

S H E ' S T H E B U S I N E S S

Supporting  
entrepreneurial spirit

HSBC Private Banking

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## About the research

The insights in this report are gathered from two complementary research studies conducted in June and July 2019: an online quantitative survey of 1202 entrepreneurs of whom 604 were women, and 13 in-depth interviews with seven female entrepreneurs and six investors. The survey was fielded in mainland China, France, Hong Kong, Saudi Arabia, UAE, Singapore, the UK and the USA, and the interviews were undertaken in Europa and Asia. All participating entrepreneurs were major shareholders and active decision makers in a privately owned business. In order to be included in our sample, they must have secured or had been in the process of securing at least £100,000 of capital, excluding any amounts invested through self-funding or investments received from friends and family.

# Foreword

At HSBC Private Banking, we're proud of our long standing history in helping entrepreneurs across the world transform their imagination and ambition into stories of success and pride. We've connected people and businesses across the world for 154 years now, fueling growth and uncovering opportunity.

We will continue to provide the entrepreneurial minds of today and tomorrow with the best possible service, advice and guidance. We understand the demands and challenges of today's economy, as well as responding to shifts across the entire business landscape. It also means asking tough questions to address the gaps that exist within the business ecosystem. Ultimately, when we notice that there might be a better way to help people, we are motivated to change the way we work.

Over the last few years, we have undertaken substantial research into the journeys and motivations of entrepreneurs. Whilst entrepreneurship as a whole has been flourishing, we were disconcerted by the fact that still today, female entrepreneurs represent just 3% of deal flow. While the proportion of women-led start-ups continues to grow, female entrepreneurs are statistically still playing catch-up. We had to explore why.

Those taking the leap have limited access to successful female mentors, making it harder for them to build understanding and confidence. On the other side, investors holding the purse strings are significantly more likely to be men. As more women become entrepreneurs – and subsequently, investors – the gender imbalance will gradually diminish making a positive change in the world.

To provide female entrepreneurs with the opportunities and resources they need to grow their businesses, we have compiled this report reflecting our research into raising capital, the most significant challenge all entrepreneurs face. Our research identifies the particular hurdles faced by women in the start-up community at critical points along the way, and explores the underlying, often subtle reasons why female entrepreneurs are negatively impacted.

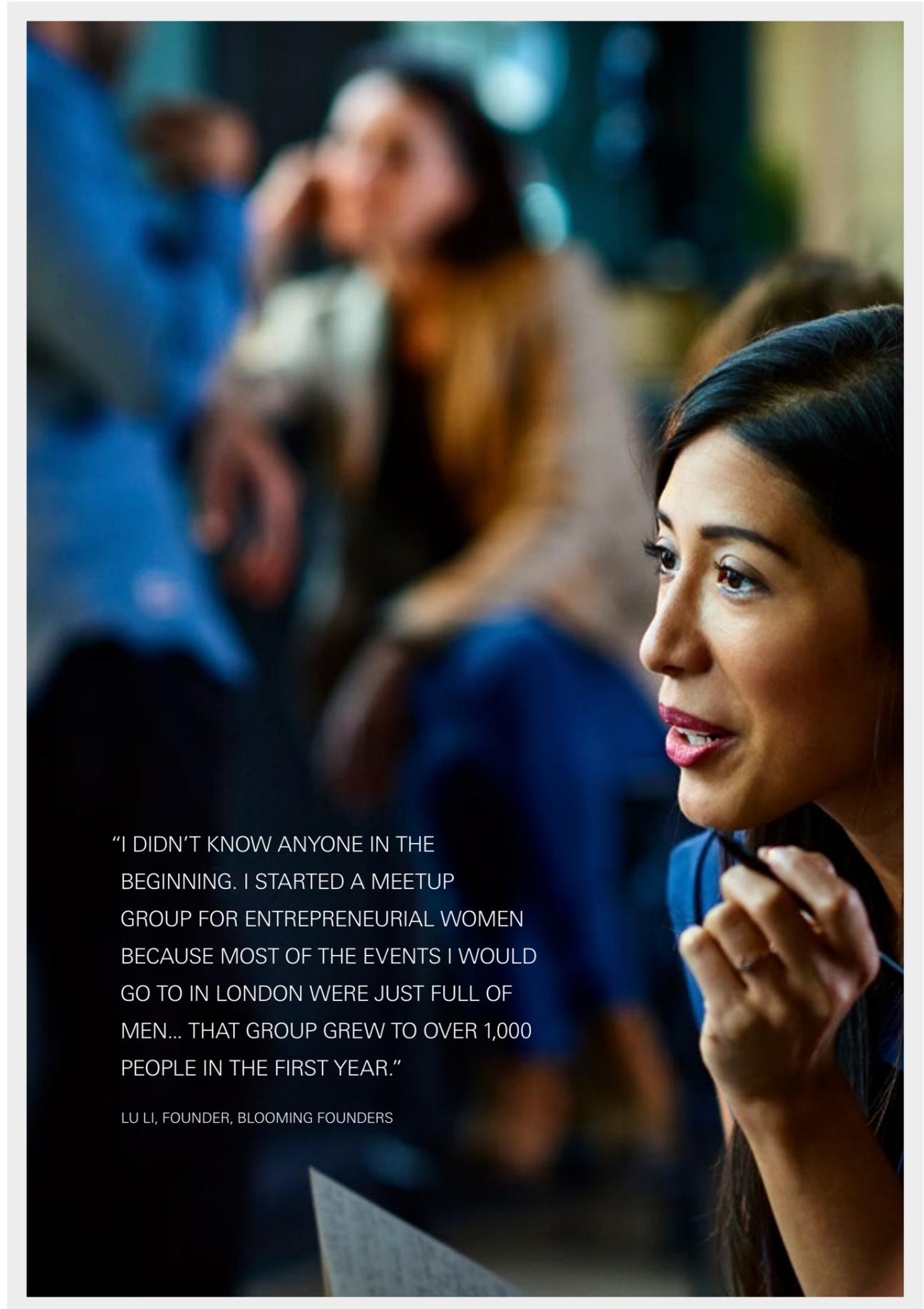
While our research focuses on the challenges female entrepreneurs face when raising capital, it also points to suggestions and improvements we can make. The female entrepreneurs participating in our research proposed a number of suggestions to help improve the investment process, including:

- » **Access to networks:** Having a strong support network is essential for entrepreneurial success, however a lack of peers and mentors is limiting female entrepreneurs in terms of growth. Having access to business networks can help female entrepreneurs facilitate the introductions and connections to help scale their business.
- » **Role models:** Female entrepreneurs are more likely to be inspired by other women in their industry to start their own business. We need to champion and give platforms to female founders.
- » **Overcoming bias:** Female entrepreneurs felt bias could be prevented or significantly reduced if investors regularly reviewed their investment choices and by having mixed investor panels.
- » **Investment knowledge:** Female entrepreneurs would welcome more transparency on investor criteria and constructive feedback from investors.

We are grateful to all of the entrepreneurs and investors who participated in our research. The insights into their experiences and perspectives have presented us with the opportunity to reassess how we do things, and ensure we continue to evolve. We believe that helping female entrepreneurs reach their goals will have tangible economic benefits for the rest of the start-up ecosystem and the global economy. As a result of these initiatives we are in a much stronger place to support them – and their businesses – and to help them to thrive.



