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One In A Million

A Female Founders Forum Project

ARIA BABU



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THE FEMALE FOUNDERS FORUM — A PROJECT CREATED BY THE ENTREPRENEURS NETWORK IN PARTNERSHIP WITH BARCLAYS — IS A GROUP OF SOME OF THE UK'S MOST SUCCESSFUL FEMALE ENTREPRENEURS.



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ARIA BABU

Author

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Aria Babu is Head of the Female Founders Forum and Head of Policy at The Entrepreneurs Network. Prior to this she has worked at Gentian, a start up which seeks to use remote sensing to monitor biodiversity and before that she was an analyst at Public First where she worked on projects like finding the economic impact of Google and researching how to make R&D funding popular.

Her main areas of interest are housing, feminism and technological progress. She is the author or co-author of seven reports for The Entrepreneurs Network. She is also an advisor at London YIMBY and the founder of The Take Machine.

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ABOUT THE FEMALE FOUNDERS FORUM

At its core, the Female Founders Forum is a group of some of the UK's most successful female entrepreneurs. More broadly, we are a group of key figures from within the financial industry, politicians, journalists and aspirational entrepreneurs on the cusp of growth.

THE FEMALE FOUNDERS FORUM

The Female Founders Forum was founded in 2016. The Entrepreneurs Network, in partnership with Barclays, wanted to address a specific problem informed by academic evidence: why too few women-led businesses reach the same economic scale as that achieved by male-led companies. With support from Beauhurst, we were among the first to shed light on the gender funding gap with our groundbreaking *Untapped Unicorns* report. We followed up *Untapped Unicorns* with our *Mentoring Matters* report, which made the evidence-backed case for better access to networks and mentors to ensure female founders can thrive. In 2019, our *Here and Now* report revealed that the share of funding to women-led firms has doubled in less than a decade, and that equity-backed female-founded businesses were just as successful as male-led businesses and in 2019 in our report *Resilience and Recovery* we found that female entrepreneurs had been hit harder by the COVID-19 pandemic. Last year in *Inspiring Innovation* we examined what female founders are doing at the technological frontier and how best to support them.

We aren't just about research. We've brought like-minded entrepreneurs together in events around the country, including for speed mentoring events which matched established female founders with new entrepreneurs with ambitions to scale and we have hosted events in which successful female founders have shared their wisdom.



The Entrepreneurs Network is a think tank for Britain's most ambitious entrepreneurs. We bridge the gap between entrepreneurs and policymakers, with the aim of making Britain the best place in the world to start and grow a business. We have a network of over 10,000 entrepreneurs and are the Secretariat of the All Party Parliamentary Group (APPG) for Entrepreneurship, which sits across the House of Commons and House of Lords.



At Barclays we understand you and your business and recognise your ambition to grow. We are here to help accelerate your journey as your partner for growth, providing you with growth solutions, expertise, education and connections – as you start, grow and scale. To find out more about how Barclays can support you and your business search Barclays Entrepreneurs.

Beauhurst

Beauhurst provides research and insight on the UK's high growth companies. Our data platform allows professionals to discover and track Britain's most ambitious businesses in unrivalled detail. For more information, visit beauhurst.com.

MEMBERS



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Resi



ALEXANDRA DALY
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MARTA KRUPINSKA
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Azimo



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SABRINA DEL PRETE
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TANIA BOLER
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TAMARA LITTLETON
Founder
The Social Element



TAMARA LOHAN MBE
Co-Founder
Mr & Mrs Smith



TUGCE BULUT
Co-Founder
Streetbees



UMAIMA AHMAD
Co-Founder & CEO
52 North Health



VENETIA ARCHER
Founder & CEO
Ruuby



VIRGINIA GARDINER
Founder & CEO
Loowatt Ltd



**WHITNEY BROMBERG
HAWKINGS**
Founder & CEO
FLOWERBX



ZANDRA MOORE
CEO
Panintelligence

FOREWORD



KATHERINE MORGAN
Head of High Growth and
Entrepreneurs, Barclays
November 2022

It's a great pleasure to be partnering with the Female Founders Forum again for their sixth annual report on the opportunities and challenges facing the UK's most tenaciously capable female entrepreneurs. Great progress has been made since our pioneering 2016 report *Untapped Unicorns* shone a light on the gender funding gap.

Since then, female-led business funding has doubled in less than a decade. Data has proven gender has no impact on the success likelihood of equity-backed businesses. Female Founders Forum events have strengthened networking and mentoring opportunities, matching the wisdom of established female founders with the ambition of those just starting out. There's a growing sense of belonging among enterprising, business-minded women.

Here at Barclays, we've made our own commitments to unlocking the economic potential lost to gender inequality. In 2019, we were founding signatories of HM Treasury's Investing in Women Code – a commitment by financial firms to make tools, resources and finance more accessible to female

entrepreneurs. As part of this, we made three-year commitments to:

1. Help 100,000 women in the UK start up and run businesses.
2. Connect female-led businesses with the finance and support they need to succeed.
3. Provide skills for this generation and the next to help them into entrepreneurship.

The Investing in Women Code continues to be a key enabler for female entrepreneurs. Participation has snowballed too, from 14 founding investors to 79 today. Data and insights gathered by these participants has been published in two reports and continues to shape the way we remove barriers to female entrepreneurship and unlock the estimated £250 billion of economic value currently lost to inequality.ⁱ

As a result of these efforts across the UK, inspiring women continue to flourish at an increasing rate in innovative, male-dominated sectors like FinTech, BioTech, Software and Data – you'll find their success stories in this report.

Yet, despite being success stories, we find recurring themes of bias, glass ceiling limitations and negative perceptions that are absent from male tales of entrepreneurial triumph.

Among the role models in this report, 72% believe it would have been easier to raise finance if they were men. 59% have experienced gender discrimination. 38% of those living with a life partner do the majority of the housework, despite running a high-growth start-up. Even though women make up a third of the UK's entrepreneurs, they receive a shocking 16% of the total equity finance.

As is all too often the takeaway, there's still much work to be done. We may be moving in the right direction, but we're a long way from a level playing field. So, where should we be concentrating our efforts?

“Data has proven gender has no impact on the success likelihood of equity-backed businesses.”

Disparity in the ease of networking and connection-making has long been a thorn in the side of female entrepreneurs. In the past, discrimination was overt, and, while progress has been made here, unconscious bias towards female founders repeats these same patterns: women aren't taken as seriously as men, nor asked as expansive questions, with the focus more likely to fall on risks and limitations than the chances of rapid growth and expansion.

Today's female entrepreneurs may face less barriers to entry, but high-growth support is still overwhelmingly skewed towards men, presenting an incredible loss of potential on a personal and economic level.

Female founders are increasingly creating their own networks to combat this. But that shouldn't be necessary, no matter how inspiring it may be. Elegant alternatives within our existing systems are possible, such as building peer-to-peer networks into government schemes like Innovate UK grants.

ⁱ Rose, A. (2019). The Alison Rose Review of Female Entrepreneurship



On an individual level, venture capitalists should make more effort to meet diverse founders. Investors should give more considerations to cold leads too – as they’re currently half as likely to generate investment. There’s an argument to be made that we all have a responsibility to make more introductions on behalf of female entrepreneurs to help repair the damage done by decades of conscious and unconscious discrimination.

On the most basic level, a tremendous amount of change could come from investors internalising a simple mantra: ‘would I ask a man this question?’ As you’ll discover in this report, far too many female founders feel the need to bring their partner or a male co-founder along to pitches, just to be taken seriously.

Other issues are explored in the report too, like traditional attitudes to housework which continue to erode the precious resource of time. Women are more likely to drop out at each stage of STEM educational advancement. Talent pipelines remain male dominated – with 83% of venture capital firms lacking even a single woman on their investment committees. It bears repeating, a lot of hard work remains.

Addressing systems-level challenges like these is no small task. Relying on individual responsibility and good faith engagement isn’t enough. We need to develop a clear framework, outlining the key measures to be put in place, accompanied by regular reviews of business activities and communication channels to ensure compliance across the board.

“On the most basic level, a tremendous amount of change could come from investors internalising a simple mantra: ‘would I ask a man this question?’”

I would like to extend my personal thanks to the female founder role models involved in this report. It’s great to see such a willingness to share stories, guidance and inspiration. Despite the challenges ahead, their success is an undeniable show of hope and source of belonging for future female entrepreneurs. I look forward to watching the journeys of these great business people, and those who they inspire, as they continue contributing their brilliance to UK PLCs.

The opinions, recommendations and conclusions within this report are those of The Entrepreneurs Network and the Female Founders Forum and do not represent those of Barclays.

FOREWORD



MARIA CAULFIELD MP

Parliamentary Under Secretary of State (Minister for Mental Health and Women's Health Strategy) and Parliamentary Under Secretary of State (Minister for Women)

November 2022

As the Minister for Women, I want to make sure that women have equal access to opportunities in all aspects of their lives. We have seen great progress – including in entrepreneurship – but we are still faced with outdated stereotypes and business practices which create barriers for women in their working lives. Removing those barriers is a priority for me.

“The members of the Female Founders Forum are setting a great example of the many ways in which women can succeed when given the opportunity.”

Everyone in this country, no matter where they live or whatever their background, should be able to reach their full economic potential. This Government is working hard to ensure that we have strong, robust data to

identify disparities across all walks of life so we can drive change that improves opportunities for everyone.

Encouragingly, evidence from the Rose Review has shown that more women than ever before are starting new businesses. We also want to ensure that these enterprises are then sustainable and in a strong position to grow, unfettered by outdated ideas. This is where we want to see more action being taken and is why, earlier this year, we launched a Women-Led High-Growth Enterprise Taskforce, Chaired by Anne Boden MBE, CEO and Founder of Starling Bank. The Taskforce is using its convening power to raise the profile of high-growth entrepreneurship, identify the main barriers in accessing high-growth capital, and suggest areas to stimulate regional opportunities based on robust data and engagement.

In my career before entering Parliament, I was a nurse – so issues related to women's healthcare have always been close to my heart. For too long, women have gone unsupported and unheard when it comes to specific women's health issues – so I have been amazed to see what women innovating in the healthcare sector have been able to create. If we just touch the surface, members of the Female Founders Forum are doing incredible things. I was fascinated to hear about the work Morgan Fitzsimons and Kelly McCabe are doing at Perci Health supporting cancer survivors with aftercare, and Sarah Welsh and Farah Kabbir who are creating new contraceptives with women in mind.

As this report rightly makes clear there are several key barriers that female entrepreneurs face. Women still take on the majority of childcare so I am working with my colleagues across government to make childcare more accessible to support working parents. And we need to encourage girls to take

STEM subjects not just at school, but to continue them through to college and university. We have seen an almost 30% increase in entries by girls to STEM A levels in England between 2009 and 2020, but there is still work to be done.

I endorse the commitment to ensure that no one is held back from entrepreneurship purely because they are a woman. This Government's ambition is to increase the number of female entrepreneurs by half by 2030 – that is not just the right thing to do, it is good for women, their families, for UK business and the country's economy overall. The members of the Female Founders Forum are setting a great example of the many ways in which women can succeed when given the opportunity – and they are undoubtedly, inspiring the next generation of girls to do the same.



EXECUTIVE SUMMARY

In many ways, the UK has an enviable start-up ecosystem. The UK is the top destination for venture capital in Europe, and London, alongside New York, is considered to be the second-best place in the world to start a company, falling only behind Silicon Valley.¹ Despite outsize success in some respects, there is one clear factor holding back UK high-growth companies, and that is the lack of female entrepreneurs.

When compared with other countries with similar economies, like Switzerland, the US, Canada, and the Netherlands, the UK has an unusually low proportion of female entrepreneurs. Just under a third (32%) of British entrepreneurs are women. By comparison, almost half (47%) of entrepreneurs in Switzerland are.

This is more extreme at the top levels. Only a small proportion of the UK's founders are "high-growth" founders, seeking to grow and scale billion-dollar businesses. This is a particularly important group, because their companies and vision will have a greater impact on the state of technology and the economy in the decades to come. Female founders are able to bring new insight, creating businesses for women, by women, that better serve their needs. When women's skills are fully taken advantage of, we can connect better underserved markets, improve relationships with employees, and invent new products and sectors.

Unfortunately, due to being rarer and more time-poor they are often harder to reach in research about entrepreneurship. And because high-growth entrepreneurs have a greater ability to shape the world, it is even worse that women are excluded.

32%

**OF BRITISH ENTREPRENEURS
 ARE WOMEN.**

For the purposes of this research, we have defined high-growth businesses as those that have raised at least £1m, and we have surveyed 59 female founders of high-growth businesses to see what they think about the extra barriers that they face.

1 Start up genome (2022)

TOPLINE STATISTICS

81%

OF OUR FOUNDERS HAVE DEGREES AND 59% HAVE SOME FORM OF POST-GRADUATE EDUCATION.

Our founders are, on average, more educated than the general population – 81% have degrees and 59% have some form of post-graduate education. By comparison, of people between the ages of 21 and 64 in the UK, 42% have degrees and about 6% have a postgraduate degree.² 24% have studied subjects which are now directly related to the businesses they have founded, another 24% have studied business, and 3% have MBAs.

86%

OF OUR FOUNDERS HAVE STARTED BUSINESSES IN SECTORS THAT THEY FEEL ARE MALE DOMINATED.

Reflecting the high-growth landscape, the majority of our founders run technology businesses, with 66% of companies in Healthcare, BioTech, FinTech, Software, Data, and similar fast-growing, innovative industries. 86% of our founders have started businesses in sectors that they feel are male dominated.



Most of the founders we spoke to believe that the framing of “female founders” is helpful.



Of our founders believe that it would have been easier to raise finance if they were a man.



Of our founders feel that they have been discriminated against because they are a female founder.

44%

FOUNDERS SAY THAT THEY SPLIT THEIR CHORES EVENLY.

Unsurprisingly, our sample does not match the rest of the UK. Of the founders who live with a romantic partner 44% say that they split their chores evenly, 18% say that their partner does more, and 38% say that, despite running a high-growth start-up, they still do more of the housework. The gap opens up further once founders have had children. When you break down the data further into founders who are mothers and founders who are not parents, you see that founders without children are much more likely to split their chores evenly, but half of founders with children say that they do the majority of the housework. Considering the fact that having children means that the amount of housework in a home increases and that the majority of this increased housework goes to the mother, it is no surprise then that the female founders in our sample are less likely to have children than the general population. From the ages of our sample, you would expect about 69% to be mothers, instead 53% are.

54%

OF OUR FOUNDERS BELIEVE THAT THE MEDIA POSITIVELY PORTRAYS FEMALE FOUNDERS.

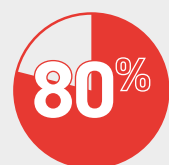
Questions about the media and role models are divisive. Slightly over half (54%) of our founders believe that the media positively portrays female founders and 59% feel that young women now have good role models in business to look to. Two thirds (66%) believe that they personally had good role models to look up to.

16%

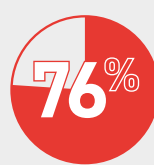
OF EQUITY FINANCE GOES TO COMPANIES WITH A FEMALE FOUNDER.

Despite making up half of the population and one third of entrepreneurs, only 16% of equity finance goes to companies with a female founder.

Source: Beauhurst



Of our female founders believe that male entrepreneurs have access to better networks.



Of the female founders we polled said that they thought there were advantages to being a female founder.

RECOMMENDATIONS

This report contains recommendations for a diverse array of people and institutions, including parents, universities, employers, investors and to the founders themselves.

FOR GOVERNMENT



Investing in Women Code

Signatories are required to have an internal set of processes to improve female entrepreneurs' access to finance. While the code gathers and consolidates information about how much investors are investing in teams with different gender breakdowns, there is an opportunity for government to better promote the successful interventions signatories to the code have implemented so far. This would help to encourage new signatories to sign up to the code whilst sharing insights and best practice.



