



EXPANDING THE ROLE OF WOMEN-OWNED BUSINESSES IN THE U.S.

HEINZ COLLEGE SYSTEMS SYNTHESIS | FALL 2013

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Executive Summary

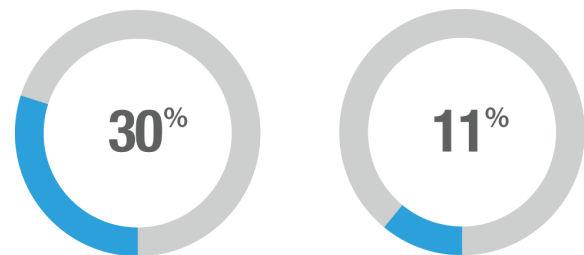
Dr. Linda C. Babcock established the Program for Research and Outreach on Gender Equity in Society (PROGRESS), housed at Carnegie Mellon University, in 2006 to teach women and girls the value of negotiation. Our team was asked by PROGRESS to provide research and develop a program or tool to help a specific segment of women-owned businesses. As a result of initial research, we narrowed our problem statement to focus on improving access to capital for women entrepreneurs. We then divided the task into two parts: a review of relevant, evidence-based research and benchmarking the work other pre-existing organizations are doing to remedy the issue.

The team's literature review first focused on the landscape of women-owned businesses. Both women-owned and women-led businesses underperform businesses owned or operated by men in terms of revenue. In the U.S., women own approximately 30 percent of all privately held firms, yet women-owned businesses capture only 11 percent of all receipts.¹ Existing data reveals that women-owned businesses tend to concentrate in lower-receipt industries.² In the high-tech industry, for example, most of the women-owned firms concentrate in the service sector (health care, social assistance, educational and retail trade service sectors). A critical problem is that gender stereotypes deter women from entering certain fields of education or work.

Within this landscape, female business owners face a number of challenges. First, many women-owned and -led businesses struggle to obtain venture capital and private equity investments, in part because the networks of private equity investors are typically a homogenous group. This contributes to women's choices to enter certain industries, as well as the more prominent

disparity between women- and men-owned businesses at the highest revenue levels. Second, women often have more complex goals than men when starting a business, which may detract from economic performance or growth. Third, a key challenge women face in negotiating entrepreneurial upward mobility is the lack of mentors and sponsors willing to leverage their influence to propel women into leadership positions.

IN THE U.S., APPROXIMATELY 30 PERCENT OF ALL PRIVATELY HELD FIRMS ARE OWNED BY WOMEN, YET WOMEN-OWNED BUSINESSES CAPTURE ONLY 11 PERCENT OF ALL RECEIPTS.



In addition to our literature review, the team looked at organizations striving to improve access to capital for women entrepreneurs including Astia, Springboard Enterprises, and Golden Seeds, among others. These organizations take varied approaches to achieving the ultimate goal of increasing the role of women in business, but share commonalities in their missions and the overarching types of resources they offer. Some of their methods include providing online courses or trainings; providing greater access to networking and training opportunities; promoting mentorship and/or sponsorship; and providing venture capital.

Our research indicated a lack of resources focused on effectively using negotiation strategies to gain access to capital. Therefore, for our final deliverable, we

interviewed women who used negotiation strategies to successfully obtain funding for their business. We created a “Negotiation Tools” landing page for PROGRESS’s website, which includes profiles of the women entrepreneurs/lenders we interviewed and cross-references our research. Our deliverable also includes a full analysis of the problem as well as recommendations and conclusions.

As a result of our research and interviews, we recommend that aspiring female entrepreneurs should be encouraged to participate in incubator/accelerator programs, particularly those that provide direct access to investors through activities like “demo days.” Furthermore, while women-to-women support

and networking is valuable, it is important that incubators and other support organizations also provide opportunities for men and women to work together and establish professional relationships.

In conclusion, a number of external barriers exist for women entrepreneurs, including gender stereotypes and a typically homogeneous network of private equity investors. A number of organizations, however, are striving to improve access to capital for women entrepreneurs. Women should take advantage of the opportunities that these organizations provide, develop a strong network of peers, mentors, and sponsors, and employ evidence-based negotiation strategies to continue to grow their businesses.



PART I: INTRODUCTION

Introduction

Project Objective

Our team was asked by PROGRESS to provide research and develop a program or tool to help a specific segment of women-owned businesses. The team focused on negotiation strategies for improving women entrepreneurs' access to capital.

Advisory Board

The team benefitted from the expertise of the following professionals:

- **Erin Andrews**, U.S. Small Business Administration
- **Linda Babcock**, Founder, PROGRESS
- **Yvonne Campos**, CEO, Campos Inc.
- **Babs Carryer**, President, Carryer Consulting
- **Stephanie Dangel**, Executive Director, University of Pittsburgh School of Law's Innovation Practice Institute

- **Rebecca Harris**, Director, Chatham University's Center for Women's Entrepreneurship
- **Ayana Ledford**, Executive Director, PROGRESS
- **Justin Sosne**, Senior Policy Advisor, Office of Global Women's Issues, U.S. Department of State

Project Methodology

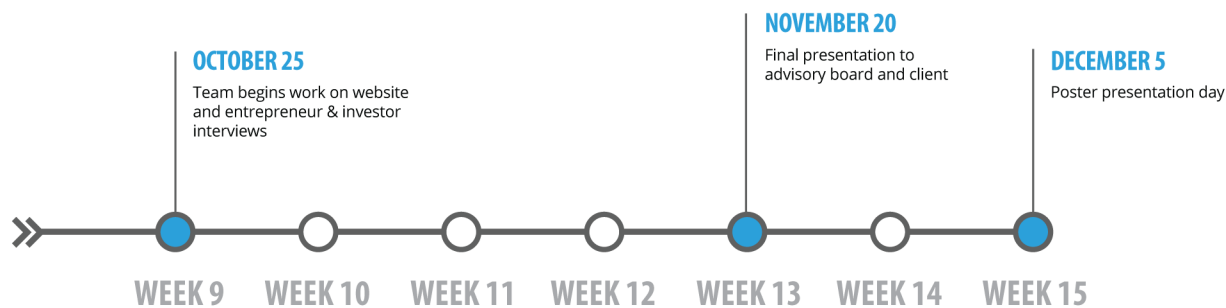
Our Systems Synthesis team began work on our project on August 26, 2013. The original client, the U.S. Small Business Administration (SBA) presented the team with the following problem statement: "Women own 30 percent of businesses, but only capture 11 percent of receipts." The SBA asked us to develop an online course to address this issue. The team narrowed the focus from the broad issue of revenue disparity to access to capital. We developed the following goal statement: "One of the biggest issues facing women business owners is access to capital. We will develop a working product focused on financing and negotiation strategies for improving access to capital, especially at the early stages of owning a business." Using this problem statement and goal statement, we divided the task into two parts: a review of relevant, evidence-based research and benchmarking the work of other pre-existing organizations.

Figure 1: Project Timeline



Continued on page 4

Figure 1 Continued



In late September 2013, due to legal issues, the team changed clients from the SBA to PROGRESS. As a result, we shifted our focus to negotiating strategies for improving access to capital. On October 9, 2013, our team presented its findings and proposed deliverable to the client and advisory board. We recommended an online tool to assist early stage women entrepreneurs in making informed choices for their businesses and knowing where to access resources.

Following our mid-term presentation, we altered our deliverable based on the advice of our advisory board.

Our research indicated a lack of resources focused on effectively using negotiation strategies to gain access to capital. Therefore, for our final deliverable, we interviewed women who used negotiation strategies to successfully obtain funding for their business. We created a “Negotiation Tools” landing page for PROGRESS’s website, which includes profiles of the ten women entrepreneurs/lenders we interviewed and cross-references our research.



PART II: RESEARCH FINDINGS

The Landscape of Women-Owned Business

Distribution of Women-Owned Firms

The overall economic impact of women-owned businesses is limited in part by the fact that many of these firms are concentrated in industries that have lower levels of revenue on average. Data from the National Women's Business Council (NWBC) reveals that men-owned businesses outnumber women-owned businesses in four out of five of the highest-receipt industries (including wholesale trade, manufacturing, mining and management of companies and enterprises).³ The only exception is the retail trade industry, in which women-owned businesses slightly outnumber those owned by men.⁴

The underrepresentation of women in high- and middle-receipt industries is often significant. For example, men-owned businesses outnumber women-owned businesses by nearly two to one in mining, management, and agricultural support, and by nearly three to one in the particularly male-dominated construction industry (see Figure 2).⁵

In contrast, the industries with high representations of women are the five lowest-earning industries by measures of median revenue per business. According to the NWBC, "some of the macro level gaps in business performance, most notably revenues, may be the result of these structural choices to enter certain industries, rather than the performance of individual firms."⁶

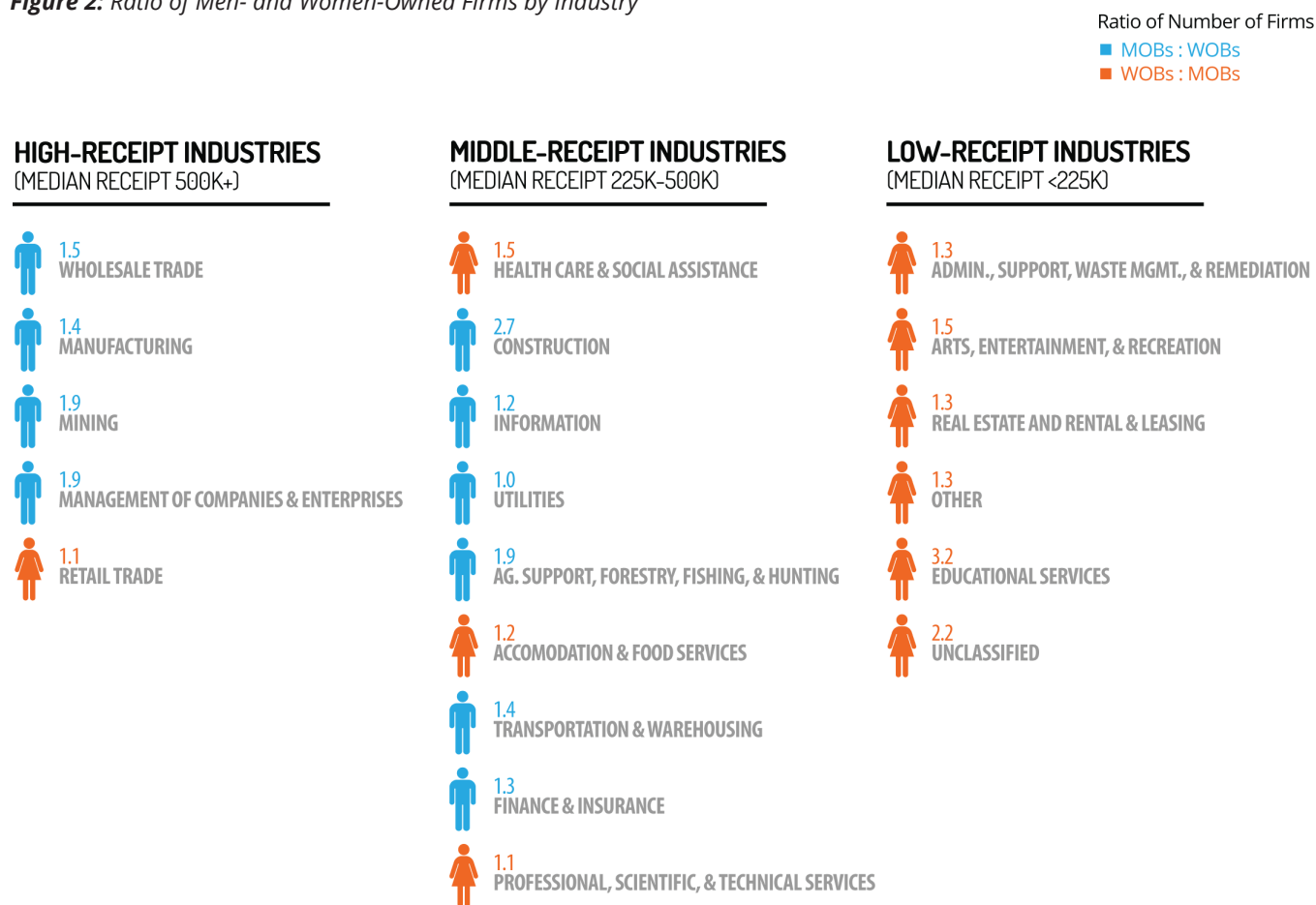
Increased Presence in High-Receipt & Male-Dominated Industries

Despite the disproportionate presence of women-owned businesses in low-receipt industries – such as arts and entertainment, real estate, and educational services – the perception that women *prefer* to enter these industries is not supported by the data. The NWBC found that nearly 40 percent of all women-owned businesses are in high-receipt industries, compared to approximately 15 percent in low-receipt industries.⁷ In fact, nearly 60 percent of all women-owned businesses are in the top seven highest receipt industries, while the industry with the highest ratio of women-owned to men-owned businesses – educational services – only accounts for 0.7 percent of all women-owned businesses (see Figure 3).⁸

ACCORDING TO THE NWBC, "SOME OF THE MACRO LEVEL GAPS IN BUSINESS PERFORMANCE, MOST NOTABLY REVENUES, MAY BE THE RESULT OF [WOMEN'S] CHOICES TO ENTER CERTAIN INDUSTRIES, RATHER THAN THE PERFORMANCE OF INDIVIDUAL FIRMS."

The 2013 State of Women-Owned Businesses Report, commissioned by American Express OPEN, shows a much more even distribution of women-owned businesses across all industries. The report reveals that in all but a few industries, women-owned firms are "close to or exceeding their overall 29 percent share of the business population."⁹ Both data sets represent a trend of female business owners increasingly pursuing entrepreneurial ventures in traditionally male-dominated industries.

Figure 2: Ratio of Men- and Women-Owned Firms by Industry



Adapted from: National Women's Business Council. (2012). *Women In Business: 2007-2010 Infographic*.

