."

"Housekeepers . . . often present problems with the home life."

"Problems of running a home and family. Males enjoy much more freedom to operate and perfect their business."

"Only from my husband who was not co-operative at all until my business had survived for several years--then he decided to help out."

"Only the barriers I've put up for myself. As I enjoy being a wife and a female and therefore I'm sure the reason I've stayed in business in such a small way is because I regard my husband as head of the family and this business just started out being a hobby. I feel sure that with my love for my trade that if I were a man I would have ventured out much bigger and maybe taken different avenues with the same trade."

"Difficult to find time to spend with 6 year old. Resent the business on occasion due to this."

EXHIBIT 2

ADVICE TO POTENTIAL WOMEN ENTREPRENEURS  
ILLUSTRATIVE COMMENTS

"Be sure you can handle the pressures. Easy to start/hard to maintain/Get education in skills that support your expertise, e.g. finance/promotional/management skills."

"It's a big commitment if you mean business--that is, not to fail. Make sure it's what you really want."

"Be prepared to give business "your all" if you plan on succeeding. Think of yourself as a person in business--not a women."

"Be dedicated and work hard."

"Ladies should have more confidence in themselves to be entrepreneurs."

"Be strong minded and very self-confident. Don't feel inferior to anybody else especially business men."

"Be assertive and expect a lot of others but be willing to put out yourself!"

"Must be strong willed and willing to put job first."

"Make sure you have support of your family and the people closest to you."

"Be sure your family/husband truly understands why you need to do this and how much you need their support and patience."

"It's a high energy drain. Helps if you have a good reliable babysitter if you have children. Don't lose your sense of humor."

"Work long hours. Go slowly, grow with your market, borrow as little money as you can, stay on top of things, acquaint yourself with every phase of the business. Plow all the profits back into the business at once. Be confident."

"Plan well before you approach a bank (shop around for credit). Keep good accurate books and records. Be firm but not aggressive. Hire a good accountant."

"Find a top accountant, lawyer, and a bank manager who communicates."

"There are businesses and bank managers that are easier to deal with--so try to start with right people and go do it."

"Start small. Then expand and invest in your business as it grows. Obtain capital to carry business for at least 2 years."

"Be prepared to be able to survive at least a year without profit. It really is very exciting be a shopkeeper."

"Think big but start small and don't go into deep debt, especially now as the financial climate is poor."

"Study your market, product and don't be afraid to ask men for help."

"Do it, don't think, do it. Ask yourself if you think you can do it. Watch your pennies and hang in for at least 2 years. Be prepared to put in the long hours--60 per week--work every day--I would find it almost impossible to raise a family and raise a business."

"This is no place for someone looking to turn a fast buck in as little time as possible."

"Plan to work 14 hours/day. Keep a finger on your financial situation with 3 - 6 month projections."

## SECTION 8

### TOWARDS DEVELOPING A MODEL OF FEMALE ENTREPRENEURSHIP

#### INTRODUCTION

This section of the report presents summary analysis of in-depth interviews conducted with seven WBO's who participated in preceding stages of the research. The objective of the personal interviewing phase of the project was to gain greater insight into the life patterns of WBO's to determine whether similarities existed which might explain female entrepreneurship. The unstructured interviews explored areas as outlined on page 34 relating to previous education and work history, family and personal history, events leading up to formation of the business enterprise, impact of business ownership on lifestyle, and information with respect to the operation and management of the business.

The interviews were taped, transcribed, and then analyzed. The author was particularly sensitive to detecting similarities in patterns of behaviour, background factors, attitudes, and situational determinants which might assist in the preliminary development of a model of female entrepreneurship. Detailed descriptions of individual interviews are not reported for reasons of confidentiality. Descriptions of the WBO'S and their businesses are outlined in Section 5.

### SUMMARY ANALYSIS OF INTERVIEWS

While the nature of the businesses owned and operated by these seven women are all quite different, they are similar in one respect--they are all successful. The owners of these businesses are also different on many dimensions i.e., they vary in age, number of years in business, prior work experience, educational background, etc. but they exhibit many similarities.

Some of the more obvious patterns arising from the interviews are presented below.

### PERSONAL AND FAMILY FACTORS

With two exceptions these women were brought up by mothers or significant others to believe that (a) men were better, they were more important and deserved preferential treatment and (b) that they (the women) should not waste their time on advanced education because their ultimate role in life was to be a housewife/mother. Exposure to this attitude lead to shyness and to a lack of self-confidence in these women when they were growing up. It affected their perceptions of what was possible for them at a young age. While four of these women described having great career aspirations, they were made to feel these aspirations were not within the realm of possibilities. Illustrative comments are:

"I was shy because I grew up in a small town overwhelmed by three brothers, schooled by the nuns who didn't give much encouragement to girls (the home or the convent was where they belonged)."

"When I was in high school I had old parents who felt a women going to university was just a waste of time, so I never really contemplated it--it just wasn't there for me. At that stage, I wasn't strong enough to do it on my own".

"I wanted a career, to be a doctor. I was alienated from my mother because I wanted to push ahead. No one encouraged me--my mother misunderstood. I was extremely shy all of my life."

"My mother brought me up to believe women have children and that's it. Don't expect anything else from life. My sisters and I all grew up thinking we should get married and have children. We did and then later we

started to think. It's too bad we all couldn't have started at 18 or 20 because we would have learned so much more about ourselves."

"I had to learn to be independent."

These women had limited perceptions of their capabilities and potential because of the way they were socialized. They were not generally encouraged to be the best they could be. The majority of women have been exposed to these attitudes growing up and know that breaking the barrier is often very difficult. Many women never do break the barrier. The women in this study have, but not before undergoing a lot of self-assessment to develop the confidence necessary to succeed in business.

These women no longer talk of lack of self-confidence. On the contrary, they exude confidence. Their businesses are very successful, their goals are being met, and all of the women are looking for growth opportunities and greater challenges.

This confidence comes through in discussions of "control" over their lives. One woman says:

"Believe you can do anything in your life. I am the master of my fate and captain of my soul: I give the orders to myself."

Another says:

"I do whatever I want to do here. I'm successful because I'm independent. I have full control over my life--absolute full control."

And a third says:

"Have confidence in your talents--that's what I learned because I was never a person with any confidence. I have learned that I don't have to be intimidated by other people and I've learned to be proud."

All of these women have children, six of them have at least one daughter. Generally they feel that the way they raise their daughters is very important--they want these young girls to grow up believing in themselves. This will be very important in terms of generating social change in the next generation. They express their feelings as such:



"I have a daughter and I want her to have a very good feeling about being a woman and what she can do. When she is 22, she should feel good about being a woman instead of apologetic about being a woman."

"I tell my daughter she has to be responsible for herself. She can't depend on a man or husband to take care of her."

"I want my daughters to do something worthwhile and I encourage them to achieve."

"My mother thought men were more important. I don't want my girls to be like that."

Most of these women come from working class backgrounds (only one was actually raised in Nova Scotia) and did not appear to be at all influenced by their fathers. This is of interest because Hennig and Jardim's work on managerial women found a relationship between father-daughter bonds and corporate achievements.

#### BUSINESS AND FAMILY--A COMPROMISE

At the point of starting a business five out of seven of these women had children under the age of 10. For these women, the youngest children were 2, 4, 6, 8, and 10 years. Popular belief is that women do not start businesses until their children have grown up because they are too busy being "mothers" until that time. This study suggests this "belief" may not be confirmed. However, developing a business while maintaining a household with small children has caused some problems. A business tends to consume the owner particularly in the beginning; it has to be nurtured much like one's child to become successful. It is often necessary to work in the business in excess of 60 hours per week. How did these women handle that situation?

"I had to ignore my family for a year--I had to, to keep my head above water."

"The youngest has really had to do without me a lot. She's very independent, I don't think she suffered too much."

"Owning a business means I have the perfect job. I want to be with my children and want flexibility. Owning my own company gives me that."

"It was very difficult to cope with a child and the business. I cannot be a typical mother."

"My child saw more of the babysitter than he did of me for a long time."

"It took lots of planning. Children couldn't always be a top priority. My daughters are very self-reliant as a result of it. They are proud that mother had a life of her own."

"It was very difficult. You should be with your children more. They need someone. You miss a lot. Sometimes I work 15 hours a day. My daughter feels she missed her home life in the summer. But she's a strong woman in the end."

It helps to have a supportive husband in this situation. These women feel now (the children are older) that their children are proud of the fact their mother has her own business.

#### EDUCATION AND WORK HISTORY

The educational backgrounds of these seven women varied greatly. Only one has achieved a university degree and this was later in her working life. One woman has 2 years of a Commerce degree, 2 have secretarial training, one has teacher training, one is a nurse, and one has a high school diploma.

Only two women had pursued a career path in industry prior to establishing their own business. While achieving middle management positions in their last jobs, neither woman had staff responsibilities or was responsible for policy decisions. One of these women worked for four firms over a 5 - 6 year period in the same industry, progressing with each job change. The other woman changed jobs five times over 11 - 12 years, often changing industries, to get ahead. Both of these women started businesses directly related to their previous jobs--to the extent of taking clients with them to their new business.