Tackle STEM drop-off rates

Despite being as capable in STEM fields, at every stage of the pipeline – from school to senior leadership – women and girls are less likely to progress to the next stage of STEM. There will be no silver-bullet policy for addressing this. The government should instead make sure that young people are well informed about the impact that their degree choice will have on their long-term earnings and should consider setting up an initiative similar to the Women in Finance Charter (not

to be confused with the Investing in Women Code) whereby a senior executive should be made accountable for promoting gender diversity in their company and signatories should agree on a set of metrics to measure so that we can better understand causes for STEM drop-out rates at higher levels.



Bring down the cost of childcare

The UK has the most expensive childcare in the OECD — a club of mostly rich countries.³ There are a range of policies that could help solve the problems this causes. This includes simplifying access to childcare subsidies, updating regulations around childcare, and rolling out more childcare provision in schools.



Promote networks

When the government interacts with businesses, for example, when giving out an InnovateUK grant it should attempt to build in peer-to-peer networks as part of the ongoing support it offers.

TO FOUNDERS



Reach out

Many of the founders we interviewed feel that male entrepreneurs' confidence allows them to ask for more favours. Female entrepreneurs should have the confidence to ask their networks for introductions to the people they need to meet.



Proactively seek an even gender-split for household chores

Our culture automatically defaults to women taking on a greater share of household responsibilities. It takes proactive work to make sure that you don't slip into a mother-as-default parent role, if you don't want that.



Take control of your brand

There are extra media opportunities available to female founders. Founders should clearly understand what story they want to tell about themselves and seek out opportunities that best serve their brand.



Recognise your value

While there are disadvantages to being a female founder there are also clear advantages. Depending on the context of a founder's business and character, she may be able to offer extra insight into her customers and employees. Female founders are proving to be incredibly successful at serving hitherto underserved markets. For example, FemTech is largely a new sector created by women for women, and is growing year on year.



FOR INVESTORS



Talent pipelines

Only 18% of people who work in venture capital are women and only 13% of senior decision makers are female.⁴ Shockingly, 83% of firms have no women on their investment committees at all.⁵ To remedy this, investment should seek out female talent – especially in the form of former entrepreneurs.



Accept more cold-approaches

Data gathered via the Investing in Women Code finds that warm leads are twice as likely to get invested in than cold leads.⁶ Investors should be mindful of the fact that the best ideas are unlikely to come from people already known to them and put more effort into sifting through cold pitches for ideas worth investing in.



Meet more founders

VCs should make an effort to meet more entrepreneurs than they usually would. Firms that don't already do so should hold open office-hours and networking events.



Address unconscious bias

Despite good intentions, investors continue to treat female founders differently in a way that limits both founders and investors alike. Each company will find a different approach works for them, but it helps to be mindful of the ways that timings of events, questions asked, and approaches to business can affect certain founders differently.



Sign up to the Investing in Women Code

The Investing in Women Code is an initiative run by HM Treasury which represents a two-pronged approach to closing the funding gap. Through signing up, firms are required to appoint a member of the senior team who is responsible for ensuring that female entrepreneurs are treated equally. Investors also agree to gather data that is then consolidated amongst other signatories. Statistics about the state of UK investment are then published.



Be more background-agnostic

There is a sense that investors can be very snobby about an entrepreneur's background. Many great business ideas come from people with more traditional business backgrounds like finance or marketing. Investors shouldn't ignore good businesses just because the founders don't have tech backgrounds.

⁴ Shead, S. (2019, July, 11) Diversity in UK Venture Capital Firms Remains Shockingly Low. *Forbes*.

⁵ Diversity VC. (2019). Diversity in UK VC 2019.

⁶ HM Treasury. (2021). Investing in Women Code: Annual Progress Report 2021.



6%

OF WOMEN IN THE UK
START BUSINESSES.

INTRODUCTION

Women in Britain start businesses at a much lower rate than men. In fact, about 32% less than one in three, of our entrepreneurs are women.

By comparison, Switzerland has almost gender-equal rates of entrepreneurship, with 47% of their founders being women.⁷ Spain, the US, and the Netherlands are all more gender-equal with respect to female entrepreneurship too. This harms our economy. If British women were founding businesses at similar rates to their peers in other countries, Britain's economy would be £200bn per year bigger. That's close to the total amount spent on the NHS in a year.⁸ If they were founding businesses at similar rates to British men, it would add £250bn to the economy.

Entrepreneurs are the lifeblood of our economy. Young firms typically create more jobs and are more innovative than incumbents.⁹ Women are not worse at founding and running businesses than men — once they receive equity funding they are just as likely to be backed in additional funding rounds and give their investors the same ROI.¹⁰ Similarly there is no reason to believe that British women are less capable than women in Canada, where 15% of women start businesses, compared with the UK's paltry 6%.¹¹ By throwing up barriers to female entrepreneurs, the UK is deprived of entrepreneurs who could be making a massive contribution to the economy.

Equality in entrepreneurship matters beyond the potential for women to make a massive economic contribution.

The ambition to start and run your own business is widespread, but too many women are arbitrarily and unfairly unable to fulfil that ambition.

Missing out on female entrepreneurs means missing out on new products and services. This affects female consumers the most, because when women are underrepresented in decision-making roles at the top levels of business, products and services are less likely to be made for them. Take lapel mics, for example. They were designed with men's suits in mind and are poorly suited for women's wear. This is a trivial but palpable example of what happens when products are designed by men, without women in mind. There are more extreme ways that a lack of female decision makers affects women. For decades women of childbearing age were not allowed to participate in clinical trials, meaning that we have less data now about how commonly used drugs, like aspirin, work in women's bodies.¹² Excluding women from working in, and starting businesses in, the life sciences meant less trial data and has resulted in worse medical care for women. If women continue to be excluded from leadership positions in key technology, like AI and MedTech, that will shape the economy of the future, then women will continue to miss out on the benefits of said technology.

7 Global Entrepreneurship Monitor. (2021). 2020/2021 Global Report.

8 The Kings Fund. (2022, February, 3). The NHS budget and how it has changed.

9 Criscuolo, C et al (2014). DynEmp: New cross-country evidence on the role of young firms in job creation, growth, and innovation.

10 Jarvis, S et al. (2018). Mentoring Matters.

11 Rose, A. (2019). The Alison Rose Review of Female Entrepreneurship.

12 Parakh, A. (2011). Adverse effects in women: implications for drug development and regulatory policies.



“When I go to female founder events I can feel a bit disheartened at times. There are lots of women there who are talking about how they set up their business so they can better take care of their children or something – and I feel a bit isolated. I’m here because I want to set up a billion-dollar business and have made major sacrifices in order to do so.”

High-Growth Female Founder

To understand and promote entrepreneurship, The Entrepreneurs Network and Barclays created the Female Founders Forum, a group which connects some of the UK’s most inspirational female entrepreneurs with those on the cusp of rapid growth. We were the first organisation to draw attention to the equity funding gap – that today just 16% of total equity investment goes to female-founded startups – and publish annual reports on the state of female entrepreneurship.¹³

16%

OF TOTAL EQUITY INVESTMENT GOES TO BUSINESSES WITH A FEMALE FOUNDER.

Source: Beauhurst

For this year’s report, the Female Founders Forum has assembled a unique panel of the UK’s most ambitious and successful female entrepreneurs. All of the female entrepreneurs surveyed in this report have raised at least £1m in equity finance. To put the achievements of our panel into perspective, just 2,000 women in the UK would clear the bar to qualify. By contrast, 15,000 male entrepreneurs would qualify. So while women make up a third of all founders, they are only 12% of the high-growth business population, as we define it here.¹⁴

To better understand the barriers female founders face and to identify the best ways to support them, we asked a range of questions on topics as diverse as finance and discrimination to childcare and housework. The women in our sample run businesses in a range of sectors including biotech, fintech, and green energy.

To gain deeper insights the survey data is complemented by in-depth interviews with these founders, to understand their businesses and the specific challenges that they face. We should expect the experiences of female founders who are trying to build billion-pound businesses to be very different from the experiences and wants of female founders who have started businesses to make ends meet or to have more flexibility. Both are legitimate choices, but because the former group is so small, time-poor and therefore difficult to communicate with, our understanding of female founders, as a group, overweights the wants of the latter group — which is a shame considering many of the economy-wide benefits of entrepreneurship come from the most ambitious end of the distribution.

It is impossible to remove the barriers faced by female entrepreneurs without first understanding them. This report is an effort to do that and help the UK unlock the £250bn opportunity.

¹³ Beauhurst (2022, October).

¹⁴ Ibid.

CASE STUDY

IRENE MCALEESE

Co-founder, See.Sense

Sectors: Technology, Data & Cycling

Started



Employs



Irene McAleese is the co-founder of See.Sense which is a business she founded with her husband.

She says that "Philip and I have always been a couple who wanted to start a business together some day, but we couldn't find anything that we agreed on or thought was interesting enough to pursue."

Then after the 2008 recession, Philip took a job in Singapore and Irene had her first child and took redundancy. On the roads in Singapore, cycling felt very dangerous, so Philip wondered if he could make his bike light flash and give him more visibility depending on his environment.

She said that he's always been a techy, inventor sort of person and he just went into a room and made a new bike light that used sensor technology to react to its environment, making the cyclist more visible at times of risk. She looked at it and thought that this was something that she could get really passionate about as cycling is not only good for our individual health but also good for our cities. She suggested going to cycling clubs and finding people to test it.

When it started to look like it could be a viable product they moved to Northern Ireland and launched a Kickstarter.

But they're always evolving what they do. The sensors inside the bike lights collect data and that is now what they're focusing a large part of their business on. The data collected from inside the bike lights can be used to inform cities about people's cycling behaviour and can be used to help redesign infrastructure and bike routes. The bike light data is much better than data from cycling apps because most people who cycle regularly will use a bike light, whereas the cycling app market skews much more towards the elite athlete end so doesn't give you data about regular users.

The cycling industry is very male-dominated. As is tech and software. See.Sense sits at the intersection of these two very male dominated worlds and Irene says that in a lot of the discussions she has, she brings a different perspective, style and approach. "I really think the diverse thinking and skillset makes our business more successful."

The market for cycling is trying to expand into getting more female customers. And she says that one of her major advantages is that she brings forward a much needed perspective. She is personally interested in getting more women cycling — it's good for the environment and it's good for their health. But the biggest barrier for people cycling is the perception of how dangerous it may be. This is true for everyone but more so for women.

Some of the evidence they've found from their data is that women prefer segregated cycling infrastructure and will take big detours in order to use it — men won't. Women also prefer smoother commutes and stay on well surfaced roads more.

They've also found that in Dublin, women and men were cycling on the same roads but women were experiencing much rougher routes. This is because they were cycling closer to the pavement and were left cycling in the gutter.

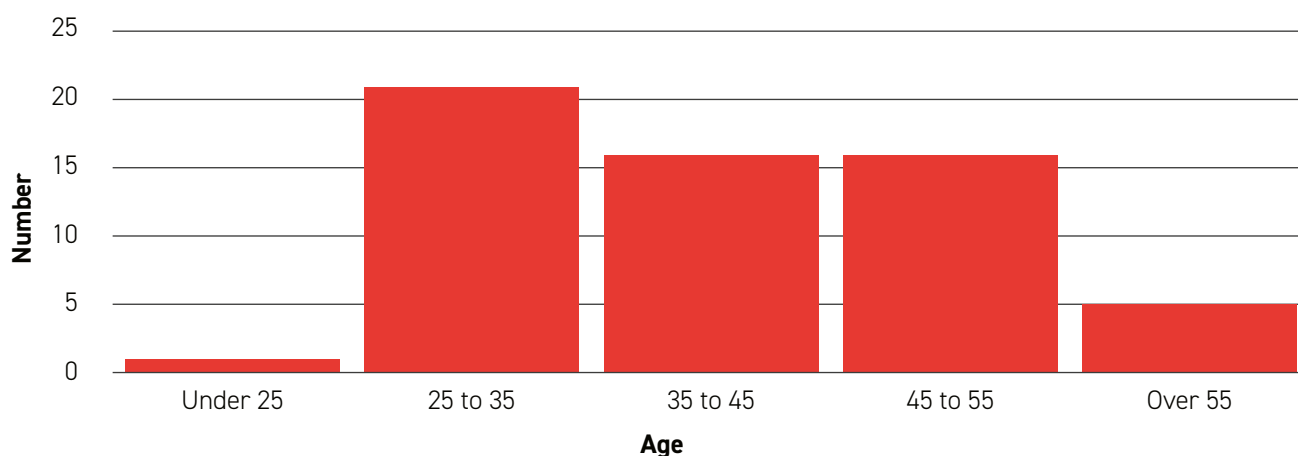
The data they are gathering is helping cities to design infrastructure that makes cycling a more viable option for women.

ABOUT OUR SAMPLE

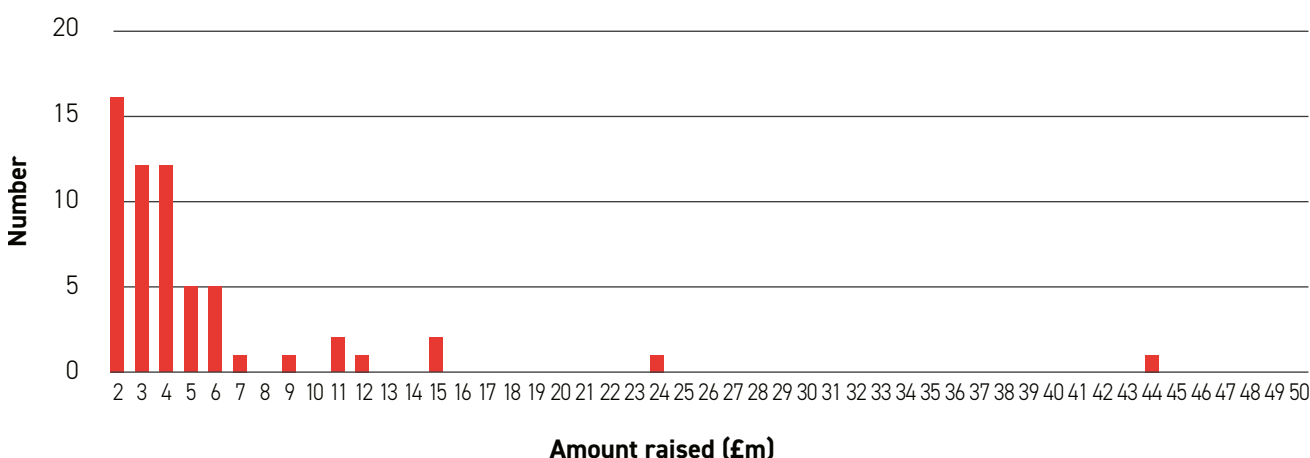
This report draws from surveys and interviews conducted with 59 of the UK’s most ambitious female founders, who have raised an excess of £1m in equity finance. Founders who agreed to be part of the project filled out a survey, attended a roundtable discussion, or took an in depth interview. Many founders did some combination of all three.

AGE OF FOUNDERS

The average founder in our sample is 42 years old.