António Simões  
CEO, HSBC Private Banking



“I DIDN'T KNOW ANYONE IN THE BEGINNING. I STARTED A MEETUP GROUP FOR ENTREPRENEURIAL WOMEN BECAUSE MOST OF THE EVENTS I WOULD GO TO IN LONDON WERE JUST FULL OF MEN... THAT GROUP GREW TO OVER 1,000 PEOPLE IN THE FIRST YEAR.”

LU LI, FOUNDER, BLOOMING FOUNDERS

# Key survey findings

● Female entrepreneurs (n=604) ● Male entrepreneurs (n=598)



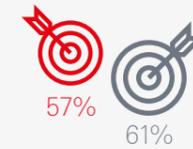
58% of female entrepreneurs are concerned about bias when raising capital.



Female entrepreneurs are securing 5% less capital than their male counterparts.



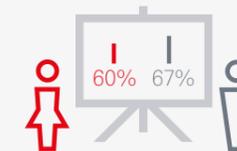
Concerns about bias were highest in Singapore (80%) and the USA (77%).



Female entrepreneurs are securing on average 57% of their target investment, with their male counterparts securing more (61%).



Female entrepreneurs are achieving the highest proportion of their target investment in Saudi Arabia the UAE (45%) and mainland China (40%), and the lowest proportion in UK (24%) and France (22%).



Despite consulting entrepreneurial peers and the wider business community to the same extent as men, as well as undertaking a comparable level of rigorous research and due diligence prior to approaching investors, female entrepreneurs are less likely to feel confident prior to the pitch.



35% of female entrepreneurs say they have experienced gender bias during the pitch process, most often in the form of intrusive personal questions or a concentrated focus on the downsides of their business plan. The level of reported bias varies by market, with female entrepreneurs in the UK experiencing the greatest bias at 54%, followed by the USA at 46% and Singapore at 41%.

# Sources of inspiration and the road to securing capital

## Searching for inspiration

Throughout our lives, we seek out role models and mentors to inspire us, give us hope and light the way when we embark on a new path. For first-time entrepreneurs, starting a business is a bold step into the unknown. While the prospect may be simultaneously exciting and daunting, the importance of sharing experiences with kindred spirits cannot be understated. Male and female entrepreneurs participating in our survey highlighted the value of shared experience in terms of generating emotional as well as practical reassurance, with women significantly more likely to seek inspiration from other women when setting out on the journey to start their own business (figure 1, p.12).

**“It’s a case of enabling, championing and giving women the strength and support needed, so they know they can do it. And to also understand that at times, it will be really tough - especially if you’re doing it on your own.”**

Victoria Peppiatt,  
Co-founder and COO, Phrasee

**“I didn’t know anyone in the beginning. I started a Meetup group for entrepreneurial women because most of the events I would go to in London were just full of men ... That group grew to over 1,000 people in the first year.”**

Lu Li, Founder,  
Blooming Founders

## A minority group

While the proportion of female entrepreneurs continues to grow, they remain a minority in the start-up universe. It is estimated that only 3% of capital goes to female founders, suggesting a fundamental challenge for women embarking on their journey to secure investment. As the majority of networking associations are run by men, each and every female entrepreneur taking part in our research emphasised the importance of gaining access to like-minded women who are able to offer advice and share the benefits of their wisdom.

## Network! Network! Network!

With fewer women blazing a trail in the past, today’s early stage female entrepreneurs have a smaller pool of wisdom to tap into when they need guidance to help them navigate the start-up territory. Women report having smaller professional networks than men, and therefore limited access to female role models, coaches and mentors among their contacts, which reduces the level of support they have at their disposal. The ability to network is crucial for entrepreneurs to meet clients and contacts to grow their business.



**“DON’T ASK FOR MONEY UNTIL YOU GENERATE SOME BUSINESS. THERE’S NOTHING TO TALK ABOUT IF IT’S JUST A CONCEPT. GET SOME TRACTION FIRST”**

ROSALINE CHOW KOO, FOUNDER & CEO OF CXA

Female entrepreneurs also tend to have fewer investor contacts. One described adopting the scattergun method to reach out to all of her LinkedIn connections in a bid to source potential investors. With greater access to a broader, more meaningful professional network, men are less likely to resort to a largely unproductive wild-goose chase on social media in pursuit of funding.

Experienced female entrepreneurs have an established network of invaluable contacts cultivated over many years, not to mention the confidence and flair for truly knowing how to work media connections. One such respondent acknowledged that she is an exception, urging other female entrepreneurs to follow her lead in building a meaningful portfolio of contacts.

**“I network a huge amount because I speak at so many conferences. I feel I’m very lucky that my network is so broad, but most founders don’t know how to do that. They don’t know how to get media coverage. And they don’t know how to pitch or talk about their business in an interesting, engaging way.”**

Rosaline Chow Koo,  
Founder and CEO, CXA

The value of being well-networked was further emphasised by an investor when she spoke of how investors follow up leads:

**“The best leads come from your own network or they come as recommendations from other entrepreneurs you’ve backed. We like entrepreneurs that come through our own network or people we’ve worked with in the past or who have worked with other people we know well.”**

Wei Hopeman,  
Co-founder and Managing Partner  
of Arbor Ventures

### **Making the business case before pursuing investment**

Before seeking external funding, female entrepreneurs demonstrate commitment to the business by investing heavily themselves. On average, they are investing over £100,000 of their own money, just below that of their male peers (figure 2, p.12). This refutes the common misconception that female entrepreneurs prefer smaller businesses, which they can ‘manage on the side’. The female entrepreneurs we interviewed highlighted the crucial need to demonstrate the viability and scalability of their business before pursuing external funding. These women were staunchly passionate, but recognised that they had to exhibit much more than passion and commitment in order to secure investment.

**“Even though investors invest in people, it’s really hard to get investment if you’re just selling a big idea. Try to get some traction first. You need to prove that your idea is actually solving a problem - and that you can get people to pay for it.”**

Victoria Peppiatt,  
Co-founder and COO, Phrasee

Female entrepreneurs acknowledged the importance of being able to substantiate their business projections and avoided seeking investment until they were able to demonstrate a solid business case. An experienced entrepreneur in Hong Kong highlighted the significance of knowing when to seek funding as one of the most important lessons she passes on to entrepreneurs starting out.

**“Don’t ask for money until you generate some business. There’s nothing to talk about if it’s just a concept. Get some traction first.”**

Rosaline Chow Ko,  
Founder and CEO, CXA

Women are overwhelmingly less inclined to ask for money, which can give the impression that they are overly cautious or lacking in confidence.

With few exceptions, raising capital was the biggest challenge faced by both female and male entrepreneurs in our study (figure 3). Once a firm plan is articulated, it typically takes more than six months to secure funding, but the timeline tends to be longer for female entrepreneurs (figure 4, p.13).

### **A seemingly impenetrable world of complex industry jargon**

All of the entrepreneurs we interviewed encountered difficulties with unfamiliar financial terminology. They struggled with the jargon and complexities involved in understanding the world of finance. The absence of a common language can contribute to the isolation experienced by newcomers and is frequently cited as a barrier for female entrepreneurs seeking investment.