Four of the women were not employed at the time of starting their own business but had been employed off and on since getting married. Three of these women started businesses totally unrelated to prior work experience. The fourth woman had been a school teacher and developed a business in pre-school and daycare.

One woman had worked as a nurse, a paramedic, an

encyclopedia sales rep and as a real estate agent. She says:

"I always thought I was very good at what I did."

She had been offered positions in management as an employee but had refused.

"I always felt I'd like to be in business for myself."

She often "fell into" situations accidentally. The business she eventually started also happened accidentally.

Previous education and work history do not appear to be determining factors affecting the entrepreneurial event. These women however feel they would have benefited greatly from previous exposure to business management practices and experience and/or business training.

#### STARTING THE BUSINESS

In making the decision to start a business, all of these women were strongly affected by situational factors. There was a "determining event"--the reaction to that determining event was to start a business. The event could be interpreted as some kind of life crisis and included such things as dealing with the death of a child, reacting to divorce, developing independence from an alcoholic husband, dealing with isolation and emptiness, reacting to nonrecognition of performance from an employer.

This event was not the stimulus but it appears to have provided the beginning of a self-assessment which eventually led to the entrepreneurial decision. Illustrations of this are:

"It gave me the push I needed to go back to school. Having a family to support motivated me to advance. I wanted to maintain their lifestyle."

"I had my 40th birthday and got scared. My life is half over. What am I going to do to fill another 25 years?"

"My husband was an alcoholic. It was hard. I had to get myself sorted out and remember that I'm me, I'm a person. I'm a wife and a mother and I'm all those other things but I'm me. It took a long time to figure it out. I like being a little independent."

"I spent a lot of time alone when my husband was at sea. I was depressed and unhappy. I couldn't see growth. I spent time reading--female authors. So few

women have survived in historical and artistry accounts. It's surprising women have survived at all. It made me think."

At the same time this self-assessment is taking place these women are looking for alternatives. The self-assessment by itself may not have lead to entrepreneurial emergence; in most cases, in addition to this, an entrepreneurial opportunity presented itself.

"I saw an ad in the paper to buy a business. I answered the ad and met the people. I thought about it for the summer and I just had to do it, I had to take the chance."

Another woman lost her job because her employer closed its regional office here. She was offered a transfer out of the region but after talking with her colleague (in the same situation) they decided to open their own similar business and stay in the region.

Other women explained:

"My friend bugged me for years to start a                     . I eventually wrote to my friend and told him I was interested now. I found a location for sale, built a road down to it, and my friend lent me \$4000 to start. Everyone else thought I was crazy. I was a risk but I didn't care. I thought "it's just going to work and that's all there is to it."

"My employer at the time was disorganized and didn't have a concept. I felt I could do it better myself."

Eventually a government agency encouraged the latter woman to expand her operation, she did, and now it is very successful.

"I was upset with my employer. I wanted the recognition. There was no opportunity to prove myself when I already felt I had done so much. Finally, THAT WAS IT!--I figured if I could make him a lot of money, I could make me a lot of money and I quit that day. I was rather stunned about what I had done. I mean, no husband, no income, a mortgage payment, a child. I'd lost my car because it was a company care--I HAD TO BE NUTS! After a few days the shock of what I had done wore off and I knew I could do it--I had this gut feeling that I could make it a success and I wasn't prepared to give it up."

"We always liked the idea. Years ago, we used to dream about it with the Simpsons catalogue. But there was no money, no grants, and no expertise. We would have done it earlier if I hadn't had cold feet. I was scared stiff to invest so much money. I was afraid of the financial obligation with three small children. Then, my husband had a better job, the children were growing up, the government offered help, and another couple signed the dotted line too."

For another of these women, it was purely opportunistic.

"Someone I'd met at a workshop later called me. He said he had an idea for a business and he wanted my feelings on it. He gave me the idea, I checked it out and started to believe in it. In October I looked for an office, incorporated a company (only shareholder) and started to look for contracts. Now we're the foremost leader in the field."

From these interviews, it becomes apparent that encouragement and support from others is a critical element in the business formation decision process. All of these women talked of a "significant other" who provided role-modelling, acted as a mentor, provided the initial start-up capital (on a payback basis), provided advice on getting into the business, or became a reinforcing partner.

Three of the businesses started as partnerships. Six of these businesses now have other shareholders; three of the WBO's brought their husbands into the business although his level of involvement varies from keeping the books to being sales manager. "I'm still the President and the boss" says one WBO. Without the support and encouragement would these women have become successful business owners? Negative, rather than positive reinforcements could have pushed the decision in the No Go direction. The moral here may be as one WBO states:

"Surround yourself with positive people, don't listen to negative advice and stay away from negative people."

#### FINANCING THE BUSINESS

Many women appear to have difficulties obtaining bank

financing for their businesses. Problems related to this are discussed in Section 7.

Four of the seven WBO's interviewed also cited problems. One woman was turned down by 4 banks even though she had professional accreditation and a financing proposal. Eventually a friend/business associate lent her the money to start.

Two of the women were refused financing unless their husbands co-signed the notes. One woman did not mind, the other did. She says:

"No one would listen to me. I was a woman, they weren't interested. The only way I could get a loan was to go with my husband to his bank manager who treated the whole thing like a joke. I later changed banks to get away from this attitude."

Banks also refused another WBO on an expansion proposal but she eventually was able to secure financing from a trust company.

Three women have on occasion changed bankers or accountants because they were treated with a condescending manner. One woman says:

"I fired my accountant. This made me feel very powerful."

Now she has one who respects her business and treats her with professionalism.

Two of the seven women did not require bank financing for their <sup>business</sup> start-ups. One had severance pay from her employer (office closed) and the other had money saved.

The four women encountering difficulties felt the situation would have been different if they were men. Obviously banks have to do a reassessment of credit policy decision-making to ensure sex bias is removed from the lending decision.

#### RELATIONSHIPS WITH INDUSTRY BODIES :

These WBO's are very involved with external organizations or associations representing their industry. The WBO's in restaurant and hospitality are active in TIANS and Tourist Councils. The energy contractor is a member of a federal council

developing standards for energy conservation in building construction and is working with government on research and development of new technology. The insurance broker is active in community development and industry associations. The daycare operator is also very influential in industry groups. These women are very aware and very interested in advancing the industries in which they operate, and are indeed having influence.

#### RELATIONSHIPS WITH STAFF

As noted earlier, these WBO's with the exception of one, have a very high percentage of women employees. They were very similar in how they discussed their employees, with a great deal of empathy and admiration. They all seem to be interested in developing their employees and feel these employees have a strong sense of loyalty and commitment. One woman talked of having a "crying stool" for her staff--a place where they could go and have a good cry when things got too rough on the job. Another says:

"I treat my staff professionally and they are very dedicated. They are very supportive and proud of working here."

They all speak affectionately of their staff and take pleasure in providing opportunities for them to progress.

#### PLANS FOR GROWTH

All of these women have goals for the future. They are looking for other locations, considering franchising, looking for other businesses to invest in or buy outright, trying to find ways of doing what they do now better, developing new products, etc. They want growth for their businesses and for themselves.

One woman says:

"I am trying to figure out a way to make a living without working so hard."

"I want to make more money. I want to be more successful. I have all those goals and I want to expand outside this business. I want to compete in another industry."

"My great goal in life is to influence other people positively and I can only do that if I'm credible;

if I stand out in a crowd, if I become wealthy--that's the only thing that will make people turn their heads and say 'she did it'. It gives you power. I want that power to tell others how to do it. I want to invent something. I'm looking for another business."

Most of these women do not want to grow to the point where they lose personal control of their operation. This is true of many small business owners. Expanding means the nature and demands of the organization change. The personality of the owner becomes more removed from the business. These women feel they are "selling themselves". If they get too big, the personal element is lost.

One woman says:

"I feel close to my business. It's like one of my children. I started with nothing and developed it. I'm proud of my accomplishments. I don't want to expand too much and have the quality of my business suffer."

#### PROBLEMS UNIQUE TO THEM AS WOMEN

All but one of these women discussed the problem of being a woman in business. In addition to the problems of obtaining bank financing, they often encounter negative attitudes elsewhere. Two women said that a lot of people think the husband owns the company or that the husband set her up in business when in actual fact that was not the case. One woman describes situations where she is referred to as her male partner's secretary. A woman being a business owner is not compatible with the value sets of many people so they assume the woman is not the owner.

Two women talk of not being taken seriously and of the need to develop credibility as a woman business owner. In the contracting business, people often say: "Oh, what does a woman know?" Said the owner of this company:

"But if I have the opportunity they treat me with respect because I know more than most of them. I can dazzle engineers' minds about what I know about the business."

Another says:

"I have to work harder to be accepted, I have to do a



little better, provide a little better service, personal service to get the same limelight."

"I'm often exposed to sexist attitudes. My colleagues often find it difficult to relate to me as an equal--as the same--so they relate to me in the normal male - female putdown. I end up adopting the role of the ICE-MAIDEN which then prevents me from getting to know some men professionally--to pick their brains and learn more. I'm looking for a mentor, not a lover but how do you say that up front?"