AMOUNT RAISED

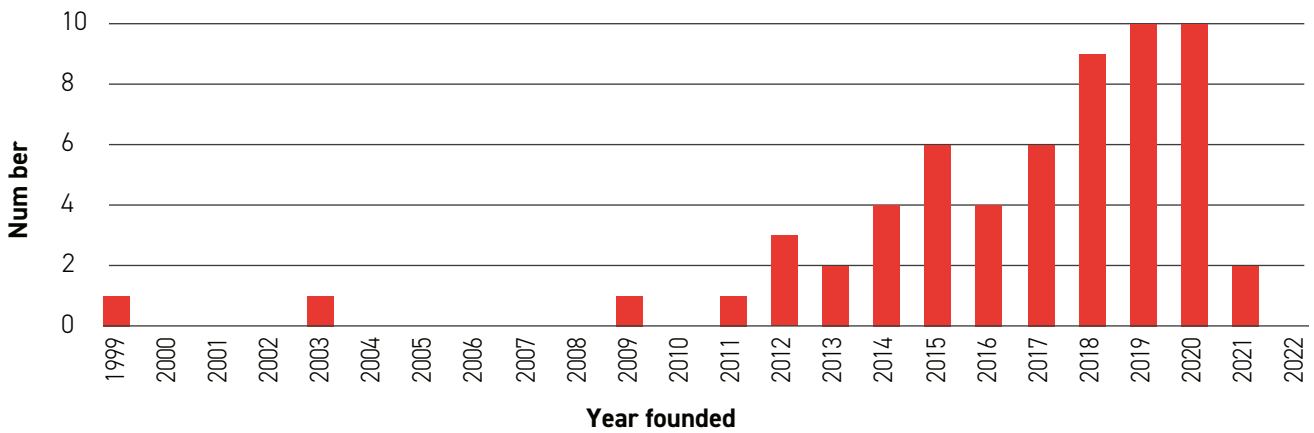


The amount of equity finance raised by founders is not distributed evenly. The vast majority of entrepreneurs never raise any equity finance at all and the majority of entrepreneurs who have raised some equity finance have raised less than a million.¹⁵ As you can see, the majority (81%) of our founders have raised under £5m, but we have a few entrepreneurs at the long tail who have raised over £10m, and one founder who raised £44m.

¹⁵ Beauhurst’s numbers suggest that there are 19,000 companies in the UK that have raised under £1m and 16,000 companies that have raised over £1m.

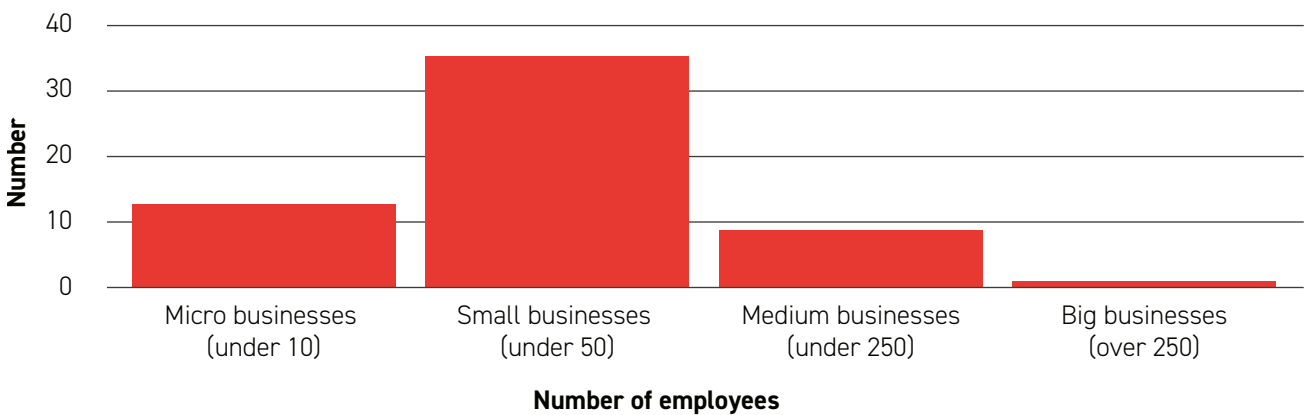
AGE OF BUSINESS

The median age of business in our sample is five years old and most of our companies are small businesses, with a median number of employees of 18.



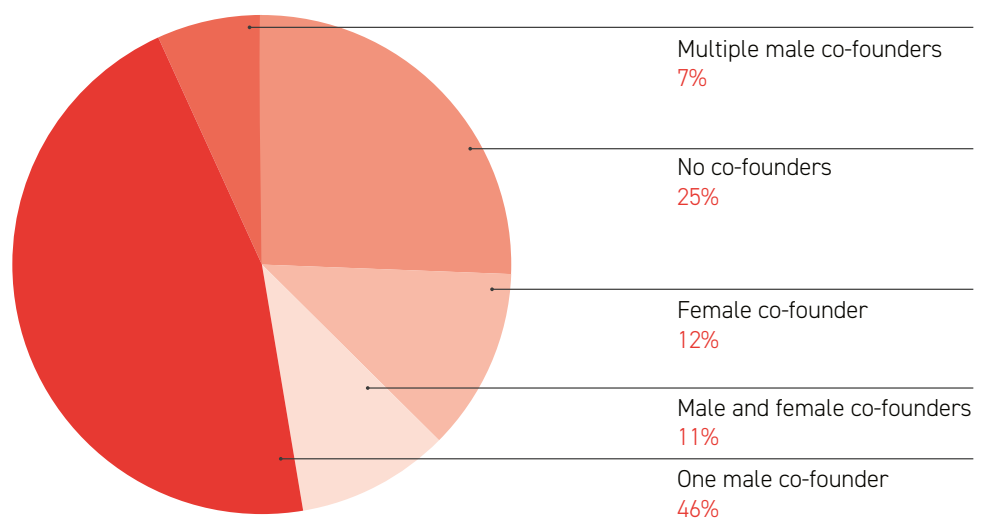
SIZE

The median business in our sample employs 18 people



Most (63%) of the founders in our sample had male co-founders.

A quarter (25%) were solo-founders, and 12% had all-female teams.



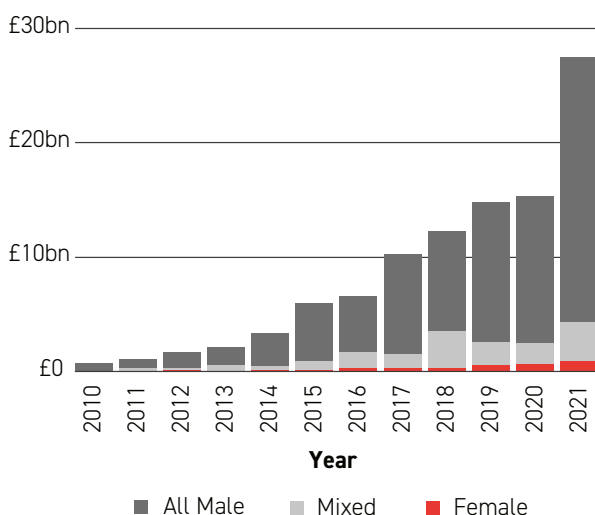
“Sometimes you’ll hit a glass ceiling. I’m a woman, I’m an ethnic minority, I’m not a graduate of one of the top public schools. Yet I choose to break through the glass ceilings - every time.”

Raj Meghami - CMO & Co-Founder, BlockAPT

FINANCE

Arguably, the most important difference male and female founded businesses face is access to equity finance. Since we first started the Female Founders Forum in 2015, we have been talking about the equity funding gap – that today just 16% of total equity investment goes to startups with female founders and just 3% goes to startups with all-female founding teams.

TOTAL VALUE OF FUNDRAISINGS



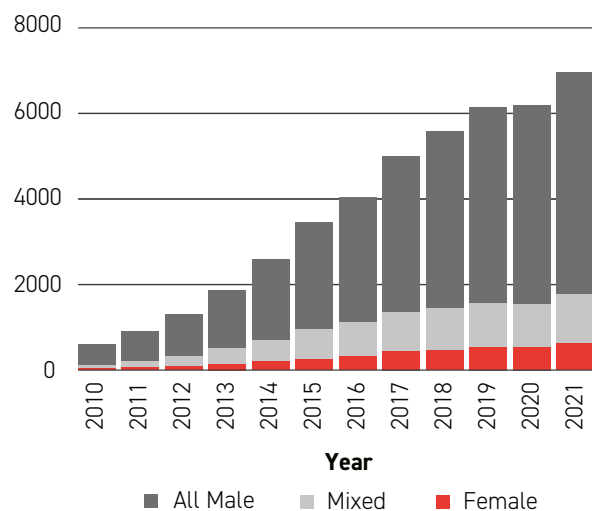
Source: Beahurst

The equity funding gap has shrunk since 2010, but it still exists and it is still large. On top of that, there are two interesting trends worth picking out.

The number of deals going to female founders has increased and is now steady at 25% but the value of each investment has not risen at the same rate, which is why the total value of funding going to female founders is lower at 16%.

One female entrepreneur, off-record, criticised what she described as a tokenistic and cynical approach by investors — who are keen to say that they invest in female founders but are not keen to give them sums as large as the amounts they give to men.

NUMBER OF FUNDRAISINGS



Source: Beahurst

“Grants aren’t fit for purpose, at least, they aren’t for biotech. They take too long and they aren’t for enough money – maybe £50,000 to £500,000. We need about £15m for a clinical trial.”

Dr Rebecca Ashfield – CSO, Ducentis Biotherapeutics

72%

OF OUR FOUNDERS BELIEVE THAT IT WOULD HAVE BEEN EASIER TO RAISE FINANCE IF THEY WERE A MAN.

“It can be quite challenging to have my business appraised by someone who hasn’t been an entrepreneur in their own right so that’s why I prefer to go to angels, some of whom have been entrepreneurs many times over. I’m looking for someone who understands what it is like and who is willing to ride out the peaks and troughs. In my experience VCs tend to be more preoccupied with the 5-year returns profile in order to satisfy demands for their LPs. An angel, on the other hand, could be with me for the long term. My angels take a personal interest in my business, they’ll champion me publicly on LinkedIn, they make introductions, and support me with hard-earned advice. I feel so grateful.”

Penelope Hope – Co-Founder, Rebel Energy

We found that some founders preferred business angels to VC firms believing they added more value in terms of advice and took a more patient outlook.

When looking at the general entrepreneur population, women favour grants over men and are 10% more likely to have used them, but the founders we spoke to had mixed feelings about them.¹⁶

“We couldn’t have done it without Innovate UK. They had launched a fund that was very tailored to what we were doing.”

Anya Doherty – CEO & Founder, Foodsteps

There are a range of options. VC firms can be very different from each other. Some angels like to be incredibly involved and others take a more hands-off approach. Finding someone who shares your vision is critical. One of the founders, on the day we interviewed her, said that her investor was swanning around her offices and trying to get her to change her branding. “I like my font,” she complained before we started the interview.

72% of our founders believe that it would have been easier to raise finance if they were a man.

Of course, being a woman isn’t the only way a founder can be at a disadvantage. Some of our founders feel that they are at a great disadvantage because they are first-time founders, because

they are ethnic minorities, because they don’t have a wealthy family, or because they don’t have tech backgrounds.

The women we talk to are incredibly ambitious. They are, by definition, people who have managed to raise equity finance and have therefore, in some ways, beaten the system. Despite investors asking them limiting questions they have managed to get across the fact that they are a good bet.

“If a woman is seen to compliment her male co-founder then that can be an advantage. We had an investor who did a post-mortem. My co-founder is a loud and gregarious man. He’s seen as the visionary and I come across as the serious, financially savvy one.”

Denise Saber – CEO & Founder, Percuro Health

Discrimination is not merely unjust – it is bad for business. Investors who can overcome their biases and back the best businesses, regardless of the gender of the founder, will earn higher returns.

So what can investors do to support female founders and boost their own profit margins?

16 Rose, A. (2019). The Alison Rose Review of Female Entrepreneurship.

“Angels are more supportive. It’s better to talk to high net-worth individuals who have done it before. Their goal isn’t just a quick exit. VCs on the other hand can be a bit ‘computer says no’.”

Tatiana Wolter-Ferguson – CEO, hewi

“Having a financial background doesn’t mean you know every aspect of finance, but it definitely makes investors feel more comfortable with me.”

Cathy Mosely - CEO & Founder, Boundless





CASE STUDY

HANNAH FELDMAN

Co-founder, Kidadl

Sector: Consumer Media

Started



Employs



Hannah Feldman is the Co-Founder of Kidadl — the platform that serves families across the globe with a world of inspiration and best in class resources for fun and learning. Hannah had always dreamt of running her own business but until Kidadl she had focused on a corporate career across law, banking and media. That all changed when she met her Co-Founder Sophie as they realised they shared so many frustrations and pain points around the lack of technology serving families along the parenting journey.

Kidadl launched back in 2018 and Hannah has raised 3 rounds of funding for the business yet remains disappointed with the lack of diversity in entrepreneurship. "I've worked in sectors that seemed more focused on levelling the playing field. Law firms, for example, have a very considered understanding of what their problems are in terms of developing a gender balanced workforce and the steps they need to take to solve them. But we don't have anything similar in entrepreneurship. People have been saying the right things since I started Kidadl, but we need to lift the bonnet on what is actually going on."

Hannah explained that in meetings certain investors can be seen to approach conversations with male and female founders very differently. "Women are rarely asked expansive questions — for example how big our business will be, what proves we will become the market leader, how can we turbo-charge our growth?"

Instead certain conversations have been focused more on any possible risks, limitations or blockers that could get in the way of our success". Hannah goes on to say "I have even been asked on more than one occasion who is looking after my kids when I am

attending one of these meetings, which I struggle to imagine a male founder being asked."

"It's difficult when you're a founder asking for money", she explains. "You need the investors to connect with you and support your vision for the company. But if the conversation focuses on the risks and not the opportunities that your business presents, then it is no wonder why statistics showing the level of funding that female and diverse founders receive are so bleak".

Hannah would like to see investors publishing data consistently around how many women and diverse founders they receive pitches from, how many they go on to meet, and how many they go on to invest in, and to publish these numbers along with their overarching stats in regard to all companies in their funnel. "The market would then clearly understand where the nub of the problem sits." At the moment the data is patchy, and investors often come along with their individual biases, or "with their blinkers on" as Hannah puts it. But she remains confident "with data, and a change in ensuing behaviours and practices, we can start to solve this problem for the next generation of female and diverse founders."



CASE STUDY

ESTELLE LLOYD

COO & Co-Founder, Macademia

Sector: EdTech

Started



Employs



"I've always had a very entrepreneurial approach to things" says Estelle. She founded her first business at the end of her MBA. She grew it for seven years and exited in 2011.

Macademia was then born out of having children. Macademia is a global leader in educational entertainment to help families and children with their learning. She founded it with her husband, Douglas, with whom she had already founded and sold her first business. She found that they were a perfect team. Because of his financial background, and unfortunately because he's a man, he now leads in fundraising and has taken the title of CEO.

In the early days of Macademia, when they would pitch together, before they split the roles out, Douglas was surprised at how differently Estelle was treated by investors. They would say things like "That's a cute idea" and "Are you sure this can make money?"

He was sure they would have never asked him that if he were pitching alone.

She doesn't think that female investors are always helpful either. "Female investors are also under the same pressures. They don't want to be pigeonholed, so they don't want to be the one who invests in 'typically woman' businesses such as kids products."

For now, Estelle finds it much easier to run a business with a man, especially a man with a background in finance, because that's how she can get investors to take the business seriously."

CASE STUDY

DEIRDRE MC GETTRICK

CEO & Co-Founder, ufurnish.com

Sector: Publisher

Started



Employs



Deirdre Mc Gettrick is the founder of ufurnish.com, which brings furniture sold across the internet onto one platform. They have companies like Made, Wayfair, and Argos. "It's like Rightmove for interiors."

Initially they built a Minimal Viable Product (MVP) to see if they could get retailers and customers on board. In order to sort through furniture libraries and catalogues hosted on other websites, they needed to buy a lot of expensive processing power. In the early days they really relied on investment. She says the EIS scheme was especially helpful to them.

Deirdre believes that she was very lucky. Coming from investment banking, she had a community of people who had an interest in investing in young companies and the disposable income to give her sizable amounts. "We raised £1.8m in the first seed round from about 30 people. About 70% were people I already knew and 30% were second degree connections. If I had been working in a more traditionally female industry, like PR or marketing, I don't think I would have had the necessary connections to start. My friends outside of finance would have struggled to be able to do it."

She says that you need to be talking to the big players, the people who actually have the money. "The venture capital

industry is driven completely by warm introductions. If you go into a venture capital firm and you don't know anyone, you don't get to talk to the decision makers, instead it feels like you are speaking to someone who is completing a tick-box exercise. They don't understand your business. Men are much more likely to have access to these warm introductions."

Despite her advantage she said that investors on the whole were still too focused on the risk. As with other female founders, they didn't ask her the expansion and aspirational questions that she believes male founders get.