**“You can be really good at your job, but that doesn’t mean you’re good at selling or pitching your product to investors. Raising investment is like another world and the terminology is like another language – you need to learn it.”**

Victoria Peppiatt,  
Co-founder and COO, Phrasee

### **Finding a good fit**

Female entrepreneurs are particularly drawn to investors with a shared understanding of their business or sector, and whose vision and goals resonate with their own (figure 5, p.13). As well as the obvious empathy benefit, this also makes good business sense as these investors are most likely to add the greatest value. This is a privilege available to few in the early days, and the majority of female entrepreneurs we interviewed admitted to taking a scattergun approach in the first instance.

**“At first, you just pitch to anyone you can think of, but as the funding need increases, you build up experience. You have a better idea of what kind of investor you want.”**

Norma Chu,  
Founder of DayDayCook

### **How female entrepreneurs can address their initial challenges**

Female entrepreneurs are no less capable than men when it comes to running their own successful business, but with fewer like-minded professional connections and lower financial confidence, their journey to success is often harder. Female entrepreneurs can adopt some simple strategies to address these challenges at the start of their journey:

- » Inspiration: Find the right role models and endeavour to engage with them.
- » Connections: Build relevant, meaningful networks of professional contacts.
- » Knowledge: Become comfortable with financial terms and industry jargon.

Figure 1: Which, if any, of the following best describes the person or people who inspired you to set up your business?

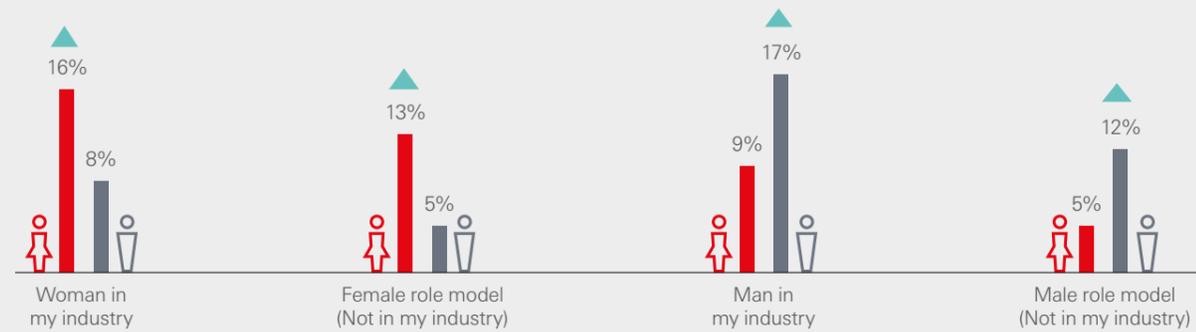


Figure 2: How much of your own money have you invested in the business?



Figure 3: How challenging have each of the following factors been for your business?

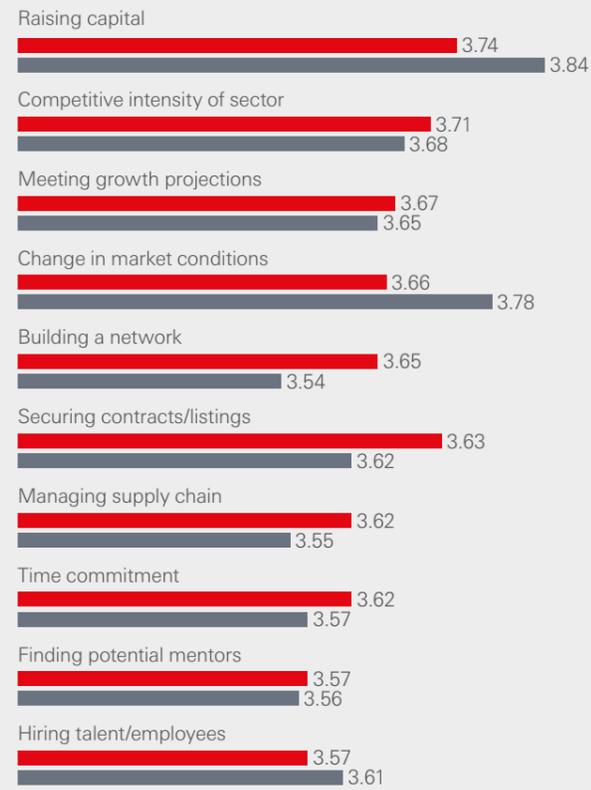
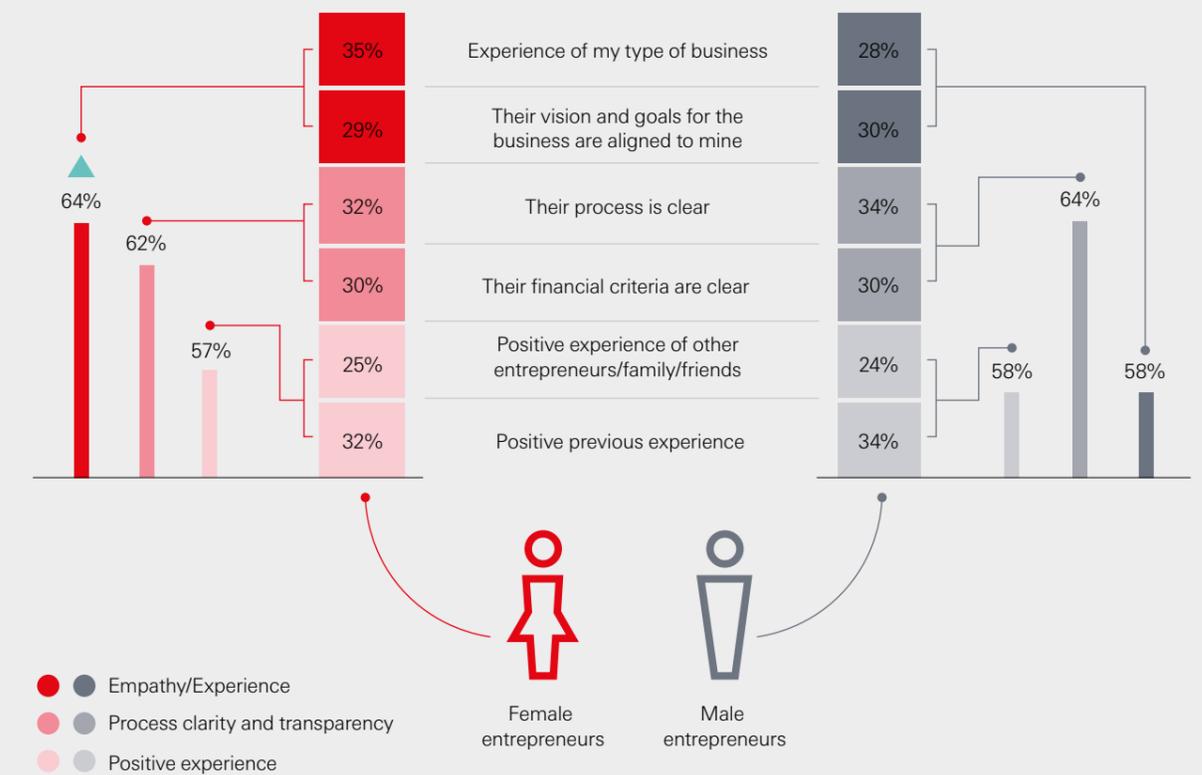
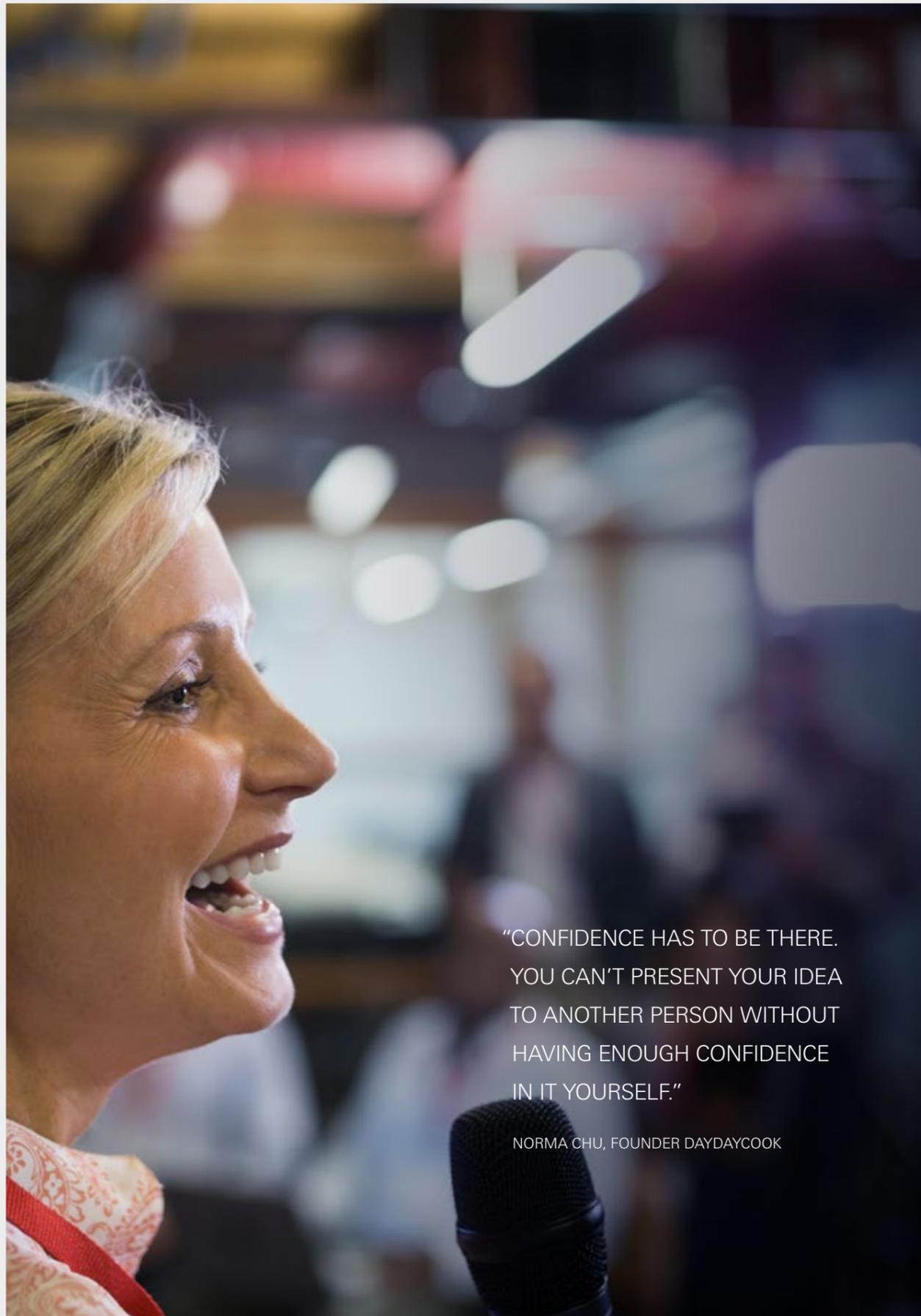