"My old bank manager used to pat me on the head and say 'well, how's the little business going?"

At association conventions and seminars, three of these women say they are often the only woman in a sea of men. One woman says:

"First I found it really hard. I found I was trying to hide behind somebody's suit but now I figure I should use that to my advantage. At least they will remember me."

#### STRESS AND HOW TO HANDLE IT

Stress was a recurring theme in these interviews--stress related to demands of the business, and to the demands of the home and personal life. Many of the women felt they were always racing the clock. One WBO says:

"There are very few places to take your problems if you are a woman. A supportive husband would be important to give emotional support. There's no where to pass the buck."

"I was working 16 hours a day--there was not emotional support from your family--my son was resentful--the business was developing but I thought I might be going insane for awhile."

Dealing with stress means developing coping strategies--finding someone to help share the load. This someone is usually a business partner, a supportive husband, or another WBO with whom you can share problems. It's emotional support and encouragement that's needed. As one WBO says:

"I need someone to bring me down to earth."

Another says with regard to her business partner:

"We are looking after each other."

Stress is something most of these women have had to deal with or are still dealing with. Some of the stress is imposed on them from persons external to their immediate business/family situation, i.e., they are faced with additional problems because they are women in business (the negative attitudes). This area needs more investigation so solutions can be found.

#### ON NETWORKING

These women express mixed reactions to the women's network concept. While being in favour of the concept most WBO's feel that to benefit them most, the group should consist of only women who own businesses. They feel the concept is good because it would provide role modelling, build confidence, and provide support and encouragement to group members.

"We need to help ourselves being women in business. It's nice to have another woman in business who you can get support from."

Says another WBO:

"Women in business are different from men. We need a chance to talk with other women professionals or business owners. Women are working in a workforce that's almost totally male and they are made to feel guilty. Women I know are making contributions to women around them--offering support and role-models and sharing positive reinforcement--it gives the needed extra confidence."

Two of these women have virtually no contact with other WBO's either because there are few WBO's in the area or because no forum is available for exchange of information.

Overall, it seems WBO's would welcome the opportunity to interact more with other WBO's through a networking system. Women's Business Ownership associations should be formed for the purposes mentioned above.

#### KEYS TO SUCCESS

These women were asked to elaborate on what they felt

were the keys to their success. Responses varied but in summary they included such success factors are:

- 1 - having self-confidence and faith in their abilities
- 2 - pre-planning the business--setting goals and re-searching the market, the product, and the consumer thoroughly before going ahead
- 3 - being dedicated, determined, and persistent
- 4 - having adequate financial backing
- 5 - having support and encouragement from people in the environment to keep you going
- 6 - having a great deal of fortitude.

"You have to have a very strong constitution and a great desire. I don't think anyone could keep up without it."

### CONCLUSIONS

These interviews suggest that certain patterns do exist describing the woman business owner. These descriptors will be quite different from those used to typify male business owners. Women have had to combat a lot of cultural barriers before even getting to the point of considering business ownership as an activity and then they continue to be confronted with these barriers when their businesses are underway.

In order to overcome many of the barriers or problems women have in business, first the values held by society must change. The values, beliefs, and attitudes with respect to the appropriate roles of women in our society are very deeply held and consequently will be difficult to change.

Education and public awareness are definitely needed to change the cultural climate so that women can be free to make choices uninhibited by role definitions.

The actual events leading up to the entrepreneurial decision for these women are not dissimilar to those describing the entrepreneurial event for others.

The decision to start a business was generally preceded by involvement in some kind of life crisis which stimulated a reassessment of self. This, in conjunction with exposure to other situations or events, resulted in the decision to go into business. In most cases, a "significant other" was also present

as a facilitator. The pattern seems to be then (1) crisis, (2) situational event where an opportunity presents itself, and (3) encouragement/support from a significant other, resulting in business formation. An element of risk was present for the majority of these women but it did not act as an inhibitor. Once they made the decision nothing could hold them back, not even difficulties arranging financing.

In order to increase the numbers of women starting businesses, it is important to identify those variables which have the greatest impact on the entrepreneurial decision. Many women for example, with good ideas and desires may not actually form a business because they cannot overcome the financing hurdle or because they were not supported and encouraged.

Recurring themes for these WBO's were things like the possession of a great deal of self-confidence (generally gained after the "growing up" years), persistence in achieving their goals, a feeling of control over their lives, the expression of a conflict/compromise situation with respect to the business/family relationship, (at least during the embryonic stages of the business), the existence of plans for growth for their businesses, stress related to the demands of the business, the home, and personal life, and a positive attitude toward the concept of interacting with other professional women and WBO's.

WBO's encounter various types of problems as a result of being a woman in business. Often it is assumed the woman is in fact not the owner of the business but works for her husband or partner. Problems exist in social aspects of business too when "men" do not know how to relate to women in a professional context. This makes it more difficult for women to gain access to "industry" information.

To succeed in business, these women suggest you need a lot of self-confidence and a strong constitution. Being determined, dedicated, and persistent is essential. In addition to these personal qualities, WBO's suggest that success is often a function of how well the business was pre-planned and financed.

SECTION 9

CONCLUSIONS AND RECOMMENDATIONS

SPECIFIC CONCLUSIONS

Women owned businesses in the Maritime Provinces are evident in a cross-section of industrial/commercial sectors, and contrary to popular belief do not exist primarily in the retail sector. Women are not well represented in transportation, construction, or finance--areas which might be considered traditionally male-oriented and dominated. However, they are reasonably well represented in manufacturing and make a large contribution to the trade and service sectors. The revenues generated by women-owned businesses are distributed much like that for all small businesses and do not appear to be lower revenue producers. Almost 70% of these businesses were started by women.

The general conclusions are that women own and operate a significant number of businesses representing a cross-section of industry types, and are significant employers and revenue producers. Results do not support the myths regarding WBO's, particularly that women are more likely than men to inherit their businesses, concentrate in retail craft businesses, and be less significant revenue producers than small business generally.

Women in North America have a short history as entrepreneurs or business owners because of cultural and social factors, the exclusion of women from the public sphere and the denial of equal access to the requisite resources for entrepreneurship --knowledge (business and technical), management experience, and wealth (access to capital). Women are gradually entering the entrepreneurial ranks in greater numbers as the values of our society become more conducive to this changing role of women.

WBO's in this study were on the average 36 - 45 years old and have been business owners for a average of 6 - 10 years. This means that the majority of women actually start their businesses in their late twenties or early thirties. WBO's had

worked an average of 11 - 20 years including all full-time and part-time paying jobs but had very little managerial experience before starting their own business. Thirty percent of WBO's have owned more than one business over the years and 20% currently have ownership in more than one business enterprise. Women generally feel that previous work experience prepared them much better than their educational backgrounds for being a business owner even though they are well educated as a group. Sixty percent indicated some type of post-secondary education and 47% indicated they held university degrees or professional accreditation.

Fifty-two percent of WBO's had come from entrepreneurial family backgrounds where the mother and/or father (or guardians) was self-employed or engaged in professional practice. Sixteen percent of WBO's had mothers who were self-employed, and 39% had mothers who worked outside the home. These appear to be factors which impact favorably on the probability of becoming female entrepreneurs.

Almost 70% of WBO's are married, and 13% are divorced or separated. Several women indicated it was difficult to balance the claims of marriage, family, and a business. The two major motivations for business entry were desire for independence and desire to utilize a talent or skill.

These women attribute primary success to hard work. They feel their greatest needs in business management skills in the areas of accounting and planning (marketing planning, planning for expansion, long range planning, and developing business objectives). Most small firms regardless of the sex of the owner will cite these areas as the weakest ones in their firms. They felt their greatest management strength in the area of employee management--hiring, managing, and delegating authority. WBO's felt the greatest need for development in their businesses in marketing (sales development, promotion/advertising/merchandising and cost control. This is not surprising considering these firms were surveyed during a time when many businesses were going into receivership or bankruptcy because of a sluggish economy. "Generating sales" had to be a priority for survival and barring

that, reduction of costs or cost control.

While more work needs to be done in this area, it does not appear there are significant differences between men and women business owners with respect to motivational impetus, personality characteristics, and perceptions of the ingredients necessary for business success. Many business operational problems are the same, particularly in the small business sector where credit needs are a common problem. Lacking accounting knowledge and understanding cash needs of the business are problems for men and women alike. Women business owners however, are more likely to be subjected to attitudinal barriers in dealing with external bodies, specifically bankers, and government agencies but also from customers, support professionals, and spouses. The women in this study although generally not complaining (only 42% of respondents indicated they had experienced barriers which were unique to them as female entrepreneurs) felt stereotyped attitudes did present problems to them, especially in the early stages of business development.

Of the 42% who responded to the question "Aside from general obstacles to entrepreneurial success for anyone (e.g. unfavourable economic climate, government restrictions, and so on), what particular barriers have you experienced which you feel were unique to you as a female entrepreneur?" almost 80% cited attitudinal barriers. These attitudes included negative dealings with male employees, male sales reps and dealers, unsupportive husbands, others seeing business as a "hobby", and reactions that women should not be in business. The remaining 20% of the comments were concerned with financing matters--needed cosigner for the loan, and general difficulty in obtaining bank financing. In dealing with elements in the external environment, WBO's encounter obstacles not present for male business owners.