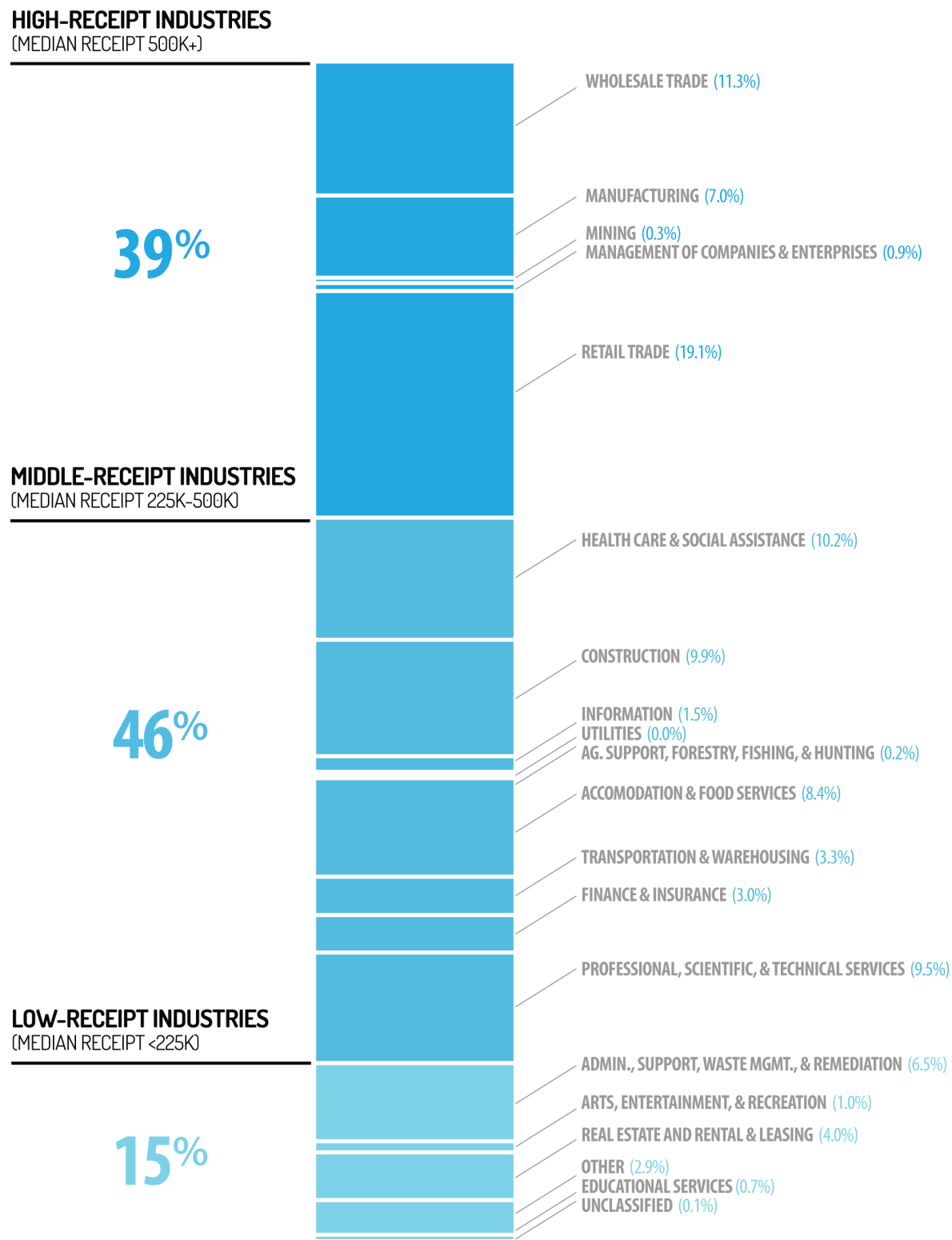
Female entrepreneurs are also making progress in terms of revenue growth. Another report commissioned by American Express OPEN, *Growing under the Radar: An Exploration of the Achievements of Million-Dollar Women-Owned Firms*, indicates that the number of women-owned firms earning \$10 million or more in annual revenues has increased by more than 56 percent in the past decade. This is nearly twice the growth rate of all women-owned firms.¹⁰

The Revenue Disparity

Differences in industry distribution between men- and women-owned firms does not entirely account for the gap in business revenues. While both the NWBC and American Express OPEN reports indicate a positive

trend toward more equitable representation of women across all industries, the data also shows that men-owned businesses regularly earn higher revenues on average across all industries, including those “dominated” by women. Even in industries with the highest representations of women, such as health care and educational services, the percentage of men-owned businesses earning over \$1 million in revenues is about twice that of women-owned businesses.¹¹ Although their growth rate exceeds the national average, women-owned businesses remain smaller than their peers. The typical woman-owned firm has average annual revenues of just under \$155,000, compared to the typical privately held business, which generates average annual revenues of just over \$400,000.¹²

Figure 3: Industry Distribution of Women-Owned Businesses



Adapted from: National Women's Business Council. (2012). *Women In Business: 2007-2010 Infographic*.

‘Growing Pains’ Among Women-Owned Firms

In the *2013 State of Women-Owned Businesses Report*, researchers from Womenable examined the growth in number, employment and revenues of women-owned firms along the full spectrum of business size. They found that women-owned firms matched or exceeded the growth rates of their peers in most business size classes.¹³ However, revenue and employment growth falls off pace at two points along the spectrum: the 5-9 employee/\$250,000–499,999 revenue mark and the 100-employee/million-dollar mark.¹⁴

MEN-OWNED BUSINESSES REGULARLY EARN HIGHER REVENUES ON AVERAGE ACROSS ALL INDUSTRIES, INCLUDING THOSE “DOMINATED” BY WOMEN.

Although the number of women-owned firms is growing at a rate of one and a half times the national average, only 2 percent have reached the million-dollar threshold compared to 5 percent of all firms.¹⁵ Beyond this point, the market is dominated by large, publicly traded corporations, while the women-owned firm population contains mainly privately owned firms, even among the largest women-owned firms.¹⁶

Revenue and employment growth is particularly low among women-owned firms at the 5-9 employee and \$250,000–499,999 revenue mark.¹⁷ According to Womenable, this gender gap indicates that “women-owned firms are more likely than other firms of similar size to be experiencing employment growth pains at this stage of business development.”¹⁸ At this stage, when entrepreneurs are transitioning to the role of CEO – hiring senior managers, delegating day-to-day responsibilities and building management systems – women business owners would likely benefit from additional education, mentoring and peer support.¹⁹

The Unmeasured Impact of Women-Led Firms

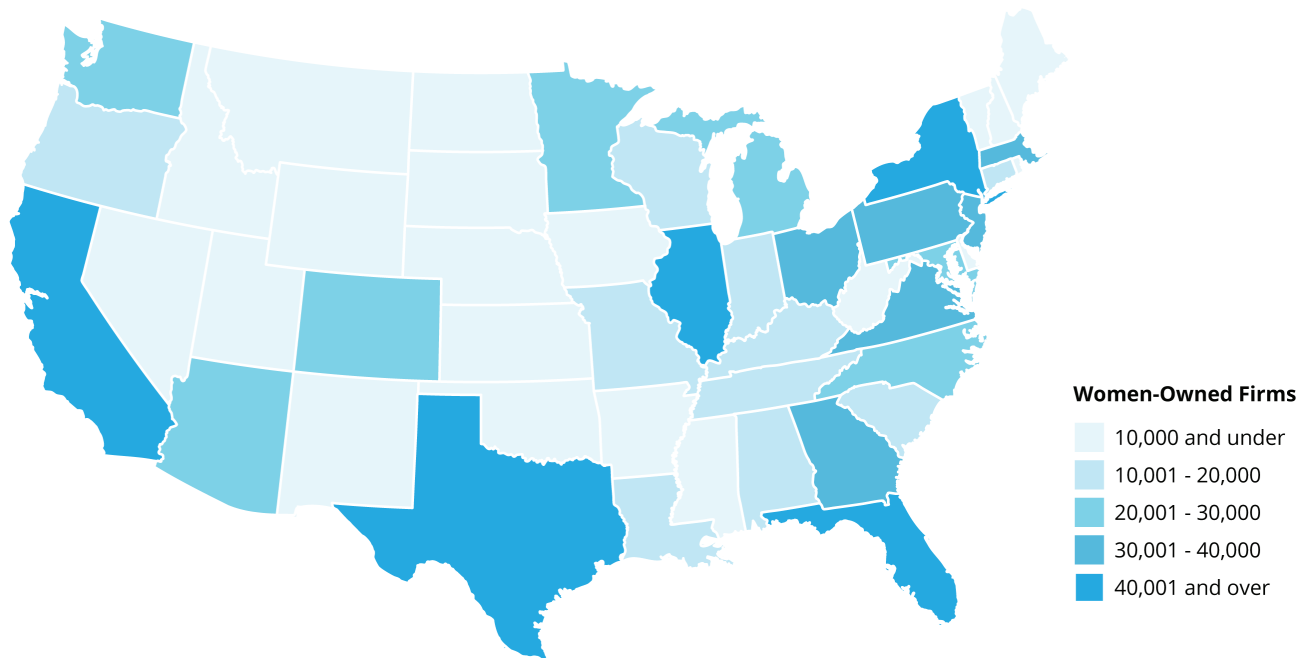
To qualify as “women-owned” by government procurement standards, a firm must be at least 51 percent owned by a woman. Researchers have traditionally used this standard to quantify women’s entrepreneurial activities. However, as female business owners obtain outside equity investments, many successful businesses founded and led by women are “growing past” the 51 percent definition. The success and economic impact of many multi-million and billion dollar businesses in which women have a leadership role is discounted when we focus on this limited definition, which may partially account for the apparent lack of growth of women-owned firms at the highest revenue levels.²⁰ Another limitation of the 51 percent ownership criteria is that it may be discouraging women entrepreneurs from seeking outside equity investment beyond this level, in order to avoid losing the benefits that accompany the “women-owned” designation.²¹

In brief, the NWBC argues that a *women-led* standard would provide a more accurate measure of women’s entrepreneurial impact, and has spearheaded efforts to identify and account for the economic contributions of this previously unmeasured segment.

Underrepresentation of Women in the Technology Industry

Over the last two decades, the technology industry has rapidly expanded and gained increasing importance as one of the drivers of economic growth in the United States. However, even though the demand for workers specializing in science, technology, engineering and math has increased, female participation in the technology industry remains low. Accordingly, there are fewer women-owned than men-owned technology businesses.²² Moreover, women-owned businesses are less profitable than men-owned businesses in the

Figure 4: Women-Owned Businesses in Professional, Scientific, and Technical Services



Source: Census Bureau, Survey of Business Owners 2007

technology industry, and they are usually concentrated in areas or states that are already prepared to provide opportunities in a way that is more equitable among genders, such as California, Texas, and New York (see Figure 4).²³

EVEN THOUGH THE DEMAND FOR WORKERS SPECIALIZING IN SCIENCE, TECHNOLOGY, ENGINEERING AND MATH HAS INCREASED, FEMALE PARTICIPATION IN THE TECHNOLOGY INDUSTRY REMAINS LOW.

Furthermore, low profitability of women-owned businesses in the technology industry can be explained by analyzing the sectors that comprise it. According to Mayer, even if women are increasing their participation in male dominated spheres like technology, they tend to own “female-type” companies.²⁴ Mayer introduced this concept after conducting a sector analysis across industries, demonstrating that women concentrate their activities in service sectors. In this sense, women own companies that provide healthcare, social assistance,

education and retail trade services regardless of the industry and this pattern is consistent over time and in different areas.

In San Francisco-Silicon Valley, Boston, Portland and Washington, D.C.—the most prominent technology hubs in the United States—women owned more than 90 percent of the high-tech businesses in the service sector.²⁵ Nevertheless, these female-type companies are smaller and less profitable than high-tech businesses in male-type sectors.²⁶

The concentration of women in female-type businesses is less pronounced in well-established regions like San Francisco-Silicon Valley and Boston because there are more opportunities available to help women develop new businesses. Since “these regions are more mature in terms of entrepreneurial support, market opportunities and available labour [*sic*] pools,”²⁷ it is more natural to implement programs that would enhance women’s participation in the industries that are crucial for regional economic development, such as the technology industry.

Gender-based policies and programs have been important to improve women's representation within the technology industry and across other sectors. For instance, in Washington, D. C., there are contracting opportunities with the major government agencies that are reserved to benefit minorities and women.²⁸ Moreover, gender-based programs have been useful to improve access to capital.²⁹

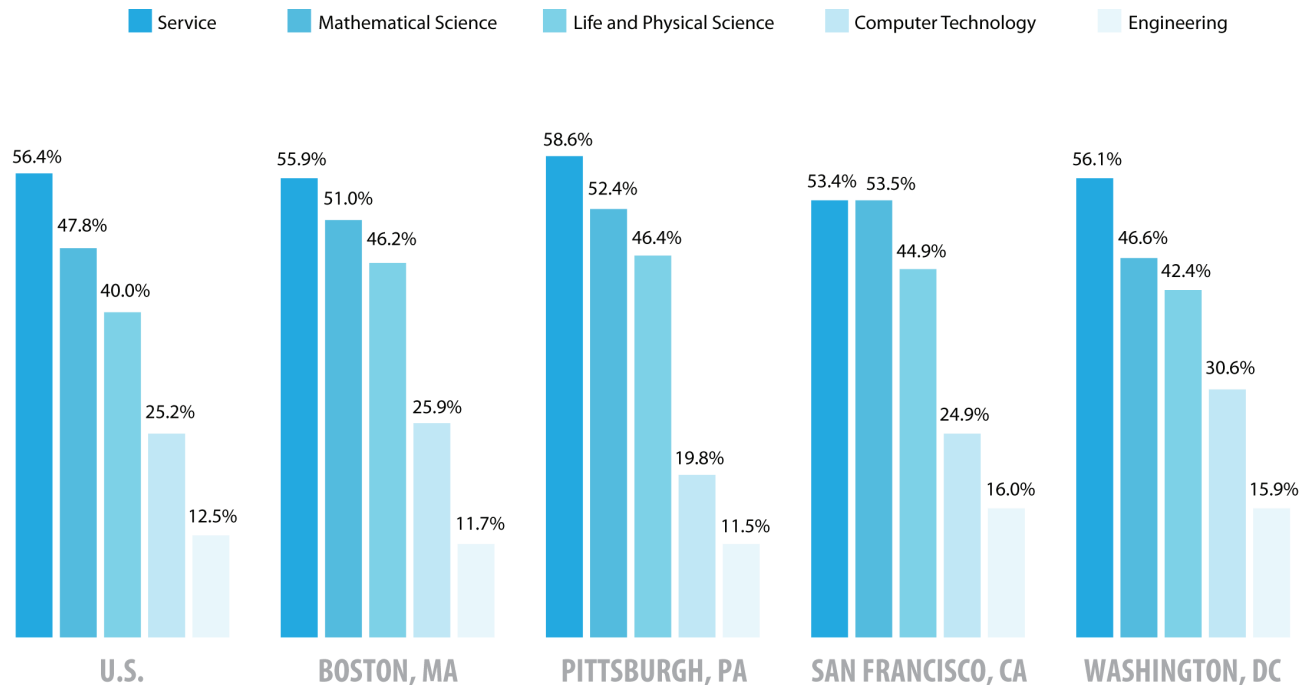
One of the reasons for the concentration of women in female-type businesses is that they require less startup capital than male-type businesses. A direct effect of improving access to capital is that in well-established regions, women-owned businesses in male-type sectors are significantly larger than women-owned businesses in female-type sectors.³⁰

However, access to capital is not the only factor that can explain underrepresentation of women in the technology industry. The root cause of this problem is heavily related to gender stereotypes and education. As indicated in Figure 5, even in well-

established technological geographic regions, women are underrepresented in the science, technology, engineering and math fields.³¹

According to the *2012 American Community Survey*, women represent less than 50 percent of the population in the science, technology, engineering and mathematics (STEM) fields on the national level. Only in Boston, Pittsburgh and San Francisco are women above 50 percent in mathematical science occupations.³² In contrast, women are overrepresented in the service occupations both in the U.S. aggregate and in the above-mentioned technological Metropolitan Statistical Areas. Interestingly, in San Francisco, women are better represented in the mathematical science occupations than in the service occupations.