Figure 4: How long did it take/how long has it taken so far to raise capital?



Figure 5: Question – Why would (x) be your preferred source if you were seeking capital in the future?





“CONFIDENCE HAS TO BE THERE. YOU CAN’T PRESENT YOUR IDEA TO ANOTHER PERSON WITHOUT HAVING ENOUGH CONFIDENCE IN IT YOURSELF.”

NORMA CHU, FOUNDER DAYDAYCOOK

## The pitching journey

The female entrepreneurs in our survey identified a range of obstacles across the whole investment process (figure 6, p.17), highlighting focus on their business plan and satisfying investor requirements as the two key challenges they faced. While the contents of the business plan will be well known to the entrepreneur, unfamiliar investor requirements can be challenging.

### Building the pitch deck

Without clarity around investors’ expectations in relation to style and content, female entrepreneurs may struggle in their quest to create a brilliant pitch.

“I was building a normal PowerPoint and people told me it was inadequate, but I didn’t know what to do. I didn’t understand a lot of the terminology; I had to research for what a pitch should look like, so it was a series of trial and error. Mostly error.”

Rosaline Chow Koo,  
Founder and CEO, CXA

They identified a further pitfall in terms of losing clear direction through conflicting opinions.

“Things like getting your investment deck together ... We had so many people give us conflicting advice. Our first version was this 40-page, manic, crazy document, over explaining everything!”

Victoria Peppiatt,  
Co-founder and COO, Phrasee

### Diminished rather than enhanced confidence going into the pitch

The capacity of an entrepreneur to “wow” potential investors with a polished delivery can be easily unravelled if they lack a basic appreciation of what investors are looking for. This can undermine their confidence and performance, ultimately weakening investors’ belief in them to grow a successful business.

“Confidence has to be there. You can’t present your idea to another person without having enough confidence in it yourself.”

Norma Chu,  
Founder DayDayCook

60% female entrepreneurs go into the pitch feeling confident compared with 66% of their male counterparts. The female entrepreneurs we interviewed, particularly those pitching for the first time, spoke of feeling daunted by the prospect and finding the whole experience very intimidating.

“Your first ever pitch to investors is absolutely terrifying. After our first pitch, we both felt that we’d barely taken a breath for over an hour and a half! It then gets a little easier after each pitch, as you know what to expect.”

Victoria Peppiatt,  
Co-founder and COO, Phrasee

## Different pitching styles

The differences in the ways that male and female entrepreneurs pitch was highlighted by female entrepreneurs and investors alike, suggesting that, because of longstanding familiarity, male entrepreneurs are the default benchmarks against which female entrepreneurs and their businesses are measured. Nuances in style rather than substance during the pitch can lead to misperceptions of women as less ambitious and amplify the additional effort they are required to make. A deeper appreciation of these differences is fundamental to making the journey easier for women and to improving outcomes for them, as entrepreneurs and as investors.

**“After my pitch, [one investor] said that when men pitch, the investors divide their estimates by ten. When women pitch, they multiply by ten. Women are typically better founders, but they always underestimate themselves.”**

Rosaline Chow Koo,  
Founder and CEO, CXA

The fact that female entrepreneurs communicate realistic goals and adopt a more conservative strategy can be misconstrued by investors as a lack of conviction. If female entrepreneurs appear less confident in themselves or in their business, this can translate unfairly into investors viewing them as a less-than-solid value proposition. As a result, female entrepreneurs feel the need to prove themselves more acutely than their male peers.