## GENERAL CONCLUSIONS

It would appear that there are certain patterns evolving around the phenomena of a female entrepreneur. The model presented by Patrick Liles (1974) outlines the emergence of an entrepreneur in terms of the concepts of readiness, restraint, risk, and precipitating events (a situational approach). Figure 1 lists each variable in this model and provides a possible proxy measure of the variable. These factors are considered in analyzing the possible differences between men and women as entrepreneurs.

### WHAT ARE THE DIFFERENCES BETWEEN MEN AND WOMEN?

This study does not attempt to measure differences between male and female entrepreneurs; it concerns itself solely with describing a set of WBO's and their businesses. However, it may be interesting to discuss briefly some of the factors which may differentiate the two groups. The discussion does not focus on personality characteristics but situational factors identified in the literature as important to entrepreneurial emergence.

#### Readiness

In terms of a readiness factor there are a few similarities and many differences between men and women. Generally, women do not have equal access to experience in management positions prior to becoming a business owner, and have not historically been allowed equal access to wealth or capital, nor to an education which might prepare them better for business management. This affects not only the occurrence of entrepreneurial emergence but also the relative chances of success as a business owner. Women are less likely to achieve the level of self-confidence, personal skill development, and industrial knowledge which prepares for business ownership. The family life cycle will affect women too. Women aspiring to business ownership may not feel they are able to make the necessary time commitment to a business until their children are in school or semi-independent.



FIGURE 1  
INFLUENCE ON ENTREPRENEURIAL EMERGENCE

VARIABLES	PROXY
Readiness	Self confidence Personal skills Industrial knowledge Family life cycle
Restraint	Family obligations Financial limitations Societal "role" definition
Precipitating Events	Deterioration of job satisfaction or life- style Identification of market opportunity Encouragement to start a company (role of spouse, government, suppliers, lawyer, banker, accountant, partner, etc.)
Perceived Risk	Financial Family Career Psychic

\* Adapted from Patrick Liles (1974), "Who Are the Entrepreneurs"

While the family life cycle also affects the readiness factor for men, personal commitment to the care aspect of child rearing will have less impact on their decision to make a commitment to a business and the long hours it entails.

It is interesting to consider a finding from recent work done by Welsch and Young (1983)<sup>7</sup> in the U.S. They found that female entrepreneurs had significantly higher levels of "occupational primacy" than female executives and are more likely to prioritize work and career as the most important aspect of their lives.

#### Restraint

Women are likely to feel greater restraint due to family obligations, financial limitations, and societal "role" definition. As discussed earlier, traditionally entrepreneurs developed or emerged from entrepreneurial families or artisanal groups. These persons had access to the requisite resources for entrepreneurship, wealth and business or production skills. Women have not had access to these resources to the same extent. Women were chattels themselves, of fathers and husbands. Society has placed role expectations on women which prohibit female involvement in business activity. Historically, there were exceptions to this as women took over family businesses; however, cultural and social forces did not operate in favour of female entrepreneurship.

Women have not had access to normal credit channels until fairly recently; they have not had the opportunities to own property or to build a collateral position within their own right. This restrains their position should they aspire to own a business and seek capital from a financial institution. Credit policies have not been traditionally oriented towards lending money to women. While some of these problems have been overcome it is evident from respondents' comments, often they are treated differently by banks because they are female.

<sup>7</sup>Welsch, Harold P., and Earl C. Young, "Entrepreneurs and Young Executives: An Analysis of Differences Among Selected Psychological Dimensions", Proceedings of the International Council for Small Business, St. Mary's University, Halifax, June 26 - 29, 1983.

### Precipitating Events

With respect to the third variable, precipitating events, women are as likely as men to become dissatisfied with their job, or experience a change in lifestyle which precipitates the motivation to become a business owner. Women are also as likely to identify a market opportunity. Many women in this study started a business for these reasons. However, women are not as likely to encounter encouragement and positive support from others for their project. WBO's in this study express some dissatisfaction in their dealings with government bodies, bankers, lawyers, accountants, husbands, family and even customers, and stress how important support from these groups is to the development and success of their businesses. They talk of negative and pessimistic advice offered by others, of general negative reinforcement from other business owners, spouses, and government and banking personnel. Are men offered more encouragement and support? If so, women are denied equal access to resources and opportunity. There were a few instances in this study, however, where WBO's were pulled into entrepreneurial business because someone else encouraged them.

### Perceived Risk

In terms of risk, more work needs to be done. It may be that women perceive less risk in starting a business venture than men. There may be less career risk because women are less likely to leave top positions in other organizations before starting a business. They have less to lose. Family risk may be higher particularly if children are involved. Women talked about conflict, compromises, and guilt feelings arising from managing a business and a household. With respect to psychic risk, are men and women different? How do they perceive their positions in relation to themselves and society if the business fails? It has been suggested elsewhere that men experience success/failure differently from women. Men have higher expectations because of the role they have been given in society-reared to be in the public sphere and to achieve high levels of success. Women have been

reared with lower expectation levels and consequently have less to risk personally than men if the business fails or does not achieve high levels of success. The point is perceived risk will influence men and women in different ways. Financial, career, and psychic risk may affect women less and act as a more positive force towards developing entrepreneurial tendency, however family risk may be higher and act as a deterrent.

The emergence of women as entrepreneurs is complicated by the commitments and nature of marital/familial obligation, lack of encouragement and support from external bodies, and limited access to education and management experience so essential to business success. It may be assisted because women have greater opportunity for job dissatisfaction working in other organizations (less chance for advancement), less perceived risk in starting a business and have the capability to identify a market opportunity and take advantage of it.

## RECOMMENDATIONS

The incidence of emergence of entrepreneurs or independent business owners is characterized by a complex interaction of personal, situational and cultural factors. It occurs out of an interaction of pushes and pulls, situational helps and barriers, and depends on both the initiative and technical and business capability of the potential entrepreneur. Very little is known about how these factors interact to influence women in an entrepreneurial direction. Historically, women have not occurred as entrepreneurs in significant numbers for reasons elaborated in Section 2 of this report, namely unequal access to requisite resources and societal relegation to the private sphere of our society. Even though society and the values which it holds are changing, and increasing numbers of women are starting and operating their own businesses, they are still exposed to many barriers which men are not exposed to in the same endeavour. These barriers need to be understood and eliminated. With removal of these barriers, more women who now desire business ownership will move from the potential category to the actual category. Formation of small businesses by potential WBO's can only benefit society economically and socially and government should implement policies to promote and facilitate the incidence of business formation by women in Canada. There is a need to integrate women into the 'mainstream' of entrepreneurship and to permit equal opportunity.

### ESTABLISHING A TASK FORCE

Solutions are not simple; in many areas attitude change is required. Government is in a position, however, to implement policy to alter the cultural climate surrounding appropriate 'roles' for men and women in business and to instigate change. Educating the public regarding the existing situation is a key first step. More information regarding the extent and contribution of women owned business should be collected and disseminated to illustrate the realities and dispel the myths which perpetuate negative attitudes towards women as business owners.

To provide the basis for long-term solutions to problems facing these women, the federal government should establish a TASK FORCE on WOMEN-OWNED BUSINESS in Canada for the purposes of:

- (a) collecting and compiling data on women business owners in all provinces of Canada.
- (b) to investigate methods of determining more precisely how many WBO's exist (sole proprietorships, partnerships, and limited companies) and to publish these statistics.
- (c) determine the major issues which face WBO's in this country in the next decade.
- (d) determine policy directions which would facilitate the start-up of more women-owned businesses
- (e) determine policy directions which would assist WBO's in making their existing businesses more successful. Policy should be directed towards assisting WBO's through the turbulent growth phase of their business to greater levels of success.

A first step in formulating the mandate for such a Task Force might be organization of a carefully planned national conference on women-owned business to discuss the major issues perceived by the various interest groups--government, academics, women business owners, and relevant facilitating bodies--to be affecting women in business in Canada today.

In addition to government attention, society has an obligation to support women in an entrepreneurial direction and this means ensuring they have equal access to the resources of education, management experience, and start-up capital. Some progress is already being made in these areas. More women are choosing and are encouraged to take business degrees at university. Business school enrollments, once less than 1% female in the late 60's, are now approaching 40%. This will develop business skills required to operate a business. The effects of affirmative action programs and conscious efforts to promote women into management positions in companies will benefit society as a whole too, as it will equip more women with operational and technical realities of business administration. The government should assume responsibility for legislating affirmative action policy for private business to ensure women are given management

opportunity and should assume responsibility for monitoring changes.

