

The
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Business

Why the world needs women entrepreneurs

Investing in businesswomen will boost the economy for everyone, says Tory Burch, chief executive and designer, Tory Burch

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Women's empowerment will be front and centre in 2014 as more companies, communities and countries invest in women's entrepreneurship. Increasingly, they recognise what organisations from the World Bank to Coca-Cola already know: that women are crucial to economic growth around the world.

Based on our experiences, women entrepreneurs see the world through a different lens and, in turn, do things differently (to my three brothers and three sons: not better, just differently). This is reflected in the kinds of businesses we start, whether it's Coco Chanel, who learned the trade of a seamstress as a child, Estée Lauder, who turned a passion for skincare and make-up into a beauty empire, or Oprah Winfrey, whose media business focuses on helping women to reach their potential.



According to the Global Entrepreneurship Monitor, there are 126m women operating new businesses and another 98m at the helm of established ones. Yet we face a huge equality gap. In only seven countries—Panama, Thailand, Ghana, Ecuador, Nigeria, Mexico and Uganda—do women take part in business at rates equal to men's; in some countries, like Pakistan, they barely take part at all. Even when women are active business owners, they do not reach their potential: women own almost three in ten American firms, yet employ only 6% of the country's workforce and account for barely 4% of business revenues.

I launched our company in 2004. I had a concept and, with the help of a small team, began

developing it out of my apartment. As our company has grown, I've learned about the obstacles that women in business face, from balancing work and family (my greatest challenge) to securing financing. These are among the reasons why in 2009 we created the Tory Burch Foundation (TBF) to support the economic empowerment of women entrepreneurs. Drawing on our experiences as well as on conversations with businesswomen from Manhattan to Marrakesh, I see three priorities.

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First, access to capital. When it comes to finance, women face particular hurdles, from a lack of collateral to discriminatory regulations and ingrained gender bias. Small loans can make a big difference. Microfinance providers such as Women's World Banking, Grameen and Accion are addressing the need. But financial institutions must do a better job of banking on women's potential by thinking creatively and forging partnerships, like Coca-Cola's \$100m initiative with the International Finance Corporation, to give more women a shot at the resources that can enable them to start up or scale up.

Second, nascent businesses need support to flourish. I have always believed in the value of mentors and, to this day, turn to trusted advisers from many different industries for insight. Most women don't have that support, which helps explain why around the world they see fewer opportunities for entrepreneurship than men.

A growing number of groups like Vital Voices Global Partnership, with support from organisations such as America's State Department and Bank of America, are building networks for women in the Middle East, Africa, Latin America and the Caribbean. As we have seen at our TBF mentoring events, there is a tremendous need for these connections. Our entrepreneurs often develop networks with women they meet at our events. Whether you own a restaurant or design clothing, you face some of the same challenges and can learn from each other.

Third, women need entrepreneurial education. Winning business concepts are just as likely to be conceived at the kitchen table as in the garage or at business school, but research shows women doubt their capabilities and fear failure more than men. Training can equip women with the confidence to see bold ideas through. Goldman Sachs's 10,000 Women programme, for example, provides underserved women with business and management education. Eight out of ten of the programme's graduates have boosted revenues; nine out of ten have paid it forward by mentoring other women.

Not a passing fashion

Narrowing the gender gap in employment will increase global income per person by as much as 20% by 2030. But the benefits go beyond the bottom line. Women business leaders inspire other

women to pursue their dreams. They may also find it easier to balance work and family outside the traditional corporate world. In emerging markets, women reinvest 90% of their earnings in their families and communities—which means that investing in women is an investment in our collective future.

The world needs women entrepreneurs, and women entrepreneurs need all of us. It is time to provide the support and tools to ensure that, in 2014 and beyond, women-led businesses flourish.

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