**“Confidence in how they pitch themselves and their goals is often quite different. The results may be similar, but a man will say ‘I want to hit 200% within three months and this is how we will deliver it...’; a woman will say ‘I think I will achieve 100% in three months and this is how we are going to achieve it.’ They way they sell themselves is very different.”**

Helena Chan, CEO,  
HYC Jewels Ltd and Angel Investor

**“Investors have a lot more confidence in male founders than female founders. If you are a female founder, you have to prove everything.”**

Lu Li, Founder, Blooming Founders

## Pitch outcomes

Our survey findings reflect two key differences between the pitch outcomes for female and male entrepreneurs. On the one hand, female entrepreneurs are more likely to be successful in their bid to raise capital, with 50% of women being denied funding compared with 58% of men. However, male entrepreneurs in all countries and territories apart from Saudi Arabia and UAE are successfully securing 5% more investment than women, and at a higher percentage of the capital originally requested (61% for men and 57% for women, figure7a/7b, p.17).

## On reflection

Female respondents on the whole displayed a greater tendency toward introspection and self-criticism as they reflected on what they could have done better in the pitch. Unlike their male counterparts – who are more likely to wish that they had done more preparation – our findings reveal that women are more likely to wish they had managed to stay positive and maintain a more consistently optimistic approach throughout the investment process.

## The essential pitch preparation

- » Know your audience: Bridge the gap by gathering as much intelligence on the background and particular interests of the investors on the panel to establish connections and generate empathy.
- » Create involvement: If your sector is likely to be unfamiliar to investors, find ways to bring it to life for them. Help them to see the opportunity and inspire them to engage with it.
- » Be confident: Remember that you are already a success! Have complete confidence in your plan and projections and demonstrate upside opportunities to anchor the conversation.

Key: ● Female entrepreneurs (n=604) ● Male entrepreneurs (n=598) ▲▼ Sig difference

Source: She's the Business

Figure 6: Question – At which stage(s) of the process of raising capital did you encounter any challenges?

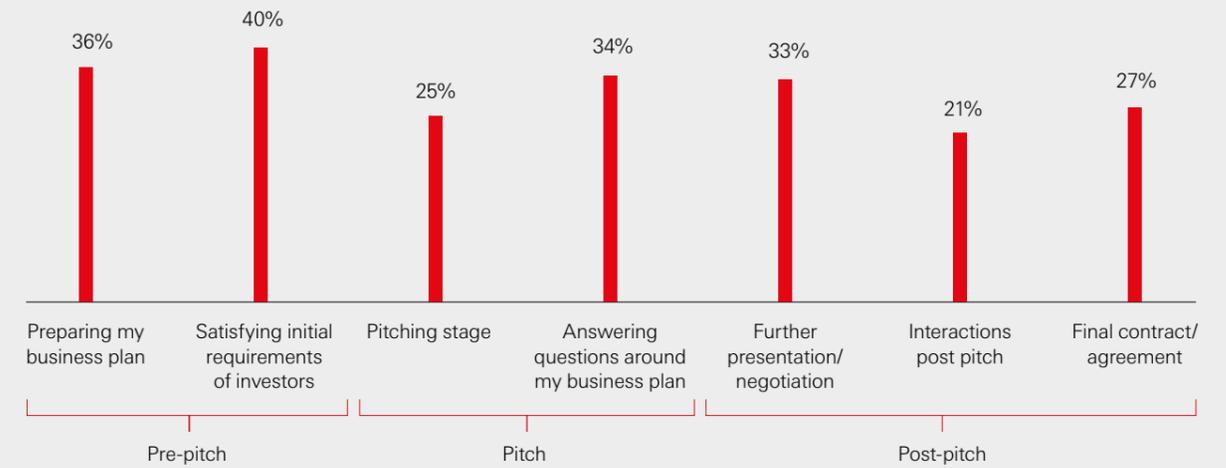


Figure 7a: Question – What level of capital did you secure?

	Female entrepreneurs	Male entrepreneurs
Capital secured	£371,344	£388,861
Capital secured vs. Capital sought	57%	61% ▲
Secured 61% or more	31%	40%

Figure 7b: Question – What was this as a percentage of the amount you were seeking?  
% of entrepreneurs securing 61% or more of their target investment

	UK	USA	France	Mainland China	Singapore	Hong Kong	UAE/Saudi Arabia
Female entrepreneurs	24%	29%	22%	40%	29%	29%	45%
Male entrepreneurs	35%	46%	41%	49%	34%	31%	35%
Difference	-11%	-17%	-19%	-9%	-5%	-2%	10%

# Encountering gender bias

Many women concede that progress has been made in combating gender bias in business, but agree there is still a long way to go. While we did not uncover any intentional leaning toward men in our research, our findings suggest that unconscious gender bias continues.

There are three crucial reasons why gender bias persists:

- » A numbers game: Even today, investors see far more pitches from men than women.
- » Investors' identification with male entrepreneurs is greater on a personal and professional level due to awareness of their industries and sectors.
- » The composition of most investor panels is weighted towards men, which perpetuates the status quo.

## A matter of conditioning not intention

Our survey revealed that over a third (35%) of female entrepreneurs had direct experience of gender bias, with the highest prevalence in the UK (54%) and the lowest in France (22%). The female entrepreneurs and investors we interviewed suggested that unconscious gender bias was the result of a lack of familiarity with women-led start-ups among male investors, and their perceived disconnection due to the absence of shared experiences.

## Degrees of distance

The majority of investor panels do not reflect the diversity of today's entrepreneurs and this can create a perceived – and very real – experience gap. A lack of shared experience and common ground can be at the root of unconscious bias. For example, some investors link women struggling to secure more capital and the existence of unconscious bias to the absence of 'common chemistry'.

**"The further away you are from the typical investor, the bigger the gulf between the two of you, whether it's age, gender, ethnicity or education."**

Lu Li, Founder,  
Blooming Founders

## Panel composition

More than half (52%) of male entrepreneurs pitch to a predominantly or all-male panel, yet less than one in 10 women (8%) have the opportunity to pitch to investor panels comprising entirely or mostly female investors. Typically, this male bias is mirrored in the founders investors meet.

**"I feel that the numbers are stacked against women in terms of the proportion of pitches I see from men, as well as the composition of the investor panels."**

Helena Chan, CEO,  
HYC Jewels Ltd and Angel Investor



**"IN ASIA, DIVERSITY IS LESS OF AN ISSUE. I ACTUALLY FIND MORE DIVERSITY IN ASIA THAN I SEE COMING OUT OF SILICON VALLEY OR SOME OTHER GEOGRAPHIES."**

WEI HOPEMAN CO-FOUNDER AND MANAGING PARTNER  
OF ARBOR VENTURES

While there is general recognition of the need for greater panel diversity, it seems to be more prevalent in Asia.

**“In Asia, diversity is less of an issue. I actually find more diversity in Asia than I see coming out of Silicon Valley or some other geographies.”**

Wei Hopeman Co-founder and Managing Partner of Arbor Ventures

### The nature of female businesses

Investors undoubtedly find it easier to evaluate business potential when they are familiar with the sector, and some spoke of the importance of trying to ensure that they can demonstrate relevant sector expertise on their panels. There are, however, two potential challenges, which are more likely to be confronted by female entrepreneurs than their male peers.

Firstly, female entrepreneurs understand that male investors find it harder to identify with businesses when they are not the target audience. Sectors such as fashion, beauty or women’s care are very female focused, and women still encounter difficulties in persuading investors of the full business potential. This is reinforced when propositions are grounded in physical as well as emotional differences.