#### FINANCING

Because women have had a shorter history in the business game, government should also implement programs to enable women to obtain start-up capital for their businesses. Twenty percent of women in this study were refused bank financing but through perserverance eventually obtained financing elsewhere. These firms are now successful. But how many potentially successful firms were refused initial start-up financing from the commercial banks, were unable to secure financing elsewhere and hence could not start the business? If these women were refused financing because of attitudes of bank personnel towards women as business owners (evidence of this in the Maritime Provinces), or because there were no husbands to cosign the loan, etc., then women do not have equal opportunity. Special guidelines should be developed for considering financing proposals from women-owned businesses. There are examples in this study of women with no or limited personal collateral, who have developed very successful small businesses. Often bankers associate higher risk with financing a woman's enterprise. Credit policies need to be assessed. This association of higher risk with women needs serious reappraisal. Government could establish a seed capital fund for women wishing to start small businesses, or establish equity fund programs much like venture capital firms but specifically for small business enterprises (not necessarily in manufacturing) started by women. They could also implement a policy of loan guarantees for women-owned business particularly in the start-up phase.

In the U.S. the Small Business Administration has recently completed testing a new program to improve women's access to business credit. This program is to be offered nationwide through chapters of the National Association of Bank Women<sup>8</sup>.

Canadian government should examine this program and assess its applicability for Canadian women-owned business.

MANAGEMENT ASSISTANCE

Government should make management assistance programs more accessible to women. There appear to be two different kinds of needs for programs. Training needs differ depending on life cycle of the woman-owned business. In the birth stage, process training is required--"how-to" information. In the growth and maturity stages, content training is required--specific knowledge in the functional or operational areas of the business. The basic four categories of information needed are:

- (1) how to get started--business planning
- (2) how to improve sales--marketing planning
- (3) how to control financial position
- (4) networking between businesses.

Process training is oriented towards women who have an idea for starting a business and need help with "putting it together". Assistance and training emphasis for this group would involve:

- (1) market research - "how to" information on collecting data on industry, product, and market potential. financial/accounting information - assistance with feasibility studies and financing proposals.
- (2) assistance with developing sales projections, cash flow statements and other financial projections for their proposed businesses for the first 3 - 5 years. Help with estimating cash and borrowing needs of the business to ensure that it is not undercapitalized. Instruction on setting up an accounting system.
- (3) Marketing - Techniques of promoting and merchandising products/services in an effective and efficient manner.
- (4) Information on government assistance programs. A clearing house for dissemination of all information on the myriad of these programs is required and should be provided on more of an outreach basis. Easier accessibility is a need cited by the women in this study.
- (5) Seminars on "how to start" a business.
- (6) How to obtain financing.

For women already operating a self employed business, assistance and training needs change somewhat and involve content emphasis



such as:

- (1) financially based programs - bookkeeping, financial planning, information on how to do cash-flow statements and pro-forma statements, techniques of inventory control and general cost control.
- (2) forecasting methods for forecasting sales and profits.
- (3) business planning - establishing business objectives, identifying opportunities for business growth.
- (4) marketing courses. Needs are in advertising, merchandising, new product development, and product mix decisions, and sales development.

Presently, business seminars are concentrated in urban areas and WBO's living in towns and villages have limited opportunity to attend these seminars. FBDB does attempt to offer courses in less urban areas and attracts more WBO's than other programs. These seminars and courses need to be offered at times convenient to WBO's. In many small businesses, the owner-manager finds it difficult to take time off during week-days. Evening or weekend programs might well meet the needs of many WBO's depending on the business type. More importantly, seminars need to be targeted specifically to women. Women do have special needs and until they become a strong entrepreneurial force, they need extra support, encouragement and opportunities to develop their potential in a supportive environment.

Experiences elsewhere seem to provide evidence that women come forward in much greater numbers if programs are offered specifically to them. The American Woman's Economic Development Corporation (AWED) in New York has been in operation since 1977; over 12,000 WBO's have participated in the program of workshops, evening seminars, business audits, on-site and telephone counselling sessions offered to women. As a result of participation in the program, WBO's experienced a 121% increase in sales, an 80% increase in the number of full-time employees, 79% expanded and/or diversified their business, 75% reported an increase in assets and 72% reported an increase in profitability. It is unlikely these WBO's would have been reached within existing

government assisted or private programs aimed at small business in general.

In many instances in this research on Maritime women, women felt men did not take them, their businesses, or ideas seriously and were able to cite examples of this. Offering seminars specifically to women provides a more positive and supportive environment for development of ideas. As well, it gives women the opportunity to meet other women with similar aspirations and problems and assists in the development of intra-group solidarity and support.

#### PUBLIC EDUCATION AND AWARENESS

There needs to be establishment of a good data base on women-owned business in Canada. How many are there, where are they, what is the growth rate of their businesses, what is their economic contribution, etc. This need was identified by Maridee Allen Winter in her 1978 report to the Small Business Secretariat. The statistical information should be made available to the general public to impress the nature and extent of women-owned business.

Stories on local and regional successful women entrepreneurs should be collected and shared to serve as encouragement to others and provide public awareness. This could be achieved through the hosting of conferences on WBO's and using successful WBO's as workshop leaders, panelists and guest speakers.

The importance of role models in the decision to start a business has been identified in other research and is verified in the interviews with Maritime women. Government can assist with making role models available through release of articles to the media on WBO's. Government agencies could assist in the production of videos of successful women entrepreneurs for public use in libraries and schools. Documentaries or movies about women entrepreneurs are also possibilities and would greatly promote public awareness. The objective here is to reinforce cultural change about the roles of women in business; "they can do it, they are doing it, and they will continue to do it in greater numbers with high levels of success!"

### ENTREPRENEURIAL STUDIES

Funding for courses in entrepreneurship at Canadian universities is required. Elective courses in entrepreneurship are the most popular choice of students at Harvard Business School, and in many other schools in the U.S. Having taken courses in entrepreneurship in university appears to increase the probability of becoming a business owner. Research at Babson College (Wellesley, Mass.) indicated that within 6 - 10 years after graduation from Babson, 17% of the persons who had taken no courses in entrepreneurship were business owners. For persons who had taken one course in entrepreneurship, 28% were business owners and for those who had taken graduate courses in entrepreneurship, 34% were business owners. Similar results were found at other schools<sup>9</sup>. This seems to indicate that entrepreneurs can be developed and exposure to 'how to' programs are effective in stimulating business formation and ownership.

### ORGANIZATION OF WOMEN BUSINESS OWNERS

Women business owners need to be organized on a formal basis to do "networking". Presently, there does not appear to be an easy way for WBO's to meet each other, exchange ideas, offer support and encouragement and get help from each other with business related problems or situations. In larger Canadian centres, women business owner associations have formed and are operating with positive results. It is more difficult in the Maritime Provinces to integrate the group of WBO's because of the distribution of these women over wide geographic areas. The establishment of national, regional, and local associations of WBO's would be a positive step towards making it easier for women to not only become entrepreneurs but more successful entrepreneurs.

There seems to be support for formal organization of a representative group of WBO's in this study. While 77% of the women in this survey belonged to a trade or professional association the percentage of women belonging to most of the

<sup>9</sup>Entrepreneurship and National Policy, by Karl Vesper, Heller Institute for Small Business Policy Papers, No. 3, 1983.

associations (CFIB, Boards of Trade, CMA, etc.) is small. To facilitate the "integration" cited in the literature as being important to entrepreneurial emergence within a sub-group, an organization of WBO's is warranted. In this research women mentioned isolation as a problem and indicated a desire to be able to interact with other WBO's to share information and to use as a support and resource group. Such a group, depending on needs and desires of its membership could act as a pressure or lobby group on a regional basis to provide solidarity to WBO's.

#### SUMMARY

Women have a valuable economic contribution to make as business owners. They are now under-represented as business owners and not to address that imbalance is to deny our country of social and economic well being. To address the imbalance means implementation of public information and education programs to dispel myths about the nature of women-owned business. It means facilitating the "readiness" factor for women by allowing them access to educational programs and management positions unhampered by sex role, stereotyping and discrimination (subtle or otherwise). While these are developmental solutions, there are also immediate steps which can be taken to create a more favourable environment for WBO's--the initiation of programs targeted specifically at existing or potential women business owners, to offer workshops and seminars to meet the needs of this group in business management. Encouragement and support, another factor important to entrepreneurial emergence and success can be offered in this way by government, educational institutions, or by enterprising private firms. Another dimension of support can be offered by organization of the group of women business owners to facilitate information sharing and provide a "voice" for their unique concerns.

WOMEN OWNER MANAGERS IN THE MARITIMES  
INFORMATION SURVEY

1. Do you consider yourself an owner-manager of a business? Yes \_\_\_\_\_  
No \_\_\_\_\_

2. Do you own more than one business? Please explain \_\_\_\_\_

3. Did you \_\_\_\_\_ a) start the business yourself?  
\_\_\_\_\_ b) buy it from someone else?  
\_\_\_\_\_ c) take over a family business?  
\_\_\_\_\_ d) buy into an existing business?  
\_\_\_\_\_ e) other \_\_\_\_\_

4. Please indicate the type of structure you have chosen for your business.

\_\_\_\_\_ a) sole proprietorship (go to Section C)  
\_\_\_\_\_ b) partnership (go to Section A)  
\_\_\_\_\_ c) limited company or corporation (go to Section B)

Section A

a) Please state the number of partners in your company including yourself. \_\_\_\_\_

b) Do you have drawings from the company at least equal to those of your business partners?

