



Gender+ Access to Markets

Exploring mechanisms to support women entrepreneurs to access the resources, tools, and formal institutions to grow and scale their businesses

OVERVIEW

The Guidehouse gender+ series features brief pieces written by Guidehouse practitioners. Through this series, Guidehouse aims to explore the intersection of gender and a variety of international development focus areas in order to review opportunities for greater development impact and to feature the solutions we have offered our clients that can be leveraged in this space.

Guidehouse is excited to share our first thought piece of the gender+ series focused on entrepreneurship. Entrepreneurs—defined here as an individual or organization that takes on financial risk in hopes of making a profit and/or return on investment—are key drivers of growth in developing economies. Women entrepreneurs face unique challenges across the globe, limiting their potential as individuals and the potential of the global economy. One of these challenges is access to markets¹ by women entrepreneurs who own and operate small and medium enterprises (SMEs)² in lower and middle income countries.³ This piece explores various mechanisms that have been taken advantage of to improve women entrepreneurs' access to markets.

Woman entrepreneurs drive economies by providing diverse products and services that address the specific needs of their communities and beyond. However, women entrepreneurs, especially those in lower income countries, face disproportionately more barriers to starting, running, and expanding their own businesses than their male counterparts.

Driving inclusion in entrepreneurship is necessary to reach different audiences, markets, and promote a diverse economy. Women entrepreneurs are shown to approach problems in a different manner than their male peers, leading to creative and inventive solutions to society's problems, especially as they advance within their industry.⁴ Further, women in emerging markets reinvest 50-60% more of their income than men into their families' education, health, and nutrition, benefitting their communities and society as a whole.⁵ Despite the many benefits of having more women business owners and operators, there is a gap between the amount of support and resources available between men and women when pursuing entrepreneurial ventures.

Predominantly concentrated in small and medium enterprises (SMEs), women business owners are often unable to compete with larger enterprises for resources that would help them to grow – regardless of the fact that SMEs have shown great potential in spurring economies.⁶ Many women, especially those in lower income countries, operate in the informal

economy and rely on informal cultural systems, processes, and institutions. This leads to more difficulty and risk in starting their own businesses.⁷ In addition, formal institutions, such as legal and financial institutions, often perceive women-owned businesses as higher risk, limiting their willingness to extend resources and services to women entrepreneurs.⁸

Finding opportunities to support and provide resources for the solutions that address women entrepreneurs' unique challenges can help women overcome obstacles to entrepreneurship.

Women entrepreneurs are not a homogenous group, and the problems they face differ across countries and cultures. Although local governments will need to continue to play an important long-term role in dismantling local legal and regulatory barriers to market access, at the grassroots level, bolstering the initiatives that identify and provide resources for innovative community-based solutions is paramount. Guidehouse has supported similar initiatives and collected some of our insights to share below.

CREATE OPPORTUNITIES FOR LOCAL ENGAGEMENT.

Engaging the local community to co-create⁹ solutions has the potential to result in high-impact and sustainable interventions that meet – and are relevant to – the urgent and complex needs of those in the communities. Women entrepreneurs are the most familiar with the challenges they face, how these challenges hinder their business development potential, and what can help them to sustain and grow their business. However, innovation is risky, and women entrepreneurs are usually not well positioned to accelerate their solutions alone. Encouraging more active involvement and collaboration between local networks of women innovators and key enablers (e.g., government stakeholders, venture capitalists) empowers the development of solutions that are more likely to realize success and lead to greater scale. Solutions grounded in the local context are more likely to gain greater acceptance from the community, and when stakeholders are involved throughout the solution development process, they are more invested in the solution's success.

Guidehouse has seen great success in creating opportunities for local engagement by developing innovation challenges for its clients. Guidehouse was engaged in one such challenge focused on improving health outcomes for women and girls. The client committed to achieving this goal by investing in innovative solutions developed by community-based thought leaders that not only addressed the issue at hand, but also the structural drivers that directly and indirectly impact the health of women and girls. Guidehouse assisted the client by supporting the design and implementation of the innovation challenge. The challenge received more than 800 entries from 27 countries. A majority of the challenge winners are new partners for the client, and nearly half are small, community-based organizations. The winners of the challenge have the chance to implement their innovative solutions in their communities with the assistance of client investment, thereby giving voice to community-based innovators on a global platform.