Secondly, women are more likely to set up businesses that are firmly rooted in and driven by their own lifestyles and personal passions. This can generate the impression among potential investors that their undertakings are less meaningful. However, as we know, many successful businesses are born from connecting a personal experience with a lucrative business opportunity.

### Manifestations of gender bias

Our findings reveal that the depth of concern over gender bias experienced by female entrepreneurs overshadows all other hurdles they are likely to confront in the process of raising capital, including the development of their business plan (figure 8, p.21).

The most explicit manifestation of gender bias faced by female respondents was outlined in relation to the intrusive and personal nature of the questions asked by investors during the pitch. Women are more likely to be questioned about their family circumstances (33% compared with 21% for men), reflecting the perception among investors that women-led businesses may take second place to family priorities.

Investors were also more inclined to question women on the topic of loss prevention (31% versus 22%), suggesting that they have less confidence in their abilities compared to men. This is further emphasised by the relative weight of different lines of questioning directed to female and male entrepreneurs (figure 9, p.21).

### Confusing confidence with competence

As outlined in chapter 2, investors accept that male entrepreneurs are more likely to exaggerate the potential of their business and women tend to err on the side of caution, which can be mistaken for a lack of confidence in their own business prospects.

### How investors can address unconscious gender bias

- » Take active steps to enhance diversity on investor panels, taking into account gender, ethnicity and culture.
- » Ensure all investors are well-versed in the pitfalls of gender bias and encourage them to review their investment strategies to eliminate it.
- » Adopt best practice criteria for investors to follow.

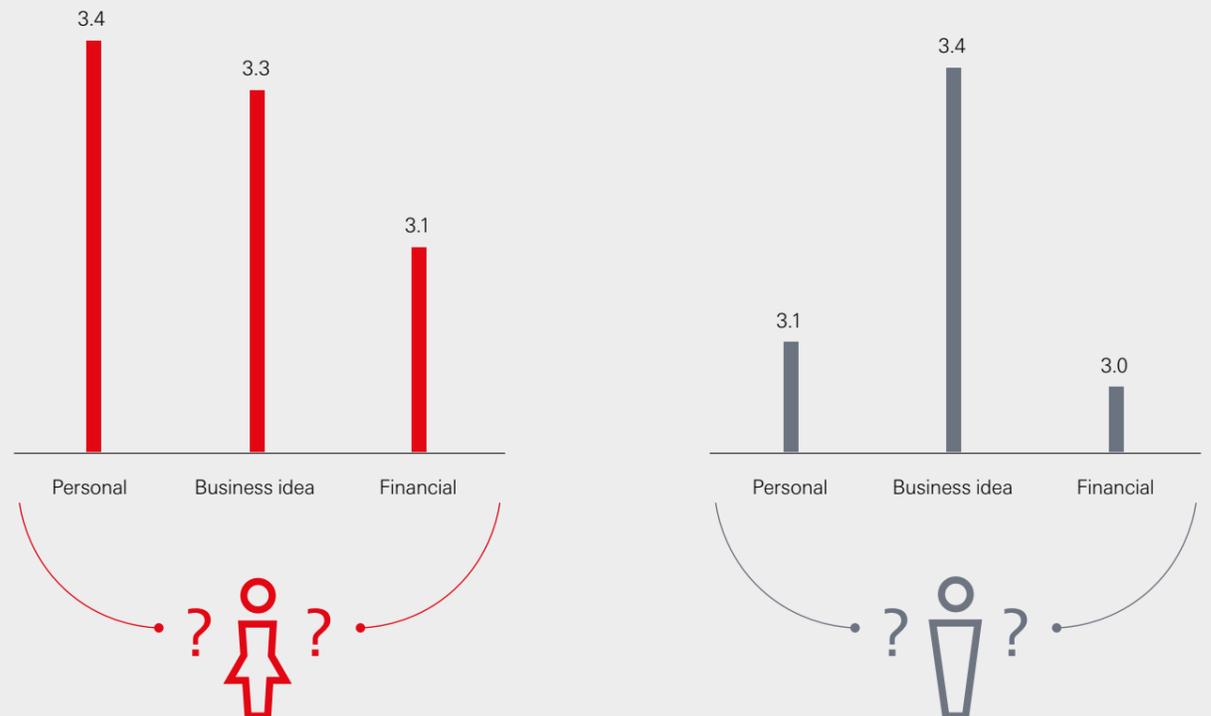
Key: ● Female entrepreneurs (n=604) ● Male entrepreneurs (n=598) ▲▼ Sig difference

Source: She’s the Business

Figure 8: Question – Which of the following were specific challenges you encountered when raising capital?



Figure 9: Question – Which of the following types of questions were you asked during the pitch?





THEY [BANKS] NEED TO BE MORE PROACTIVE IN SUPPORTING YOUNG BUSINESSES BY BUILDING CLOSE, PERSONAL RELATIONSHIPS WITH FOUNDERS TO ENSURE THEY HAVE THE PRACTICAL AND EMOTIONAL SUPPORT THAT THEY REQUIRE.”

STEPHANIE JOHNSON, CO-FOUNDER POLLEN + GRACE

# Ways to improve the journey for everyone

## Process improvements

Female entrepreneurs should not find the journey to raising capital any more or less challenging than their male counterparts. With the ultimate aim of creating a more level playing field, we asked the female entrepreneurs we interviewed to suggest improvements. Many respondents cited better information and more support to ease and speed up the investment process, and ultimately improve their chances of getting it right the first time.

## Pre-pitch preparation

- » Bespoke networking opportunities for women with the emphasis on cultivating professional as well as personal contacts.
- » Enhanced signposting around the pitch process and investor expectations.

“Right at the early stages, one of the biggest challenges is just understanding the basics. You need someone to explain what needs to be included in an investor deck, what actually happens in a pitch and what investors are going to expect from you.”

Victoria Peppiatt,  
Co-founder and COO, Phrasee

- » Access to information about existing funding schemes and early-stage investment initiatives, for example, the Seed Enterprise Investment Scheme in the UK.

- » Greater transparency around investor interests and funding criteria.
- » Reliable guidance on how to put together a successful pitch deck and develop presentation skills.

“I met someone who taught start-ups how to pitch at events. He helped me come up with a three-minute pitch and I found out I was doing everything wrong. He wanted me to focus on the story, as the investors are buying into the team first, and then the business.”

Rosaline Chow Koo,  
Founder and CEO, CXA

- » Enhanced access to practical information explaining the process and defining the jargon to enable first-time entrepreneurs to prepare for the pitch, formulate responses to questions and anticipate potential offers of investment with rigorous terms attached.

“After our first investor meeting, we looked at each other and both said, ‘I don’t know what half of that meant!’. Educating entrepreneurs with as much information on raising investment would be brilliant – even just starting with training on abbreviations and acronyms.”

Victoria Peppiatt,  
Co-founder and COO, Phrasee

## Cultivating a two-way dialogue

Alongside seeking greater clarity around the process and criteria for securing capital, almost three-quarters of female (73%) and male (71%) entrepreneurs highlighted a desire to feel that they were engaged in a collaborative, two-way dialogue with investors in order to enhance the relationship and foster a sense of mutual respect. They would also welcome more constructive feedback, greater appreciation of their efforts, a more open-minded approach and pointers to alternative funding sources (figure 10, p.27).