Figure 5: Female Representation by Occupation, 2012



Source: Census Bureau, Survey of Business Owners 2007

Challenges for Female Business Owners

Access to Capital

Access to capital is among the most commonly cited challenges for female business owners. In order to obtain capital investments, women must navigate traditionally male dominated networks of private equity investors.³³ Additionally, the NWBC has found that women who do make headway “are considered outliers, often without peer groups on whom to rely for coaching or support.”³⁴ This contributes to some women entrepreneurs’ choices to enter certain industries, as well as the more prominent disparity between women- and men-owned businesses at the highest revenue levels.³⁵

Several recommendations provided by the NWBC focus on addressing the issue of access to capital. The following are recommendations from the NWBC that fell within the scope of this project, and which informed the development of our final deliverable:³⁶

- Promote more private sector investment in women-owned and -led businesses.
- Improve access to mentors, technical advice, training and other support mechanisms required to drive growth for these businesses.
- Provide better education on both debt and equity financing options for women entrepreneurs.
- Educate lenders and investors about how women entrepreneurs view financing and how this informs the level and types of financing for which they ask.
- Reach out to higher education/graduate school programs for recruiting and educating women as analysts in investment fields.

Growth Aspirations

The entrepreneur’s vision for a business’s size and scope at its start ultimately affects the growth of the business during its life cycle.³⁷ Nascent entrepreneurs are defined as “individuals who in the preceding 12 months had actively pursued organizing a business in which they expected an ownership share.”³⁸ Looking at the different decisions made by nascent men- and women-led ventures may be instructive in identifying why the vast majority of women-led businesses are smaller than average.

[THE CHALLENGE OF GAINING ACCESS TO CAPITAL] CONTRIBUTES TO SOME WOMEN ENTREPRENEURS’ CHOICES TO ENTER CERTAIN INDUSTRIES, AS WELL AS THE MORE PROMINENT DISPARITY BETWEEN WOMEN- AND MEN-OWNED BUSINESSES AT THE HIGHEST REVENUE LEVELS.

Research demonstrates that women and men may have different goals at the outset of starting a business. Different approaches provide different interpretations of this issue. For instance, according to social learning theory, a combination of environmental and psychological factors influence behavior and as a result men can focus on a desire for financial success without feeling like they need to satisfy other motivational factors.³⁹ Men may also be able to focus on this singular goal because there are more male entrepreneurs and it is more socially acceptable for men to be entrepreneurs.⁴⁰ In contrast, women are motivated by complex factors such as a desire for self-realization, recognition, innovation and financial success.⁴¹ In addition, studies have shown that women are more likely than men to start businesses because it would allow them to achieve a work-family balance.⁴² In fact, Orser and Hogarth-Scott found that women considered

the opinions of their spouses more heavily than men did when considering how to grow their ventures.⁴³

The combination of economic and social goals that often come into play with women-owned ventures may detract from economic performance or growth.⁴⁴ For example, research has shown that running one's business as a hobby has a negative effect on business growth, while having a profit goal is positively associated with business growth.⁴⁵ Despite these findings, Kepler and Shane found that gender did not directly affect actual business performance.⁴⁶ In other words, women were found only to differ from men regarding motivation, and did not differ in terms of education and qualifications to grow ventures or business potential to achieve growth.⁴⁷

Research also shows that many entrepreneurs may not intend to have a business of a certain size when they start their new venture.⁴⁸ People often start their own business with little knowledge of whether or not they would make a good entrepreneur. Over time, their ability becomes more apparent – at which point some exit and some stay. The remaining entrepreneurs then move into a growth phase.⁴⁹

[IN MULTIPLE STUDIES], WOMEN WERE FOUND ONLY TO DIFFER FROM MEN REGARDING MOTIVATION, AND DID NOT DIFFER IN TERMS OF EDUCATION AND QUALIFICATIONS TO GROW VENTURES OR BUSINESS POTENTIAL TO ACHIEVE GROWTH.

The Manolova study considered the entrepreneurial expectancies and growth intentions of nascent US entrepreneurs. It concluded that it is possible that “by the time their ventures become well-established, the expectations and growth intentions of women and men begin to converge on desires for organization success and financial success. However, when the research

targets are nascent entrepreneurs in the process of organizing their businesses, the sex differences are important.”⁵⁰ Ultimately, a woman business owner may not value business growth because she started her business for reasons other than purely financial success and because she may expect negative consequences as a result of growth.⁵¹

Some differences, however, have proven to be positive for women entrepreneurs. The fact that women often have multiple motivations, which may lead to lack of focus with the business, could also enable women-owned businesses to achieve more than men because they are less likely to quit if the desired level of financial success is not achieved.⁵² In addition, many women business owners have found creative ways to master new technology in order to help them maintain a work-family balance. Promoting their business and connecting with customers through social media, for example, has allowed many women to maintain a flexible schedule while running their businesses.⁵³

In conclusion, women often have more complex goals than men when starting a business, which may detract from economic performance or growth.⁵⁴ However, these multiple motivations may also enable women-owned businesses to achieve more than men because they are less likely to quit if the desired level of financial success is not achieved. Ultimately, business growth may not be an outcome of particular value for women entrepreneurs because of different desired outcomes or expected negative consequences of growth.

Note that the researchers participating in the Manolova study stated that “future enquiry might examine sex differences in self-efficacy related to growth and outcome motivations,” based on the fact that several studies find that women are less confident in their abilities to start a venture and have lower performance expectations overall.⁵⁵ We hope to contribute to this body of information through the data collected from our interviews with women business owners.

Tools for Success

Although women-owned businesses comprise a significant portion of the economy, women face challenges in accessing the capital they need to expand their businesses. To address the issue of access to capital, we focused on several resources that women would benefit from when positioning themselves for upward mobility: mentorship/sponsorship and preparatory skills in strategic negotiation.

Mentorship and Sponsorship

One key challenge women face in negotiating entrepreneurial upward mobility is the role of mentors and sponsors willing to leverage their influence to propel women into leadership positions. According to the Center for Work-Life Policy (CWLP), high-performing women fail to acquire the collegial backing they need to attain C-suite – or chief-level executive – positions.⁵⁶ Only 4.2 percent of global Fortune 500 Company CEOs are women.⁵⁷ This “glass ceiling” acts as a barrier for women to reach the very top of corporate management – the CWLP identifies a plethora of women in middle to upper management but notes an abrupt drop at the very highest levels of leadership.⁵⁸ While a mentoring program can build confidence through career advising and mutual interests, a structured sponsorship can exchange a guaranteed promotion or pay raise for loyalty and lay a foundation for career advancement.

The CWLP points to research that highlights that there is a 30 percent benefit in assignments, promotions and pay raises as a result of sponsorship.⁵⁹ The Center’s findings are framed around corporate performance as a function of percentage of women on a given executive board. Keeping this variable constant, companies with

the most women on their executive boards significantly and consistently outperform those without. In other words, an exclusively male executive board may fall prey to groupthink and neglect a more diverse array of ideas provided by women and minorities.⁶⁰

According to *Forbes Magazine’s* “Information for the World’s Business Leaders,” junior-level women seeking to rise into upper management are making two critical mistakes. First, 77 percent of the women in their sample group believe that hard work and long hours are the key contributing factors to advancement, but ignore the role of mentorships.⁶¹ Thus, by not combining day-to-day tasks with the advice of a mentor or leverage of a sponsor, women are not utilizing an instrumental asset to bring value to their careers. Second, women fear the perception of being sexually involved with a senior male sponsor.⁶² Interestingly, this fear was noted to be bilateral – that is, senior men fear the perception of sexual involvement with younger female colleagues among their male peers. Subjects interviewed for the article stated that maintaining strictly professional relationships with mentees involves strategic decisions such as meeting over breakfast or lunch – instead of dinner – and keeping work-related get-togethers alcohol free.⁶³

In the United Kingdom, top-performing companies grouped into the Financial Times and Stock Exchange, or FTSE 100 participate in the Cross-Company Mentoring Programme (CCMP). CCMP started in 2005 and is a women-focused partnership geared toward attracting, retaining and developing senior women at the top of the UK corporate ladder. The program has provided executive coaching to over 60 women in industries, such as law, accounting and consulting.⁶⁴ The CCMP is a one or two year mentorship where the CEO or Chairman of a company meets with their mentee in-person at least once per quarter. The mentor assigns homework and continues to go back and forth with their direct report via phone and email as needed. Mentors are also required to review and polish the mentee’s resume/

CV to improve the likelihood of aligning to a leadership role. All of the advising and guidance leads mentees to become an ideal, credible candidate for executive leadership.⁶⁵

Also within the framework of the program are women's networks, talent identification initiatives and re-entry programs for women returning to work following maternity leave. The CCMP has been hailed as one of the most realistic, sustainable success stories in women's advancement, resulting in three new FTSE CEOs and 10 new high-performing company executive board members – all women.⁶⁶

While the CWLP and CCMP are geared toward the private sector, United States Secretary of State Hillary Clinton's public sector efforts have been instrumental in bringing attention to issues of women's advancement across the world.

In 2011, Secretary Clinton delivered the keynote address at the Asia-Pacific Economic Cooperation (APEC) Summit in San Francisco where she highlighted women's empowerment through the perspective of economic growth. She said, "When we liberate the economic potential of women, we elevate the economic performance of communities, nations and the world."⁶⁷ Secretary Clinton's speech hinged on three key facets: improving women's access to capital and markets, building women's capacity and skills and supporting the rise of women leaders in public and private sectors.⁶⁸

Secretary Clinton felt that by crafting sound economic policies, more women could be brought into the formal workforce to account for a productivity gain equal to nearly 25 percent of United States GDP.⁶⁹ Following the age of industrial growth and technological growth, she referred to this new age as participatory growth where every individual, regardless of gender, is a contributing member of the global marketplace. By supporting global women's integration through mentoring and sponsoring, economies unlock a vital source of growth and business decisions move toward removing barriers to entry for women in upper management.⁷⁰

Sheryl Sandberg, Chief Operating Officer at Facebook

and author of *Lean In: Women, Work and the Will to Lead*, reflects on the importance of mentoring in her book, and states that these relationships come from a connection felt by both sides.⁷¹ She writes: "Instead of telling women, 'Get a mentor and you'll excel,' we should be saying, 'Excel and you'll get a mentor.'"⁷² Sandberg explains that mentors select protégés based on performance and potential. While women should continue asking for things, one thing they should not ask for is a mentor. The relationship, according to her experiences, is more important than the label.⁷³ She also notes that men have a large role to play in mentoring younger women as well. Since women continue to be underrepresented at the highest levels of leadership, if males truly want to be part of the solution, they need to look beyond the "boys club" and reach out to more women mentees.⁷⁴

ACCORDING TO THE CENTER FOR WORK-LIFE POLICY, HIGH-PERFORMING WOMEN FAIL TO ACQUIRE THE COLLEGIAL BACKING THEY NEED TO ATTAIN CHIEF-LEVEL EXECUTIVE POSITIONS.

Sandberg cites a good example of successful women's mentorship spawning from Deloitte. In 2008, Deloitte's Tax division noticed that while they had programs in place to support women, women were still underrepresented at the highest levels of leadership. They created an internal development and training program targeting senior women who were nearing promotion. 21 women were selectively assigned sponsors, given executive coaching, shadowing opportunities and global assignments – of those, 18 were promoted into upper management.⁷⁵

As noted in the above research, mentorships – and ideally, sponsorships – provide an open stream of communication between those in leadership positions and ambitious professionals seeking to advance their careers. Continuing the programs that exist and expanding to fill gaps are critical to building a foundation that sustainably promotes women into executive leadership roles.

Negotiation: Women Don't Ask

Our research indicates that the economic motivations and social dynamics women encounter when starting businesses are unique. As it relates to negotiating for capital, female entrepreneurs take a different approach when compared to their male colleagues. In *Women Don't Ask*, Linda Babcock and Sara Laschever note that women don't get what they want in life partly because they simply don't ask as often as men do.⁷⁶ Their research suggests, "men are asking for things they want and initiating negotiations much more often than women – two or three times as often."⁷⁷ Negotiation skills may not come naturally to everyone – particularly women. It is important for women to exercise asking for what they want more frequently so that they are able to keep pace with their male counterparts and become better prepared for when they get to the negotiation table.

MEN'S PROPENSITY TO ASK MORE OFTEN THAN WOMEN, PARTICULARLY IN THE WORKPLACE, LEADS TO GREATER ECONOMIC OPPORTUNITIES FOR MEN AND AN "ACCUMULATION OF DISADVANTAGE" IN THE SOCIAL INEQUITY BETWEEN MEN AND WOMEN.

To reinforce the advantages of asking, Babcock and Laschever provide several tendencies that may explain why women don't ask. First, women tend to place greater emphasis on relationships than men do; women worry about the impact negotiations will have on their relationships and may change their behavior or become more amenable to protect the personal relationship.⁷⁸ As a result, they alter their behavior to preserve a relationship. Women may become more concerned with the perceived negative outcome of a negotiation and ignore the potential positive returns of a mutual agreement. Second, when women employ competitive negotiation strategies they can be misinterpreted and received negatively by a male-centered work culture.

This causes women to operate from a position of weakness.⁷⁹ Therefore, women who collaboratively negotiate are able to leverage their position and problem-solve to find solutions that align with the goals of both parties.⁸⁰ This third tendency of collaborative negotiation lends itself well to a woman's negotiation style.

Why Negotiate?