Investors aren't helpful just for money either. "Most of my investors provide me support in some way. I have a wide network of people I can tap into — which is much easier than having to do research from scratch."

She believes that ultimately one of two things has to change. Women have to get better at bragging or the investment community needs to learn that women don't brag as much. "How do we get VCs to look beyond the bravado?"



CASE STUDY

ISHANI MALHOTRA

Founder, Carcinotech

Sector: Regenerative Medicine

Started



Employs



Solo-Founder



“I always wanted to start my own business. I’ve worked in industrial settings — at both hospitals or biotech companies — which helped a great deal when I started the company” says Ishani. “My previous experience in cancer diagnostics and clinical trial management combined with stem cell research helped me in my journey of becoming a scientist entrepreneur.”

Ishani said she had the core idea behind Carcinotech while studying her masters in Regenerative Medicine. She had an option to take it forward as either a PhD or she could have started her company. She went for the latter. “Cancer is one of the leading causes of death in the world and we still don’t have accurate treatments for patients.”

Carcinotech develops accurate 3D printed living models that aid in development of treatments. They take biopsy samples and whole blood from cancer patients and look at the genetic and phenotypic makeup of that cancer. They

then do a “biological 3D print” of the cancer which gives hospitals, pharmaceutical companies, and clinical research organisations the opportunity to test multiple treatments on the models and check what treatments would be the most effective for the patient.

She says that she had a lot of support to help her start her company from The University of Edinburgh, Scottish Enterprise, and business competitions such as Converge. She received R&D grant funding, IP support and initial financial support.

“I just left university and started the company almost immediately — I already had a food company who wanted the same work that I had done at Cambridge. I then had two or three friends join and we worked around my kitchen table and didn’t get paid very much. I thought, what was the point of doing the same assessment a thousand times? If this was going to work it had to be scalable.”

CASE STUDY

ANYA DOHERTY

CEO & Founder, Footsteps

Sector: CleanTech

Started



Employs



Solo-Founder



Foodsteps started as Anya's undergraduate research looking at how to improve the carbon footprint of food from farm to fork. Now, it is a software platform that uses life-cycle assessment data, based on a combination of peer-reviewed scientific studies and primary research, to help companies track their environmental impact and take measures to be more sustainable.

She thinks being so young was an advantage in some ways. “We had just graduated so we had a lot of free time and were able to live off very little money.”

But there were drawbacks too. “Starting out, I absolutely did not feel like I had enough information. You don't know what you don't know. I've now got a much better idea of what a software and service business should look like in our space and that there is a business model that works. It was actually two female investors who told me that they liked what we were doing but thought that we were commercially underdeveloped. I learned a lot between the first and second round and one of them ended up investing in the second round.”

It's not all about information though. “There's an element of credibility that you need. People sometimes comment on how young I am — part of me thinks a male founder might not get the same comments. Sure I'm a first-time founder and there are things I don't know, but so is every entrepreneur at some point. Initially I leant quite heavily on my academic background to give myself some credibility. But at this point, now we've been running for three years, our track record within the business matters more.”

RECOMMENDATIONS



Recommendation to VCs Talent pipelines

Only 18% of people who work in venture capital are women and only 13% of senior decision makers are female.¹⁷ Shockingly, 83% of firms have no women on their investment committees at all.¹⁸

“I’ve presented to male-only investment teams where there’s a clear disconnect because we’re pitching a female-focused product.”

Sarah Bolt – CEO & Co-Founder, Forth & Forth Edge

Venture capital firms are not made up exclusively of former entrepreneurs. Instead many of the investors come from a more traditional finance background. Many of our founders say that they find it easier to convince other entrepreneurs to invest in them, hence a preference for Angel investment. They find that traditional finance is too “tick box”, risk averse, and focused on current trends.

VCs should try to find a way to encourage entrepreneurs to work with them as investors. They should find people who have exited their business, perhaps even people they have invested in the past, to come and work with them.

If the job is structured flexibly, working at a fund could be a particularly inviting prospect for a founder, especially if they have nascent businesses that are not making much money yet or if they have recently exited and are looking for their next project. It gives them a chance to keep one foot in the industry if they are not working on a company full time at the moment.



Recommendation to Investors Accept more cold-approaches

Too often raising finance requires entrepreneurs to have some form of connection with investors, only a lucky few founders manage to attract funding by emailing a stranger with a pitch deck.

“I’ve worked in finance before – and there are pockets and corners that felt like a boys club.”

Cindy van Niekerk – CEO, Umazi

Data gathered via the Investing in Women Code corroborates this sentiment and finds that warm leads are twice as likely to get invested in than cold leads.¹⁹ This is not wholly unreasonable as warm leads do not just come from personal social connections. Some warm leads will come from professional recommendations, for example, many accelerators have good ties with investors. Nonetheless, it is unlikely that an investor’s contacts will coincidentally happen to have the best businesses in their circle. Therefore, investors of all kinds should be more open to investing in businesses run by people outside of the usual circles.

17 Shead, S. (2019, July, 11) *Diversity in UK Venture Capital Firms Remains Shockingly Low*. Forbes.

18 Diversity VC. (2019). *Diversity in UK VC 2019*.

19 HM Treasury. (2021). *Investing in Women Code: Annual Progress Report 2021*.

“We don't all start from the same position. It is extremely difficult to start a business as a working mother without some childcare support. It's much easier if you have a family with assets and a good support network.”

Angelika Davenport — Director, Tincture London



Recommendation to Investors
Meet more founders

One way to increase the number of founders that investors are aware of is to hold more open office-hours and networking events so that founders and investors can meet each other.

Lots of firms already do this, of course, but we would like to hold this up as an example of best practice and encourage firms that don't already do this to follow suit.

“VCs should create more opportunities to meet them. It's still incredibly dependent on intros, which I understand but it makes it harder for people without personal connections.”

Jemma Phibbs – CEO & Founder, School Space



Recommendation to Investors
Address your unconscious bias

Most investors are not purposely discriminatory. Most of the industry participates in earnest attempts to boost diversity — both of the founders they invest in and of their own teams. But as we can see from the founders we interviewed, even people with the best intentions can make mistakes.

Investors should be conscious of the ways in which the questions they ask affect diverse founders differently and come up with ways of overcoming their bias and investing better.



Recommendation to Investors & Government
Investing in Women Code

The Investing in Women Code is an initiative run by HM Treasury which represents a two-pronged approach to closing the funding gap. We encourage investors to sign up. Signatories are required to appoint a member of the senior team who is responsible for ensuring that female entrepreneurs are treated equally. Investors also agree to gather data that is then consolidated with that of other signatories. Statistics about the state of UK investment are then published.

Knowledge is power and the data gathered has provided clear evidence for the venture capital industry's reliance on warm leads and how this harms female entrepreneurs. Before that, it was generally understood that this was how the industry worked but there was little evidence to back up such claims and therefore it was unclear how much energy this problem warranted.

The Investing in Women Code also revealed that on average all-female founder teams ask for less money than all-male founder teams which is useful information for female founders.²⁰ In one of our roundtables the founders talked about how they were chronically undervaluing their companies when compared with their male competitors. The advice given by one founder was to go into investment meetings and say the highest valuation that you could manage without laughing.

The Investing in Women Code has grown from 14 founding signatories in 2019 to 79 today and has published two reports using the data collected.²¹ We recommend any investors that are not already signatories sign up and increase the quality of data released.

And we recommend a next step improvement. Signatories are required to have an internal set of processes to improve female entrepreneurs' access to finance. While the code gathers and consolidates information about how much investors are investing in teams with different gender breakdowns, there is an opportunity for government to better promote the successful interventions signatories to the code have implemented so far. This would help to encourage new signatories to sign up to the code whilst sharing insights and best practice.

20 UKBAA. (2022). Investing in Women Code Annual Report 2022 shines light on investment in the UK's women entrepreneurs

21 HM Treasury. (2021). Investing in Women Code: Annual Progress Report 2021



BACKGROUND

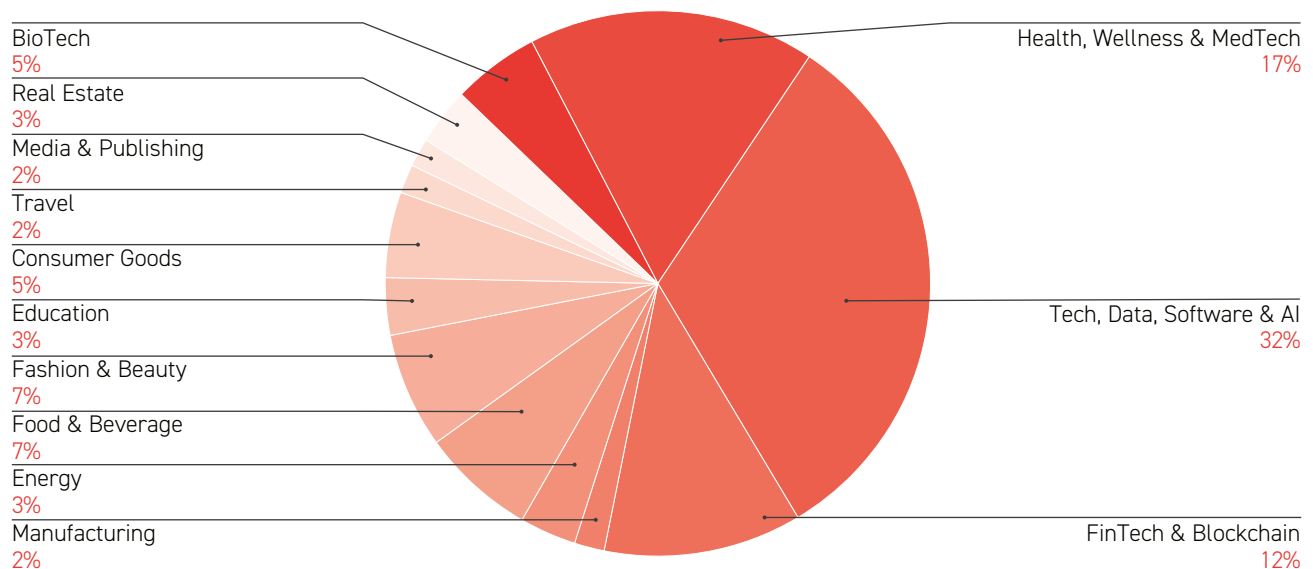
Seven in eight (86%) of our founders have started businesses in sectors that they feel are male dominated. This answer disguises some of the complexity of the issue — many sectors are female-dominated or gender-equal at more junior levels, but when you look at the top level they become male-dominated.

Reflecting the high-growth landscape, the majority of our founders run technology businesses, with 66% of companies in Healthcare, BioTech, FinTech, Software, Data, and similar fast-growing, innovative industries. Even the companies that are part of more traditional sectors like real estate, energy or education are also technology driven and will sometimes identify as “EdTech” or “PropTech”.

These are generally seen as male-dominated sectors. Of our sample 86% felt they worked in male-dominated sectors,

10% felt that their sectors were roughly gender equal and two founders (3%) felt that their sectors were female-dominated. Of the two founders who thought that their sectors were female dominated, one of them ran a beauty company and the other said that she ran a CareTech business and specified that, while care was female dominated at the lower rungs, it is still disproportionately run by men. The founders who thought their sectors were gender-equal worked in Fashion, Health and Food.

SECTOR

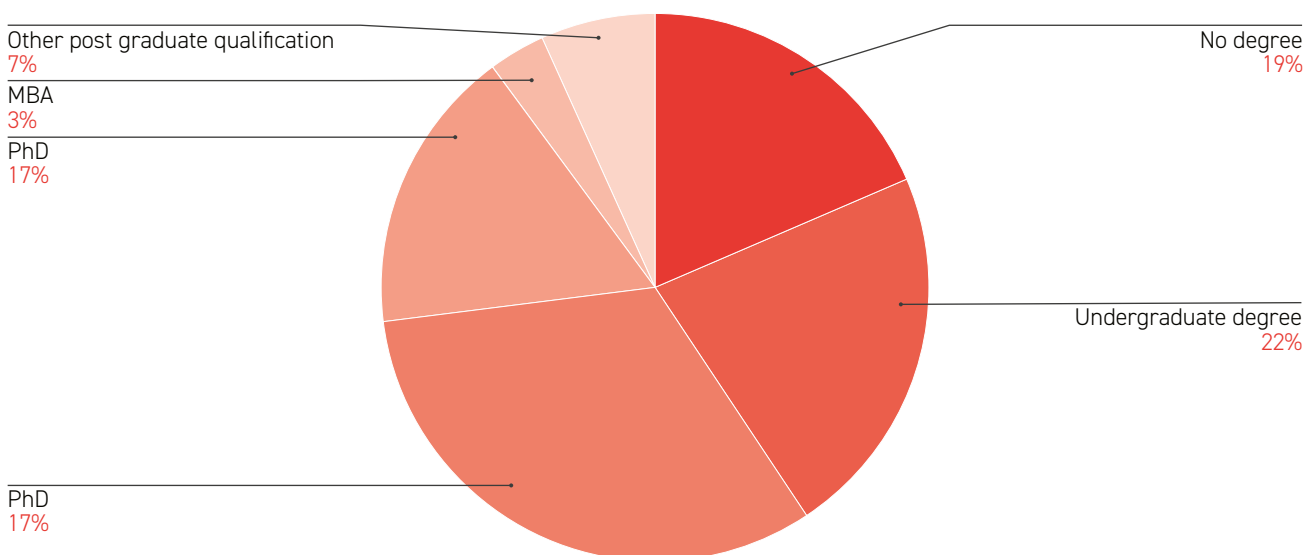




86%

OF OUR FOUNDERS HAVE STARTED BUSINESSES IN SECTORS THAT THEY FEEL ARE MALE DOMINATED.

EDUCATION LEVEL



Our founders are, on average, more educated than the general population, 81% have degrees and 59% have some form of post-graduate education. By comparison, of people between the ages of 21 and 64 in the UK, 42% have degrees and about 6% have a postgraduate degree.²²

In many of the sectors above, especially the male-dominated sectors, having a technical background is a great advantage. Their education has helped them start their businesses – 24% have studied subjects which are now directly related to the businesses they have founded, another 24% have studied business, and 3% have MBAs.

But not all our founders have a technical background. In many cases founder teams are made stronger when made up of people with different skills. For example, in many cases, skills such as management, sales, and marketing are vital to all businesses – even tech ones.

Beyond that, many founders find success without an educational background. Instead they've learned all they need to know from work and starting multiple businesses from a younger age.

22 ONS. (2017). Graduates in the UK Labour Market 2017

CASE STUDY

MICHELLE HE

COO & Co-Founder, Fintern

Sector: FinTech

Started

2019

Employs

36



Michelle He has always been one of the only women in her field. During her undergraduate mechanical engineering degree, she was one of the 3 girls in a class of 30, a trend that continued when she got her PhD in machine learning and subsequently entered the world of finance.

She co-founded Fintern after experiencing first-hand how frustrating getting a loan can be in the UK after moving here 12 years ago. "I had a good job but no credit history so no one would lend to me. Most traditional lenders only look at a customer's credit score and make a decision based on that." She explains. "What we do at Fintern is, in addition to looking at a customer's credit score, is look at their bank transaction data and then use AI to use that information to identify what the customer's ability to pay is. Our whole mission is to increase access to affordable lending and we believe that starts with having a diverse team."

Michelle believes that to found Fintern she needed her background in AI and finance, both of which are highly lucrative fields where women are underrepresented. As a result, she is passionate about helping girls pursue interests in mathematics and entrepreneurship. "As a female fintech founder with a young daughter, I'm proud to be making a small difference in an often male-dominated industry. I hope I can set a good example for the next generation."