## Post-pitch

Entrepreneurs invariably feel a sense of achievement and relief in the immediate aftermath, but there are many hoops to jump through once a successful pitch is over. A number of respondents commented that investors should clarify next steps and communicate the likely timing of responses and outcomes.

The female entrepreneurs we interviewed acknowledged that when they are not successful in a pitch scenario, signposting to other more appropriate sources of funding and receiving guidance on how they failed to meet expectations would allow them to learn from the experience and increase their chances of success in future.

## Roles of different people and organisations in improving the journey

Our research indicates that all participants, from the core entrepreneurs and investors to government departments and global banks, can create a better experience for female entrepreneurs.

## 1. Successful female entrepreneurs

Women who have already forged a path to success can be hugely valuable if they recognise and embrace the role they can play, either individually or collectively, in helping and encouraging first-time female entrepreneurs starting out.

**“I think it’s important that the women who are already in leadership positions are proactive in reaching out to newer female entrepreneurs and helping to create a community. This is particularly important as there are fewer female entrepreneurs and a sense of membership of a movement or even professional friendship would be very encouraging.”**

Norma Chu,  
Founder DayDayCook

**“Mentoring is a huge part of it. Connecting women who’re thinking about getting investment with other women who have been there and gone through it, is invaluable. Somebody to help, advise and support you through the process.”**

Victoria Peppiatt,  
Co-founder and COO, Phrasee

## 2. Self-help: be prepared, be brave and be positive

Pre-pitch preparation is crucial, but female entrepreneurs recognise that an unsuccessful pitch experience can provide valuable learning opportunities too.

Without exception, investors told us that men appear more confident when they pitch – sometimes overly so – while female entrepreneurs are not lacking confidence in their business, but rather in themselves. After the fundamental importance of undertaking comprehensive preparation ahead of the pitch, the piece of advice that female entrepreneurs would give to those following in their footsteps is to remain upbeat throughout the process (figure 11, p.27).

## 3. Investors

The fundamental motivation for investors is to add value to their portfolio and de-risk their investments. The investors participating in our research were profoundly aware of the dangers of unconscious bias. However, there remains a sizeable gulf between awareness of bias and substantive actions to eliminate it, such as actively reviewing and modifying the composition of investor panels.

**“Most of the investment committees are male and they tend to invest more in male entrepreneurs, so I think maybe bringing this to their attention will help. On the other hand, I think a lot of their deal flow is male entrepreneurs, so if there’s nothing coming in from women, the situation is perpetuated.”**

Muriel Uytterhaegen,  
co-founder We are Jane

Female entrepreneurs highlight a number of modifications that could be undertaken by investors to eliminate gender bias during the pitch process. To achieve this, investors could improve their decision-making process via a checklist (74%), review their investment choices (73%) and take steps to ensure mixed investor panels (46%).

## 4. Further influencing groups

Beyond the core participants, three further groups have a pivotal role to play in improving the investment process for women.

## Media

Both entrepreneurs and investors commented on the potential role of media organisations in promoting female entrepreneurs, not to mention increasing coverage of their success. Many recommended that the media take the lead in normalising the success of female entrepreneurs.

**“Media organisations need to change the focus of the conversations by talking about real successes. There is too much emphasis on quirky [female] businesses, making them feel niche rather than mainstream. The landscape of female entrepreneurship needs to be normalised and feel attainable.”**

Stephanie Johnson,  
co-founder Pollen + Grace

## Banks

As well as providing a source of funding, the banking community is in an optimal position to offer guidance and support to entrepreneurs.

**“They [banks] need to be more proactive in supporting young businesses by building close, personal relationships with founders to ensure they have the practical and emotional support that they require.”**

Stephanie Johnson,  
co-founder Pollen + Grace

An entrepreneur highlighted the potential role that banks can play by introducing start-up founders to angel investor networks.

**“Banks are running forums now, where existing founders who have made it, talk about their journey. People need to see role models, so they can ask other founders what they’ve gone through.”**

Rosaline Chow Koo,  
Founder and CEO, CXA

## Governments

With significant changes in demographics and working patterns, governments and their agencies have an economic and social responsibility to promote, endorse and support entrepreneurs, and there is evidence to suggest that this is now starting to happen in some countries and territories.

**“Governments are responsible for facilitating entrepreneurship by providing clear regulatory and accounting guidelines, and access to the appropriate infrastructure, to all entrepreneurs – not only women”**

Avi Sarma,  
Managing Partner, GRIL Vetures

## Further help along the way

Alongside the strategies outlined to help entrepreneurs – and investors – in previous chapters, a number of other participants have a role to play in paving the way:

- » Female trailblazers who have successfully launched and grown their own businesses are uniquely placed to offer guidance and support to aspirational entrepreneurs starting out.
- » Self-help: Remember that the entrepreneurial learning curve is steep. Learn from mistakes and stay positive.
- » The media can do much more to normalise the success of female entrepreneurs, with the aim of generating a knock-on effect among the wider business community.
- » Banks have considerable expertise in directing capital to investment and are in an ideal position to support entrepreneurs by making introductions to investors or collaborating with other organisations to reinforce their efforts.
- » Government agencies have a responsibility to promote economic growth, and supporting entrepreneurs is vital in enabling them to achieve this.

Key: ● Female entrepreneurs (n=604) ● Male entrepreneurs (n=598) ▲▼ Sig difference

Source: She's the Business

Figure 10: Question – What would you like investors to do differently throughout the process of raising capital?