Guidehouse continues to support initiatives to increase consumer demand and appreciation of entrepreneurial work done by those in lower income countries. One such client initiative focused on increasing global interest in entrepreneurs' products by spotlighting women's impactful roles in their economy through a strategic and international communications campaign. The campaign directly engaged women entrepreneurs by discovering and sharing their entrepreneurial efforts and personal stories to humanize the sector. Using powerful and innovative "crowd speaking" platforms and a unifying hashtag, these stories were shared globally as a way to recruit supporters and raise awareness on the sector. The campaign reached over 2.5 million people worldwide on social media in a single day and garnered attention from numerous high-profile supporters. The efforts resulted in a 520% increase of web traffic for the client, a 50% increase in the client's membership, and over 3,000 unique social posts regarding the impact of the entrepreneurs in the global economy.

INCREASE CONSUMER DEMAND AND APPRECIATION FOR WOMEN ENTREPRENEURS THROUGH TARGETED COMMUNICATIONS.

Finding opportunities to increase consumer demand and appreciation for women entrepreneurs is beneficial not only to increase the sales of products for women, but also to begin changing negative perceptions against women. One way to do this is to develop and execute a targeted communications strategy around the product (e.g., artisan products), the entrepreneur(s) (e.g., refugees in Lebanon), or another grouping. Informing and attracting key stakeholders to invest and support in women entrepreneurs enhances the brand of women entrepreneurs, advertises their efforts and products, and can help attract support from new and non-traditional partners. Furthermore, generating awareness on the challenges they face can better facilitate collaboration with private sector, civil society, and other relevant partners to begin to dismantle the sociocultural and gender norms that disadvantage women entrepreneurs. When done effectively, targeted communications have the ability to amplify the contributions women entrepreneurs make to the economy and increase support in removing the barriers that prevent them from accessing markets.

Improving market access can strengthen women's economic security and empower more women to take on the risk of starting their own businesses.

When societies focus on creating equal economic prospects for both women and men, the economy as a whole benefits from increased economic activity and growth. Despite increased attention on women's entrepreneurship in lower income countries, there is still work to be done. Facilitating opportunities for local engagement and co-creation brings in a diverse set of stakeholders that can support women entrepreneurs in navigating the challenges they face. Promoting the efforts and value of women entrepreneurs enables women to find alternate methods and support mechanisms of accessing markets. Ultimately, improving women's market access and opportunities to be part of the formal market not only strengthens women's economic security but also promotes a more sustainable and inclusive global economy.

Next release: Combating violence against women in developing countries

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FOOTNOTES

1. While there are several interpretations of "access to markets," this piece defines it as being able to reach formal institutions that provide services and resources that help businesses grow (e.g. financial and legal institutions), as well as the ability to reach a broad consumer base for their products and services.
2. The World Bank uses three quantitative criteria for defining SMEs: number of employees, total assets in U.S. dollars and annual sales in U.S. dollars. A business must meet the quantitative criteria of number of employees and at least one financial criteria to be categorized as a micro, small, or medium business.
3. As of July 1, 2015, the World Bank defines low-income economies as those with a GNI per capita, calculated using the World Bank Atlas method, of \$1,045 or less in 2014; middle-income economies are those with a GNI per capita of more than \$1,045 but less than \$12, 736; and high income economies are those with a GNI per capita of \$12,736 or more.
4. VanerBrug, J. (2013). The Global Rise of Female Entrepreneurs. Harvard Business Review.
5. VanerBrug, J. (2013).
6. Lemmon, G. T. (2013). Banking on Growth: U.S. Support for Small and Medium Enterprises in Least-Developed Countries. Washington, DC : Council on Foreign Relations.
7. Women in the Informal Sector: A Global Picture, The Global Movement. (2001). SAIS Review.
8. Strengthening Access to Finance for Women-Owned SMEs in Developing Countries. (2011). International Finance Corporation.
9. Co-creation is a broad term with a broad range of applications. This piece defines it as any act of collective creativity, where the output is not known in advance, and primary stakeholders for whom the solution is intended are brought together to define the solution.

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