CASE STUDY

RAJ MEGHANI

CMO & Co-Founder, BlockAPT

Sector: Cybersecurity

Started



Employs



Raj Meghani has over 25 years of senior leadership experience in marketing, management consultancy, and business growth with roles spanning financial services, supply chain logistics, IT and professional services. She has worked in businesses of all sizes, including FTSE 100/250, SMEs, startups, and high growth ventures. She has spent the past four years in cybersecurity. “I’m not a techy, but I love innovation, I love transformation and I love learning. I am passionate about turning the complex into something simple.”

She is respected in the business community. She is an avid investor and has been appointed as a Non-Executive Director on the Board for Money Matters Bank where she chairs the Marketing and Sales Committee. What Raj brings is a balance of strategic and hands-on experience in building and scaling businesses.

She explains that when she first joined BlockAPT she didn’t really know anything about cybersecurity. “I knew I needed to keep my email and devices safe, but when I joined the company I threw myself into all things cybersecurity and have been fortunate to know some of the industry’s best veterans who have helped me on my way. I am now the Editor for Cybersecurity Trends UK — a global thought leadership publication. I love the subject and the industry I work in.”

When she helped found BlockAPT, the other founders already had the necessary disruptive technology, but they did not yet

have the proper foundations to build a company. Marco Essomba developed the technology itself and Zafar Karim worked primarily with funding to scale the business, but the company did not have its own differentiated brand presence, messaging, market position or the momentum as we see it today. “I’m proud of the new BlockAPT brand that I’ve created with the rest of the team.”

They have been selected as members of the London Office for Rapid Cybersecurity Advancement, an initiative backed by DCMS, have been recognised as a 2021 Hot Vendor by HFS, and DCMS selected them as one of the “most innovative cyber SMEs of 2021”.

Raj is skilled in leadership, management, marketing and business development. Her co-founders have technology and finance backgrounds. Their diverse experiences — not just with respect to gender — makes them a formidable team.

CASE STUDY

KIM ANTONIOU

CEO & Founder, Auris Tech

Sector: EdTech

Started



Employs



Kim Antoniou is a serial entrepreneur. In the past, she has had successful businesses in property and software. She now has two businesses which she founded, one called Kafoodle that helps food businesses with allergen compliance, and more recently Auris which uses speech recognition technology to help children to read.

The way it works is that a child will read aloud and the platform will listen to them using proprietary voice recognition which was developed in partnership with the University of Edinburgh. The words change colour if the child gets it right and the text moves on. Parents and teachers can then see how many words a minute they are reading and where they are struggling. "We're launching in schools and into homes now — and we've started a reading challenge in India now. We're looking at America and Africa to expand next."

Kim feels like she is not a typical tech entrepreneur. "I was at one of my investor's events, where they had invited some of their businesses. The CEO of the fund said they were proud to be investing in female founders and then, indicating to me said 'one of them's even a grandma'. I've even had a magazine call me a 'tech-savvy granny'."

She doesn't mind. "If you're comfortable in your own skin, you learn how to use it to your advantage. People like me, who are entrepreneurs, have our own skills. I'm very practical and I understand that tech exists to bridge a gap. I don't have a tech background but I've been able to learn what I need to to make a difference."

RECOMMENDATIONS

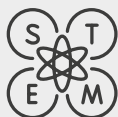


Recommendation to Investors

Be background agnostic

Many of the founders that we've spoken to have said that investors in the business community can be snobby about the backgrounds of founders — often treating technical founders as somehow more valid than business founders. Women are underrepresented in Science, Technology, Engineering, and Mathematics (STEM), where a lot of high-growth businesses come from, but it is clear that all founders do not need a technical background to make a business work.

People who work in male-dominated industries, especially investors, should not treat founders worse if they have a more traditional business background. Non-technical founders are just as much “real” founders as those with a technical background. Businesses need a wide range of skills to be successful and if we are mindful of this, we can have better and more inclusive cultures throughout the business landscape.



Recommendation to Government

Increase the number of women in STEM

The UK suffers from a significant drop-off rate for women and girls in STEM. Despite being as capable as their male counterparts, at each stage of the STEM-career pipeline, female students are less likely to continue to the next stage of a science or maths career.

Universities that wish to tackle STEM drop-off rates in female pupils should offer extra assistance to help them continue with STEM fields by targeting them with mentorship support and subject-relevant careers guidance.

As teenagers, girls are only slightly less likely to study maths A level, making up 39% of the students taking the subject. But by adulthood, only 17% of tech workers are women.²³

There is also significant opportunity for the private sector to get involved. Lots of STEM companies believe their culture benefits from having a higher proportion of female staff but struggle to recruit and retain female employees and much is unknown about why.

If we want to deal with the so-called “leaky pipeline”, then every stage needs to be addressed. Parents and teachers of young girls need to uplift examples of good role models in STEM. When it comes to subject choice, we have to be clear about the trade-offs being made. Part of the reason women are underrepresented in STEM is because they are much more likely to have skills outside numerate and technical subjects.²⁴ While boys and girls get similar grades in maths and science subjects, girls outperform boys in humanities subjects. A girl who gets As in science subjects but A*s in humanities subjects may choose to study humanities at A Level and then a subject like English or History at university. But this choice, while it may feel obvious at school, could go on to harm her long-term earnings. Maths, Economics, and Engineering graduates earn substantially more than English, History and Philosophy graduates.²⁵ Parents and teachers should be clear with students about the choices that they are making.

The government could start an initiative similar to the Women in Finance Charter (not the same as the Investing in Women Code) and ask that educational institutions and STEM companies sign up. Similar to the Women in Finance Charter, a senior executive should be made accountable for promoting gender diversity in their company and signatories should agree on a set of metrics to measure so that we can better understand causes for STEM drop-out rates at higher levels.

23 The Alan Turing Institute. (2021). Women in data science and AI.

24 Department of Education and Skills. (2007). Gender and Education: The Evidence on Pupils in England.

25 Britton, J. (2017, November, 17). *The degrees that make you rich... and the ones that don't*. IFS.

59%

OF OUR FOUNDERS FEEL THAT THEY HAVE BEEN DISCRIMINATED AGAINST BECAUSE THEY ARE A FEMALE FOUNDER.

DISCRIMINATION AND SELF-DOUBT

Many of the founders interviewed over the course of this project have talked about how people treat them as less intelligent or less capable than their male counterparts. Founders talk about being ignored in meetings, asked to do PA work, or criticised for things they don't think their male counterparts would be criticised for.

“People usually believe I'm a less senior employee and I'm often asked to do tasks that are much below my rank.”

Laura Garcia Caberol — COO, Touchlab Ltd

One of the biggest differences is that people find it difficult to believe that female founders are trying to build large businesses. People believe that they are running lifestyle businesses and that their businesses are side-hustles that they have taken up because it is less work than employment. This can make it difficult to attract investment, mentorship, and employees.

This is especially a problem for founders whose businesses have significant social-purpose. It is normal for founders to start businesses in sectors they feel passionately about — it would be difficult to work as hard as entrepreneurs do just for money, but for female founders, the fact that they have altruistic goals and passions means that people sometimes take their businesses less seriously.

“Sometimes I have been treated like a PA. I get asked to send out the diary invites.”

Sarah Norford Jones — CMO & Co-Founder, YEO Messaging

The problems are not all external. Girls and boys have different biology and are raised differently. As a result, there are sometimes notable personality differences between adult men and women. Many of the founders we talked to struggle with imposter-syndrome and self-doubt. They believe that a big part of the reason that women start fewer businesses than men is that, due in part to excess criticism and scrutiny, women often lack the confidence that men seem to have.

“Some men patronisingly assume if you are female your business must be small and operated from the kitchen table.”

Katie Lopes — Co-Founder, Stripe and Stare.

That being said, there are major upsides to being a female founder too. Women are rare at the upper-echelons of business, so it is easier for female founders to stand out and be memorable.

Also, because lots of different sectors are now battling their issues with gender diversity, there are an increasing number of initiatives, mentorship schemes, networking groups and media opportunities for female founders.

“Building a business that has a social impact, I found people tried to push me towards starting a non-profit instead. Yes — we have social-purpose, but the way the world is moving shows that most, if not all, businesses should be leaving a positive mark behind them.”

Alejandra de Brunner — CEO & Founder, The Ethos Network



“There are things I’ve noticed — I don’t usually dress very feminine but I find that when I wear a dress to networking events people are less keen on talking to me.”

Started



Employs



CASE STUDY

KIM NILSSON

CEO & Founder, PeripherAI

Sector: Data



“As a woman you are always walking a tightrope — if you appear too strong, you’re a bitch. And if you’re too soft you’re too much of a girl. Men are allowed a wider range. They are allowed to show emotions and they are allowed to be bossy” says Kim Nilsson.

Very few founders ever get concrete proof that they have been discriminated against, although many have stories of when they suspect they had been. Kim is the exception. She said that once, after an Angel Investing pitch, one of the investors reached out to her and said that he had made a mistake. “He emailed me afterwards and said that he had given money to the other team because they were men and they seemed so much more confident. He told me he regretted that decision.”

However, mostly discrimination is subtle. She says she’s been to meetings where people have directed all their questions at her male co-founder and that investors seem sceptical when she’s told them that they have over a million in turnover.

Despite all that, Kim loves being a founder. She founded Pivigo in 2013, spent eight years growing it, and exited in 2021. She immediately went on to found PeripherAI. “We built a really great culture so people love their work and each other’s company. Being a founder is fantastic — the fact that I’m doing it again is a testament to that. It’s so much hard work and, at the beginning at least, you earn almost no money. But it’s completely worth it.”

Started



Employs



CASE STUDY

RACHAEL CROOK

CEO & Founder, Lifted

Sector: Healthcare

“I don’t know if it’s innate or taught, but I think that women are way harder on themselves” says Rachael. “We don’t always want to talk about it, because if you say that women are less confident it feels like a sexist comment. There are lots of external factors too, of course, I think women receive more criticism for doing the same things and that feeds into it.”

There is a huge opportunity to make large returns by investing in women. They are often building in markets that have been neglected and where there is a lot of scope for innovation. For example, Rachael is working to fix the crisis in social care following her mother’s diagnosis of early onset dementia. “The social care market is huge but very antiquated and the impact of these problems is disproportionately felt by women. They will, disproportionately, be solved by us too.”

Despite this, she thinks there are big upsides to being a female founder. “We’re less punished for being vulnerable, which means I can be more open with my team and I get more support from my network.”

“More support is needed for all founders” she continues. “The

psychological pressure of being a founder is incredibly difficult. We have to give young women the tools to cope with that and the self-belief that they can do it. It’s daunting to take people’s money and build something. I have raised £8 million in external investment and I rightly feel pressure to use this capital to deliver strong returns for investors. That is challenging and I think that more support should be given to demystify the start-up funding system and to help people thrive within it.”

Rachael says “In my mind there is no greater privilege than building a company to serve families and meet their needs. The more women we can attract to start up life, the better. It provides an unprecedented opportunity to change lives and drive financial returns.”



CASE STUDY

RAISSA DE HAAS

Co-Founder, Double Dutch

Sector: Food & Beverage

Started



Employs



Raissa de Haas is the co-founder of Double Dutch Drinks. A business she started with her sister. “I thought there were so many good gins on the market but there weren’t many good tonics. We used to make them at home, and that’s how we came up with the idea for healthier and more creative tonics.

She thinks that there are some advantages to being a female founder. “It helps you to stand out. If you’re in a group of ten colleagues, the rest of whom are men, people are more likely to remember who you were.”

She goes on to say “There’s now a lot more awareness about supporting women and giving them more opportunities. We just have to take these chances when they arise.”

86%

OF OPPOSITE-SEX COUPLES SAY
THE WOMAN DOES MORE CHORES.

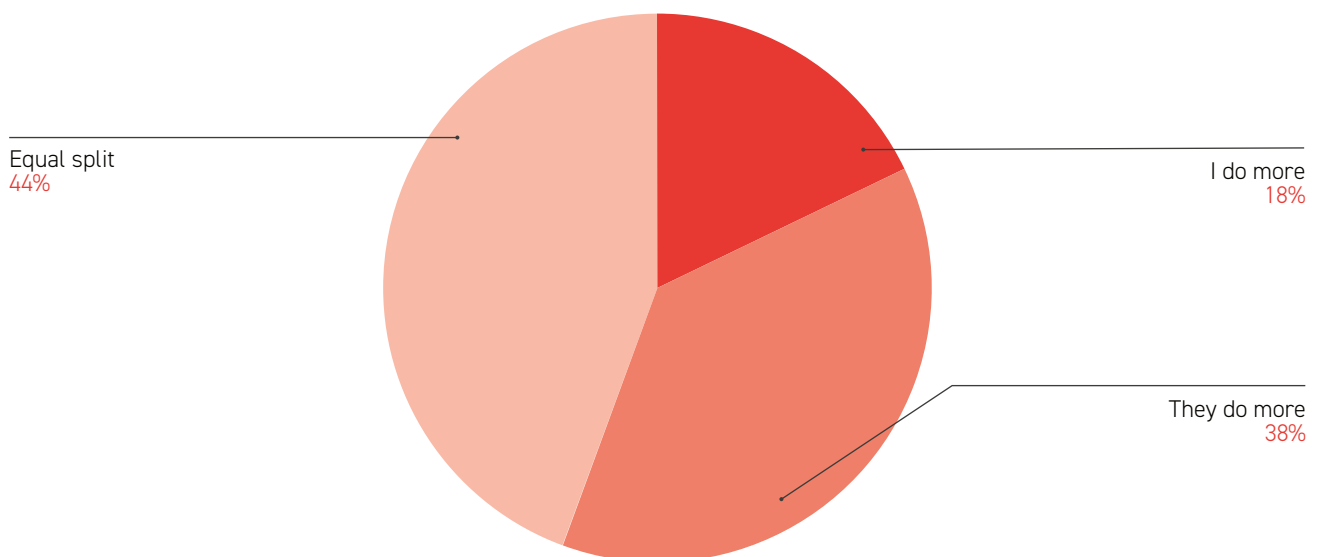
CHORES AND CHILDCARE

In opposite-sex couples in the UK, less than 7% of them split chores evenly. In a further 7% the man does more housework, leaving an incredible 86% of opposite-sex couples where the woman does more.²⁶ For women who work full-time, these numbers are not quite so extreme and 39% of them say they split their chores evenly.²⁷

Unsurprisingly, our sample does not match the rest of the UK. Of the founders who live with a romantic partner, 44% say that they split their chores evenly, 18% say that their partner does more, and 38% say that, despite running a high-growth start-up, they still do more of the housework. In other words,

highly successful female founders are more likely than the average British woman to live in a home where household chores are divided equally. However, even in households where women are high achievers, they typically do more housework than their partners.

HOW FEMALE FOUNDERS DIVIDE CHORES



One of the starkest places the chore-gap opens up is after couples have children. UK mothers spend fewer hours working than fathers and they spend more time on unpaid household work.²⁸

When you break down the data further into founders who are mothers and founders who are not parents, you see that founders without children are much more likely to split their chores evenly, but half of founders with children say that they do the majority of the housework.

²⁶ Walked, R. (2019, July, 25). Less than 7% of couples share housework equally. UCL News.

²⁷ Nolsoe, E. (2021, March, 30). *Women are still much more likely to have to do most of a couple's housework and childcare.* YouGov.

²⁸ Ibid.

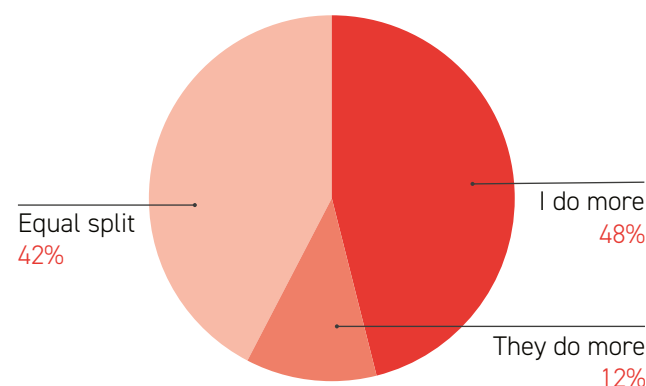
Considering the fact that having children means that the amount of housework in a home increases and that the majority of this increased housework goes to the mother, it is no surprise then that the female founders in our sample are less likely to have children than the general population. From the ages of our sample, you would expect about 69% to be mothers, instead 53% are.