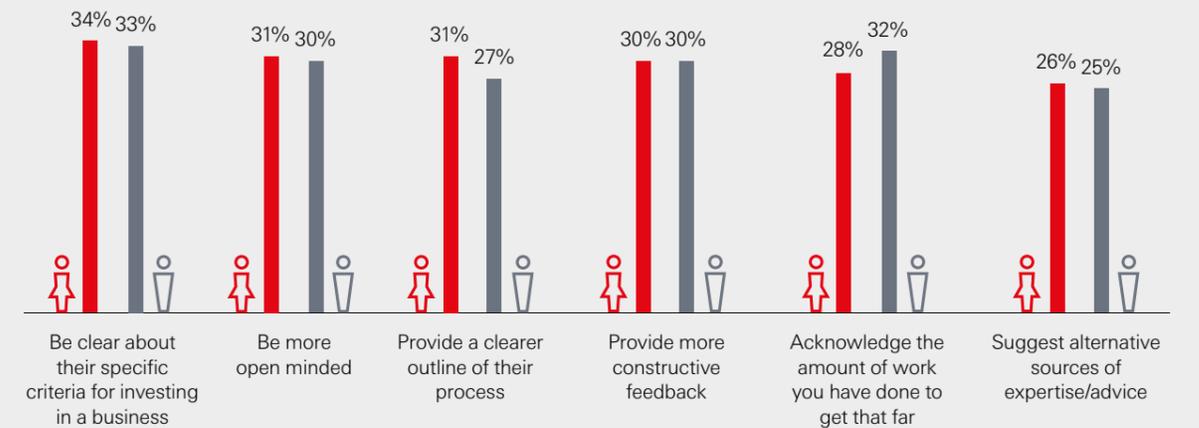
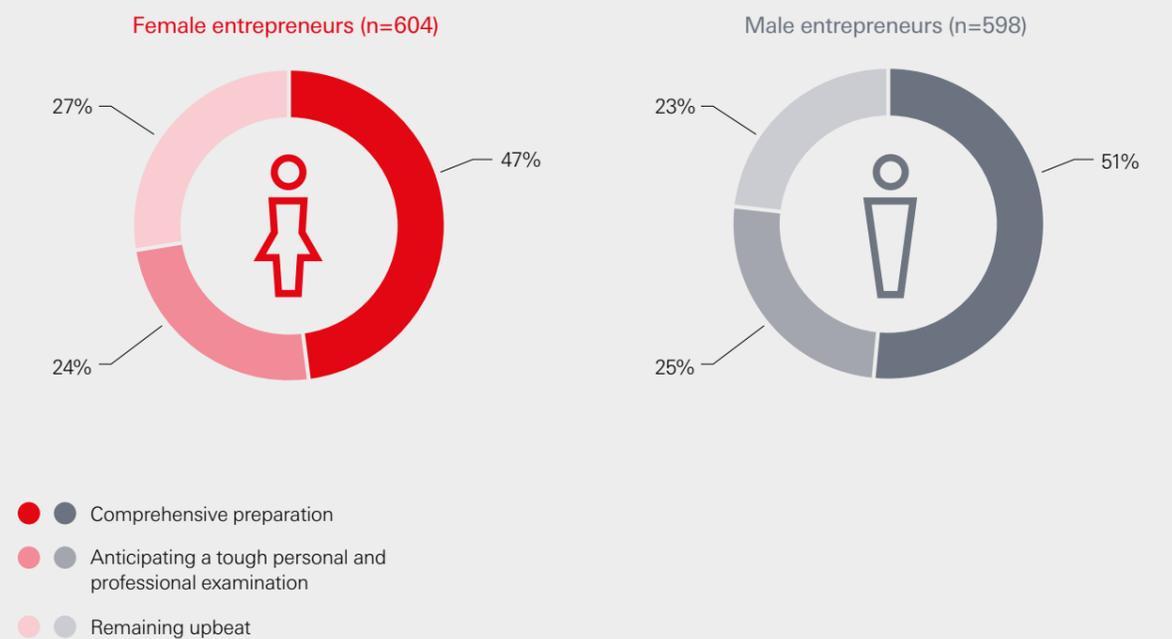


Figure 11: Question – What one piece of advice would you give future entrepreneurs when raising capital?





“GOVERNMENTS OR THEIR AGENCIES ARE RESPONSIBLE FOR FACILITATING ENTREPRENEURSHIP BY PROVIDING ACCESS AND GUIDANCE TO ACCOUNTANTS AND LAWYERS THAT CAN ASSIST ALL ENTREPRENEURS, NOT ONLY WOMEN.”

AVI SARMA, MANAGING PARTNER, GRIL VETURES

# Enhancing the entrepreneurial ecosystem

The women participating in our study describe a flawed ecosystem that is not doing enough to bolster female entrepreneurs as a powerful force for economic and social good. Raising capital is tricky to achieve for all founders, and the status quo is failing to realise the full potential of all entrepreneurs and investors.

Our research identifies three areas where concerted action can be translated into tangible change.

## Improve connections:

- » Increased access to the investment community and female entrepreneurs who are already successful, with bespoke opportunities for networking.
- » Investor-led, online and physical seminars to cut through the jargon, bring the investor mind-set to life, and provide insights into their perspectives and evaluation criteria.
- » Tackle unconscious bias among investors:
- » Ensuring diversity on investor panels by broadening entry criteria and actively recruiting from underrepresented groups, whether focusing on sector expertise, gender, age or culture.
- » Investor reviews of their own performance and processes to establish best practice.
- » Encouraging investors to talk openly about unconscious gender bias to ensure the topic receives due attention.

## Reduce perceptions of risk on both sides:

- » Set expectations through enhanced pre-pitch collaboration between investors and entrepreneurs and provide scope for constructive feedback.
- » Encourage entrepreneurs to involve more members of their team and mention their advisory board in the pitch to reduce any perceived risk associated with investing in a single individual.
- » Encourage female entrepreneurs to balance opportunity and risk in their business plan, and the weight of emphasis when they present.
- » Build awareness of the number and spread of successful female founders through enhanced media coverage.
- » Encourage successful female entrepreneurs to step up and become active participants in the conversation as key influencers.
- » Encourage and provide networking opportunities for female entrepreneurs to meet like-minded individuals as well as to engage with the investor community.

The aim of this report is to encourage greater female participation – as investors, influencers and entrepreneurs – and to normalise this as the new status quo in the entrepreneurial ecosystem. As investors seek to bridge the gender funding gap, women will achieve a more equal position in relation to their male peers. There is a long way to go, although there is evidence of progress and, as the proportion of women-led start-ups continues to grow, the female entrepreneurs of the future can aspire to be defined by their genius rather than their gender.

# The absolute pitch

While the perfect investor pitch remains elusive, there are a number of things entrepreneurs can do to maximize their chances:

## Know your audience

Before attending any pitch, do your homework. Research investors, study bios, social media accounts and investment backgrounds.

## Get to the point, FAST.

Investors see pitches on a daily basis, make sure you're concise and to the point. Focus only on the most important facts of your presentation and hone your elevator pitch.

**Top tip:** avoid any type of jargon, buzz words and technical language. Keep it simple for everyone to understand.

## What problem are you trying to solve?

Clearly articulate the problem you are trying to solve or the market need you are fulfilling. Follow-up with your solution and unique selling point.

**Top tip:** Share a real consumer story that addresses the problem your product solves.

## What's your business model?

In a few sentences, investors should know what you sell, to whom, for how much and how much you get paid.

**Top tip:** if you can show your product, have samples ready to pass around.

## Don't ignore the competition

Who are your main competitors? How are you anticipating new entrants in your sector? Why is your product/solution better than theirs? These are all questions your pitch should address.

## Investors invest in people first, businesses second

Investors react emotionally in the first instance and rationalise afterwards. Introduce your team, talk about yourself, don't be shy to share your accomplishments.

## Bring the trophy home

Share your successes to date! Talk about your customers, other investments made into the business (including yours), key media placements, signed Letters of Intent to purchase or partner, relevant product milestones, key hires, etc.

## Say it like you mean it

If you believe in your business, show it! Pitch with confidence and energy. There are no shortcuts: practice, practice, practice-- in front of colleagues, friends and family! Ask them to repeat back to you the key messages of your pitch to make sure you're landing them right.

**Top tip:** Know your pitch inside out, so you can focus on a high energy delivery.



## You did great – what's next?

Too often entrepreneurs are surprised that their pitch was successful and aren't ready for next steps. Be prepared. Make sure all your documentation is up to date, including your business plan, development plans, intellectual property documentation, financials, accounting, and legal.

## It's a miss this time

Your pitch was unsuccessful, don't sweat, but learn from it. Ask investors what they liked and related to. Do they have recommendations of people you should connect with? On the flip side, what can be improved? What suggestions do they have to make your pitch even better?

## Key facts your investor deck should include

- » Market size
- » Competition
- » Value to users
- » User acquisition / marketing plan
- » Business model
- » Financials and assumptions
- » Risks & precautions
- » Exit strategy

**Top tip:** keep your pitch deck highly visual and text light but follow-up immediately with a more detailed version.