Negotiation is a means of communication to get what you want from others. It is a process that involves addressing both the substance of an issue and how to deal with the substance.⁸¹ Focusing on the procedure for dealing with substance becomes a metagame – each move structures the rules of the next move in the negotiation.⁸² From a communication perspective, women seem to have an advantage over men in their approach to collaborative negotiation. Men's propensity to ask more often than women, particularly in the workplace, leads to greater economic opportunities for men and an "accumulation of disadvantage" in the social inequity between men and women.⁸³ Women's tendency to not ask coupled with economic inequality adds to this disparity when women negotiate. Women must be direct and ask for what they want.⁸⁴

The "ask" is of particular importance to women entrepreneurs negotiating capital. Our research indicates that many female entrepreneurs rely on bootstrap financing and loans to finance their businesses. Few tap into venture capital, limiting their financing options and possibly restricting growth. Conversely, venture capitalists and angel investors may be missing out on new business opportunities developed by female entrepreneurs who are unsure how to pitch their ideas and negotiate capital with investors.

We chose to focus on two strategies that women can use when negotiating capital: understanding the *shadow negotiation* and employing the strategies of *principled negotiation*.

Understanding the “Shadow Negotiation”

The entrepreneur – lender relationship contains inherent parity. Kolb and Williams note that the “shadow negotiation” is most obvious in circumstances where participants hold unequal power.⁸⁵ For entrepreneurs, the shadow negotiation is an effective strategy that gets key actors to the table and a tool to utilize if talks begin to stall. The subtle game of the shadow negotiation uses three types of strategic levers to guide the negotiation: power moves, process moves and appreciative moves.⁸⁶

Power Moves – Per Kolb and Williams: “Power moves exert influence on the other party so that talks get off the ground.”⁸⁷ They can be implemented by creating and building value around the perception of mutual need. Denise DeSimone, CEO of C-Leveled, advises that when you pitch your product, be sure to understand the problem that you are trying to solve and why it is important to the people to whom you are presenting.⁸⁸ Investors have to want your idea as much as you need their financial support.

Process Moves – Process moves seek to influence the ground rules of the negotiation process itself.⁸⁹ They do not address the substantive issues of a negotiation, but rather reframe the structures to build consensus as talks unfold. Linda Dickerson, Founder and Principal of management consulting firm 501(c)(3)2, advises entrepreneurs to understand the parameters of a negotiation, especially the alternatives of the other party. Entrepreneurs should be able to present and communicate a slightly better offer than what was initially presented.⁹⁰ Managing this process assumes better control of the issues within the negotiation environment.

Appreciative Moves – When two parties cannot resolve issues or fall into conflict, appreciative moves shift the dynamics of the shadow negotiation and break the adversarial cycle. They build trust and foster open communication to keep the dialogue going.⁹¹ This is of particular importance when entrepreneurs and investors

are negotiating the terms of an agreement that may be less than desirable to one or both parties.

Employing the Strategies of Principled Negotiation

When trying to reach an agreement, people often engage in a jockeying sequence of taking and then giving up positions. In the book, *Getting to Yes*, Roger Fisher and William Ury argue against the strategy of positional bargaining because it is counter to what they consider to be a fair negotiation:

Any method of negotiation may be fairly judged by three criteria: 1) It should produce a wish agreement if agreement is possible; 2) it should be efficient; and 3) it should improve or at least not damage the relationship between the parties.⁹²

Positional bargaining doesn't produce a wise agreement, is not efficient and lends itself not to friends but rather foes. Fisher and Ury's third criterion of negotiation, preserving the relationships of both parties, parallels one of Babcock and Laschever's cited reasons of why women don't ask. Therefore, when negotiating capital, women business owners should favor principled negotiation over positional bargaining.

Principled negotiation considers four points: People – separate the people from the problem; Interests – focus on interests, not positions; Options – create multiple options while looking for mutual gains before making a decision; and Criteria – insist that the result be based on some objective standard.⁹³ This aligns with the expert advice received through our interviews with investors and women business owners in our industry perspectives findings; each of these four points of principled negotiation was addressed in our interviews.

People - Denise DeSimone, CEO of C-Leveled advises women not to become too emotionally involved when asking for an investment.⁹⁴ In separating the people from the problem, it is important to acknowledge

that both negotiators are people and that there are emotional and psychological reactions that can influence the outcome of a negotiation.⁹⁵ Every negotiator has an interest in both the substance and the relationship because they are inherently related.⁹⁶ Communication is key because both parties must listen to understand and then speak to be understood. If a woman can separate the people from the issue being negotiated, then she is more likely to be able walk away from the table if the terms of the agreement are not in her best interest.

Interests - Both Denise DeSimone and Sally Smith (anonymous), the lending officer we interviewed, indicated that the best negotiations are founded on hard facts; you must know what you are asking for.⁹⁷ Each party will have its own list of interests, and it is important for each side to be open to consider both. When the focus shifts away from positions to interests, an entrepreneur is better poised to tell investors what they are willing to do for them (the entrepreneur's interest) so that the lenders receive a return on their investment (the investor's interest).⁹⁸

Options - The ability to create multiple options can offer solutions that benefit both parties in a negotiation.⁹⁹ There is not one correct answer to a problem; broadening the available options can open the door for inventing new solutions. Both Susan Smith (anonymous)—President, CEO, and COO with three biopharmaceutical companies—and Linda Dickerson emphasized the importance of benchmarking and research to inform the negotiation strategy.¹⁰⁰ Applying what is already known about an issue to a pre-negotiation brainstorming session allows for a more open exchange of ideas. It gives the negotiators multiple alternatives to consider and opportunities for mutual gain.¹⁰¹

Criteria - In a negotiation, there is a strong possibility that interests will produce a conflict between the parties.

Developing objective criteria as a foundation of an agreement will help to lay the groundwork for the fair standards and procedures of a negotiation.¹⁰² In *Getting to Yes*, Fisher notes: "The availability of that relevant standard avoids the cost of giving into an arbitrary position."¹⁰³ In her experience, Susan Smith says that it is crucial to understand the hard limits of a negotiation.¹⁰⁴ It is important to establish the parameters of a negotiation – what lengths you will go to and what lines you will not cross.

Structuring the pre-negotiation framework is fundamental to establishing objective standards for a negotiation. The book, *Negotiation Genius* by Deepak Malhorta and Max H. Bazerman, outlines a five-step pre-negotiation framework that lends itself to establishing the standard criteria of a negotiation:¹⁰⁵

1. Assess your best alternative to a negotiated agreement (BATNA):
 - a. Identify alternative options to pursue if you are unable to reach an agreement;
 - b. Estimate and assign value to each alternative; and
 - c. Select best alternative as your BATNA.
2. Calculate your reservation value (RV), or the point at which you would walk away from an agreement.
3. Assess the other party's BATNA
4. Calculate the other party's RV
5. Evaluate the zone of possible agreement (ZOPA), or the set of all possible deals that would be acceptable to both parties.

Planning the structure and the objective criteria of a negotiation provides entrepreneurs with a fundamental understanding of the parameters of their demands when pitching an idea and negotiating capital with investors.

Benchmarking

Our benchmarking process takes a closer look at some of the pre-existing organizations working toward helping women entrepreneurs gain access to startup capital. These organizations meet their respective missions by providing online courses and training, leveraging networking opportunities to connect women, setting up mentorship and sponsorship programs to advise women and by providing direct venture capital.

The Kauffman Foundation, the world's largest foundation devoted to promote entrepreneurship, cites three particular areas in which women entrepreneurs face challenges: mentoring, networks and finance.¹⁰⁶ This thinking is in concert with our Systems Synthesis group findings and it has guided our charge to seek out those organizations whose mission, program activities and resources support these particular challenges for women entrepreneurs.

Identifying the present-day gaps in resources currently offered to women business owners and leaders was a key part of determining our deliverable. The organizations profiled—SCORE, Astia, Springboard Enterprises, Women Impacting Public Policy, the Small Business Administration, Golden Seeds, the Center for Women's Enterprise and the Tory Burch Foundation—represent a selection of the strongest programs doing this work. The organizations take varied approaches at achieving the ultimate goal of increasing the role of women in business, but share commonalities in their missions and the overarching types of resources they offer.

The chart in Figure 6 (included at the end of this section) highlights the commonalities and differences between some of these programs, as well as remaining areas for impact.

SCORE

SCORE is a nonprofit association that is dedicated to starting and growing successful small businesses across the United States through programming within its network of local affiliate chapters and over 11,000 volunteers.¹⁰⁷ The organization began in 1963 and is currently celebrating its 50th Anniversary. It is comprised of over 340 local chapters across the U.S. and its territories.¹⁰⁸ SCORE partners with entrepreneurs and small businesses to provide opportunities and initiatives that range from starting a business to growing an established business. According to SCORE's website, the organization helped small businesses generate \$19.4 billion in revenue in 2012.¹⁰⁹

Supported by the U.S. Small Business Administration (SBA), SCORE is able to provide, through their local affiliates, no-cost and low-cost services to small businesses that include: mentoring opportunities, counseling services, online business tools, webinars and local workshops. A volunteer network primarily provides services for SCORE's programs. Their website indicates that in 2010, SCORE volunteers donated over 1.2 million hours of their time to start businesses, save and create jobs, and mentor small business owners and entrepreneurs. The organization's impact is driven by the success of its participants, and their website features these success stories and testimonials. Through an online form located on the SCORE website, past SCORE Clients or SCORE Volunteers can submit their contact information and feedback on their experiences for a potential feature story.¹¹⁰ Although the organization provides an array of services, its content is not directed specifically toward women entrepreneurs. SCORE has a section on their website dedicated to women entrepreneurs, but there is little information available on the topic. SCORE's focus is broad and geared towards starting small businesses at the local level through the services provided by their chapter affiliates.

Astia

An accelerator program, Astia provides unparalleled access to capital to high-potential, high-growth, women-led startups through its Astia Angels Network of angel investors. The organization also provides executive mentorship and leadership through participation in the Astia Advisors Network of more than 4,000 expert volunteer members, 1,200 investors and 450 C-level startup executives.¹¹¹ Formed out of the Women's Technology Cluster, an incubator in Silicon Valley, Astia was founded in 1999 as a not-for-profit organization providing support to high-growth businesses and startups led by women entrepreneurs.¹¹² Astia is headquartered in Silicon Valley, CA, with domestic networks in northern California and New York City, and global networks in Europe and India.¹¹³ Their mission is, "To provide access to the networks and expertise that women high-growth entrepreneurs need to succeed, and ultimately to impact today's global economy."¹¹⁴ The Kauffman Foundation supports the mission of Astia and is one of its leading sponsors, committing \$500,000 in 2010.¹¹⁵

Astia seeks start-ups within the high tech, life sciences, clean technologies, consumer technologies and health and wellness industry sectors. Entrepreneurs with established businesses apply to the accelerator and are selected for participation in its programs.¹¹⁶ Astia builds women leaders by providing access to capital through a network of angel investors, ensuring sustainable growth, and developing executive leadership through networking and mentoring relationships within the organization. A September 2011 Kauffman Foundation publication, *Overcoming the Gender Gap: Women Entrepreneurs as Economic Drivers*, challenges the notion that it is not only the vertical "glass ceiling" as described earlier in this report, but also the horizontal "glass wall" that prevents women from starting high-growth ventures:

It is sometimes assumed that one of the main barriers to women's entrepreneurship is difficulty raising investment capital. A landmark study suggests that the gender gap takes root much earlier in the startup process, with women less

likely than men to engage in activities that can lead to high-growth startups.¹¹⁷

The recognition that it is not only access to capital, but also the acknowledgement that women must be engaged and visible within a network of experts is what led to the development of the organization. Astia is a leading example of a resource providing both capital and networking opportunities to high-growth, women-led startups.

Springboard Enterprises

Springboard Enterprises is a highly vetted expert network of innovators, investors and influences who are dedicated to building high-growth, technology-oriented companies led by women. Springboard's programs and initiatives are how the organization sources, qualifies, showcases and supports the most promising businesses seeking capital or partnerships for product development and expansion.¹¹⁸ The organization has been in existence since 2000. According to Springboard's website, to this date, companies coming out of Springboard's programs have raised \$6.2 billion in financing, created tens of thousands of new jobs and generated billions of dollars in annual revenues.¹¹⁹ Springboard is a nonprofit organization that is based in the United States, but works to have an impact globally. The organization emphasizes collaborating with other businesses and entrepreneurial organizations, academic institutions, government offices and corporations.

Springboard offers a variety of services to women who join its network, with its annual Accelerator events as the organization's primary program.

- **Accelerator:** Since Springboard was founded, 537 women entrepreneurs leading companies in high-growth industries ranging from enterprise software, digital media, life science and other technology-facing companies have participated in the organization's Accelerator programs. Companies apply and, if selected, are able to attend a Bootcamp focusing on the content and

delivery of a company presentation. Additionally, they are assigned an advisory council, which works with the company over a period of approximately four months as they prepare to present to hundreds of venture capitalists and investors at the annual Accelerator event. Examples of companies that have participated in the past include Zipcar and Constant Contact.

- **Dolphin Tank:** Elevator pitch sessions provide entrepreneurs with insight about how to deliver a two-minute elevator pitch about their idea, product, challenge or businesses. An expert panel leads a discussion focusing on how to help improve the pitch and the entrepreneur's shot at success.
- **Alumni Events:** Springboard emphasizes retaining its network and hosts a variety of alumni events including a bi-annual Caucus program that brings past participants of the Accelerator programs together to exchange connections and expertise.

In working to gain access to capital, women are often faced with the challenge of having less access to male investors. A 2007 study by Richard T. Harrison and Colin M. Mason determined that male investors have a stronger network than women and know more angel investors.¹²⁰ In their report on a variety of programs geared toward providing access to capital for women business leaders, Salzman et al. state, "these programs focus on broadening the perspective of venture capitalists to help them understand the potential in women-led businesses."¹²¹ Springboard's services not only help women business owners and leaders to get in front of the right audience, but provide them with the additional training and guidance that can propel their businesses further. In fact, the organization emphasizes that while venture capitalists invest financial capital, Springboard invests human capital.

Our interview with Co-Founder and President, Amy Millman features more information about Springboard's work (see Appendix A).