When talking to our female founders, one of the main barriers to female entrepreneurship, expressed time and time again, is a lack of access to childcare.

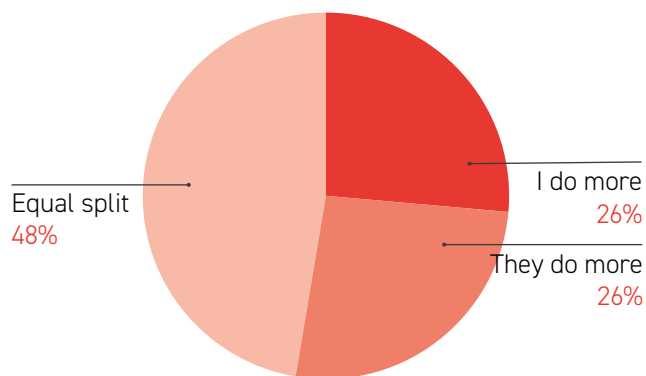
“Childcare is a luxury that many families can't afford, forcing women to give up their jobs and trapping families into a cycle of poverty. The number of women not returning to work after they have kids is on the increase because childcare costs are making it impossible. This is a trend that we desperately need to reverse in order to ever be able to achieve gender equality.”

Sarah Hesz – CCO, bubble app

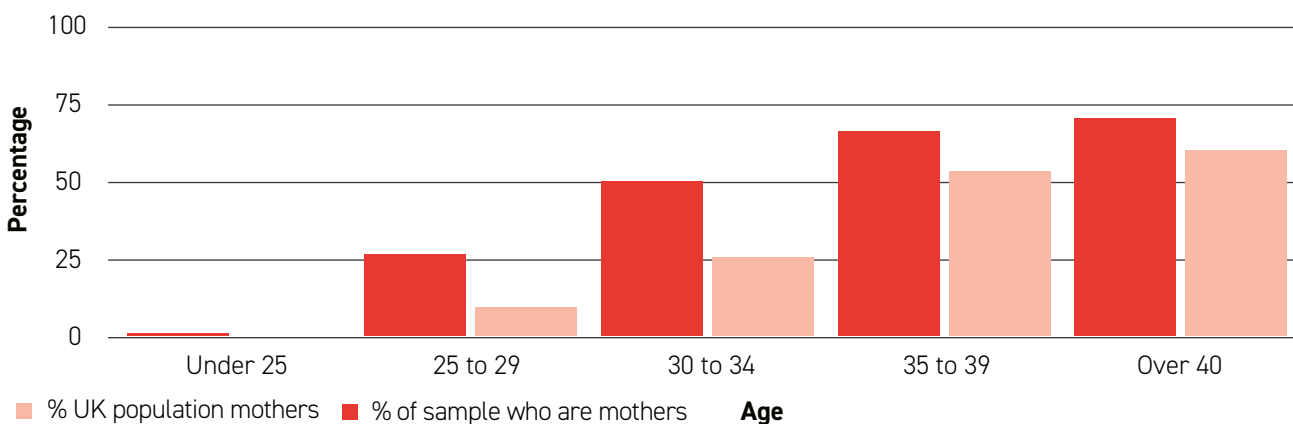
HOW FEMALE FOUNDERS WITH CHILDREN DIVIDE CHORES



HOW FEMALE FOUNDERS WITHOUT CHILDREN DIVIDE CHORES



PERCENTAGE UK POPULATION MOTHERS AND PERCENTAGE OF SAMPLE WHO ARE MOTHERS



CASE STUDY

ZEINAB ARDESHIR

CEO and Co-Founder, PillSorted

Sector: CareTech

Started



Employs



Zeinab Ardeshir is the co-founder and CEO of PillSorted, a personalised pharmacy service that delivers medicine to people's homes. They were founded in 2019, before the pandemic, but they grew very quickly during that time as lots of people wanted healthcare without leaving their homes. They started delivering COVID-19 test kits and had to train up lots of new drivers.

Before PillSorted Zeinab was a pharmacist for 17 years. She found it rewarding listening to patients and providing them with the care they needed, but believed that pharmacy was based on a centuries-old legacy system that needed to be reformed for the modern world, so she decided to change careers.

"We have to rethink the model of pharmacy and healthcare. It's a completely different skill set and I've had to learn a lot, but ultimately I thought that I had the right insight to make a difference."

When thinking about female entrepreneurs, Zeinab feels like, unlike other founders, she was lucky to work in a female dominated field already. "Care is so female dominated so I've seen lots of doctors, pharmacists, and founders do great work."

But she thinks there are still significant barriers. "Childcare presents a major barrier for people in all lines of work. It doesn't just affect women either, men are becoming much more hands-on parents so this conversation includes them too. I joke that the first thing you need to do as a founder is find a good nanny but that's obviously not an option for everyone. Today I'm at home and using nanny-TV."

That being said, entrepreneurship gives people more flexibility. "It needs a lot of planning, but as a founder you can choose which 24/7 you're working."

CASE STUDY

JORDAN BROMPTON

CMO and Co-Founder, myenergi

Sector: Renewable Energy Technology

Started



Employs



Jordan Brompton is the co-founder and CMO of myenergi, a renewable energy technology company headquartered in the UK but with subsidiaries worldwide. It is her second business. Her first was in distribution but she closed it down to pioneer myenergi with her co-founder and friend Lee Sutton. "I'd always been passionate about renewable energy and kept my finger on the pulse."

She felt that she had the skills necessary to help bring Lee's ideas to life. "I knew I wanted to get out of distribution. In distribution, you're squeezed on both sides – by the manufacturer and by the customer. Here, I get to be the manufacturer and keep control of my supply chain and therefore my destiny."

Jordan believes that the reason there are fewer female founders is, largely, the difficulty of balancing a career and parenthood. "It has been so difficult to have children and simultaneously balance a career. If myenergi had taken longer to be successful, we wouldn't have been able to do it. My husband has had to stop working, a decision we were only able to make due to the continued growth of the company."

She believes that most parents don't have the support they need. "Lots of people don't have grandparents nearby who can help. I have lots of friends who would love to have a career but have had to stop work to have children. If they worked, all their money would go on childcare."

Jordan doesn't think that it's fair or right that it's usually the mother who must stop working. "Women are just as good at most jobs as men are. The problem is that employers are not supportive enough of fathers. Before he left, my husband's work was so rigid, so I was always the one having to rush around to pick our daughter up from day-care. We need to give dads the space to be dads."

“I like to think I’m a feminist. But I naturally wind up doing all the cooking and washing. We have someone who cleans the house — not my husband — someone professional. I’d like to say no to the cooking and washing, but when I get home I want to eat something decent and I can’t stand the thought of the laundry piling up.”

Cathy Moseley — Founder & CEO, Boundless

RECOMMENDATIONS



Recommendation for Founders

Founders should proactively seek an even gender-split for household chores

Significant cultural change is happening. Younger couples are more likely to say that they split chores evenly and younger single people are more likely to say that, if they were in a relationship, they would split chores evenly but there seems to be a mismatch between expectations and reality. While 51% of single adults aged 25 to 49 say that they would split chores evenly, in reality, only 39% of adults in this age group actually do so.²⁹ This is a sign that, despite the popularity of gender egalitarian ideas, we have actually seen very little change in how couples divide up tasks.

There are things we can do, as a broader society, to make it easier for people in relationships to realise their goals.

First, like many of the cultural changes discussed in this report, we need to demonstrate good practice to children. Children need to watch the adults in their lives perform roles that are not traditionally associated with their gender.

Second, people in relationships should be proactive about setting the housework norms that they want. There’s a mismatch between what balance of housework couples say they want and what they end up doing so couples who want to maintain an egalitarian relationship need to be actively thinking about splitting their housework and parental responsibilities — otherwise they may find external forces push them towards the mother picking up the slack. For example, one founder talked about how her children’s school always called her if anything happened to her son and until recently, they only allowed for one number to be kept on file, so she couldn’t ask them to split it evenly between her and her partner.

Every family is different and there is no one-size fits all approach, but it is not uncommon for a mother to take on extra household work while she is on maternity leave, or for her to be the default parent that the school calls, and for those extra tasks to add up. If couples want to continue an egalitarian split of chores, they should ensure that the mother-as-default-parent role doesn’t take hold and this will mean making proactive steps.



Recommendation to government

Make childcare cheaper

The UK has the most expensive childcare in the OECD.³⁰ For a couple where both parents work, earning median wages, childcare costs over half the woman's earnings. It is no surprise then, that many mothers who do not work say that the cost and the difficulty of arranging childcare is the reason and that, if they had more support, they would like to work.³¹ The cost of British childcare is unusual. The average cost of childcare in the OECD is close to 25% of a woman's earnings. When compared to other OECD countries, the UK does not have unusually high wages, an unusually high birth rate, or a particularly low level of subsidy.

The UK has not always had such expensive childcare either. Since 2005 the cost of childcare has doubled, rising much faster than wages or inflation.³² A survey of the Professional Association of Childcare and Early Years (PACEY) members found that they turn away 16% of parents because they lack capacity, indicating that there is a shortage of people who want to work in childcare.³³ In most markets when demand outstrips supply, high prices draw new suppliers and costs eventually fall, but in childcare this is not happening.

How is the childminder and nursery sector in the UK different from that in other countries?

First, the childminder and nursery sector in the UK is much more formalised than it is in other countries. In other countries it is normal for childcare to be done by large informal networks. It is common for childcare to take place in the community and for children to be taken care of by church groups, friends and neighbours. In the UK, if an adult is going to take care of a child during work hours which they are not related to, they have to be accredited and follow the Early Years Foundation Stage (EYFS) curriculum. EYFS is more prescriptive than curricula for pre-school children in other countries and involves a lot more bureaucracy. Rather than focus their energy on reading and playing with children, childminders have to document how well a child is able to catch a ball or talk with other children. The curriculum drives costs up, as people cannot simply choose to become childminders as a way to earn extra cash while taking care of their own children. Instead they must take the time, cost, and bureaucracy to become accredited.

Second, if someone does wish to run a small nursery, they have to get planning permission. Ofsted already has rules about which buildings are appropriate for being used as venues for childcare and they inspect them — this sits separately from the planning system and is much more rigorous, taking into account children's safety. The planning system adds an extra barrier for people who want to become childminders as it brings in delays, requires a lot of paperwork, and applications can be shot down for spurious reasons. For example, Holly Fitzsimmons had to spend £7,000 to win a battle with her local council to run a creche in her home and garden. The planning permission she won still does not allow her to care for children whose parents need a more flexible schedule, and work after 6pm or at the weekends and demands that she make costly modifications for her driveway. We consider it perfectly normal and acceptable for parents to have several children in their homes during the day, and it is legal for churches and schools to operate free creches, yet when childcare is commercial, an unintentional quirk in our planning system means that it needs new permissions.

Third, we also have the highest staff to child ratios in Western Europe. For children under two, we require one staff member for every three children. For two-year-olds, it is one adult for every four children, and for three and four year olds the ratio is usually one to eight. The UK's ratios are much stricter than in other countries. Countries like Sweden, Denmark and Spain have no such prescriptive ratios at all. Even Scotland has looser ratios and no difference in outcomes. Economic analysis suggests that if we relaxed our ratios to Norwegian levels, we could halve childcare costs. If that were the case, adopting looser regulations would reverse much of the damage caused by the past two decades of sky-rocketing costs.

Fourth, government support for childcare is patchy. The amount of support that parents receive can fluctuate significantly with the number of children they have, how old their children are, how much the child's parents have earned recently, and what form of childcare parents use. This can be particularly difficult for founders who will have inconsistent schedules and incomes.

The government should treat the cost of childcare as a priority. There are a range of options available to them.

30 OECD. (2020, June). Is Childcare Affordable?

31 Department for Education. (2019, November, 7). Childcare and early years providers survey: 2019.

32 Written evidence from the Joseph Rowntree Foundation. (2018, September).

33 PACEY. (2016, September, 19). PACEY launches sector-wide survey for childcare professionals.



First, the government should provide consistent amounts of childcare support for working families. Our current system has perverse incentives built into it, as current childcare subsidies withdraw support for families who earn more money. This may seem sensible at a first glance but it has a number of unintended consequences. Women who found high-growth businesses often have partners who are also successful, meaning that they can receive little or no government support for childcare, despite themselves earning very little money.

Second, childcare tax credits can't be used on some of the more flexible forms of childcare — like babysitting apps. Meaning that the more flexible one's schedule is, the less government support you can claim.

There are questions about the level of subsidy offered, but it is important to address the childcare shortages too. In its current form, further levels of subsidy could just lead to further increasing prices. There are a range of options for addressing shortages, and some package of these reforms should be done alongside simplifications to benefits.

First, we should re-legalise informal childcare arrangements. People who are otherwise trusted with children, for example, other parents, teachers, doctors, nurses et cetera, should be allowed to be paid to take care of children in their own homes without further qualifications. Current legislation provides a complete exemption for childcare exclusively between 6pm–2am — the “baby-sitting exemption”. If family, friends without payment, and baby-sitters are exempt from Ofsted oversight, it is within the spirit of current legislation to expand exemptions further.

Second, we should make it simpler for people to run childcare businesses from a range of locations. People in social and private tenancies should be, by default, allowed to run childminding businesses from their homes. Landlords are often unsure about whether childminding from rental property is allowed because commercial activity is usually prohibited in rental property but this does not make sense in the context of childminding which is meant to be done in a child or childminder's home. The requirement for planning permission for nurseries should be scrapped. For zoning purposes, nurseries count as commercial use of property, which means that assuming certain safety, food hygiene, and outdoor space requirements are met, offices and shops can be used as nurseries. However, potential nursery schools need to apply for planning permission to run from homes, community buildings, and educational facilities which are all different use classes from nurseries. We allow children to live in homes and allow free creches to run from village halls and churches. Ofsted already lays out what a building needs to have to be a nursery. There is no additional need for the planning system, which is often slow and tedious to deal with, to provide extra oversight. Therefore nurseries should be allowed to run in class D2 (assembly and leisure) and class F1 (educational facility).

Third, we should harmonise our ratios to levels so that they are in line with the standards in the rest of Europe.

Fourth, more can be done to create wrap-around childcare options for school-aged children. Primary schools often finish as early as 2pm, which is difficult for working parents to structure their schedules around. As the children are already in school, it may make sense for the government to move towards creating on-site afterschool and breakfast clubs for children whose parents work.

59%

OF OUR FOUNDERS BELIEVE THAT YOUNG WOMEN NOW HAVE GOOD ROLE MODELS IN BUSINESS TO LOOK TO.

66%

OF OUR FOUNDERS BELIEVE THAT THEY PERSONALLY HAD GOOD ROLE MODELS TO LOOK TO.

54%

OF OUR FOUNDERS BELIEVE THAT THE MEDIA POSITIVELY PORTRAYS FEMALE FOUNDERS.

ROLE MODELS, CULTURE, AND MEDIA

Questions about the media and role models are very divisive. Slightly over half (54%) of our founders believe that the media positively portrays female founders and 59% feel that young women now have good role models in business to look to.

While only 59% of our founders believe that young women now have good role models in business to look to, a further 66% believe that they personally had good role models to look to.

“I looked to founders in FMCG (fast-moving consumer goods) to inspire me, like Cassandra Stavrou MBE and Pip Murray.”

Lucy Busk — Co-Founder, Nice Drinks

Gender aside, entrepreneurship is a rare thing to do. Throughout the world, most people never start a business. The UK, where about 12% of people have participated in some early-stage entrepreneurial activity and 6% are established business owners, has average levels of entrepreneurship for the OECD.³⁴ But we shouldn't content ourselves with average. Countries that are otherwise similar to us, like the USA, Canada, and the Netherlands, are more entrepreneurial.