Yes \_\_\_\_\_

No \_\_\_\_\_ What is your proportion?

c) Are you, at least, equally responsible for making major policy decisions for the business?

Yes \_\_\_\_\_

No \_\_\_\_\_

d) Did you contribute at least an equal share of the start-up capital for the business (or equally responsible for borrowed capital)?

Yes \_\_\_\_\_

No \_\_\_\_\_ Please specify the proportion of your financial contribution.

e) Do you control at least 50% or an equal share of the assets of the company?

Yes \_\_\_\_\_

No \_\_\_\_\_

NOW, PLEASE COMPLETE SECTION C

Section B

a) How many shareholders are there in your limited company? \_\_\_\_\_

b) Are you an equal or majority shareholder of the company? Yes \_\_\_\_\_

No \_\_\_\_\_

Please specify degree of ownership.

\_\_\_\_\_

\_\_\_\_\_

c) Are you involved in deciding major policies for the company? Yes \_\_\_\_\_

No \_\_\_\_\_

d) Do you have the power to implement those policy decisions? Yes \_\_\_\_\_

No \_\_\_\_\_

**HOW, PLEASE COMPLETE SECTION C**

**SECTION C**

a) Are you active in the daily management of the company? Yes  \_\_\_\_\_  
 No  \_\_\_\_\_

Please describe your involvement.

\_\_\_\_\_

\_\_\_\_\_

b) How long have you owned and operated your own business?

\_\_\_\_\_ years \_\_\_\_\_ months

c) How would you describe your business?

In other words, what kind of business are you in? For example, retail clothing, manufacturing picture frames, own a kennel, etc.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

d) How many persons are employed in your business? (excluding yourself)

number of full-time employees \_\_\_\_\_

number of part-time employees \_\_\_\_\_

e) What is the yearly sales volume of your business?

- |  |   |
|--|---|
| <input type="checkbox"/> under \$10,000        | <input type="checkbox"/> \$180,001 - \$195,000      |
| <input type="checkbox"/> \$10,000 - \$15,000   | <input type="checkbox"/> \$195,001 - \$210,000      |
| <input type="checkbox"/> \$15,001 - \$30,000   | <input type="checkbox"/> \$210,001 - \$225,000      |
| <input type="checkbox"/> \$30,001 - \$45,000   | <input type="checkbox"/> \$225,001 - \$240,000      |
| <input type="checkbox"/> \$45,001 - \$60,000   | <input type="checkbox"/> \$240,001 - \$255,000      |
| <input type="checkbox"/> \$60,001 - \$75,000   | <input type="checkbox"/> \$255,001 - \$270,000      |
| <input type="checkbox"/> \$75,001 - \$90,000   | <input type="checkbox"/> \$270,001 - \$285,000      |
| <input type="checkbox"/> \$90,001 - \$105,000  | <input type="checkbox"/> \$285,001 - \$300,000      |
| <input type="checkbox"/> \$105,001 - \$120,000 | <input type="checkbox"/> \$300,001 - \$500,000      |
| <input type="checkbox"/> \$120,001 - \$135,000 | <input type="checkbox"/> \$500,001 - \$1,000,000    |
| <input type="checkbox"/> \$135,001 - \$150,000 | <input type="checkbox"/> \$1,000,001 - \$2,000,000  |
| <input type="checkbox"/> \$150,001 - \$165,000 | <input type="checkbox"/> \$2,000,001 - \$5,000,000  |
| <input type="checkbox"/> \$165,001 - \$180,000 | <input type="checkbox"/> \$5,000,001 - \$10,000,000 |
|  | <input type="checkbox"/> over \$10,000,000          |

Your NAME \_\_\_\_\_

Company NAME \_\_\_\_\_

Company Address \_\_\_\_\_

(Street, P.O. Box, \_\_\_\_\_

City, Town \_\_\_\_\_

Postal Code \_\_\_\_\_

Telephone Number \_\_\_\_\_

ACADIA UNIVERSITY

INQUIRY - WOMEN BUSINESS OWNERS IN THE MARITIMES

Thank you for participating in Phase 1 of this study. Phase 2 of the research involves collecting information to determine profiles of business owners and their needs and to look into the motivations and problems that existing business owners face. Being a woman in business, you can provide valuable insights and I hope you will continue to participate in the research.

To assist with Phase 2 of the project, I am enclosing a questionnaire which I would like you to complete. Some of the questions may not apply directly to your situation so answer these questions to the extent that you can. Please return the questionnaire in the envelope provided. All replies will be kept confidential but are necessary to make the research findings meaningful, accurate, and timely. (If you own more than one business, provide responses for the business in which you spend the majority of your time).

I thank you very much and will be pleased to send you a summary of the research findings at the end of the project, if you wish. The project should be completed by the end of June 1983.

SECTION A: BUSINESS DESCRIPTION

1. Mark the one statement that best describes the way you own your business.

- 1  Sole proprietor
- 2  Joint or coproprietor
- 3  Partner
- 4  Own 50% or more of the stock
- 5  Own less than 50% of the stock, but am a majority shareholder
- 6  None of these apply - Describe form of ownership \_\_\_\_\_

2. Mark the box that best describes the activity of your business.

- 1  Agriculture, Forestry, Fishing
- 2  Mining
- 3  Construction
- 4  Manufacturing - Please indicate type of product \_\_\_\_\_
- 5  Transportation
- 6  Wholesale trade - Please indicate type of product \_\_\_\_\_
- 7  Retail trade - Please indicate type of product \_\_\_\_\_
- 8  Finance, insurance, and real estate
- 9  Other Services - Specify \_\_\_\_\_

3. How many permanent full-time and other employees were employed by this business in March 1983?

	<u>Permanent Full-time</u>	<u>Other</u>
None	<input type="checkbox"/>	<input type="checkbox"/>
1 - 4	<input type="checkbox"/>	<input type="checkbox"/>
5 - 9	<input type="checkbox"/>	<input type="checkbox"/>
10 - 19	<input type="checkbox"/>	<input type="checkbox"/>
20 - 49	<input type="checkbox"/>	<input type="checkbox"/>
50 - 99	<input type="checkbox"/>	<input type="checkbox"/>
100 - more	<input type="checkbox"/>	<input type="checkbox"/>

**SECTION 2: SUCCESS FACTORS**

4. To what extent do you consider yourself a successful business owner?

Very Successful	Moderately Successful			Not Very Successful	
1	2	3	4	5	

5. A number of factors can contribute to the success of a business owner in her enterprise. From the list presented below please indicate how important each factor was in helping you to achieve your business success.

	Very Important				Not Important At All
a. Planning ahead for the business	1	2	3	4	5
b. Knowledge of the business area	1	2	3	4	5
c. Educational attainment	1	2	3	4	5
d. Hard work	1	2	3	4	5
e. Assertiveness	1	2	3	4	5
f. Good people skills	1	2	3	4	5
g. Influence of being raised in an entrepreneurial family	1	2	3	4	5
h. Satisfaction with the work I do	1	2	3	4	5
i. Enjoyment of the challenge	1	2	3	4	5
j. Ability to set goals and priorities	1	2	3	4	5
k. Ability to maintain self-discipline	1	2	3	4	5
l. Self-confidence	1	2	3	4	5
m. Family supportiveness	1	2	3	4	5
n. Obtaining adequate financing	1	2	3	4	5
o. Good supportive services ( Lawyer, Accountant, etc.)	1	2	3	4	5
p. Exposure to other women business owners.	1	2	3	4	5
q. Other _____	1	2	3	4	5

6. Please indicate on a scale of 1 to 5 how important you feel these traits are in a successful business owner.

	Very Important				Not Important At All
a. Desire to succeed	1	2	3	4	5
b. Self-discipline and perseverance (willingness to work hard, endure stress/pressure)	1	2	3	4	5
c. Desire for independence	1	2	3	4	5
d. Need for achievement	1	2	3	4	5
e. Assertiveness (confidence, determination, competitive)	1	2	3	4	5
f. Action-oriented (decisive, does the job now)	1	2	3	4	5
g. Goal oriented	1	2	3	4	5
h. High energy level (stamina)	1	2	3	4	5
i. Willingness to take risks	1	2	3	4	5

7. What was the major motivating factor in your decision to become a business owner? **MARK ONLY ONE**

1.  Desire for financial independence
2.  Desire to utilize a talent or skill
3.  Desire to be my own boss
4.  I had an idea for a product or service that I thought would sell
5.  I own the business mainly for investment purposes
6.  I had to take the business over from someone else
7.  I wanted to make money
8.  Owning the business was really just an impulse
9.  I became a business owner mainly because someone else wanted me to (partnership/shareholder)
10.  Unhappy working for someone else.
11.  Unable to find a satisfactory job.
12.  Other \_\_\_\_\_



**SECTION C: MANAGEMENT**

8. What is your assessment of the extent of your skills in the following functional areas of business operation?

	Not Applicable	Strong	Adequate	Needs Improvement		
a. Marketing planning	---	1	2	3	4	5
b. Developing business objectives	---	1	2	3	4	5
c. Accounting	---	1	2	3	4	5
d. Financial control	---	1	2	3	4	5
e. Financial planning	---	1	2	3	4	5
f. Hiring employees	---	1	2	3	4	5
g. Delegating authority	---	1	2	3	4	5
h. Managing employees	---	1	2	3	4	5
i. Long-range planning	---	1	2	3	4	5
j. Time management	---	1	2	3	4	5
k. Planning for expansion	---	1	2	3	4	5
l. Negotiation with external bodies	---	1	2	3	4	5

9. At the present time, you and/or your business might require development or improvement in certain key areas. Below are listed some of these areas. For each please indicate to what extent you perceive needs in these areas for your business.

