

Strengthening the she-network for female entrepreneurship success in SA

 By [Ashleigh Butterworth](#)

15 Aug 2022

Female entrepreneurs have made strides in South Africa to overcome gender-related challenges and grow their businesses in an everchanging economic climate. Mastercard Index of Women Entrepreneurs Index (MIWE) 2022, highlighted some of these successes when it comes to female entrepreneurship in South Africa, with improvements in our ranking for both cultural perceptions of women entrepreneurs (up nine places to rank 37th) and competitiveness (up three places to rank 25th) globally.



However, despite these successes, our country still falls by the wayside when it comes to our entrepreneurial framework indicator, having dropped two places since 2020 (rank 54). This indicator is based on access to infrastructure and ease of access to skilled employees. In addition to the never-ending gender biases thrown their way, female entrepreneurs also face inevitable issues such as a high tax rate, loadshedding business disturbance and a rocky political landscape.

According to the 2020/21 *Women's Entrepreneurship Report*, in Africa more than 50% of entrepreneurs are women with 70% of them from the informal sector, with limited access to financial services. So how exactly have female business leaders managed to stay focused and determined to build their companies even when the odds seem stacked against them? In an effort to help female entrepreneurs thrive in South Africa, a couple of powerhouse women share their own insights on how to take a step up.

Build your she-network and knowledge

Only 17% of 25-34-year-old women have attained a tertiary education in South Africa. This is one of the lowest among African countries according to The Organisation for Economic Co-operation and Development (OECD). Knowledge is power, especially in the case of female business owners who may not have received formal education because of gendered career paths. If you are looking to upskill, organisations such as Get Smarter and Cape Town University of Technology, offer business management short courses targeted at entrepreneurs in SA. A less formal route of financial and business education is also an option, with sites like Fincheck Academy and Sage's blog, being invaluable resources for entrepreneurs. Financial literacy is key for female entrepreneurs. It allows them to be in control of their money and to make smart decisions about costs and cash flow. This is vital for small businesses, as it can help them increase their chances of survival.

Networking and leveraging your female communities are especially important in your early growth stages. Building these strong networks can lead to business growth, but also increased confidence which is something female leaders often lack. According to [Harvard Business Review](#), women can benefit from taking a strategic approach to networking. The report further states that focusing on a higher level of centrality and connecting with people who are connected to multiple networks should be vital in your strategy. LinkedIn reiterates this need to get started on networking, with 14-38% of women globally being less likely than men to have a strong network – one that's both large and diverse. Organisations like Future Females, a community-based learning experience for women and Women Who Build Africa, a network for women in tech, offer females in South Africa an opportunity to thrive in the business world.

"Entrepreneurship is a team sport - having a network of supportive peers, mentors, coaches and team members is critical for success. At Future Females, we approach networking like any other function in our business - my Co-Founder Cerina and I have targets each month for the number of connections made, and relationships built - whether it's online through LinkedIn or community groups or online at events or through social circles. After all, people buy from people." Lauren Dallas, co-founder and CEO of Future Females.

Technological development assists women-owned businesses

According to the Digital Gender Gap, 60 % of global GDP is set to be digitised in 2022, this alone proves how critical it is for female entrepreneurs to get on the digital train. Technology plays an essential role in making sure that business growth is accessible. According to [Harvard Business Review](#), access to tech is not only fuel for business growth but also a key driver in accelerating global gender equality. The UN echoed this sentiment, by making technology a crucial part of its innovation strategy for 2018–2021.

Female entrepreneurs all over the world are using technology to get a step ahead – however, a missing piece of the puzzle remains skills development. In South Africa specifically, action needs to be taken to drastically improve the training and support that is available to female-owned businesses, so that they can access and utilise new technologies. A sad reality in sub-Saharan Africa is that a majority of female entrepreneurs barely make ends meet, and very often are not found in the formal business sector. These women predominantly operate in the informal sector with very limited opportunities available to increase their profits, and this is where technology can play a significant role.



Changing the women in tech narrative from the grassroots up

Lara Du Plessis 12 May 2022



"Womxn in business usually play many roles in their lives, therefore needing structures that can empower and enable them to create efficiencies. Another added benefit of introducing tech into one's business is the changing demographics of the consumer profile - as business owners, we have to stay relevant by meeting the tech-savvy consumer base halfway and in a way that differentiates you from your competitors." Buhle Tshasilanye, founder of the skincare line, Maria Grace Cares.

“Mobile phones and digital platforms are already benefiting female entrepreneurs: connecting them to markets, providing multi-lingual training, and facilitating their collective action.” According to the UN high-level panel, if technology is implemented effectively, it provides an opportunity for growth in this sector. Entrepreneurship is empowering for anyone no matter their gender. For women it’s especially empowering in terms of flexibility, being able to take control of their business journey as well as pursuing whatever other passions they may have. Technology adoption in Africa has also made it easier for women to balance their family responsibilities with their careers and skills upliftment.

