

Women Entrepreneurs

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Women in business. Fifty years ago who would have ever thought that they would become a major impact in the business world as they have today. However; according to The Center for Women's Business Research, with the present rate of growth there will be 6.2 Million women-owned firms in 2002. Of those, 112,712 firms will have revenues of \$1 million or more and there will be 8,480 with 100 or more employees. Yes, that is quite an impact. But has it gotten any easier in what appears to be a male dominated business world?

A new study that has been conducted in the world of venture investing paints a bleak picture. It reports that women entrepreneurs who are trying to gather capital to bankroll their businesses face a tough time in doing so. The reason for that is a result of old paradigm thinking and misperceptions about women owned businesses. The investment world considers them to be a high risk. Once again, studies by the Center for Women's Business Research points out that those fears are groundless and that quite the opposite is true.

Over the past 10 years, it has been the finding of the Center's research that when the economy seemed to be in crisis and even during the conflict of Desert Storm, women-owned businesses continued to grow and remained stable. They were still employing millions of Americans. The study also revealed that the management style of women are well suited to leadership during those times of national crisis.

A study, "Removing the Boundaries: The Continued Progress and Achievement of Women-Owned Enterprises" was conducted, taking an in-depth look at the characteristics of women-owned firms in the United States between December 1997 and December 2000. The research focused on the growth and financial strength of those businesses and was underwritten by Wachovia Corporation and conducted in cooperation with Dunn and Bradstreet. The study documented that women-owned businesses are just as financially robust and creditworthy as any other businesses, regardless of size.

Nina McLemore, Chair of the Center for Women's Business Research and President of Regent Capital stated that "Women-owned businesses are exhibiting a tremendous momentum in growth and are expanding rapidly as a percent of the U.S. business economy." Ms. McLemore continued on saying that, "The number of all women-owned firms have been increasing from one-and-a-half to two times the rate of the national economy for the past decade. The growth rate is even stronger amongst the largest businesses owned by women. The number of women-owned firms with 500 or more employees is expanding nine times as fast as all women-owned businesses and the number of firms with more than \$10 million in revenues grew at more than 2.5 times the rate for all women-owned businesses."

John Guy, Small Business Segment Executive for Wachovia stated, “There are no differences between the scores registered by women-owned firms and the scores of the average U.S. firm in three key measures – bill payment, financial stress and overall creditworthiness. On a five-point scale of financial stress, the vast majority of women-owned and all firms are at the low end of the scale, with 74.3% of women-owned and 70.6% of all firms under very low levels of financial stress. In addition, when assessing overall creditworthiness, 65.7% of women-owned firms have a low to moderate credit risk rating, compared to 62.9% of all firms.”

“Women-owned businesses continue to alter the business landscape, crossing all traditional boundaries and fueling the U.S. economy in unprecedented ways,” said Ron Wesson, Senior Vice President for Minority- and Women-Owned Business Solutions for Dunn and Bradstreet. “New information now available in our database shows that women are having an impact in all facets of business – ranging from publicly-traded enterprises to home-based businesses. This is the second time we have partnered with the Center on such an extensive analysis, and each study has demonstrated the strength and growth of women-owned businesses.”

So what does this mean? It means that women-owned businesses are just as financially healthy and creditworthy as any other business out there. You can feel secure investing and doing business with the business women of today.

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