	Great Need	Moderate Need	No Need		
Financing Arrangements	1	2	3	4	5
Well defined business plan	1	2	3	4	5
Sales development program	1	2	3	4	5
Accounting Procedures	1	2	3	4	5
Better banking relationship	1	2	3	4	5
Merchandising	1	2	3	4	5
Inventory Control	1	2	3	4	5
Promotion (Advertising)	1	2	3	4	5
Cost Control	1	2	3	4	5
Personnel	1	2	3	4	5
Better supplier relationship	1	2	3	4	5
Overall management	1	2	3	4	5
Other _____	1	2	3	4	5

**SECTION D: FINANCING**

10. From which of the following sources did you obtain financing and/or capital to become owner of this business. Mark all that apply.

Please also indicate proportion of capital obtained from each source.

Source	Proportion of Capital Provided from Source
<input type="checkbox"/> Own personal savings	_____ %
<input type="checkbox"/> Joint personal savings	_____ %
<input type="checkbox"/> Family	_____ %
<input type="checkbox"/> Friends	_____ %
<input type="checkbox"/> Commercial bank loan	_____ %
<input type="checkbox"/> Venture capital firm	_____ %
<input type="checkbox"/> Federal Government program	_____ %
<input type="checkbox"/> Provincial Government program	_____ %
<input type="checkbox"/> Other - Describe _____	_____ %
Total _____ %	

11. a) Have you ever applied for bank credit for the business?

- Yes - (go to b)       No (go to Question 14)

b) The first time you applied for a bank loan, was the loan secured?

- Yes       No

c) Was the term of the loan for less than one year?

Yes  No

12. a) Have you ever applied for bank credit for this business and been turned down?

Yes (go to b)  No (go to Question 14)

b) Did the bank tell you why your application was rejected?

Yes  No

c) What factors do you think influenced the bank to reject your credit application? Mark all that apply.

- Lack of collateral
- No previous credit history
- Poor business credit history
- No previous personal credit
- Poor personal credit history
- Reluctance to lend to small or new business owners
- Reluctance to lend to a woman business owner
- Inadequately prepared loan request
- Do not know
- Some other reason - Explain below

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

13. Were you eventually able to obtain the financing requested from a banking institution?

Yes  No

**SECTION 2: ASSISTANCE**

14. Are you a member of any trade or professional associations?

Yes  No

Please indicate which ones, if applicable.

- Retail Merchants Association
- Association of Canadian Manufacturers
- Canadian Federation of Independent Business
- Board of Trade or Chamber of Commerce
- Professional Association (specify) \_\_\_\_\_
- Export Association
- Trade Association (specify) \_\_\_\_\_
- Other (specify) \_\_\_\_\_

15. From the following list, please indicate those sources which have provided information and assistance to you in terms of operating your business(es) more effectively.

	Yes	No
Suppliers	<input type="checkbox"/>	<input type="checkbox"/>
University courses	<input type="checkbox"/>	<input type="checkbox"/>
Business seminars/workshops (government)	<input type="checkbox"/>	<input type="checkbox"/>
Business seminars/workshops (private)	<input type="checkbox"/>	<input type="checkbox"/>
Banker	<input type="checkbox"/>	<input type="checkbox"/>
Business association	<input type="checkbox"/>	<input type="checkbox"/>
Other _____	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input type="checkbox"/>	<input type="checkbox"/>





**SECTION F: PERCEPTIONS/ATTITUDES**

17. How many years of operation did it take before your business generated a profit?

- within first year
- within two years
- within three years
- within 4 to 5 years
- after 5 years
- still not profitable

18. Please rank the following professionals or others in the business environment according to the degree of cooperation you have had in dealing with these persons.

	Very Cooperative			Very Uncooperative	
Other Business Owners	1	2	3	4	5
Bankers	1	2	3	4	5
Suppliers	1	2	3	4	5
Lawyers, Accountants, Consultants, etc.	1	2	3	4	5
Tradesmen	1	2	3	4	5
Male customers	1	2	3	4	5
Female customers	1	2	3	4	5
Male employees	1	2	3	4	5
Female employees	1	2	3	4	5
Government agencies	1	2	3	4	5

19. Please indicate below to what extent you agree or disagree with the following statements.

	Strongly Agree		Neutral		Strongly Disagree	
My family has always supported me in my business interests.	1	2	3	4	5	
My friends have always supported me in my business interests.	1	2	3	4	5	
As a business owner, there are people who believe I am intruding in a man's world.	1	2	3	4	5	
The majority of my employees are female.	1	2	3	4	5	
The majority of my suppliers are female.	1	2	3	4	5	
The majority of my customers are female.	1	2	3	4	5	
Often men do not take me seriously as a business owner.	1	2	3	4	5	
It takes a long time to gain credibility as a business owner.	1	2	3	4	5	
Men seem to think I cannot comprehend complex business matters.	1	2	3	4	5	
I get along equally well with males and females in conducting my business.	1	2	3	4	5	
Government agencies treat me differently because I am a woman.	1	2	3	4	5	
Trade, business, professional associations well represent my needs/concerns as a business owner.	1	2	3	4	5	
Managing a business and a household at the same time has often presented difficulties.	1	2	3	4	5	

20. Aside from general obstacles to entrepreneurial success for anyone (e.g. unfavourable economic climate, governmental restrictions, and so on), what particular barriers have you experienced which you feel were unique to you as a female entrepreneur?

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21. Looking back, what information or assistance would be most valuable to you at the point of starting a business?

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22. What information or assistance would be most valuable once the business is underway?

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23. What advice would you give other women who want to go into business for themselves?

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SECTION 8: EDUCATION & EXPERIENCE

24. How many years have you worked including All full or part-time paying jobs you have held?

None 14.8%  6 - 10 years  
 1 year or less 47.0%  11 - 20 years  
 3.1%  2 - 5 years 34.4%  over 20 years

25. How many years have you worked in a managerial capacity? (in your own and other businesses)

3.8%  None 29.5%  6 - 10 years  
 1.6  1 year or less 24.0%  11 - 20 years  
 31.7  2 - 5 years 9.8  over 20 years

26. In general, how well have your work experiences prepared you for being a business owner?

51.4%  Very well 13.7%  Not at all  
 35.9  Somewhat

27. Altogether how many businesses have you owned?

69.4%  One 6.0%  Three to four  
 22.4%  Two 2.2  Five or more

28. How many businesses do you have ownership in presently?

74.8%  One 4.4%  Three  
 14.3  Two 1.1  Four or more

29. Counting all businesses that you have owned, for how many years have you been a business owner?

4.9%  1 year or less 14.4  11 - 20 years  
 44.5  2 - 5 years 9.8  over 20 years  
 27.9  6 - 10 years

30. How many years of formal schooling have you completed:

2.3%  0 - 8 years 39.9%  1 - 4 years past high school  
 10.9  9 - 11 years 20.1  5 or more years past high school  
 26.2  12 years or high school equivalent

31. What types of schools have you attended? Mark all that apply.

23.5%  Junior or community college  
 40.0  Vocational or technical school  
 35.3  Four-year college or university  
 29.5  Graduate or professional school  
 28.5  None of the above

32. What degrees, if any, do you hold? Mark ALL that apply.

16.4%  B.A.  M.B.A.  
 4.9  B.Sc. 0.5  Ph.D. or D.B.A.  
 1.1  B.B.A. or B. Comm. 1.6  L.L.B. or J.D.  
 3.3  M.A., M.Sc., M.P.A. 1.1  M.D.  
 27.9  Other - describe \_\_\_\_\_ 53.0  None

33. How well did your education and work history prepare you for the daily problems in running a business?

Very Well Somewhat Not At All  
 1 2 3 4 5  
 23.4% 23.4% 21.7% 7.7% 15.8%

SECTION 9: FAMILY BACKGROUND

34. Have either of your parents (or guardians) ever owned a self-employed business or been engaged in a professional practice?