Women Impacting Public Policy

Women Impacting Public Policy, or WIPP, is a nonpartisan public policy organization that advocates for and on behalf of women and minorities in business and in the legislative process of the United States, creating economic opportunities and building bridges and alliances to other small business organizations. WIPP was founded in June 2001. The organization's mission is to educate and advocate on behalf of women-owned businesses. WIPP has reviewed, provided input and taken specific positions on economic issues and policies such as affordable health care, leveling the playing field for women-owned businesses and opening up federal procurement policies for women-owned businesses. The organization represents over 4.7 million businesswomen.¹²² Their services include:

- **Women, Opportunity and Money:** WIPP offers a wide variety of educational resources for female business owners and leaders focused on Women, Money & Opportunity. Specific to the topic of expanding the role of women's businesses, the "Women Accessing Capital" online educational series promotes strategies for business growth through webinars and events.¹²³ The webinars are archived in podcast/PowerPoint format on WIPP's website, and the first of three levels of coursework is available for free. Topics include preparing to seek capital, securing credit and maintaining business processes. The sessions offer a high level of specificity, and are led by successful female business leaders. Other topics covered in the Women, Money & Opportunity series include access for women to federal contracts, understanding how technology will change the business environment, educating small business owners on how energy and environmental issues affect business, and the potential for enterprise outside of the United States.
- **Networking:** For its members, WIPP offers access to online networking opportunities and in-person events, such as its Annual Leadership Meeting, which offers a variety of receptions, lectures and workshops on relevant topics.

- **Advocacy:** WIPP advocates for legislation that supports the success of women-owned businesses, communicating directly with politicians. WIPP is currently following legislation pertinent to the role of women in business, including the Community Lending and Small Business Jobs Act of 2013, and organizes Impact Teams around the country to meet with Members of Congress about issues affecting women business owners. Any woman is invited to join a local team.

According to WIPP's 2013 National Survey of Business Owners:

Women-owned businesses continue to struggle to access capital, making an average of two attempts to attain bank loans or lines of credit. Only 59 percent of WIPP members who sought outside funding in 2012 were successful after two attempts. Those who were not successful in their attempts to get outside funding overwhelmingly identified tightening of credit at banks as the reason. For WIPP members, the majority (60 percent) of the funding realized in the past year was secured by home equity or other collateral.¹²⁴

Providing further information about the process of gaining capital is key to WIPP's work in combatting these trends.

Small Business Administration

The U.S. Small Business Administration (SBA) is a federal agency that is dedicated to providing services to small businesses across the nation. The SBA also provides programs and resources devoted to the success and sustainability of women-owned businesses. The agency has been in existence since July 30, 1953, and has since delivered millions of loans, loan guarantees, contracts, counseling sessions and other forms of assistance to small businesses. In the Small Business Administration Act, Congress created the SBA with the function to "aid, counsel, assist and protect, insofar as is possible, the interests of small business concerns."¹²⁵ Now, according

to the department's website, the SBA has "grown significantly in terms of total assistance provided and its array of programs have been tailored to encourage small enterprise in all areas." SBA's programs now include financial and federal contract procurement assistance, management assistance and specialized outreach to women, minorities, and armed forces veterans.¹²⁶

The SBA offers a variety of services to assist women-owned businesses specifically:

- **Learning Center:** This series of online trainings and videos covers a range of topics that are crucial to starting and running a business, such as franchising and winning federal contracts. A number of the video lessons are targeted specifically to women, including Encore Entrepreneurship for Women and the WOSB Advantage (increasing contracting opportunities).
- **ChallengeHER Campaign:** A partnership with American Express and Women Impacting Public Policy, the ChallengeHER Campaign was designed to support the Women-Owned Small Business Federal Contract Program and bring more women-owned firms into the federal government's supply chain of contractors.¹²⁷ The program has been hosting events across the country in 2013 to help women business owners better understand procurement opportunities from the federal government. Additionally, ChallengeHER will be matching women-owned small businesses with the relevant national and local partners. Finally, the program will train businesses on registering for the SBA's System for Award Management, which is the online government-contracting portal for interested business owners.

The SBA believes that by increasing the family of women-owned small businesses, government contract officers will have a broader base to consider when making purchasing decisions.¹²⁸ Currently, only 4.1 percent of government contracts are awarded to women-owned businesses, even though federal law mandates a 5 percent government-wide procurement goal for women-owned businesses.¹²⁹ The Women-Owned Small

Business Federal Contract Program allows for contracts to be set aside for women-owned small businesses in certain industries¹³⁰ and the SBA is working to provide the resources for women business owners and leaders to take advantage of such opportunities.

Golden Seeds

Golden Seeds is an investment firm that provides membership for investors who are interested in investing in early stage companies that are founded or led by one or more women. They summarize the “female factor” to determine if a business is eligible for funding by asking two questions:¹³¹

- Does the woman entrepreneur have power and influence in the company?
- Is the amount of owned equity “fair” given the woman entrepreneur’s role and stage of the company upon joining?

Golden Seeds has two venture capital funds that – when added together – total up to \$30 million. They have invested in 22 companies.

The organization is structured into four main sections: Angel Network, Venture Capital, Private Equity and Knowledge Institute. The Angel Network is a network of Golden Seeds investor members. Golden Seeds’ website provides information about members in different major cities in the U.S. They organize events and provide investor-training programs for Angel Network members while partnering with private equity firms. The Knowledge Institute provides training and shares best practices with its members and portfolio companies. Golden Seeds provides four training courses available to members. However, non-members can enroll in two introductory courses. Advanced courses are available to members only. The content of the courses focuses on investing and managing investments.¹³²

In addition to the services provided, Golden Seeds provides Open Office Hours. These are one-hour educational sessions about obtaining funding from an angel investor. After that, entrepreneurs are scheduled

to meet one-on-one with an angel investor from the network. Open Office Hours happen in Boston, New York, Dallas and Silicon Valley.

Golden Seeds summarizes their vision as:¹³³

- Empowering women by providing access to capital and networking opportunities
- Raising awareness about the true value of diversity in management by creating high returns
- Helping women become investors in high-risk, high-reward businesses
- Providing a professional medium for men and women to thrive

Golden Seeds is affiliated with US Bank, DLA Piper, Edwards Wildman, Fenwick & West LLP, Foley Hoag, LLP, Lowenstein Sandler LLP, Nutter McClennen & Fish LLP, Stradley Ronon and White Summers Caffee & James LLP.

Center for Women and Enterprise (CWE)

The Center for Women and Enterprise is a nonprofit organization with branches in Boston, Providence and Worcester. CWE’s services include education, consultation and certification.

On education, the Center organizes free sessions in cities where they have branches established. The courses are also accessible online for a fee. The center also organizes an “Expert Series” where affiliated experts from various industries speak in paid webinars. On consultation, CWE provides one-on-one consultations for a fee. Consultations cover all aspects of business. Additionally, they offer a Women’s Business Enterprise Certification based on the following criteria:¹³⁴

- 51 percent ownership by a woman or women
- The business must demonstrate effective management
- The female owner must contribute with capital or expertise
- She must be independent in decision-making.

The certification provides many privileges including access to exclusive events such as workshops, conferences or networking opportunities. The certification also provides legal and accounting consultation. Businesses must recertify and pay an annual fee based on gross revenue of the company in the previous year.¹³⁵

The Center's mission is to "empower women to become economically self-sufficient and to prosper through business and entrepreneurship."¹³⁶ The Center for Women and Enterprise has several donors and sponsors. The organization's most generous monetary contributors are Eos Foundation, the U.S. Small Business Administration and Microsoft. Other sponsors include Bank of America, United Technologies, National Grid, Stop and Shop, Comcast and UPS.















































































Tory Burch Foundation

Tory Burch Foundation is a non-profit organization founded by business-owner and designer Tory Burch to help women start and grow their businesses. The foundation partners with Accion to manage loans and grants. They also partner with Goldman Sachs 10,000 Small Businesses, LaGuardia Community

College and Babson College to prepare material for the entrepreneurial education program launched in 2012.¹³⁷ The Foundation supports women entrepreneurs by providing small business loans, mentoring programs and entrepreneurial education. Accion, a partner of the Tory Burch Foundation, is a nonprofit micro-lender, which administers the foundation's loans ranging from \$500 to \$50,000. Loans and financial education are mainly provided to minorities and women.¹³⁸

The foundation organizes mentoring events to match business experts from different industries with women who need their advice or mentorship. They provide loans for individuals with a credit score of 525 along with other criteria to prove that the entrepreneur will be able to repay the loan with an interest rate starting at 8.9 percent. For those who do not pass the credit score, the foundation provides a one-on-one meeting with a credit consultant to help improve their credit.¹³⁹ The foundation also provides grants to nonprofit organizations that support the empowerment of women and their families. The foundation empowers and supports women entrepreneurs to start and grow their business through loans, grants and mentorship. The Tory Burch Foundation has affiliations with Accion, Goldman Sachs 10,000 Small Businesses and Women's Initiative.¹⁴⁰

Figure 6: Comparison of Support Organizations

	Astia	Golden Seeds	SBA	Score	Springboard Enterprises	WIPP
Online Courses						
Online Webinars						
Interactive Tools						
Networking Opportunities						
Workshops/Training						
Counseling						
Technical Assistance						
Mentorship						
Negotiation Training						
Access to Angel Investing						
Provide Venture Capital						
Private Equity						
Enable Crowdfunding						

 yes

 yes (members only)

 no



PART III: DELIVERABLE

Deliverable: Industry & Investor Perspectives

As our research demonstrates, answering questions such as “Why should I deserve to be funded?” or “How much am I worth to my company?” can be difficult for many women who own or lead businesses.

As noted above, a plethora of online resources exist to support women business owners and leaders. However, these resources do not directly combine the skill of negotiation with respect to access to capital. A negotiation skill set prepares women to have the types of conversations needed to gain this access. In fact, business owners and leaders regularly name access to capital as a major obstacle to success.¹⁴¹

ANSWERING QUESTIONS SUCH AS “WHY SHOULD I DESERVE TO BE FUNDED?” OR “HOW MUCH AM I WORTH TO MY COMPANY?” CAN BE DIFFICULT FOR MANY WOMEN WHO OWN OR LEAD BUSINESSES.

In order to address the “pitfalls” that women business owners in the US often face—such as concentrating in lower receipt industries or “female-type” businesses, or being deterred to enter certain fields by gender stereotypes—the team decided to develop a website focused on helping women to overcome these barriers. The resulting “Negotiation Tools” landing page for PROGRESS’s featuring profiles of the ten women entrepreneurs/lenders we interviewed, focused on effectively using negotiation strategies to access capital. Our goal is that the expert advice and industry perspectives from successful women entrepreneurs featured on the website will help women business

owners to become more aware of common pitfalls hindering their growth, and to develop further negotiation strategies and practical information.

Industry Perspectives

Eight *Perspectives* were created from interviews with women entrepreneurs who used negotiation strategies to successfully obtain funding for their businesses. The full *Perspectives* can be found in Appendix A, categorized by industry. Summaries of the *Perspectives* are included below:

Industry Perspective #1

As the Founder and Principal of management consulting practice 501(c)(3)², Linda Dickerson draws from her past expertise as the leader of a variety of self-started companies to advise clients in functions ranging from strategic planning to running capital campaigns. A strong commitment to the needs of her clients, well-informed negotiation practices, and confidence and insight as a leader have contributed to Dickerson’s success.¹⁴⁸

Industry Perspective #2

Combining her love for writing with a platform for social enterprise, Nancy Jones (anonymous) inspires professional grant writers and advocates for mental health wellness as president of a social enterprise company. A single-member sole proprietor, Nancy has diversified her business to offer training, consulting and publishing since its inception in 2005.¹⁴⁹

Industry Perspective #3

Nicki Zevola, CEO and Founder of FutureDerm, Inc., raised \$600,000 for her company by utilizing negotiation strategies such as anchoring, valuing her own worth, and having a clear vision for her company’s growth.¹⁴²

Industry Perspective #4

Currently holding the titles of President, CEO, and COO with three biopharmaceutical companies, Susan

Smith (anonymous) is a powerful leader in the industry who has built research centers and venture-backed for-profit companies alike from the ground up. She cites networking, gaining the trust of investors, and understanding the limits of a negotiation as essential ingredients to success.¹⁴³

Industry Perspective #5

Susan Catalano is the founder of Cognition Therapeutics Inc. – a biopharmaceutical company geared toward finding the drug that stops Alzheimer’s disease. By pitching a straightforward budget and winning grants from the National Institutes of Health (NIH), Susan has positioned Cognition for growth and expansion into other financially-secure pharmaceutical markets, including Parkinson’s disease research.¹⁴⁴

Industry Perspective #6

In 1990, Jane Doe (anonymous) decided to leave her job in the financial sector so she could spend more time with her children. She partnered with a female friend and soon they started a company that would provide services related to online marketing and e-commerce. Since then, this business leader has founded two more companies that have been incrementally successful.¹⁴⁵

Industry Perspective #7

In 2001, Kilolo Luckett transformed a vacant building in Downtown Pittsburgh into free studio and gallery space for artists by leveraging her existing networks and not being afraid to ask.¹⁴⁷

Industry Perspective #8

Mayra Barrera’s company, Baguet Games, develops videogames and is based in Mexico City and Tasmania. Mayra has found success through relying on peer mentoring, making commitments to her fan base, and setting clear and measurable goals.¹⁴⁶

Investor Perspectives

The remaining two *Perspectives* provide insight about the investor side of the negotiation table, including how potential investors or lenders evaluate the strength of a business and its leadership. The recommendations provided by these individuals echo the expert advice offered by the entrepreneurs.

Investor Perspective #1

As a retired Lending Officer, Sally Smith (anonymous) draws her negotiation skills from her experience exercising “financial workouts” for a large financial institution in Pittsburgh. Smith advises that it is important for entrepreneurs to understand the risks involved in starting a business, develop a solid business plan, and diversify their assets to reduce the collateral damage should their business fail.

Investor Perspective #2

As Co-Founder and President of Springboard Enterprises, Amy Millman has helped over 537 women-led companies to grow and succeed.¹⁵⁰



PART IV: RECOMMENDATIONS & CONCLUSIONS

Recommendations & Conclusions

As a result of our research and interviews with successful entrepreneurs, we formed a number of recommendations for both individual women entrepreneurs and the organizations that support them. Our recommendations are as follows:

- ➔ **An opportunity to gain insight and guidance from an experienced entrepreneur should be a part of every startup's front-end regimen.** Whether this advising takes place in the form of a mentor or a sponsor can vary based on scenario, but the value gained from hearing another's story can make key differences in one's approach to starting a business.
- ➔ **Being able to diversify one's skill set is another invaluable trait of an effective entrepreneur.** As gleaned from the economic downturn of 2008 and 2009, many businesses operating in a niche industry – serving one specific type of client – underperformed or failed altogether. Those who were able to seize the opportunity to fill gaps in knowledge and find ways to alter strategy captured new and emerging markets while maintaining profitability. A fluid, malleable approach to starting a business is best suited to adapt with unforeseen situations.
- ➔ **While the element of risk is inevitable, becoming familiar with one's business landscape and readying oneself for the unexpected can best position a business to deal with adverse conditions.** This could involve

being cognizant of federal regulations, working groups, planning meetings and forecasting market trends.