On the flip side, another contributor to accelerating global gender equality in the business sector is correcting the underrepresentation of women in tech. We need more females designing products with female business owners in mind. Inclusive product design starts with ensuring that the teams building these products are diverse and truly understand the needs of the end user.

“Working in a diverse team and organisation fosters varied solutions to business problems, such as those faced by female entrepreneurs. A team of diverse individuals will also provide you access to greater creativity and broader skill sets, ensuring inclusion across the product development process.” Anja Gregori, product manager at Peach Payments.

Access to finance

Business funding is probably one of the biggest barriers for female entrepreneurs. For example, in 2019 we saw less than 5% of VC funding for African startups going towards companies with female founders. In Sub-Saharan Africa currently, there is a \$42bn dollar funding gap for female entrepreneurs, and if the gender gap is bridged, it’s estimated that a [\\$316bn GDP](#) could be gained by 2025. These statistics highlight the need for new lending models and more women-focused lending institutions.

Female entrepreneurs in South Africa generally own fewer assets than men, and because they don’t have this collateral it often makes the loan process more difficult. Networks like Xena Connect, give women access to funding tailored to their needs – by doing so, they are unlocking the potential of the female economy. FundingHub is another such platform, although not only for women, which puts the power at the fingertips of the borrower, by letting shepreneurs choose between offers from various lenders. According to Sage, women manage credit much better than men do, and when invested in, women have a 27% credit turnover, compared to 8% in a male-run business.

“Historically finance has been a male-centred part of businesses, however, today business finance comparison platforms like FundingHub, make access to finance more tangible for female entrepreneurs, saving them time and money. FundingHub goes beyond comparing offers, they break down the details of all the different kinds of business finance out there in South Africa so that SMEs ultimately get the best finance for their business needs. If female entrepreneurs can confidently own their business finance journey, it places them in a better position to grow and scale their business venture”. Lara du Plessis, head of product and partnerships at FundingHub.



5 helpful marketing tools for startups

Ashleigh Butterworth 23 Jun 2022



The South African government especially needs to take the necessary steps to give female entrepreneurs better financial support. NEF Women Empowerment Fund and Isivande Women's Fund, are two such funds (aimed at black female business owners) that have been created with the help of both the government and large banks. Having formal financial structures like these in place for women to use, will catapult their businesses from ideation to success in no time. There's no denying that businesses led by women are just as profitable as those led by men, if not more so. But what's even more valuable is that these businesses are more likely to have a positive social impact.

“The majority of our members have found the network incredibly useful for building much-needed connections and seeking

advice ranging from how to market their business, to scaling their business, and how to pitch their businesses to investors. Not surprisingly, though, one of the most frequently asked questions is where to get funding for their business. Our data suggests that a mere 5% of female entrepreneurs have taken business funding offered by traditional financial institutions, with most having been declined business loans due to outdated and irrelevant scorecards or lending criteria". Cate Williams, head of product at Xena.

If you can't see it, you can't be it

Role models and mentors are crucial for entrepreneurs, especially for female business owners where there aren't as many female leaders to look up to. It's alarming that there were only four female CEOs among the top 40 JSE-listed companies in 2021. In addition to that, only 5% of all listed companies have a female CEO. So how do we get more women into leadership roles, and how do more women become thriving and successful entrepreneurs? Every bit of advice, and guidance is essential on your business journey, but role models you resonate with, give you that extra boost of confidence to reach your goals. "You can't be what you can't see", is a phrase that too perfectly fits the women in business narrative – budding entrepreneurs need to be able to talk to women who have gone through and overcome the same challenges as them.

"You need to start the conversation from a young age - young girls who want to become business owners and/ or leaders need role models, be that SheEOs of large corporates or women who have grown their small startups into JSE listed companies. They need to see that these success stories exist, so that they can strive to become one themselves." Taryn Augoustatos, CFO, Finch Technologies.

Tips on how to stand out from your male counterparts, how to put together an innovative business plan that investors can't resist, or simply how to get people to buy into your product – are all valuable questions best answered by people who have walked a similar path to yourself.

If women are to be equal players in the entrepreneurship game in South Africa, support needs to be facilitated by government, lenders, private companies and mentors. This support combined with the drive and determination to succeed will be pivotal in growing the number of thriving female-owned businesses.

ABOUT ASHLEIGH BUTTERWORTH

Ashleigh Butterworth, Marketing Manager, FundingHub.

- Navigating success: Expert advice for thriving as a female entrepreneur in SA - 21 Aug 2023
- 3 ways SA SMEs can stay focused on success in 2023 - 11 Apr 2023
- The power of partnerships for tech entrepreneurs - 30 Nov 2022
- Strengthening the she-network for female entrepreneurship success in SA - 15 Aug 2022
- 5 helpful marketing tools for startups - 23 Jun 2022

[View my profile and articles...](#)

For more, visit: <https://www.bizcommunity.com>