35.5%  Yes, father or male guardian only  
 6.0  Yes, mother or female guardian only  
 10.4  Yes, both mother and father (or guardians)  
 47.5  No

35. Did your mother or female guardian work outside the home? Yes  39.5%  
 No  59.6%

36. What is your current marital status?

10.4%  Never married    1.6%  Separated  
68.9  Married            9.9  Widowed  
12.0  Divorced            2.3  Other

37. Please indicate below the one statement which best describes your situation.

- I started the business with my husband.
- I started the business and my husband later joined my business.
- My husband started the business and I later joined the business.
- I was married when I entered/started the business, now I am divorced.
- I was single/divorced when I entered/started the business; now I am married.
- I was single/divorced when I entered the business and I still am.
- Other. Please describe \_\_\_\_\_

38. How old are you?

1.1%  under 25    23.5%  36 - 40    8.7%  51 - 55  
10.9  25 - 30    16.9  41 - 45    9.4  56 - 60  
18.6  31 - 35    9.8  46 - 50    6.0  over 60

39. How many children living in your home do you have or share child care responsibility for?  
Number \_\_\_\_\_. (If you have no dependents please skip to Question 41).

40. Please indicate below the one statement which best describes your situation.

- 29.9%  I assume sole or most of the responsibility for making child care arrangements.
  - 17.  My husband shares equal responsibility for child care arrangements with me.
  - 7.  I employ a housekeeper who takes care of the children while I am at work.
  - My husband assumes sole responsibility for making child care arrangements.
  - 4.2%  My children are old enough to take care of themselves in the home.
  - 4.  Other. Please describe \_\_\_\_\_
41. Please indicate where you were born

78%  Canada    11%  Other - when did you come to Canada? 19 \_\_\_\_  
2%  U.S.A.    3% No response

Thank you very much for your cooperation. The information you have provided will be very helpful in recommending small business policy to meet the needs of women business owners in Canada.

NAME \_\_\_\_\_

ADDRESS \_\_\_\_\_



THE FRED C. MANNING SCHOOL  
OF BUSINESS ADMINISTRATION

ACADIA UNIVERSITY  
WOLFVILLE, NOVA SCOTIA, CANADA B0P 1X0

Re: Research on the Entrepreneurial Experience of Women in the  
Maritime Provinces

Presently, we do not know the women in this region of the country who own and operate their own businesses. We do not know where they are located, what kinds of businesses they are involved in or the extent of their contribution to the regional economy as employers and revenue producers.

I have been awarded a research grant by the Small Business Secretariat in Ottawa to develop a comprehensive list of these women outlining the nature of their businesses. This list will form the foundation for a later investigation of attitudes and perceptions of these women who have decided to become independent business operators.

To develop this list, I NEED YOUR HELP. I need referrals, partial lists of women owner - managers which you and your organization are aware of, to enable me to initiate contact with these women, and compile the basic list.

Would it be possible for you to supply me with a list of your membership which might indicate any businesses which are owned and operated by women?

This would be of tremendous assistance to me. I may be contacted by mail at Acadia University or by phone at 902-542-2201.

Either myself or one of my research assistants may contact you directly by phone in a week or so if we do not hear from you before then. For your information my assistants are Jane Davidson, Jennifer Perry, Keith Skiffington and Jeff Mills.

I look forward to hearing from you.

Yours sincerely,

Lois Stevenson  
Assistant Professor





THE FRÉD C. MANNING SCHOOL  
OF BUSINESS ADMINISTRATION

ACADIA UNIVERSITY  
WOLFVILLE, NOVA SCOTIA, CANADA B0P 1X0

Re: Women Owner-Managers in the Maritimes - Who Are They?

The Small Business Secretariat in Ottawa is supporting research designed to study women in this region of the country who own and manage their own businesses. The first step of the study (and the most difficult part) is locating women business owners. I have been developing a preliminary list of these women from reference sources such as business and Board of Trade directories, association membership lists, Joint Stock company records, manufacturing directories, referrals, etc.

From one of these sources I have determined that you may be a women owner and manager of your own business.

I very much need your help now in qualifying the leads I have. To this end I would appreciate it very much if you would answer the short questionnaire on the attached page and return it to me as soon as possible via the self-addressed return envelope.

Please feel free to comment on any of the questions if you wish to provide additional explanation.

The information you provide to me will be held in the strictest of confidence and will never be associated with your individual company. The information will only be used to indicate the number of women in the Maritimes who own and operate their own businesses; the types of businesses they, collectively, are involved in, and the general size of these businesses per industry category. Later, if you are willing to cooperate further in this study, I would like to conduct more in-depth interviews with you as an owner-manager to find out how you started in business, what problems and satisfactions you have had, how you feel about being involved in independent business, and so on.

. . . 2

A number of studies have been done on men in business but hardly any on women who own businesses. I am very interested in looking at the female perspective and hope you decide to participate in this part of the project by returning a completed questionnaire.

Thank you so much.

Yours truly,

*Lois Stevenson*

Lois Stevenson  
Assistant Professor

P.S. If you know of any other women I might contact, please provide the particulars below.

Business Name . . . . .

Owner's Name . . . . .

Address . . . . .



THE FRED C. MANNING SCHOOL  
OF BUSINESS ADMINISTRATION

ACADIA UNIVERSITY  
WOLFVILLE, NOVA SCOTIA, CANADA B0P 1X0

April 19, 1983

Memo Regarding:

Women Business Owners in the Maritimes

From: Lois Stevenson, Assistant Professor

Recently I mailed a letter to you describing a research study I am doing at Acadia University on women business owners in the Maritime Provinces. With that letter I enclosed a questionnaire designed to collect information about your business enterprise providing you do consider yourself a business owner (sole proprietor or equal business partner). The success of my research depends to a great extent on the response rate of women to this questionnaire as one objective is to locate and identify as many woman-owned businesses as possible, if not all of them.

My records indicate you have not returned the questionnaire as yet so I am enclosing another for your convenience. Even if you do not consider yourself a business owner, would you please complete the appropriate sections of the questionnaire and return it to me via the self-addressed return envelope.

I desperately need your cooperation and assistance. The research is funded through the Small Business Secretariat who are also very interested in women owned businesses.

\* I look forward to your reply and hope that you will be able to participate in the second phase of the study as well. (Please remember that all replies are confidential).

*Lois Stevenson*

APPENDIX F

INQUIRY - WOMEN BUSINESS OWNERS IN THE MARITIMES

Belle again, Maritime business owner!

First of all, let me thank you for responding to my earlier survey questionnaire about the nature of your business. I contacted over 1,000 businesses which appeared to be women-owned and received replies from well over half of these women, with responses still coming into the office.

Information on almost 400 businesses has been processed and I thought you might be interested in some of the findings so far representing firms from N.B., N.S. and P.E.I.

- Almost 70% of women-owned businesses were started by the present owner; 18% bought the business; 5% took over a family business and 7% got involved in the business in some other way e.g. franchising.
- 39% of the businesses are sole proprietorships; 16% are partnerships (80% with only 1 partner); 45% are limited companies.
- These women-owned firms employ an average of 3.6 full-time employees and 3.3 part-time employees, although the number of employees range from 0 (owner is only employee) to 99. Seventy-five percent of the firms employ at least one employee but 91% of firms employ fewer than 10 employees. This is similar for small businesses in general.
- The firms represent a broad cross-section of industrial/commercial sectors but are concentrated in wholesale and retail trade (43.3%) and service industries (36.4). Manufacturing is well represented with 9.1% of women-owned firms, construction (1%), finance and real estate (2.5%), transportation (.6%) and agriculture, fishing and forestry (1.1%) are not well represented but are also traditionally male dominated industries.
- Revenues produced by women-owned firms compare favorably with data on all small businesses. The average sales volume of businesses processed so far is \$135,000 - \$150,000. Breakdown is as follows:

Under \$60,000 sales volume	38%
\$60,000 - \$255,000 sales volume	45%
\$255,000 - \$2M sales volume	15%
over \$2M sales volume	2%

From this it can be concluded that women owned businesses are significant employers and revenue producers in the small business sector and contribute greatly to the economy of the Maritime Provinces.

Now to complete my research mandate to the Small Business Secretariat, I need to collect information on you, the business owner. What are your motivations, perceptions, problems?, why did you get started in business?, obviously your business is successful - what were the success ingredients? To develop a profile of the successful business owner is a major objective of the enclosed questionnaire. Results will be used to outline policy recommendations to the Small Business Secretariat to encourage and facilitate the incidence of business ownership by women in this country.

I thank you again for your support in this research and hope you will take the time to complete the enclosed questionnaire and return it to me as soon as possible. I realize the questionnaire is lengthy but detailed information is required on women business owners to fill the void of knowledge. Replies will be kept strictly confidential and data only compiled on an aggregate basis.

I look forward to hearing from you soon.

Yours sincerely,

*Lois Stevenson*

Lois Stevenson

## ACADIA UNIVERSITY

Reminder: May 17, 1983

Inquiry - Women Business Owners in the Maritimes

Recently, I sent to you a questionnaire seeking information on you as a business owner. Realizing it is a rather lengthy questionnaire and this may be a busy time of year for your business, I would be most appreciative if you could complete the questionnaire and return it to me as soon as possible. To make the results of the survey meaningful, I need a high response rate and this means your assistance. As I stated before, I will be pleased to send you a summary of the results when the project is finished.

If you have already forwarded the completed questionnaire, please disregard this letter.

Thank you for your patience and cooperation.

Yours sincerely,



Lois Stevenson