- ➔ **Operating at a low cost of business can help startups work through volatilities in the infancy stage.** For entrepreneurs, managing overhead could mean relocating to lower cost region or restructuring resources to keep a small, lean staff while gaining traction.
- ➔ **Aspiring female entrepreneurs should be encouraged to participate in incubator/ accelerator programs; particularly those that provide direct access to investors though activities like "demo days."** These programs offer many of the resources that female entrepreneurs need for success, including education and training, mentorship, and connections to funders.
- ➔ **While women-to-women support and networking is valuable, it is important to know that incubators and other support organizations also provide opportunities for men and women to work together and establish professional relationships.** Working with female entrepreneurs is often unfamiliar territory for men in many industries, which contributes to the difficulties women face when trying to enter the networks of private equity investors. Promoting partnership and mentorship between men and women, rather than further isolating women within their own networks, could help address this issue. Networking can also be helpful in that investors are often more likely to consider business proposals that come with a recommendation from a trusted colleague or contact.
- ➔ **As women leaders and entrepreneurs prepare to enter into a negotiation—whether the**

purpose is to ask an investor for capital or to settle a contract with a client—performing adequate research is a key step to success.

Taking the time to better understand factors such as the other party's motivations, hard limits and alternatives brings power to the negotiation and allows for a better-informed strategy.

- ➔ **Organizations that support women-owned businesses should provide easily accessible information on the “going rate” for various types of services over which women might be negotiating.** When asking for funding, women must resist undervaluing the human capital in their company. Therefore, having accurate

comparative information about pricing, salaries, and typical investments in their industry is important.

In conclusion, a number of external barriers exist for women entrepreneurs, including gender stereotypes and a typically homogeneous network of private equity investors. A number of organizations, however, are striving to improve access to capital for women entrepreneurs. Women should take advantage of the opportunities that these organizations provide, develop a strong network of peers, mentors, and sponsors, and employ evidence-based negotiation strategies to continue to grow their businesses.

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APPENDICES

Industry Perspectives

Answering questions such as “Why should I deserve to be funded?” or “How much am I worth to my company?” is difficult for many women who own or lead businesses. Research has shown that women entrepreneurs tend to undervalue the worth that they bring to their companies and have lower growth aspirations for their businesses than do their male counterparts.

This resource is intended to offer valuable insight and practical information to help women avoid these common pitfalls and develop strategies for growing their business. The following *Perspectives* were created from interviews with women entrepreneurs who used negotiation strategies to successfully obtain funding for their businesses. The interviews are categorized by industry, and information from each interview has been synthesized into a sub-section titled “Expert Advice,” which follows each *Perspective*.

Linda Dickerson, CEO of 501(c)(3)²

Industry: Management Consulting

Location: Pittsburgh, PA

Background

As the Founder and CEO of 501(c)(3)², Dickerson helps a wide variety of organizations to become more effective and efficient. She serves on the board of numerous nonprofit organizations and is a Trustee of her alma mater, Carnegie Mellon University. As a self-proclaimed “serial entrepreneur,” the expertise that Dickerson uses daily in her work with 501(c)(3)² has been developed over her crucial work in past roles, including CEO of the National Aviary in Pittsburgh, Principal of consulting firm Dickerson & Mangus, and Publisher of Executive Report Magazine.

501(c)(3)², has been in business for 15 years. With about 15 employees, 501(c)(3)² takes on a wide variety of projects for clients, covering areas including business plans, audits, event planning, marketing, PR, and grant writing. “We do a little bit of everything,” Dickerson says. One of 501(c)(3)²’s projects at this time is raising \$11 million for Junior Achievement to support the development of a miniature city where fifth graders can have a “dress rehearsal for life,” even assuming a job.

Establishing a Client Base

When starting 501(c)(3)², Dickerson’s primary focus was on developing a client base. In fact, she started the company with less than \$1,000. “In the consulting business, you don’t really need capital to start a company, you just need a client,” Dickerson says.

501(c)(3)²’s first client was major Pittsburgh foundation The Heinz Endowments, which gave the company a one year assignment. During that year, Dickerson worked to bring on additional clients, and to hire the staff needed to verify their contracts.

In 501(c)(3)²’s work, negotiation is a key component to bringing new clients on board in terms of agreeing on a contract. According to Dickerson, the most important aspects of a negotiation are “knowing the alternatives of the person you are negotiating with, giving them a slightly better option, and communicating in a compelling and clear way.”

In order to gain the information that can help inform a negotiation, Dickerson says, “I try to find out what the going rate is, and I benchmark and provide a lists of benefits, and quantify that. In my business, you have to get a license to public information, so I know what my competitors charge. They also know what I charge, so it’s an equal sum game.”

“[THE MOST IMPORTANT ASPECTS OF A NEGOTIATION ARE] KNOWING THE ALTERNATIVES OF THE PERSON YOU ARE NEGOTIATING WITH, GIVING THEM A SLIGHTLY BETTER OPTION, AND COMMUNICATING IN A COMPELLING AND CLEAR WAY.”

Dickerson also states that networking has also been an important part of negotiating contracts with clients. “We don’t always get what we ask for with clients, but usually when I’m negotiating I try to get someone who they respect or has influence over them to speak on my behalf because we’re always selling our skills. We convince them that we’re worth whatever extra margin we’re charging.”

Building Client Relationships

Dickerson believes that some of the biggest factors to her success with 501(c)(3)² have been related to the level of focus that she directs to the needs of her clients. “When I’m focused on my customer, I’m trying to do more for them than what they ask for the same amount of payment,” she says. “My goal has always been to help nonprofits with a mission about which I personally care to be more efficient and effective—asking them to take the same amount of resources, and have twice the outcome. It’s all an optimization exercise.”

Dickerson advises other business owners and leaders to “always worry more about your clients than yourself, and always exceed expectations. Constantly be aware of what’s changing in the environment, so that you know where your opportunities are.”

“MENTORS ARE EXTREMELY HELPFUL. THEY HELP YOU SEE THINGS FROM A DIFFERENT PERSPECTIVE, THEY CAN BRING RESOURCES, AND THEY CAN HELP YOU MAKE CONNECTIONS.”

When discussing her goals for expanding her business, Dickerson is more concerned with the quality of 501(c)(3)²’s work product than the size of the company. “I’m not convinced that growth for the sake of growth is important. I think that knowing that we fix any problem that we encounter is much better than having an organization that gets beyond our own personal means to make things right for our clients... For us, it’s not about the impact we make, it’s the impact that we help someone else make.”

Entrepreneurial Success

Across her experience as a leader in consulting, publishing, and business writing, a key factor to Dickerson’s success has been the confidence and insight she brings to her work, which culminate in a commitment to high quality services. “Being in business

for yourself is difficult,” she says, “but if we do good work we get more clients, so I never really had the sense that we weren’t going to make it.”

In establishing her own path as a business leader, Dickerson has turned challenges into opportunities. “I decided to work for myself because I spent my life in a wheelchair, and no one would hire me. I was the first person in a wheelchair at my public school, and the second person in a wheelchair to go to Carnegie Mellon. But I wanted to get a job, so I started my own company and employed myself,” she says. “I must say that there are disadvantages, but there are just as many advantages. You just are who you are, and the trick is to be the best with what you have. It makes you a stronger person.”

Entrepreneurship has been a strong fit for Dickerson, and her decisions are primarily based on her expertise and ability to assess the needs of others. “I’ve just always found what I enjoy doing and I’m great at doing, and found someone to pay me to do it,” she says. “I’ve worked for myself my entire life... I’m constantly scanning what’s going on and my general environment, and looking for ways I can solve problems. All of my ideas come from unmet needs.”

Although reliance on her instincts is key to Dickerson’s success, she also acknowledges the power of mentorship. “Mentors are extremely helpful. They help you see things from a different perspective, they can bring resources, and they can help you make connections. They challenge your thinking.”

Drawing from her wealth of experience, Dickerson ultimately offers the following advice for business owners and leaders: “People who understand what their own competencies are and are willing to exceed expectations—not just occasionally but always—are the people who do well. People who understand what others need and where those needs align with their own competencies; that’s the sweet spot.” As 501(c)(3)² continues to succeed and Dickerson remains positioned at the center of the Pittsburgh business and nonprofit worlds, she has certainly found this spot.

Expert Advice

- ➔ *When negotiating, learn the parameters of a negotiation, especially the alternatives of the other party, and be able to make and clearly communicate a slightly better offer.*
- ➔ *Use benchmarking and research to inform your negotiation strategy.*
- ➔ *Finding a mentor can challenge your thinking and bring new perspectives, resources, and connections.*
- ➔ *Understand where your own competencies align with your client's needs.*

Nancy Jones, President of a Social Enterprise Company^{*}

Industry: Professional Grant Writing and Public Health

Location: Western Pennsylvania

Background

Nancy identifies herself as a social entrepreneur who aligns with non-profits rather than big business. "I want to stay nimble," she explained. "And it helps to stay small."

As a freelance writer on the east coast, Nancy's decision to start a business was a "small leap forward." She started her single-member LLC with two things: a laptop and a file cabinet. By relocating to western Pennsylvania, she was able to fill a void by shifting toward professional grant writing and emphasizing mental health – by making a difference at the community level, she could scale up when the time was right.

Time, however, rode the highs and lows of the economy and the recession took a serious toll on the nonprofit sector. In October 2008, Nancy lost all her clients and came to one of the most important realizations of her career: it's good to have a plan A; it's critical to have a plan B. "It was totally unexpected – I didn't retain any of my clients," she explained. "I decided to diversify my services and a huge takeaway from the experience was knowing how to be flexible." Today, her company is able to offer grant writing alongside training, consulting, book writing, publishing and teaching.

^{*}Interviewee wished to remain anonymous.

For Nancy, the risks associated with starting a business boil down to readiness. "I'm constantly watching trends to manage risk," she said. "From the federal level on down, I am mindful of planning meetings and working groups related to healthcare. These trends affect the way grants are awarded, which directly coincides with my business. The more connected I am, the better."

"GETTING FAMILIAR WITH THE BUSINESS LEARNING CURVE MEANT GAINING SKILL SETS IN NEGOTIATION, MARKETING, AND BRANDING."

The Pitch

Since Nancy's company was completely bootstrapped, her pitch aligned more with strategy and reputation rather than funding.

"About 30 years ago, I had a dream where I wrote a book and started a business," she said. "The motivation has always been there but I had to gain business acumen."

"Getting familiar with the business learning curve meant gaining skill sets in negotiation, marketing and branding. I operate out of an office within my home so there wasn't a need for huge amounts of startup capital."

Nancy's one-person entity has expanded since. She hires on a project-basis and has had as many as one to five colleagues working alongside her. She also recently started a telephone hotline to advise others on grant writing.

"I've developed a great network of other grant writers," she said. "My emphasis on working at the community level has allowed me to win projects through competitive bids. Most recently, I was awarded a grant consulting contract for a municipality just outside Pittsburgh."

The Result

Nancy is thrilled to be using a skill she is passionate about – writing – while getting paid to work at her own pace. Her business survived the recession and continues to make a difference in the community.

“The most rewarding part has been growing my reach,” she explained. “Grant writing professionals know me by name. From advocacy and mental health to awareness, my reach has expanded and I’m able to leverage my name as a trusted professional in a growing field.”

When asked what it would take for her to quit or leave the business, Nancy’s response is simple. “Death would be the only reason to quit. I can’t imagine quitting.”

Success Factors

Nancy’s keys to success hinge on personal and professional relationships. “Don’t become isolated,” she said. “Writers often fall prey to not getting out much – this can be a struggle to change, but you have to constantly market and position yourself to succeed.”

Through a series of strategic partnerships, Nancy has shifted away from daily writing and is now directing local courses and workshops. “I began teaching at a community college and it’s been huge for my brand. Getting my name out through education has helped me continue to grow and diversify.”

Mentoring

Nancy cites several mentors and guides that she has turned to for advice over the years who helped provide a foundation for her to build on.

Nancy is also the recipient of a 2012-13 SAMHSA Voice Fellowship. Awarded by the Substance Abuse and Mental

Health Services Administration, fellows are “consumer/peer leaders in the behavioral health community who demonstrate that recovery is not only possible, but commonplace.”

Future Goals

Nancy is currently authoring a book geared toward helping grant writers with developing their careers. She expects it to be completed within the very near future.

In line with her passion for writing, Nancy started a blog for post-trauma wellness out of her experience in healing from abuse. She’s continued to grow the platform with insights and posts that are geared toward fostering a discussion around leading a healthy lifestyle.

Expert Advice

- ➔ ***Build personal and professional relationships that will provide mutually beneficial interactions to grow and succeed your business.***
- ➔ ***Be flexible and willing to diversify your initial skill set to adjust with market conditions.***
- ➔ ***Mitigate risk through readiness and always be aware of what’s happening at a higher level.***
- ➔ ***Don’t become isolated – work to constantly market and position yourself for visibility through business relationships and strategic partnerships.***

Nicki Zevola, CEO of FutureDerm

Industry: Beauty & Skincare Products

Location: Pittsburgh, PA

Background

By her late 20s, Nicki Zevola had a B.S. in biological sciences, a B.A. in physics and astronomy, and was 14 months away from finishing a medical degree. She was also launching a beauty products line, FutureDerm, and already had a significant following on her scientifically-based beauty blog. The company had been awarded \$20,000 in a competition sponsored by the University of Pittsburgh's graduate school of business, which helped launch FutureDerm's product line. In June 2012, Nicki and the FutureDerm team joined AlphaLab, a local accelerator program which provides mentoring, education, and funding for technology startups. At the time, the company consisted of 2 full-time and 2 part-time team members.

The Pitch

In October 2012, FutureDerm, along with several other AlphaLab startups, presented to investors and press at AlphaLab's Demo Day. Nicki talked to 14 different investors during the event.

Her strategy going into the pitch was "under promise and over deliver." She rationalized that while the strongest pitch might be attractive to investors, it would also obligate her to live up to much higher standards. Nicki presented only three objectives:

- 1) Release six products to the market

- 2) Assemble a well-equipped team
- 3) Build a new website

Another strategy she employed was requiring that the lead investment be no less than \$150,000. Nicki knew that it would be difficult to get a lead investment at this level, but it would also set the pace for subsequent investments. She reasoned that if the first investor gave only \$50K for example, others would likely follow with only \$25K.