In Canada, about 20% of people have participated in some form of entrepreneurial activity and 9% are established business owners. If we were more like Canada in this way, we would have over a million more established businesses and a further two million new business ideas being experimented with. That would mean a much more dynamic economy.

Some of our founders believe that the culture in the UK is less conducive to entrepreneurship and that women, because they are more sensitive to what is expected of them, are therefore held back more.

It seems that natural-born entrepreneurs are few and far between. Entrepreneurs are made, not born, and they need to be inspired to start a business. The children of entrepreneurs are more likely to start businesses, but this does not seem to be for genetic reasons. Children whose biological parents are entrepreneurs, but were adopted by entrepreneurs are half as likely to start a business as children whose biological parents are non-entrepreneurs, but are then adopted by entrepreneurs.³⁵ Similarly, people who work with,³⁶ or live in the same neighbourhoods as entrepreneurs are more likely to become entrepreneurs too.³⁷

“Beth Blood, the founder of the Edge Foundation inspired me to think beyond my aspirations as an individual and put impact first.”

Maryam Meddin — CEO & Founder, The Soke

34 Global Entrepreneurship Monitor. (2021). 2020/2021 Global Report.

35 Lindquist, J, M et al. (2015). Why Do Entrepreneurial Parents Have Entrepreneurial Children?

36 Nanda, R et al. (2010). Workplace Peers and Entrepreneurship.

37 Giannetti, M. (2009, July, 23.) Social Interactions and Entrepreneurial Activity.

“In America starting your own business is treated like it is nothing out of the ordinary. But here, when I quit my safe job at the Treasury, my friends and family were shocked.”

Rachel Mumford - COO & Co-Founder - Anima

It seems that the degree to which entrepreneurship can be spread from person to person depends on how similar one is to the entrepreneur inspiring them. A person is much more likely to “catch” entrepreneurship from someone if they are the same gender, from the same place, both parents or both not parents, a similar age, or if they have a similar education background. If to believe that you could successfully start a business you need to see someone else make a success of it, it follows that that person should be relatable in some way.

“My grandfather is my main role model, he was an immigrant and started his own business.”

Dr Sarah Malter — Founder, Made.Simplr

Girls appear to be more susceptible to this effect than boys. Boys can see successful male entrepreneurs in the news all the time; Sir Alan Sugar and Mark Zuckerberg are household names. Whereas the most famous female entrepreneurs are people who are often not famous for their entrepreneurship, like Oprah Winfrey or Kylie Jenner, or they are famous scam artists like Elizabeth Holmes. This is not to say that prominent female entrepreneurs don't exist, but Whitney Wolfe Herd and Sara Blakely are less famous than Jeff Bezos or Bill Gates. In fact, four out of five teenage girls can't name any female entrepreneurs at all.³⁸ So if a boy sees his aunt start a business, he is likely to see that as an example of something that he can do because his relative has done it. But if a girl sees her uncle start a business, her subconscious may automatically register that as another example of entrepreneurship being something that men do and therefore it doesn't have the same inspiring power that it would hold for a boy.



This question shows up in the adoption study mentioned above. The ungendered data tells the simple story that children adopted by entrepreneurs are more likely to pursue entrepreneurship. Digging deeper it shows that girls are only more likely to become entrepreneurs if their adopted mother was an entrepreneur. If her father was an entrepreneur it made no difference. For boys, it made no difference if it was their mother or father.

This means there is a negative feedback loop. Men can be inspired to start a business by anyone and are therefore more likely to start businesses. But the research suggests that women are more likely to be inspired by women, and are therefore much less likely to be inspired to start businesses – meaning the lack of female entrepreneurs leads to fewer female entrepreneurs.

“I think that children who are brought up by working mothers have more gender egalitarian ideas. I have daughters in their thirties and they both run their own businesses too. One of them, when she was growing up, said that she wanted to be a chef. The school told her to go to university, but I encouraged her to do whatever she wanted. And now she runs a successful bakery.”

Giovanna Forte — Founder & CEO, Forte Limited

38 Santander. (2020). Eight in ten young people can't name one female entrepreneur.

CASE STUDY

**DOMINIKA MINAROVIC
& ELSIE RUTTERFORD**

Co-Founders, BYBI

Sector: Beauty

Started



Employs



Dominika Minarovic and Elsie Rutterford are the co-founders of Bybi, an ethical beauty brand. Before Bybi they ran Clean Beauty Advisors which was a skincare brand, closely aligned with wellness culture, veganism and clean eating. They also wrote a book called Clean Beauty, a recipe book for natural, non-toxic beauty products.



"Bybi was the clear result of what we were doing. We were in the exact right place to start an ethical beauty brand." says Dominka.

Elsie agreed. "As consumers we were looking for more ethical products but we couldn't find anything in the mainstream that did what we wanted."

They both have strong views on how the media portrays female founders. "The fact that we are both women often poses itself as a PR opportunity. But the story that gets penned could do with work. The stereotype of a female founder is quite cliched. There are only so many stories that get told about women in positions of power. There are only so many things you get to be." says Elsie.

"Female CEOs are described as brash. Rather than ambitious they are described as aggressive. The traits that we value in entrepreneurs are thought of as negative when women have them." says Dominka.

"You see this with Emily Weiss of Glossier." says Elsie. "She was once the darling of the beauty industry and now she's left people are thrilled. The narrative is about how she's failed, but actually she's successfully exited a business and passed it onto another woman. You see this with tech companies too, like Bumble, there's this whole narrative about drama and bitchiness that surrounds female CEOs. You never see this with male CEOs."

She continues. "The whole girlboss thing is just awful. I hate all these new words like mumpreneur or SheEO."

"You don't need to gender specify" agrees Dominka. "An entrepreneur is an entrepreneur."

They worry that the environment can be disheartening for female entrepreneurs.

CASE STUDY

HANNAH PHILP

CEO & Co-Founder, ARC Club

Sector: Commercial Real Estate

Started



Employs



ARC Club provides work spaces in residential neighbourhoods, allowing people to have work–life separation while still saving them from the long commutes that were common in the pre–COVID era.

"I had already been operating community networks in London on a volunteer basis. The biggest network I ran focused on gender equality in the UK. I found that lots of people were involved because they valued the community that we had built but we struggled to find shared, public spaces to convene. I decided to leave my job in financial services with the mission to repurpose spaces so that they were more pro–community — and that's where ARC club came from."

Fundamentally, Hannah wanted to do something that she found meaningful. "I did think about starting a non–profit. But I wanted to take advantage of the discipline that come from business and capitalism. It means that my work has to be self–sustaining and ultimately is more sustainable."

Hannah believes that she had good role models before starting ARC club and that this was very helpful. "Just knowing someone who is a few years ahead of you in business is completely invaluable — especially if they are willing to be honest with you about the things that have gone wrong for them."

When she was first starting out, she was introduced to a woman who does impact investing. She became the unofficial chairman of the company and Hannah says that her positivity and faith

in Hannah and her business gives Hannah a stronger push to succeed. "It's my job to deliver and make sure that her faith is well–placed."

In the media and public life, Hannah has more role models. But, she doesn't think she needs to have lots in common with people to consider them role models. "We're all people after all. I look to plenty of people outside of business. I have friends with all kinds of different careers — academics, barristers, artists — and they can be more inspiring to me than business people. And, though it is helpful to see women do well, I don't need someone to be a woman to be a role model to me. I have a lot of male mentors who have helped me over the years."

She uses one of her early investors as an example, a man who founded, grew and successfully exited a business years ago. He is someone she calls when she's worried about her business.

But she adds "One of the big things I've learned is that, ultimately, it is my company and I am the one who knows all the details and is responsible. So while I take plenty of advice and look to lots of people as role models, the final decision lies with me."

CASE STUDY

ALISON ETTRIDGE

CEO, Stratigens

Sector: Software

Started



Employs



When Alison tells the story of why she started Stratigens, she doesn't start with a vision. Instead, she starts with her journey out of corporate life. One day, she decided that she was fed up with balancing corporate life as a CEO and with raising a young child. So, she handed in her notice and started to plan her next venture.

Having made her decision, she set out to have 100 coffees with 100 people. It was during Coffee 78 that she knew she was going to launch Stratigens — decision intelligence software that gathers data on the skills, roles, companies and people in the workforce. Stratigens, combines this information with socio-economic data, anonymises and categorises it, and then provides businesses with insight to support decisions about where to grow, invest and expand.

"I was having coffee with the CEO of a pharmaceutical business, and they were talking about where they were building their new research facility. They named a site, which had been recommended by a strategy consultancy. I told them that that would put them an hour and a half from any university with the R&D talent they needed, and 40 minutes further away as a commute than their nearest competitor. They were going to be in a talent desert." Alison said, "They called me up after our coffee and told me that they'd pulled out."

"I saw a gap in the market and dove into it." She explains "There's a big talent challenge. We've shifted from people wanting jobs and working very hard to get them, to companies wanting people and desperately trying to hire them. The challenge has been intensified by the pandemic, globalisation of the workforce, fast paced digital transformation and by socio-political conflict."

Stratigens now works with some of the world's biggest brands helping them make radically smarter decisions about where to grow, how to target the right talent, and how to improve the diversity of workforces. Stratigens has scaled at more than 200% for the past two years in a nascent market, but the journey hasn't been all smooth running.

Alison thinks the UK's entrepreneurial and investor culture is too risk averse. "There's an attitude to risk that is different here for scaling software businesses. Fund managers are thinking about how to protect their fund and grow with sensible returns — not about how to grow it exponentially. When you combine that with the fact that women tend to be more honest and less ballsy, they end up being punished in the investment process for their honesty and compliance."

Alison told a story from her most recent funding round. One of the funds she visited asked for a scaled-back business plan that brings them to profitability sooner. So, she gave them a business plan that slowed down geographic expansion. The fund then responded with criticism saying "we think you sent that plan just because we were asking for it and not because you believed in it."

"When I tell that story to men, they say that I should have told them 'no' and stuck with the first plan. I think that's something that needs to be educated both ways. Women need to be bolder, and funds need to understand that women are more likely to respond to requests honestly."

"If you look at other countries where start-ups and scaleups are thriving, places like the US, Estonia, and Israel they have a completely different attitude to investment." She thinks there are things we can do to instil a more entrepreneurial culture in the UK. "SEIS and EIS are fantastic schemes. They are a really good reason to invest, and I didn't know about them when I was in corporate life. If I had known, I probably would have had a play. And at that point I don't think I would have made much money out of it, but I think I would have understood start-ups and risk better."



“The media tends to focus on glamorous women and their challenges operating in a man’s world — yawn. This is not always encouraging for the broad spectrum of women who could build businesses.”

Ann Kramer — CEO, The Electrospinning Company Ltd.

RECOMMENDATIONS



Recommendation to the media

The media should talk about female entrepreneurs the way they talk about male entrepreneurs

Many of the founders we spoke to talked about how, while female role models are becoming more visible, often very similar stories are told.

Women who are entrepreneurs are often talked about as women first and entrepreneurs second. Their motherhood, and whether they “have it all” features front and centre in articles that could focus more on what it’s like to be a founder.

Instead of condescending to female founders, or tearing them down, the media should treat them as entrepreneurs in their own right and discuss their business journey.



Recommendation to founders

Take control of your brand

Many of the founders we talked to said that the media presents a double-edged sword for female founders. On the one hand, the extra attention that female founders have been getting recently gives them an opportunity to promote their brands. But unfortunately, the stories written can be limiting and focus on the “female” half of female founder instead of the “founder” half.

Entrepreneurs engaging with the media should think clearly about what narrative they want to be created around them and what serves their brand best. With clear goals it will be easy to understand how best to take advantage of media opportunities and which opportunities should be turned down.

**“Men are leaders, we are bossy.
Men are forthright, we are shrill.”**

Professor Lorna Harries — CSO & Co-Founder, SENISCA

“Female entrepreneurship and success in business needs to be normalised, not highlighted as an amazing “against all odds” narrative in my opinion.”

Lucy Minton — COO & Co-Founder, Kitt Offices



Recommendation to government

The UK should foster a more entrepreneurial culture

Several of the founders we spoke to said that the UK has a less entrepreneurial culture than other places they have lived and worked. And while many of them have chosen to base their businesses here, there has been a note of longing for a less risk averse, more gung-ho culture.

America was brought up several times as founders compared America's valorisation of entrepreneurship and American investors' risk appetite to the UK's. Canada, Estonia, and Israel were all also mentioned as good examples and these are all countries with higher rates of entrepreneurship.

As Alison Ettridge suggested in the case study above, we could promote a better mainstream attitude towards investing if we promoted the Enterprise Investment Scheme (EIS) and Seed Enterprise Investment Scheme (SEIS) schemes. Both are tax reliefs for people who invest in early stage companies as an incentive for people to put their savings into young companies. Last year 1,660 businesses took advantage of SEIS raising £154m of investment and 1,370 businesses used EIS, raising £358m.³⁹ Currently EIS has a sunset clause. The previous government had an ambition to protect and expand EIS and SEIS.

To ensure the money goes to young companies, the schemes are capped. Under SEIS, companies can receive up to £150,000, and investors can put in amounts up to £100,000. Companies must also have been trading for less than 2 years, and have under £200,000 in assets.

But the success of the UK startup scene and inflation has rendered these amounts out of date. The average amount raised at seed stage is now £400,000 but many companies will raise exactly £150,000 — the capped amount — implying that if SEIS were higher, they would receive more investment.

The new government should protect both schemes and SEIS should be expanded to reflect the size of the UK startup ecosystem.

They should also be promoted more broadly so that regular people, who are interested in investing, know that they have this option. Wider use would plausibly see more investment in early-stage companies and could come with the added benefit of making more people aware of the startup ecosystem and could create enough familiarity for some that they go on to start their own companies.

“I left university to grow my business. People from the US thought that was cool, the culture over there tends to encourage entrepreneurship a lot more, whereas here there was always the undertone that I was just turning my back on my studies.”

Alejandra de Brunner — CEO & Founder, The Ethos Network

39 ONS (2022, May, 5.). Enterprise Investment Scheme, Seed Enterprise Investment Scheme and Social Investment Tax Relief statistics: 2022.

80% OF OUR FEMALE FOUNDERS BELIEVE THAT MALE ENTREPRENEURS HAVE ACCESS TO BETTER NETWORKS.

NETWORKS AND INFORMATION

Many of our female founders say that they prefer to have spaces dedicated to female entrepreneurs because women's networks give them something that they are missing in mixed or male-dominated networks.

However, there are lots of ways to build networks outside of women-only-spaces and it is important for founders to have good relationships with the men in their industry too.

Strong networks make it easier for founders to get introduced to possible investors, co-founders or hires. People in their network, especially those who are further along in their journey, can provide useful advice about the intricacies and complications that come with running a business.

“If you have a supportive network of women, when you're in business, that is invaluable. We all go through similar issues and help each other when things get tough.”

Tamara Lohan MBE – CEO & Founder, Mr & Mrs Smith

Networks are important for a number of reasons. They give founders a community of people who are going through the same issues, which is important as so many founders talk about how isolated they can feel.

“Entrepreneur First and their advice was invaluable to us.”

Sasha Haco – CEO & Co-Founder, Unitary

Half (51%) of our founders felt that they had access to detailed and accurate information about the things they needed to know. Those who felt they did have information received support from accelerators, Scottish Enterprise, trade associations and industry bodies, books, podcasts, or their university. But most relied on people they knew who they could turn to for advice.

“We were on an accelerator programme, which connected us with people and helped raise finance.”

Rosalie McMillan –
Founder, Smile Plastics





CASE STUDY

PENELOPE HOPE

Co-Founder, Rebel Energy

Sector: Renewable Energy Supply

Started



Employs



Penelope Hope is a co-founder of Rebel Energy, a company that was set up to tackle fuel poverty. “We want to help people understand their energy use better, reduce the amount that they’re using and reduce their costs.”

Penelope feels very passionate about increasing the number of women in entrepreneurship. “We are increasingly seeing, with the rise of socially-driven enterprises, the idea that for-profit companies can be a force for good.” She thinks that this is an environment that women should be able to excel in, provided some key barriers for women are overcome.