"WE HAD TRACTION. WE WERE THE HIGHEST REVENUE GROSSING COMPANY IN THE HISTORY OF ALPHALAB, AND WE ALREADY HAD 250,000 VIEWS PER MONTH ON THE COMPANY'S BLOG."

The Result

FutureDerm was able to secure a \$150,000 lead investment, and by June 2013 had raised \$600,000 in Series A funding. The initial run of the first product, a time-release retinol, sold out in eight weeks. FutureDerm now has seven full- and part-time employees and anticipates releasing eight new products to the market by the end of 2013.

Success Factors

Several factors contributed to Nicki's success with raising capital for FutureDerm. "We had traction," she said, "We were the highest revenue grossing company in the history of AlphaLab, and we already had 250,000 views per month on the company's blog." Nicki's experience as a successful blogger, as well as her deep understanding of the industry and her customers also appealed to investors. She also had ambitious goals for the company, including a multi-million dollar exit by 2017.

Mentoring

Nicki benefited from the support of AlphaLab and Innovation Works (another local accelerator), her family, and a couple of long-term mentors. She believes in doing what she can to help others along the way, and in building the entrepreneurial community in Pittsburgh. Nicki currently mentors other AlphaLab companies and is involved with the Girls Math and Science Partnership at the Carnegie Science Center and with the Pittsburgh Technology Council.

Expert Advice

- ➔ *Don't undervalue human capital – the value that you and your teammates bring to the company.*
- ➔ *Keep your pitch simple. Highlight your strengths and present a clear vision for growth.*
- ➔ *Understand your industry and your customers inside and out.*

Susan Smith, CEO^{*}

Industry: Biopharmaceuticals

Location: Boston, MA

Background

What Susan Smith refers to as her “unusual résumé” spans teaching high school chemistry and mathematics, playing key sales and marketing roles with engineering software firms, launching a major university’s entrepreneurial and enterprise development centers and starting a biopharmaceutical company. Now, Smith is working closely with a major venture capital group and serving as President/CEO, Chief Executive Officer, and Chief Operating Officer in three biopharmaceutical companies.

Smith completed her undergraduate education with a degree in chemistry and a minor in math and physics. Her first position upon graduation was teaching high school chemistry and mathematics for five years. After starting a family, she eventually decided to pursue a career outside of education and applied her knowledge of thermodynamics to sales and marketing work with an engineering software firm. She discovered that she had a talent for sales and began advancing in the field, eventually becoming Director of North American Businesses Development for an engineering software company. Sales and marketing provided the foundation for branching into areas such as intellectual property licensing and integration of software products through mergers. Eventually, Smith left the comfort of the large corporation to work with a university-based startup specializing in artificial intelligence.

Smith’s career shifted when she was approached by a

former colleague and learned of the opportunity to lead a new entrepreneurial center at a major university’s Cancer Institute. As Founding Director and starting with a \$200,000 donation from an entrepreneur and donor, she raised more than \$4 million and grew the organization into an institution serving all six schools of health sciences at the university. She translated several ideas into companies with the Center, created a 13-week course for faculty on medical entrepreneurship, and helped to introduce venture investing to the institution as a founding member of its Health Ventures investment board.

Smith decided that her next move would be to start a company of her own. She raised \$2 million in venture funding from a seed investor, and though she planned for the company to be based in her current city, a \$30 million investment from a venture capital group convinced her otherwise. Smith moved her husband and four children to Boston.

Smith now heads a biopharmaceutical company as President and CEO, and has since taken on C-level roles in two other companies as well. The companies are backed by a private equity and venture capital investment firm; Smith also manages other companies in the fund’s portfolio. In addition to serving on numerous advisory boards, she is the Chairman of the Board of Directors of an organization of women C-level executives.

The Pitch

Among the many areas of expertise that Susan Smith has developed in her expansive career, knowing how to bring others on board has been crucial to her work in sales and both non-profit and for-profit fundraising.

Smith points out that the ability to network is an important part of this. She cites her experience starting a research center as a prime example of the power of networking: “When I started the Center... I didn’t have

^{*}Interviewee wished to remain anonymous.

breakfast or lunch alone for the next three years. When you're trying to raise money, people have to know who you are."

The power of one's network is also a key part of getting investors' attention—a step that Smith stresses is the most important to the pitch process. When describing her approach to bringing investors on board, Smith says, "200 million people are asking them for their money, and they get business plans mailed to them every day. If you can't get out of the noise and get their attention, there's never going to be a negotiation; that comes when you've piqued their interest and they've started to ask you questions."

She also refers to the importance of prior research: "Mailing a business plan or cold calling an investor is a complete waste of time. You get their attention by getting to them through someone they know. You need to do your homework and find out what other companies they've invested in, what board they're serving on, and what academic advisors they're using. You need to look for places where your networks have crossed. LinkedIn can be good for that."

The Result

In the case of her pitch to investors to back her company, Smith raised double the \$15 million she needed to secure for a clinical trial. A crucial factor in this negotiation was recognizing the immovable points of the other party. Smith realized that, for the venture capital group she was negotiating with, relocating the company was a non-negotiable point. Smith did not plan to move her company, and even had to be prepared to receive negative attention from local press based on this decision. However, she recognized this condition for what it was, and this helped her to make her decision. "We had to make the decision if we were willing to flex on that. Moving to Boston was an immovable point for the investors."

[In a negotiation, you] really need to understand where the hard limits are, and where they aren't. Many people think that money is the sticking point, but it's much

more about control and confidence. When the deal is done, this is something that you'll have to live with and be in business with, so the relationship that you build is everything."

Future Goals

Smith's goals for her companies are tailored to the operations of the biopharmaceutical industry. In this industry, companies do not generate revenue; instead, success is about the sale of companies to other companies. As a highly regulated industry, biotech companies must run clinical trials to obtain an FDA license in order to sell their products. Smith explains that the key is to build "enough value to show that you're close to obtaining a marketing license, and then get bought by another company that takes it over the line." It is necessary to "create high value inflection points for your company so that you get someone to buy it for more than what your investors are putting in. Raising \$100 million isn't crazy, because companies sell for \$1 billion all the time."

At the end of the day, it is the opportunity to continue doing good science and creating innovative products—for instance, new drugs that are safer for consumers—and the rush of running a business that keep Smith motivated. She describes starting her own company, saying, "It was the most fun that I've had in my life. It's like a drug. It's chaos, it's insane, it's hard work, and I'm totally addicted to it."

Expert Advice

- ➔ *Get the attention of investors by doing your research and using your network for introductions whenever possible.*
- ➔ *Going into a negotiation, it is crucial to understand the hard limits.*
- ➔ *It is often not money that is the "sticking point" of a negotiation, but rather control and confidence.*

Susan Catalano, Co-Founder of Cognition Therapeutics

Industry: Pharmaceutical research

Location: Pittsburgh, PA

Background

Susan Catalano's journey to start a pharmaceutical research company started in the Bay Area of California. After completing her PhD from UC Irvine and working in the neurobiology field, she familiarized herself with the drug discovery market and wanted to specialize in researching Alzheimer's Disease.

"Alzheimer's (research) is a huge, financially-secure market," she explained. "We needed to be cost-effective and choose a feasible location."

"We started flying around, looking for cheaper areas to start a business," she continued. "Our search eventually narrowed to Philadelphia and Pittsburgh and really gained traction in Pittsburgh. Pitt Life Sciences Greenhouse wrote our initial investment and it was a wonderful model to guide companies from the C-level."

"Other successful startups had become profitable in Pittsburgh as well. All of this went into our decision to move from the west coast."

The Pitch

Susan's primary goal was to obtain funding. "Our team was in place and we were aware of the risks – including regulatory hurdles associated with the drug discovery market. We were very driven and firm in negotiations."

When Susan pitched the team's budget, it was straightforward and spot-on.

"Our investor asked us, 'Will you be able to find improvements for this disease?' and we confidently responded, 'Yes.'"

Unfortunately, the funding took some time to secure. For one year, Susan went without a salary. As she puts it, being flexible is key. "A big reason why we love Pittsburgh is we can operate at a low cost of business. I remained flexible and continue advising others the same way."

"OUR INVESTOR ASKED US, 'WILL YOU BE ABLE TO FIND IMPROVEMENTS FOR THIS DISEASE?' AND WE CONFIDENTLY RESPONDED 'YES.'"

The Result

Cognition Therapeutics has been successfully operating since 2007. Susan says the recession of 2008-09 was difficult but her company pulled through.

"The pharmaceutical industry has been downsizing," she explained. "Regulations and restrictions have been coming – we saw the writing on the wall. Global companies were making all their profits here in the US. Then the events of 2008 happened and it was an extremely challenging time. Cognition received grants from the NIH and qualified therapeutic grants – these were crucial in the survival of our company."

Success Factors

Susan's keys to success include preparation and being cost-effective. "Be firm in negotiations but flexible in

your plans,” she said. “Find an area that is suitable for your business.”

Susan also cites a strong support system in her personal life. “My fiancé has been extremely supportive. He’s also an entrepreneur and owns a business in California. Out of my entire family, I’m the first to pursue an entrepreneurial path. Their support has been huge. Also the economic development community – specifically in the sciences – has been very supportive as well.

Mentoring

Susan primarily turns to her peers in the Women Presidents Organization for support. She also cites other entrepreneurs – including CEO Franz Hefti – as being helpful and advising her through the startup process.

“I’m part of Women in Bio – their networking opportunities from the C-level down to graduate students has provided great career advice.”

Future Goals

Susan is proud of the growth Cognition has experienced. “We’ve added staff and square footage,” she said. “Our growth is organic and slow. We never overextend ourselves and we’ve never had a layoff.” “Our big goal for the future is to expand into Parkinson’s disease research as well.”

Expert Advice

- ➔ *Be prepared heading into your pitch. Keep negotiations firm and straightforward and when planning a budget, be sure it is accurate and on target.*
- ➔ *Keep costs low. Whether that means relocating or shifting resources, operating at a low cost of business can be the difference between success and failure. We had some help during the recession, but keeping costs low made a difference in ensuring that we would bounce back.*
- ➔ *Be flexible and willing to take a risk. I went without a salary for a full year while waiting for our funding. I believed so strongly in our mission, however, that I knew it was the right thing to do.*
- ➔ *Count on your peers for support. Women in Bio and Women Presidents Organization have provided ample support and networking opportunities for me to gain insight and go back and forth with other women leaders in my field.*

Jane Doe, CEO*

Industry: Information Technology

Location: Pittsburgh, PA

Background

In 1990, Jane Doe decided to leave her job in the financial sector so she could spend more time with her children. She partnered with a female friend and soon they started a company that would provide services related to online marketing and e-commerce. Since then, this business leader has founded two more companies that have been incrementally successful. Currently, her company provides a software-as-a-service (SaaS) solution.

Access to Capital and Pitching to Investors

When Jane created her first company, she partnered with another woman. Each of them invested around \$5,000 and they decided to work from her house until they got their first client. During the first couple of years, they barely made any profits. However, over time, their company experienced organic growth and they were able to make more than \$2 million dollars in revenue.

After 21 years, they sold their company and Jane started her current company. The transition from a service company to a product company would require a larger amount of seed capital than she could afford. Besides, this time she wanted other people to invest in her idea. Therefore, she went to New York to pitch her idea in front of an angel investor. Moreover, she got

funding from Innovation Works in Pittsburgh and other individual investors.

Negotiation Skills

One of the most important things a woman has to do if she wants to own a business is to learn negotiation skills. Jane has studied the topic by taking courses and reading books on this subject. In this sense, research is necessary to identify the needs of your counterpart and adjust accordingly. Additionally, her experiences allowed her to practice, learn and improve as a negotiator.

Mentoring

Jane has never had the same mentor throughout her life and she prefers peer mentoring. Throughout her entrepreneurial life she has participated in organizations where she has found other women similar to her. For example, she is a member of one of the most important organizations for business owners with revenue over the 2 million dollar mark. To Jane, this group represents a go-to place whenever she needs help from her peers because even if the people she knows cannot help her, they surely know someone who can.

In addition to this, she recognizes the value of mentoring younger colleagues. According to her, sometimes being nice and having patience are enough to mentor other women.

Success Factors

First, the three most important things to start a business are a strong business plan, a good idea with a market ready for it, and money. When she started her first company, she was confident because she had these elements, so having a strategy prepared her to take the risk of starting a new venture. After more than twenty years as an entrepreneur, she still feels prepared

*Interviewee wished to remain anonymous.

to assume risks because a strong strategy helps entrepreneurs to manage pitfalls.

Second, once you have a strategy, it is important to keep adjusting to external changes.

Third, she believes that to be successful you have to shoot for the stars and make your best effort. When you do your best, you reduce the probability of failure.

Expert Advice

- ➔ *The three most important things to start a business are a strong business plan, a good idea with a market ready for it, and money.*
- ➔ *Ask for help from other women. There are many women who have already*

done what you want to accomplish and they can help you. In general, people are willing and open to share their experience.

- ➔ *Learning negotiation is a key factor to grow your business faster. Never start a negotiation with your very best offer. You have to leave room for negotiation. Discuss several topics at once and let the counterpart win on some of those points so she feels that she has accomplished her goal.*
- ➔ *Seek peer mentoring. Participate in your community and expand your network because the size of your network will determine your success. Mentor other women.*

Kilolo Lockett, Project Leader for Making a Scene (MAS)

Industry: Nonprofit Arts & Culture

Location: Pittsburgh, PA

Background

In 2001, Kilolo Lockett developed the idea to transform a vacant building in Downtown Pittsburgh into free studio and gallery space for artists for a month. At the time, there was virtually no cultural activity downtown. The quarterly Gallery Crawl, which now brings hundreds of art patrons to the downtown area, had not yet been established. Kilolo had a background in history and architecture from the University of Pittsburgh, and was working for Urban Design Associates, a local architectural firm. She had always worked with artists and creative people, and had a passion for connecting people with resources. Kilolo was also inspired by the prospect of seeing this abandoned building activated in a creative way, and showing the city that this could happen with very little money. The initiative was called “Making a Scene,” or MAS, and it would provide an opportunity for artists to collaborate and create art with community involvement.

Fundraising Approach

Fundraising for Making a Scene was very much a grassroots effort. Working through her established networks, Kilolo and her team of five collaborators wrote letters and made phone calls to foundations asking for support. Kilolo would discuss the project with foundation representatives over coffee or lunch,

emphasizing how the initiative would benefit both the artists involved and the greater arts community. One of her strategies was asking for smaller amounts. She asked for grants of less than \$10,000 – at that time the “tipping point” at which a grant request typically must be approved by the foundation’s board of directors.