One of them being women’s access to networks. She believes that part of the reason that men and women have different networks is because men do business differently. “When we post a job description, more of the applications come from men even though they have fewer of the boxes ticked. Almost all of the people who send me cold CVs are men — I’ve only once received an email like that from a woman and we hired her as soon as our

business could afford it. It seems that men more often volunteer themselves for opportunities, regardless of whether they are the right fit.”

And this feeds through to entrepreneurs too. “The men in the sector not only connect with my male co-founder on a professional level, they’ll be looking to make friends with him too. They’ll ask for advice, connections, and job openings.”

Penelope wants to balance this as best she can. “When I’m speaking at a conference and I notice young women in the audience, I make a beeline for them afterwards so they can connect with me face-to-face. I preempt their nervousness or courtesy by making the first move. I think what they need is literal proximity to women who have been there and done it.”

With a combined 25 years' experience as a Tech Executive, Fortune 500 consultant, and a published anthropologist, Angelique Mohring launched GainX in 2012 to solve the most challenging problems executives deal with year-over-year – effectively managing change in complex organisations while delivering non-diluted ROI on their strategy.

GainX AI enables leaders to remove millions in hidden costs, predict risks to delivery, accelerate transformation strategies and drive greater performance and productivity. GainX gathers millions of data points to deliver unique insights, predictions and recommendations so that leaders can take faster, more accurate decisions.

Unlike some of the other entrepreneurs we've spoken to, Angelique thinks the UK is the best place to start a business. "I've lived in five countries and twenty six cities. The UK has better access to funding. It's a global hub and international by its very nature."

One thing that she thinks sets the UK apart is that, while men have access to better networks in general, in the UK the women are much better networked with each other. "I used to run a

group in Canada to empower women, but when I came to the UK I found that lots of these already existed – it was really ahead of the curve."

Similar to Penelope, Angelique believes that women are less likely to reach out for help from their networks. "I think women are always so keen to help and help and help. But reaching out and asking for something doesn't come naturally. Men don't hesitate to ask for help. They ask for resources, offices, a break, a network."

She thinks we need to encourage women to reach out to the people they know more. "For the time being, before culture changes, we should proactively reach out to the women in our networks, and offer them help."



CASE STUDY

ANGELIQUE MOHRING

CEO & Founder, GainX

Sector: AI

Started



Employs





CASE STUDY

KELLY MCCABE

CEO & Founder, Perci Health

Sector: Healthcare

Started



Employs



Kelly McCabe is the co-founder of Perci Health. Her background is in cancer care and she found that while they helped people during their cancer treatments, they often weren't effectively supported after their treatment. So she, and her co-founder started Perci Health which provides a platform of dieticians, physiotherapists, genetics counsellors and "basically any help that you might need after your cancer treatment."

Kelly says that while she has a developed network that spans men and women, medicine, tech and finance, she particularly loves networks of female founders. "There's a culture that is more likely to develop in female-heavy circles, which makes it easier to have these more open conversations. There's less

fear of failure, with the women that we speak to. We're not embarrassed about our mistakes — in fact, we're keen to share them so that people can learn. But in mixed networks people are only happy to talk about positive things. I find they are less willing to talk about the problems."

CASE STUDY

ZANDRA MOORE

CEO, Panintelligence

Sector: Software & Analytics

Started



Employs



Zandra Moore is a serial entrepreneur, and currently runs the company Panintelligence. Panintelligence is a data visualisation tool.

Zandra feels very passionately about making sure that women have networks that they can use. "When I first started out there were no spaces for women to talk about the gender agenda and the problems that they face. Mens' networks have been around for a long time. They have clubs, they dominate the loD, and they have the Masons."

She believes that men have a networking advantage. "From an early age they have been part of team sports — which I think brings them together and creates camaraderie that young women often don't have."

Because Zandra is an entrepreneur and a problem solver. She has fixed this issue in her local area.

"There were no girls football teams in the area so I set up a football team for women and girls and we now have 150 girls across the network. And for business, I set up Lean In Leeds, because we didn't have a women's network either."

She's set up additional networks that reach out to underrepresented groups in technology. "I've set up the Young Directors Network and the No-code Lab. It's all about finding people whose skills are being underutilised like women, retired people, ex-military, ex-offenders, young people, people without a software background, or anything else."

The reason Zandra has put so much effort into setting up these networks is that she believes it is important for people to be inspired by people who are like them. "It's human nature to see yourself in others, whether that's because of your gender, race, or age. So by the very nature of bringing people together who you have a lot in common with, you can build these bonds better, and then, for any kind of transaction, whether you are supporting each other in business or not, these transactions happen better too."

RECOMMENDATIONS



Recommendation to Government Promote Networks

Research suggests that regular meetings with other business founders can increase a business's revenue, profitability, and the quality of its management. As a result, networks are useful to all founders. But as female entrepreneurs start out with fewer entrepreneurs in their personal networks and are more likely to seek support from informal sources outside of their business, strong networks stand to benefit female founders more.⁴⁰

The government can play a role in supporting the formation of networks. When the government gives grants to businesses through Innovate UK or the Help to Grow: Management scheme, it should include a peer support component where possible. This could be done for free, as a good network should be self-sustaining.



Recommendation to founders Reach out

Many of the founders we interviewed feel that male entrepreneurs' confidence allows them to ask for more favours.

Female founders should have the confidence to be more proactive about asking for favours from their networks – after all, the male founders are already doing it.

“You have to be brave enough to ask questions. I didn't know much about finance but I was curious and brave enough to keep learning.”

Zeinab Ardeshir – CEO & Co-Founder, PillSorted

“You'd be surprised at how many people are willing to make an introduction for you when you ask.”

Dominka Minarovic – Co-Founder, BYBI



76%

OF THE FEMALE FOUNDERS WE POLLED SAID THAT THEY THOUGHT THERE WERE ADVANTAGES TO BEING A FEMALE FOUNDER



THE UPSIDE

Because we have been examining the barriers that female founders face, this report has been somewhat negative. However, it is worth noting that there are clear upsides to being a female founder. Three quarters (76%) of the female founders we polled said that they thought there were advantages to being a female founder.

Some of our founders, especially in heavily male-dominated sectors, are able to offer a much-needed insight into what their customers' needs are and therefore what they want. Women are entering and revolutionising already existing sectors, like sustainability, and they are also forging ahead and creating their own sectors, like FemTech and Clean Beauty.

“You get more PR. That’s usually helpful.”

Saascha Celestial-One — COO & Co-Founder, OLIO

Others find that people's desire to help female founders means that it is easier for them to get media. As a result they have an advantage over male founders when trying to build a brand.

They also feel like the extra sensitivity that women bring can give them better connections with people, bringing them a stronger network and better connections with their staff — making it easier for them to hire and retain talent.

One thing that all our founders seem to have in common, regardless of whether this is a product of their gender, is their resilience and fortitude. As founders of successful businesses, who are women, they have had a significant number of barriers to surmount.

“I speak for the beauty business only here, but I think there are significant advantages in understanding the importance of beauty to your customer which may give women the edge over men generally in our business because we know how to create an offering that appeals on an emotional level.”

Kate Shapland — Founder, Legology

“There is an advantage. I feel like there's less of a prototype for what I have to do. I don't have a dress code, for example. I don't have to fit a mould.”

Hannah Philp — CEO & Co-Founder, ARC Club



CASE STUDY

SARAH WELSH

Co-Founder, Hanx

Sector: Healthcare

Started



Employs



Sarah launched Hanx, with her co-founder Farah, in 2018.

Sarah's background is in medicine, gynaecology specifically. "I was seeing a lot of women facing barriers related to their sexual health — difficult to treat STIs and recurring thrush. There's little transparency about ingredients in sexual health products and the market was dominated by one big player. Durex owns over 80% of the market so knew I had to do something."

Sarah believes that being female founders gives her and Farah an edge over some of the competition. "We have a different view of the market — which for so long has been looked at through a man's perspective. Instead we're coming to VCs and trying to solve problems that are so common but they don't know exist."

CASE STUDY

APARAJITA ROY

Co-Founder, KornChain Ltd.

Sector: FinTech & Blockchain

Started



Employs



BTCUSD - 9203.20

22:48:45



Aparajita Roy is the co-founder of KornChain, a tech start-up in London. She started her career at the Central Bank of India where she kept coming up with ideas of things she wanted to do and realised that a start-up environment was more suited for her. Now at KornChain she works on business applications of blockchain.

Aparajita believes there are clear advantages to being a female founder. "Women, if given a fair chance, can bring very different perspectives to the table. KornChain has given me a platform to voice my ideas and bring them to effect. I find my ideas shape as our product, daily. That's a good start."

She also believes that there is now a visible effort put into promoting women-led businesses but how much of that translates to solving the challenges women face at workspace is questionable. As a founder of her Art brand 'by Woman', she feels there needs to be a shift in how people perceive women founders. "Women are often led towards micro-finance. Why can't we think of women aiming for richer connections, access to mature markets and bigger investments?"

Awareness is also important among women, she says. "I know of women who sell shawls and ceramic ware, and though at a micro level, they don't think of themselves as entrepreneurs but of course, they are!"

CASE STUDY

ALEXANDRA RICO-LLOYD

Co-Founder, Bike Club

Sector: Leisure & Sporting Goods

Started



Employs



Alexandra Rico Lloyd co-founded Bike Club with her husband. “We both loved cycling and the business was born out of that. The idea is simple, we loan kids bikes out to families that are swapped for larger bikes as the children grow.”

For the first year they were both working full time — dropping the bikes off in the morning and evenings, and then doing admin work at the weekend. “I never thought of it as difficult. For me it was fun.”

After 5 months of trading, it became a large enough operation that Alexandra quit her job and dedicated herself to Bike Club full time.

When musing about what makes her an entrepreneur, Alexandra thinks she learned a strong work ethic from her mother. “My mum is Colombian. When she was living in Colombia, they did

anything they could to get by. My grandfather would transport coffee and when he was done, she would sweep the floor of the lorry and sell the leftover coffee. In the UK she was always taking on extra jobs. She'd teach Spanish, sell things online, run stands at car boot sales and host international students in our home.”

“I have a lot of grit” Alexandra says “That’s what drove me in the early days and it’s what founders need to have. You can have lots of resources, good ideas, a great team, but that’s not enough. At the very start you need something extra.”

RECOMMENDATIONS



Recommendation to founders

Recognise your value

In a business landscape dominated by men, female founders are able to offer a different perspective. They can better connect with female customers and staff, bringing a better understanding of what they need. Depending on your character and the context of your business you may be able to notice underserved gaps in the market, retain employees, network better, and create a stronger brand.

While there are clearly some disadvantages to being a female founder, there are also distinct benefits. Female entrepreneurs should not shy away from this and should be confidently making this case to potential investors and collaborators.





79%

OF THE FOUNDERS WE SPOKE TO BELIEVE THAT FRAMING OF "FEMALE FOUNDERS" IS HELPFUL.

THE FRAMING

Currently, most believe that women-run businesses are faced with problems that they all face and that, due to having this shared struggle, it is helpful to talk about "female founders" as a group sometimes.

But even from those who are in favour of the framing, there is some hesitation. Most wish to be treated primarily as entrepreneurs, to not be thought of as separate from the men who start businesses. And some find that the label can be condescending.

"We have to address these challenges to help future generations."

Catherine Elton — CEO, Qkine

"We can only create equality when we recognise inequality."

Georgina Felce - COO & Co-Founder, Talewind



CASE STUDY

MARTYNA LEWINSKA

CTO & Co-Founder, Fiat Republic

Sector: FinTech

Started



Employs



Martyna Lewinska is the co-founder of Fiat Republic, a crypto platform. "Right now crypto companies don't have access to good banking services. We have built a compliance-first, fiat-as-a-service platform that democratises and delivers reliable fiat access for crypto platforms. Fiat Republic is Web2.5, we bridge Web2 and Web3. Making us the trusted entity at the intersection of banks, regulators and crypto platforms."

She feels like people have been talking about increasing the number of women in tech for a while and that change has been too slow. "People don't talk about male entrepreneurs, or engineers, or men in tech. Their default is male. So when you talk about female founders you draw attention to the 'female' part, when I want them to focus on the 'founder' part."

Martyna believes that the changes we need to make are deeper and more fundamental. "It goes back to how we are brought up. There is a reason women often assume that they are worse than they actually are. It's very visible when you are doing interviews and you see how people react and rate their own knowledge. We need to change that."

“You pull on one string and you find it is attached to everything. There’s no one thing you can do to solve every problem for female founders. The lack of female founders goes back to the fundamental question of how we frame gender roles in society.”

Anya Doherty – CEO & Founder, Foodsteps



CONCLUSION

The female founders that this report has focussed on are rare and extraordinary. Only about 1 in every 150,000 women in the UK have raised £1m in equity funding (in contrast to about 1 in every 2000 men). And due to the generosity of these founders, and their commitment to helping other female entrepreneurs out, about 3% of them spoke to us to compile this report.

From this we have learned that women who found high-growth businesses are incredibly well educated – though we have a few examples of female founders who have created exceptional businesses without going to university – Julie Lingard, Kate Shapland, and Alexandra Rico-Lloyd said they did not even have A levels. When compared with the general population, they are more than twice as likely to have a degree and they are more than 10 times as likely to have a postgraduate degree. Many of them have studied at and spun research out of the world’s best universities and lots of them say that their universities supported them. And while women are usually underrepresented in STEM, over a third have a STEM degree.

They are all incredibly determined and tenacious. When asked about what the secret to their success is, they invariably answered that they were hard-working, determined, and filled with “get up and go”.

Despite the fact that these women are exceptional, it is therefore noteworthy that many of them face the same issues that all women who wish to have careers face.

While they are less likely than the average British woman to do the majority of the housework, the founders in the sample who have children are still more likely to say they take on the

majority of the housework instead of splitting it equally. This issue is made worse by the fact that the UK has the highest childcare costs in the OECD, making it more difficult for parents to outsource the extra source of work.

“I don’t know if it’s something you are born with, or something we can teach to the next generation but I wouldn’t be able to do it without my tenacity.”

Jo Halliday – CEO & Founder, Talking Medicines

It is no surprise then, that these women who are ambitious about their careers, are less likely than other British women to have children. While for many of them, this will be because they prefer to be childless for lifestyle reasons – several founders did say that the cost of childcare, and the extra work it brings is their reason for not having children. One female founder said, anonymously, that she wanted to have a baby but was concerned that she would not be able to take the time away from her business. Another said that she knew female founders who had quit because it was tearing their families apart.

And another said that she and her husband had sold their flat so they could afford to have children and keep working – because of their nursery costs, as a family they were making a loss.

The funding gap continues to exist, and it appears to be perpetuated by biases that investors hold. Founders talked about how potential investors asked them deeply personal questions about family planning, how entrepreneurs' husbands felt about them running businesses, and two husband-and-wife founding teams were subjected to investors joking about them getting divorced. On top of that, women are ignored in investor meetings and are assumed to be junior members of staff who are just “tagging along” to the meeting. There appears to still be an erroneous belief, in much of the business world, that women are less intelligent, less capable, and therefore less worthy of investment and respect than their male counterparts.

There is a lot of interest in changing the industry. Lots of overt sexism, that would have been common-place decades ago, is now known to be inappropriate. Many passionate people are dedicating their careers and attention to the issue of diversity in business. People are founding specialist accelerators, lean in groups, and support networks to connect and lift up female entrepreneurs. And women have many advantages in the business world. They find it easier to stand out, to get media attention, and to provide extra insight and compassion to the work they do.

If, as a society, we want women to have equal access to fulfilling careers, then there are fundamental changes we need to make.

We need better role models in the media to show women having successful careers in STEM and taking on leadership roles. We need men to take on a fairer share of housework and we need childcare to be cheaper and easier to access for British women. Networks need to be more open, and women need the confidence to ask for advice, introductions, and help when they need it.

Without these changes we will continue to be a poorer and less equal country.



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