Asking for foundation support presented several challenges. First, Kilolo was asking foundations to fund a project that had no track record because it did not yet exist. Secondly, not only was she asking for grants outside of their usual funding cycles, but foundations at the time were not supporting individual artists. Undeterred, Kilolo decided to ask anyway. This unconventional approach ultimately paid off. On several occasions, Kilolo received donations from individual program officers or board members when the project fell outside the foundation’s funding guidelines.

The Result

In addition to securing several gifts from individuals, Kilolo was also one of first recipients of a grant from the Sprout Fund, a local nonprofit that provides funding for grassroots community projects. Through her efforts, Kilolo was able to raise \$20,000 in in-kind gifts and nearly the same amount in cash for the project. Several local museums, the Manchester Craftsmen’s Guild, and Carnegie Mellon University became involved, along with more than 75 artists who collaborated on interdisciplinary projects.

Success Factors

Kilolo successfully raised funds for Making a Scene by leveraging her existing networks and not being afraid to ask. In spite of the challenges in raising money for the project, she knew that she would never be successful if she went into a meeting expecting to hear “no.” She also never took “no” as a definitive answer, but instead interpreted the response as “not right now.”

Kilolo found that adequate preparation was crucial for getting a positive response from funders. She ensured that she was well prepared for her meetings by researching not only the foundations' funding priorities, but also the individual program officers or board members with whom she would be speaking.

Ultimately, funders were drawn to the collaborative aspect of the project. They also responded to the fact that Kilolo had identified a clear need within the community and was able to articulate how the project would address it.

Expert Advice

- *Leverage your existing networks and don't be afraid to ask. You might open up opportunities you were not expecting.*
- *Always go into the ask expecting to hear "yes."*
- *Remember that with funders, "no" often means "not right now."*

Mayra Barrera, Co-Founder of Baguet Games

Industry: Gaming

Location: Mexico City, Mexico and Tasmania, Australia

Background

Mayra studied Art and Digital Design. At college she became interested in videogames. Before she ended her studies, she partnered with some of her classmates and they created a production company. However, they had to shift their operations towards more profitable markets: documentary production and marketing. Since Mayra was very loyal to her convictions, she decided to found a new company in which she could fulfill her dream: developing videogames. In 2012, she moved to Australia to learn more about the state of the art in videogame development, and she founded her second company, which is based in Mexico City and Tasmania.

Access to Capital and Pitching to Investors

When Mayra started her first company, she did not ask for a loan. Instead, she relied on co-founders' investments and her parents' support. Moreover, she received support from the Tecnológico de Monterrey, her college. They provided counseling and technical support.

When Mayra co-founded Baguet Games, she was still struggling to pay for her college loans and her income was limited to the scholarships she received to study in

Australia. Therefore, in order to launch Baguet Games, she had to do freelance jobs for one year, save the money and sell her share of her first company. In the present, Mayra and her co-founders continue saving as much money as they can to invest it in their company. However, they are exploring the possibility of joining a business incubator and pitching their company to investors so they can grow faster.

Negotiation Skills

Mayra believes that the best strategy is to be friendly and always willing to help others. This strategy has helped them find free or low cost spaces to show their work. For example, they have delivered several lectures at universities about game development.

Mentoring

Mayra never received formal mentorship from anybody but her parents. Since her mother is an accountant, she has helped Mayra by advising her on how to pay her taxes and providing a space for them to work at home.

In addition, Mayra relies on the Internet as a source to obtain information that can help her improve her development skills and to get peer mentoring. For example, if she has specific questions, she participates in blogs and forums, and asks other developers about their experience. She mentions, "They usually are nice people that will answer you in detail."

In this sense, Mayra believes that peer mentoring is very important to provide support to carry on with the project.

Success Factors

First, Mayra believes that her experience in her first company taught her how to manage a startup and

how to prevent common mistakes. In this sense, doing more than one startup has enabled her to learn the entrepreneurial skills she needed to be successful.

Second, setting clear and measurable goals for her company has also been an important success factor. When she founded Baguet Games, the co-founders decided to establish a goal to be financially independent within three years. Their first goal was to make Baguet Games a recognizable brand in the Mexican videogame industry. Their second goal was to make their brand recognizable with the public. Their third goal was to start earning revenue. Setting these goals has enabled them to expand from a Mexican local market to an international market and reach a wider audience.

Third, making commitments outside the company, like promising to their fans that they were going to develop four games by the end of the year, kept them striving. Mayra said that even though setting goals within the team is important, making commitments with fans is even more important. During this past year, they lost track of the types of videogames they wanted to develop. However, their commitment to the public and

need to keep a good reputation made them overcome this block.

Expert Advice

- ➔ *It is important to rely on peer mentoring as an emotional support that can help you carry on with your company.*
- ➔ *Set clear goals within the organization and develop a strategy.*
- ➔ *Making commitments with your fan base is a good incentive to move forward because it keeps you accountable.*
- ➔ *Keeping in touch with your fan base is useful to improve product development, expand your market and build a good reputation.*

Investor Perspectives

The following two *Perspectives* provide insight about the investor side of the negotiation table, including how potential investors or lenders evaluate the strength of a business and its leadership. The first is adapted from an interview with a retired lending officer from a large financial institution. The second interview was conducted with the president of a nonprofit organization that, rather than investing capital itself, connects women-led companies to the investor community and provides training about how to succeed when pitching to investors. The recommendations provided by these individuals echo the expert advice offered by the entrepreneurs from the previous sections.

Sally Smith, Lending Officer^{*}

Industry: Banking & Finance

Location: Pittsburgh, PA

Background

Sally Smith began her career in commercial banking. After earning her MBA in the early 1980's, she gained over 20 years of experience working for a large financial institution in Pittsburgh as a Lending Officer in the financial sectors of credit policy, lending, and commercial lending. She draws upon the negotiation experience that she gained conducting "financial workouts" with troubled businesses in the retail, energy, and financial industries seeking alternatives to bankruptcy.

In a financial workout, financially distressed companies that have had difficulty making scheduled loan payments enter into an out-of-court, complex, multiparty negotiation consisting of several creditors, a secured creditor (usually a bank), and the business itself. During these "workouts," creditors and the business first attempt to negotiate the restructuring of a loan. Then, in cases where bankruptcy is the only option, they will negotiate the terms of an exit strategy before filing in federal court.

Going into the negotiation, business owners must understand the negotiation environment they are about to enter. When it comes down to the terms of an agreement, creditors will negotiate based on what is in the best interest of the financial institution. It is

important for businesses to have a plan. Smith indicated that it is key that all parties are aware that they are dealing with people, and that reaching an integrative agreement is possible. However, all parties must be prepared to be direct about what they are asking for and be comfortable with confrontation.

Entrepreneurial Lessons from Lenders

Smith cited several reasons why businesses experience financial difficulty. One is that some loans are ill conceived in the first place. Additionally, some transactions are poorly underwritten. These weak estimates are attributed to sub-prime lending practices and are the fault of both financial institutions and clients. As a result, tighter lending requirements have restricted access to the market, but have also lead to more responsible lending practices.

"[I] CAN'T UNDERSTAND WHY ANYONE WHO IS RISK AVERSE WOULD OWN THEIR OWN BUSINESS."

However, Smith said that banks are in business to lend money; they want to lend money to companies that are doing well. It is imperative for entrepreneurs to be comfortable with risk and present a clear business plan. Smith said, "[I] can't understand why anyone who is risk averse would own their own business." Business ideas have an opportunity to succeed, and they have a chance to fail. However, lenders must see a way out if a company does not succeed. Assets such as property, equipment, and/or inventory often secure loans; these are used as collateral if debt obligations cannot be met. Small business owners often put their homes up as collateral, and this is very risky. It is important for entrepreneurs to understand the risks involved in starting a business, develop a solid business plan, and

^{*}Interviewee wished to remain anonymous.

diversify their assets to reduce the collateral damage should their business fail.

Expert Advice

➔ *It is important for entrepreneurs to understand the risks involved in starting a business.*

➔ *Entrepreneurs need to develop a solid business plan.*

➔ *Small business owners must diversify their assets to reduce the collateral damage should their business fail.*

Amy Millman, President of Springboard Enterprises

Industry: Nonprofit

Location: Washington, DC

Background

Amy Millman is the Co-Founder and President of Springboard Enterprises, a nonprofit organization that has created an expert network of innovators, investors and influencers who are dedicated to building high-growth technology-oriented companies led by women. As such, Millman possesses the experience of not only starting and leading an organization, but also identifying the qualities and characteristics that promote a company's expansion and success.

Through Springboard's variety of programs, including its Accelerators, "Dolphin Tank" Pitch Sessions and Alumnae Caucus, the organization advises and supports businesses seeking capital, and forms partnerships for development and expansion through connections with investors. Over the 13 years that the organization has been in existence, Springboard companies have raised \$6.2 billion, including 10 that are now public companies.¹

Millman was previously Executive Director of the National Women's Business Council, where she led the organization in assessing the status of women's business ownership in America and how to support women business owners. Among the focus areas of her work were increasing women's government contracting opportunities and access to capital. By 1997, Millman

had begun to realize that there were an emerging class of technology businesses that required infusions of equity capital rather than bank loans in order to finance product development and expansion. At the time, women founders were only receiving 2% of equity investments which seriously impeded their ability to grow. Millman recognized an opportunity to connect women business leaders with investors who could provide this much needed capital.

The first Springboard program, featuring 26 women-led technology businesses selected from 350 applicants, was held in Silicon Valley in January 2000. At the time, Millman was the Executive Director of a federal government Commission – the national Women's Business Council – and together with the Presidentially appointed chair of the Council, Koplovitz, founder of USA Cable Networks, they launched Springboard Enterprises in 2001.

Organizational Outlook

As Springboard's program offerings have grown over the years, the organization's leadership team has tracked the market and kept a keen eye on the ever evolving needs of women entrepreneurs to determine the organization's potential impact. Springboard operates with a team of five full time staff and many volunteers, and Millman states that the organization's talent has been key to its success—an insight which also applies to the companies that participate in Springboard's programs. "The thing about the startup world is that everything is an interactive process," Millman says. "Everyone talks about the business plan, strategy, and strategic plan, but the thing about it for me is that it's often the talent that's there." Millman believes that the funding to get a venture off the road and human resources are the most important factors for any organization. However, it "doesn't matter how much money you have if you don't have an 'A' Team," she says.

¹ Springboard Enterprises, <http://sb.co/>

The addition of program offerings such as a coaching component for presenting to investors exemplify Springboard's foresight and responsiveness to its clients' needs. The organization's leaders realized that delivering these presentations is often not intuitive. They reacted by offering an advisory group to provide coaching to its portfolio companies.

Another instance of this interactivity is the development of Springboard's network of experts. When Springboard hosted its first alumni event in 2006, the organization was pleasantly surprised to see that half of the program's past participants—country and nationwide—joined to discuss their experiences and what they had learned. It was not just the venture forum program that was important, Millman realized, but also the relationships that were built there. As such, a key part of Springboard's mission has become to offer an expert network of women leaders. Now, the organization has a network of thousands that can be put to work for any company that participates in its programs.

Selecting and Promoting Strong Companies

According to Millman, there are several key factors that Springboard's process looks for when choosing companies to participate in its programs. Beyond the basic requirements of being women-led, high-growth, technology-oriented companies, these include:

- **Documentation:** The documentation of a project can reflect how serious someone is about their venture; The quality of writing and level of information included are key indicators of this.
- **Traction:** Indicators such as having an equity stake in the company, receiving validation in the marketplace, or having a start in a university or similar context all show that a project has traction. For instance: it is clear that a company has already done what it needs to do to transfer or secure required technology?
- **A Capable Management Team:** The experience and level of focus of the management team is a

key indicator of a project's potential for success.

- **Coachability:** Receptiveness toward training and coaching from Springboard's advisors suggest how much the experience can impact a company's growth.
- **A Quantified, Process-Oriented Plan:** Springboard's advisors often recommend that companies focus on quantifying their plan and highlighting their business process; this can be the differentiator that sets ventures apart. Millman describes an extremely successful pitch where an entrepreneur listened carefully and found that investors were interested in her company's manufacturing process, rather than the product itself. "She transformed her product pitch into a business pitch," Millman says. "I've only seen that a few times in all these years."

Negotiation and Self-Presentation

When negotiating, some of the most successful strategies that Millman has seen companies take are to either "speak their language," and show an understanding of what the person on the other side of the table needs to hear, or to have a strong mission and vision and "be dogged in your approach" to get it done.

"IT DOESN'T MATTER HOW MUCH MONEY YOU HAVE IF YOU DON'T HAVE AN 'A' TEAM."

Millman identifies negotiation—including how to ask and how to position oneself—as an important aspect of women leaders' success. However, Millman has noticed that these women are often hesitant to publicly acknowledge their accomplishments. For instance, when giving pitches, women with MBAs and PhDs frequently did not reveal their qualifications.

"Even women who have so much expertise don't feel comfortable leading with it," Millman says. "You can't make the ask if you can't get through the door. If you

can't get through the door, it's because nobody knows if you're someone that they want to see."

Now, Springboard starts its training sessions with a biography pitch, where participants provide their colleagues with feedback and support to establish a greater level of comfort with establishing their qualifications. Improving in this area will not only help women to establish their authority and credibility while negotiating, but is applicable in many aspects of running a company.

With 83% of Springboard companies still in existence, a network of thousands of expert advisors ready to help, and many applicants eager to participate, Millman's proven record of helping women-led businesses to succeed continues to grow.

Expert Advice

- ➔ *The two most important factors for startups are the funding to get off the ground and human capital. It doesn't matter how much funding you have if you don't have the people who can make things happen.*
- ➔ *In a pitch, quantifying your plan and discussing process is a key detail that cannot be left out. In fact, the mechanism and not the product can be the key differentiator between proposals.*
- ➔ *Women entrepreneurs and business leaders should become comfortable with highlighting their own importance and successes.*

Interview Questions

Background

1. Could you introduce yourself and tell us about your company? (location, industry, activities, size)
2. How did you start your company?

First Challenges

1. What were the biggest challenges you experienced when you started your company?
2. Did you have to pitch your idea to investors or ask for loans? Did you set goals and develop a strategy before asking for financial support? What were the results?
3. Who were the people who supported you the most? Besides your family and friends, did you have a mentor?

Current Challenges

1. At the most difficult moments with your business, what prompted you to keep going? What would have prompted you to quit?
2. What negotiating tactics have you used to get your business to the next level?
3. What does risk and failure mean to you? How do you handle them?
4. What does success look like? What are the keys to achieve success?
5. Do you think it is important to mentor other women to help them achieve their goals? Why?

Future

1. Have you achieved the goals you initially set for your company? Did they change along the way?
2. How do you envision yourself and your company in the future?